

**Megatrends in Global Health Care by Karen
Dillon and Steve Prokesch – HBR 2011**



Powerful trends are at work — all around the world — forcing changes in how health care will be conceived and delivered in the decades ahead. The editors of HBR have compiled a list of 12 megatrends that will dramatically change how we must think about the issue and some of the largely unrecognized consequences.

Healthcare in India | Total sector value



source: PriceWaterhouseCoopers India HC Report

Megatrend 1: Innovation and demand soar in emerging economies Spending on health care in countries such as China and India will continue to rise in line with their economic growth, and they will become big markets for health care companies. Serving them will require innovations in technologies and delivery and business models — some of which will be adopted by developed countries. Demand for vaccines and treatments for traditionally “Western” diseases will soar in these countries.

Decoding individual genomes

pharmacogenomics could prevent adverse reactions to medications which cause

100k

U.S. deaths

and over **2 million** hospitalized annually

source: Mayo Clinic

Megatrend 2: Personalized medicine and technological advances With the cost of decoding an individual's genome expected to fall in the next two to three years to \$1000 from its current price range of \$10,000 to \$25,000, the market for genome decoding in developed countries will explode. This will lead to a greater understanding of disease and the development of new therapies but will raise complex privacy and cost-benefit issues.

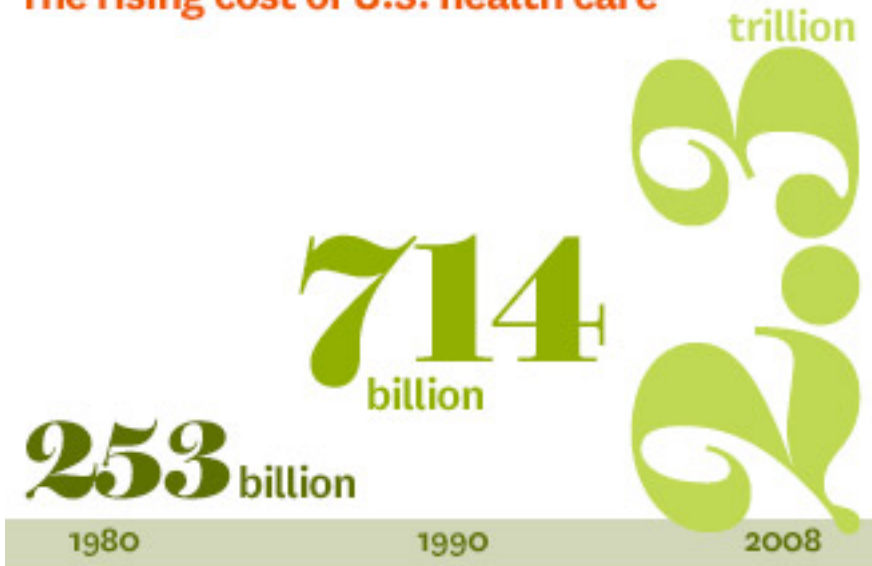
Life expectancy | U.S.



source: CDC

Megatrend 3: Aging populations overwhelm the system Aging populations will lead to increases in the number of people suffering from chronic, expensive-to-treat diseases and disabilities, straining health-care systems. Polarizing issues will result: will there be shortages of health care workers to cope with demand? What's the cost-benefit analysis of keeping aging people with deteriorating quality of life alive? And who gets to decide?

The rising cost of U.S. health care



source: Kaiser FF

Megatrend 4: Rising costs You think costs are bad now... Aging populations and technological advances will cause health care costs throughout the world to continue to rise and will have a widespread impact on health care spending, design of national systems, and delivery.

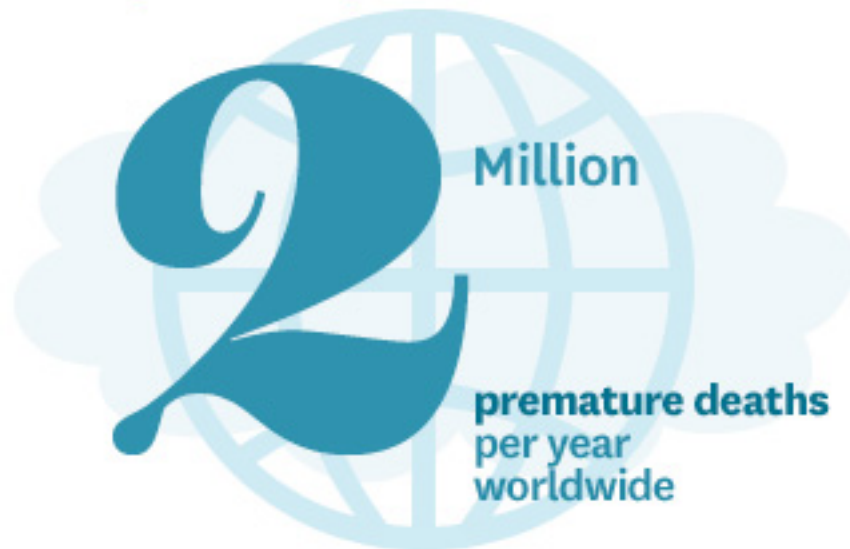
2009-early 2010 pandemic | U.S. cases



source: CDC

Megatrend 5: Global pandemics The world has become more sophisticated at coping with potential pandemics, but urban sprawl, population growth, global travel, and rudimentary delivery systems in poor countries ensure that global pandemics will remain a serious threat. HIV/AIDS continues to be out of control in Africa, devastating populations and economies.

The impact of air pollution



source: World Health organization

Megatrend 6: Environmental challenges
Causes of illness are all around us. The effects of poor water and air quality, pathogens in food supply, and urban sprawl and congestion will cause dramatic health care challenges for decades to come.

Evidence-based medicine

One hospital used EBM
to cut its death rate for
heart surgery in half

3%

national average death
rate for coronary
bypass surgery

1.5%

source: New York Times Magazine

Megatrend 7: Evidence-based medicine Data on outcomes will increasingly be used to develop standard protocols for treating many diseases, resulting in a movement away from the long-dominant “what you and your doctor decide is best” judgment-based medicine. Could this lead to health care Czars who will establish protocols and penalize physicians who deviate from them?

Not enough U.S. doctors | 2025 estimate

46k
shortfall of
primary care
physicians

source: Association of American Medical Colleges

Megatrend 8: Non-MDs providing care
Shortages in primary care physicians, rising costs, and standardization of protocols and technology will bring about dramatic changes in who treats patients — with more emphasis on nurse practitioners, physician’s assistants, and others who aren’t MDs.

The cost of an extra year of healthy life

100k
to **300k**
Estimated net cost in
medical care to add a
quality-of-life adjusted
year in the U.S.

source: Peter Neumann, Tufts-New England Medical Center

Megatrend 9: Payers' influence over treatment decisions
Rising costs around the world will cause the power to decide how to treat patients to shift from health-care professionals to payers, who will assess the added "quality-adjusted life years" that a potential treatment offers. Some major pharmaceutical companies are already responding by changing their R&D strategies.

Saving lives worldwide

Gates Foundation
pledge

10

Billion
over the next 10 years
to help research,
develop, and deliver
vaccines for the world's
poorest countries

Obama launched
US Global Health
initiative with

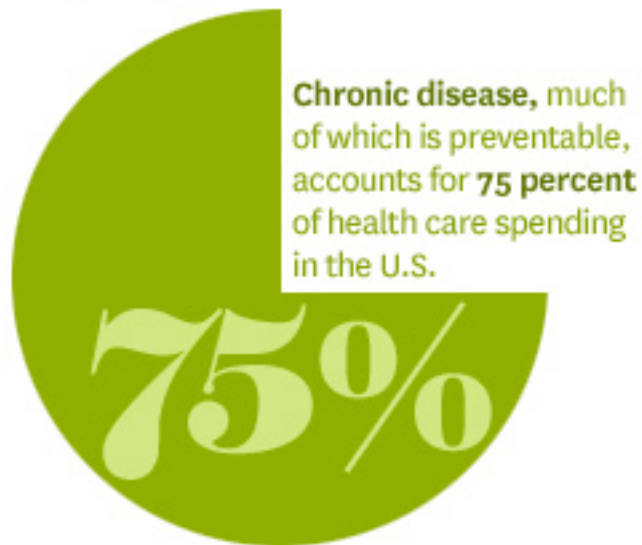
63

Billion
over the next 5
years to help some
of the poorest
nations

source: NIH, Gates Foundation

Megatrend 10: The growing role of philanthropy Foundations and other NGOs will play a leading role in funding research to develop drugs and delivery systems for preventing and treating diseases that mainly plague poor countries (e.g. malaria and TB).

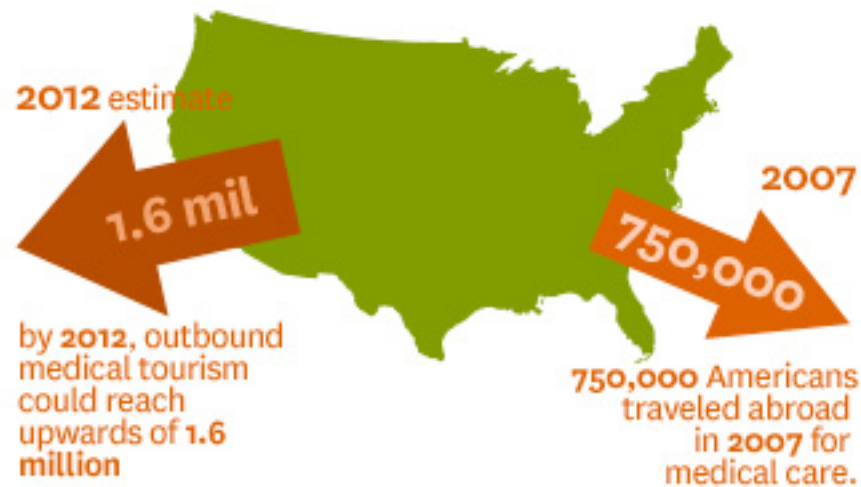
Spending on preventable disease



source: Smith Kline Glaxo

Megatrend 11: Prevention is the next big business opportunity More dollars will be spent on vaccines and other means of preventing or reducing the incidence and severity of serious diseases (e.g. cancers) and chronic conditions (e.g. obesity-related illnesses such as diabetes). It remains to be seen whether consumers will cooperate. Smoking is only slowly diminishing and a disappointing number of people are getting colonoscopies.

Medical tourism



source: Deloitte Medical Tourism Report

Megatrend 12: Medical tourism The allure of good care at much lower prices will cause increasing numbers of people to go abroad for cheaper treatment. The Deloitte Center for Health Solutions predicts that the number of Americans traveling abroad for treatment will soar to more than 1.6 million in 2012. Will cost pressures cause payers around the world to be more amenable to sending patients in their countries abroad for cheaper treatment?