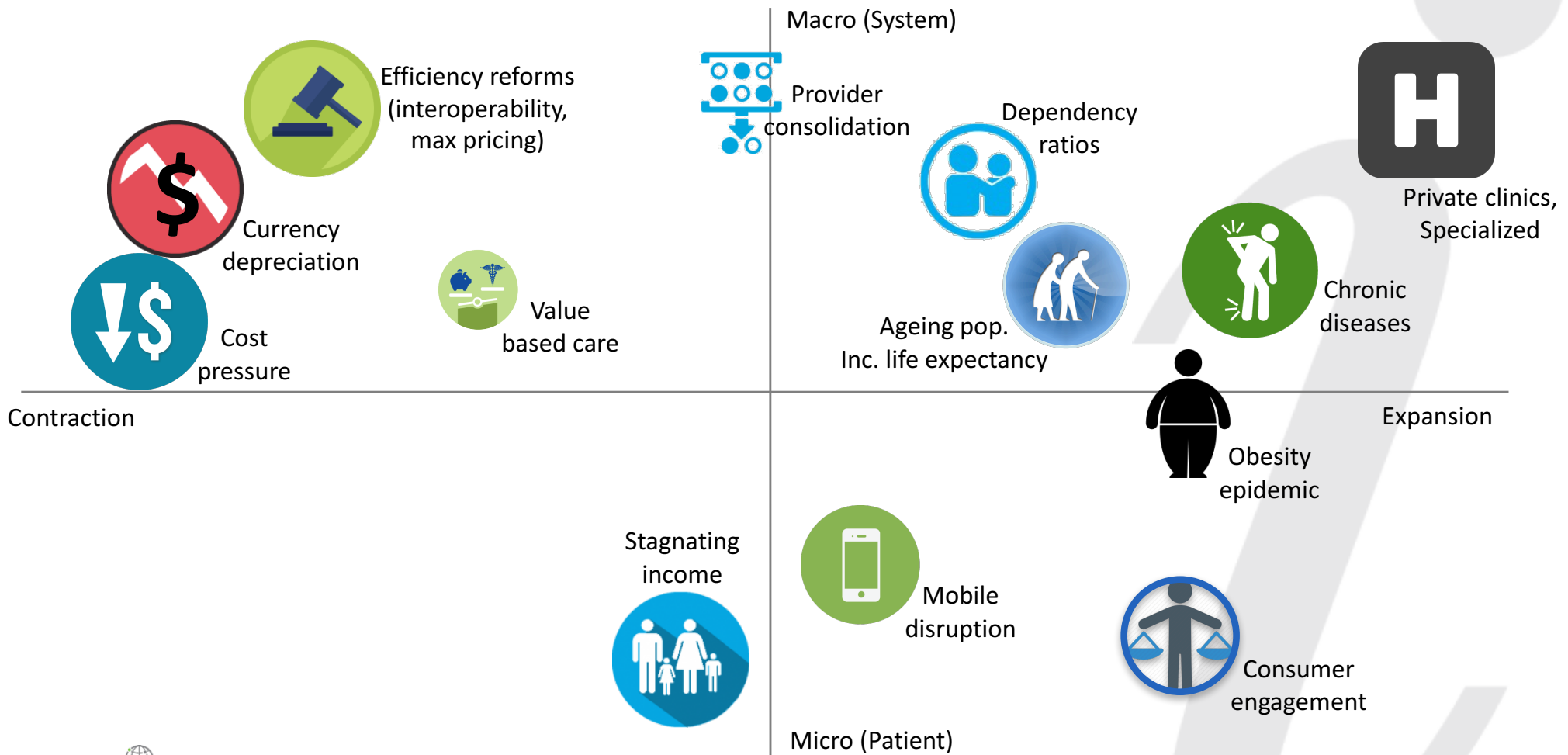
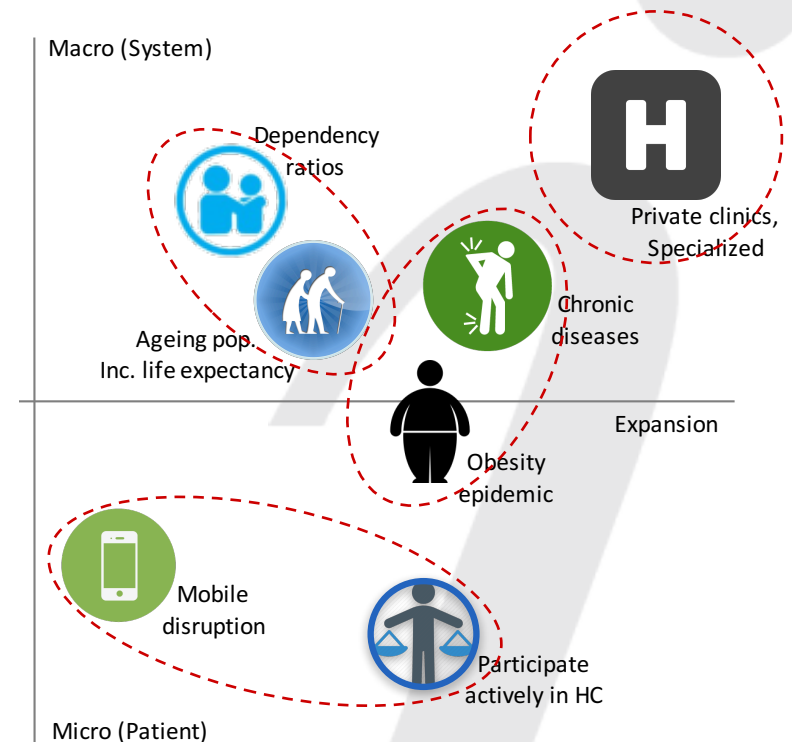


Driving forces that will impact HC in Latin America



Impact of the driving forces of expansion

- A greater proportion of care will be delivered via specialized private clinics.
 - Public HC expenditure has been growing at 13%-15% per in LC and can not sustain such growth moving forward. Need to turn to the private sector to complement.
- Patients will seek a greater voice in the healthcare discussion, supported by greater use of mobile technologies (including for physician communication).
- Chronic diseases and Obesity will remain high cost conditions within the healthcare system, regardless who the payer might be.
 - Latin America is the most obese region in the world.
- Increased life expectancy will place further burden on the dependency ratio as of ~2035.
 - Current dependency ratios are low and will remain so for another 20 years, after which the situation will reverse, increasing strain on the HC system in an exponential manner.



Impact of the driving forces of **contraction**

- There is a global pressure on HC systems to reduce costs, increase efficiency and provide greater value; Latin America is no exception.
 - Reforms are being passed to increase system wide efficiencies, such as patient portability in Mexico.
 - Payers are turning to legislative means to reduce costs, such as the price caps placed in Colombia.
 - Home care will appear as a potential level to increase efficiency.
- Healthcare is beginning to show signs of becoming more value-based, with initial interest in data (time) driven decisions.
 - With certain payers / care centers there may be room to demonstrate long term efficiencies.
 - Alternative payment systems (Pay per use) are growing in importance to reduce capital expenditure, moving from products to solutions.
 - Population health management is being discussed.
- Stagnating income levels will affect the ability to increase spending on private (or complementary care).
- These trends will be emphasized should local currencies depreciate further.
 - Current dependency ratios are low and will remain so for another 20 years, after which the situation will reverse, increasing strain on the HC system in an exponential manner.

