

Faster, better, cheaper

Creating opportunities
in a converging healthcare
industry





US\$ 71.7 trillion for healthcare

The exorbitant cost of healthcare is an economic, social, political and medical challenge at the top of every nation's agenda. Growing, ageing populations and increased prevalence of chronic illness drive healthcare costs up. Healthcare systems differ in means, methods and approach, but all confront mediocre health outcomes and a steeply escalating cost curve that is unsustainable in the long term.

How can we lower healthcare costs? By doing things differently. Healthcare practitioners around the world share a common mandate to promote efficiency, improve outcome and control cost.

Looking ahead, the prognosis is full of opportunities. In the current decade, OECD and BRIC¹ nations are expected to spend US\$ 71.7 trillion on healthcare. In OECD countries, healthcare spending as a percentage of GDP will rise from 9.9% to 14.4%². The industry is under pressure for increasing national deficits, straining government and employer budgets and weakening the ability of companies to compete in the global marketplace.

¹ PwC 2010 - 2020 spending projections. The Organization for Economic Cooperation (OECD) includes 34 member nations. BRIC nations are Brazil, Russia, India, and China. In 2011, South Africa was included to form BRICS.

² PwC modelled spending projections for 25 OECD countries. Chile, Estonia, Hungary, Israel, Korea, Slovak Republic, Slovenia and Turkey were excluded because of a lack of historical data.



Indian Healthcare

The Indian healthcare industry, valued at US\$ 65 billion, is growing exponentially. In the next decade, increasing consumer awareness and demand for better facilities will redefine the country's second largest service sector employer.

Healthcare in India today provides corporations with a unique opportunity for innovation, differentiation and profits.

In the future, the key challenge for the industry will be to meet healthcare needs across sectors, from coping with modern diseases to providing basic access to primary healthcare, public health engineering, disease surveillance and monitoring.



Why PwC?

Ranked by revenue, we are the world's third largest healthcare professional services firm³. We are one of the only four global consulting networks with leadership positions in each of the key sectors of pharmaceutical and life sciences, payer, provider and government healthcare consulting⁴. Our global network of more than 5,000 health professionals includes

leading minds in medicine, bioscience, IT, clinical operations, business administration and health policy. Our thought leadership and extensive research provide our engagement teams access to competitive intelligence, perspectives on leading practices and analysis of trends affecting health-related industries.

³ Kennedy; 'Healthcare Consulting Marketplace 2010-2013: Key Trends, Profiles and Forecasts'; © BNA Subsidiaries, LLC. Reproduced under license.

⁴ Ibid



“PwC...a specialist in negotiating convergence of consumer and life sciences industry trends that brings fields of healthcare and non-healthcare industry knowledge and activity into greater contact, and integration.”

*Kennedy Information:
Healthcare Consulting Marketplace 2010-2013*

Our global reach and resources help governments, businesses and healthcare industry players accomplish their missions in today's dynamic and competitive environment. We provide health organisations with expert guidance not just on healthcare issues in their local markets but also on operating in global markets. We also develop a broad mix of service lines that include foods, manufactured goods, mobile communication devices and information systems. We have a proven track record in working with clients to improve operational performance in many functional areas.

Our global network of firms provides comprehensive advisory services such as management consulting, business assurance, tax, finance, advisory services, human resources solutions and business process outsourcing services. Our breadth of experience in many various industries and functional areas is especially valuable to clients as healthcare becomes increasingly interconnected with other industries.

Our clients benefit from our thought leadership initiatives. We share lessons learned and relevant best practices that emerge from engagements with other industries such as consumer products, telecommunications and manufacturing. We bring multiple industry experience to every healthcare engagement.

Our unique qualifications

Our experience and expertise go beyond geographic and functional boundaries. We understand the healthcare system as well as the dynamics that drive it. Our global network of firms advises governments and private enterprises on every aspect

of business performance. We apply intellectual capital developed in engagements around the world and across industries to our clients' most complex problems.

Trusted advisors

With engagements in every sector of the healthcare industry, we have earned the trust and confidence of governments and healthcare organisations worldwide. We have helped governments implement major health reforms and public health policy initiatives. We have helped private enterprises implement strategies and solutions to achieve their performance objectives.

Industry depth and specialisation

Our client teams consist of a broad range of experts, including medical practitioners, nurses, clinicians, biomedical and pharmaceutical specialists, and health policy experts. We have a team of dedicated professionals with practical experience and understanding of the industry.

Thought leadership

*Our dedicated Health Research Institute (HRI) conducts original, fact-based research and publishes analyses and viewpoints on topics of vital interest to the global healthcare industry. Our thought leadership is derived from our experiences with global clients from diverse industries and through our international CEO roundtable series *Bending the Cost Curve*. We collect experiences and viewpoints from the top minds in the industry and from our network of PwC firms, whose experts collaborate across borders to address national and regional issues in healthcare.*

Recently, a panel of Fortune 500 senior executives ranked us the fourth Global Most Admired Knowledge Enterprises. We have won this prestigious acknowledgement nine times, cited for 'transforming enterprise knowledge into shareholder value.'



⁵2010 Global Most Admired Knowledge Enterprises (MAKE) Report.

⁶Ibid

We deliver business insights and opportunities

We can help organisations innovatively meet the challenges of tomorrow.

For payers

Public and private payers need to prepare themselves for the following:

- Operate in a competitive market
- Develop strategies to decelerate rising medical costs
- Maximise return on IT investment
- Simplify administrative practices. e.g. transition from one coding system to another, such as from ICD-9 to ICD-10.
- Introduce innovative new products
- Develop end-to-end management of members overall health.
- Work collaboratively with employers, members and providers for mutual benefit

For providers

Providers need to adapt their services and business processes to keep both patients and their bottom lines healthy. We can help providers in many ways:

- Maximise benefits and return on investment by adopting health IT
- Enhance revenue and accelerate cash flow
- Capture a bigger share of a competitive market where boundaries between providers and retail businesses are becoming blurred
- Minimise risk and reduce the cost of regulatory compliance
- Leverage scientific advances to offer personalised and preventive medicine
- Explore mergers and acquisitions to expand service offerings, build scale and improve financial performance

For new entrants

The healthcare field is no longer limited to traditional providers such as hospitals and physicians. Increasingly, makers of speciality foods and nutritional supplements, manufacturers of fitness apparel, telecommunications and technology companies, retailers of consumer goods, wellness clinics, fitness centres, health spas, financial services companies, etc. are involved in providing products and services. They

sometimes supply it in competition with traditional providers, other times in partnership.

Both traditional players and new market entrants need to understand the complex market forces of the industry. They need to anticipate trends and capitalise on consumer demands and regulatory reforms that enable rapid change.

For private investors

Without any aid, neither the public nor the private sector can afford the entire financial burden of providing healthcare. Increasingly, healthcare systems are turning to public-private partnerships (PPPs). Traditionally, PPPs financed the building of hospitals, clinics and other infrastructure. We estimate that OECD and BRIC nations will spend around US\$ 3.6 trillion on healthcare infrastructure between 2010 and 2020. Although this is a sizeable opportunity, healthcare spending, excluding infrastructure, will total more than US\$ 68.1 trillion or 95% of health costs⁷. PPPs are emerging as a new and compelling model for funding not just infrastructure but also business operations and care delivery needs. They

⁷ PwC, *Build and Beyond: The (r)evolution of healthcare PPPs, 2010*

How we can help

Enterprise strategy and business development

- Organisational design and building start-ups
- Healthcare feasibility studies and business plans
- Clinical service planning mix
- Competitor assessment and strategy
- Service line analysis and benchmarking
- Financial and operational restructuring

Medical equipment management

- Medical equipment planning
- Cost benefit analysis during the lifecycle of the equipment
- Assistance in selection, procurement and commissioning
- Redundancy and replacement planning

Operational optimisation

- Patient flow redesign and throughput
- Utilisation analysis
- Accreditation support
- Inventory management

- Facility management
- Patient satisfaction index

Transaction services

- Identification of opportunity
- Deal identification
- Business due diligence
- Post-investment performance enhancement
- Growth through acquisition

Information Technology

- Business transformation and ERP services
- IT and business strategy alignment and approaches
- E-health, social networking, tele-health and EHR implementation

Manpower rationalisation

- Manpower planning
- Assistance in developing skill sets
- Organisation behaviour and change management
- Job-specific training and monitoring effectiveness

Education and research

- Creation of teaching and faculty models
- Resource identification to establish a research facility
- Affiliations (local, national and international) for patient care, teaching and research
- Identification of potential execution risks and means for mitigation

Faster, better and cheaper

A confluence of demographic, economic, political and technological factors drives the healthcare costs up. To bring it down without compromising access to care or quality requires innovative new products and care options. Regardless of any industry or geography, every participant in the healthcare market needs to develop a global perspective to identify best practices and the nimbleness to quickly adopt them.

About PwC

PwC firms help organisations and individuals create the value they're looking for. We're a network of firms in 158 countries with close to 169,000 people who are committed to delivering quality in assurance, tax and advisory services. Tell us what matters to you and find out more by visiting us at www.pwc.com.

In India, PwC (www.pwc.com/India) offers a comprehensive portfolio of Advisory and Tax & Regulatory services; each, in turn, presents a basket of finely defined deliverables. Network firms of PwC in India also provide services in Assurance as per the relevant rules and regulations in India.

Providing organisations with the advice they need, wherever they may be located, our highly qualified, experienced professionals, who have sound knowledge of the Indian business environment, listen to different points of view to help organisations solve their business issues and identify and maximise the opportunities they seek. Our industry specialisation allows us to help co-create solutions with our clients for their sector of interest.

We are located in these cities: Ahmedabad, Bangalore, Bhubaneswar, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune.

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