

Global Health Options

UNC World View Symposium

November 2008

Rajesh Rao, CEO



The Scope of the Problem

- The U.S. health care crisis has spiraled out of control
 - Our health care system now ranks 37th in the world, only slightly ahead of Cuba (*source: World Health Organization*)
 - The richest 5% of the U.S. population accounts for 55% of the health care spending; the bottom 50% accounts for 3%
 - At 7% a year, U.S. costs have risen faster than in any other OECD* country
 - U.S. life expectancy is now a year shorter than the OECD average
 - Infant mortality is significantly higher than in other developed countries

* Organization for Economic Cooperation and Development

The Scope of the Problem

- The U.S. health care system is the most expensive in the world
 - Even though the U.S. population is younger and healthier, per capita health care expenditures now top \$5,000, more than twice the OECD average
 - Health care now accounts for more than 14% of the U.S. GDP (ahead of Switzerland and Germany at 11%)
 - U.S. employer-paid health insurance premiums have soared 68% since 2000, close to \$10,000 a year for families

The Scope of the Problem

- A worsening problem:
 - A large number of Americans no longer have access to health care or are at grave financial risk if they get sick
 - Most U.S. citizens can only get partial health care coverage at prohibitive costs and a large portion of the population is simply uninsured
 - More than 47 million Americans have no health care insurance
 - Roughly half of the personal bankruptcy filings in the U.S. are associated with medical costs
 - Little likelihood that these problems will be remedied for decades

Across the U.S., the Landscape of Health Care is Changing

- School districts are raising taxes to pay for teacher health benefits
- State pension funds are under-funded
- Airlines are forcing their pension funds on the government, or dumping them altogether
- Controlling health care costs has become a top priority for employers
- Consumer-driven health plans and health savings accounts are rapidly increasing in popularity
- Costs are shifting to consumers
- And so is decision-making when it comes to health care
- More of them are now “shopping” for health care options that minimize out of pocket costs...without compromising quality of care

The Solution

- What about health care in another country?
- U.S. businesses are increasingly tapping global services and “knowledge-worker” resources, especially in India
 - It’s not just manufacturing and information technology...
 - Fast-food restaurants are experimenting with overseas-sourced drive-through order fulfillment
 - American banks and insurance companies commonly rely on “backroom” services that are outsourced to India
 - A growing number of hospitals, including Massachusetts General, depend on radiological services performed in India

A Global Health Option

- India is emerging as the world leader in global medicine:
 - More than 150,000 foreign patients visit India annually for medical procedures
 - That number is increasing by 15% a year
 - A McKinsey study estimates that India's "medical tourism" industry could yield as much as \$2.2 billion a year by 2012
 - Even though only a relatively small proportion of Americans have traveled to India for care, global trends indicate that the number is likely to grow exponentially

A Global Health Option

- Why is India attracting so many global patients?
 - Medical care in India has made significant advances in recent years and has begun to match that available in U.S. hospitals
 - Board-certified, U.S.-trained Indian physicians are returning home to practice
 - Leading Indian specialty hospital chains, such as Apollo, Fortis, Max and Wockhardt have built and staffed state-of-the-art facilities that cater to foreign patients
 - These medical “centers of excellence” offer high quality care and outcomes matching that of big-city medical centers in America
 - An innovation culture coupled with high demand and healthy competition has resulted in the availability of a wide range of affordable, cutting-edge treatment options

A Global Health Option

- Consider this:
 - A growing number of super-specialty hospitals in India are obtaining U.S. Joint Commission accreditation that demonstrates compliance quality standards similar to U.S. hospitals
 - India now also boasts one million physicians, 162 medical colleges and 82 nursing colleges
 - These schools produce 20,000 doctors and 30,000 nurses a year, triple the pace in the 1990s
 - While many medical professionals emigrate to Western countries, a growing number of highly-trained doctors, nurses and technicians are choosing to practice in India
 - Indian doctors and nurses are fluent in English

A Global Health Option

- An important consideration is that care in India costs a fraction of what it does in the U.S. For example:
 - Coronary bypass surgery that costs over \$100,000 in a leading North Carolina hospital costs less than \$20,000 in India, including transportation
 - Apollo's typical orthopedic surgery costs \$5,000, less than one-fourth the U.S. cost
 - A 64-slice CT scan costs \$250 at Wockhardt versus over \$2,500 in the U.S.

Examples of cost differences		
<i>PROCEDURE</i>	<i>TYPICAL U.S. COST</i>	<i>COST IN INDIA</i>
Heart Bypass Surgery	\$64,000 - \$110,000	\$8,000
Angioplasty with Stent	\$38,000 - \$56,000	\$7,000
Hip Replacement	\$35,000 - \$49,000	\$7,000
Spinal Fusion	\$56,000 - \$87,000	\$9,000

A Global Health Option

- Hospitals in India also offer other advantages:
 - Top-flight, personalized one-on-one nursing care is available around the clock
 - New Indian medical centers not only provide state-of-the-art care and technology, they offer an array of amenities to international patients
 - In addition, there are reasonably priced luxury tourist options available to patients desiring a longer recuperative stay

IndUS*health's* Role

- *IndUShealth*:
 - Connects individuals and companies in America to affordable, high-quality health care in India
 - Provides personalized case management and administrative services
 - Helps each candidate determine whether treatment overseas is a safe and effective option based on their individual circumstances
 - Handles the complexities and logistics of dealing with health care providers overseas
- *IndUShealth* has partnered with world-class hospitals that offer:
 - Facilities and services that adhere to internationally recognized standards of quality
 - Experienced, credentialed, highly-qualified physicians
 - Special services and amenities for international patients
 - Generously-staffed, dedicated nursing care

How IndUS*health* Works

- We serve individuals who are underinsured and those who lack traditional forms of health insurance and face extraordinary financial risk due to serious illness or medical calamity
- Patients are assigned an IndUS*health* Case Manager who, in cooperation with medical specialists, maps a course of treatment
- Once surgery or other treatment is scheduled, we handle all travel arrangements for patients and their companions and provide them information about every facet of their trip
- Patients are able to personally confer with their physician in India via teleconference prior to departure
- Patients fly via a major airline from one of several U.S. airports
- Following treatment and recuperation, which may include some additional time relaxing in a nearby resort, patients return to their personal physician in the U.S. for follow-up care as needed

Corporate Service Offerings

- We work with self-insured companies and their benefit plan administrators to integrate our offerings into their health benefits package
- Employees are provided an option to travel overseas for treatment, often supplemented with incentives including an all-expense-paid trip along with an accompanying friend or loved one
- Employees can consult with their specialist via phone call or videoconference to help them with their decision
- Companies can easily incorporate our offering as an option into their employee health benefit plans and begin to realize substantial savings right away

The IndUShealth Advantage: Now

<i>WHO IT BENEFITS</i>	<i>HOW IT HELPS</i>
Uninsured/ underinsured citizens	Presents an affordable alternative to return to good health for those who have run out of options and have otherwise chosen to put off seeking further medical treatment due to high cost.
Consumer-Driven Health Plan participants	Provides a way to use limited funds in health savings accounts to be able to afford expensive medical treatment.
Self-insured employers	Offers a sizable reduction in annual cost of providing health benefits to employees and their dependents.
Retirees without benefits	Slashes healthcare costs and attendant worries, reducing the need to find alternate employment just for health benefits.
Senior citizens	Delivers high-quality care, including inexpensive access to elective procedures. Also provides very low-cost long-term care and assisted living options with excellent personal attention, thanks to highly-motivated personnel.

The IndUShealth Advantage: In Future

<i>WHO IT BENEFITS</i>	<i>HOW IT HELPS</i>
Hospitals	Avoids write-offs and losses on uninsured patients who can pay just a fraction of the cost of their treatment in the U.S.
Insurance carriers	Permits enormous savings and high patient satisfaction through a voluntary program where a fraction of savings are passed on to the patient. Also expanding the membership base through mini-Med programs with low premiums.
State governments	Slashes Medicaid expenses while increasing patient care and satisfaction, especially through voluntary participation, with some savings passed on to patients as an incentive.
Federal government	As above, slashes costs for Medicare and Medicaid programs, with potential annual savings of several billion dollars.
U.S. economy	Sharply lowered healthcare costs will make U.S. companies and their workers more competitive in the global market, boosting the economy, employment and balance of trade.



IndUShealth

A new world of care