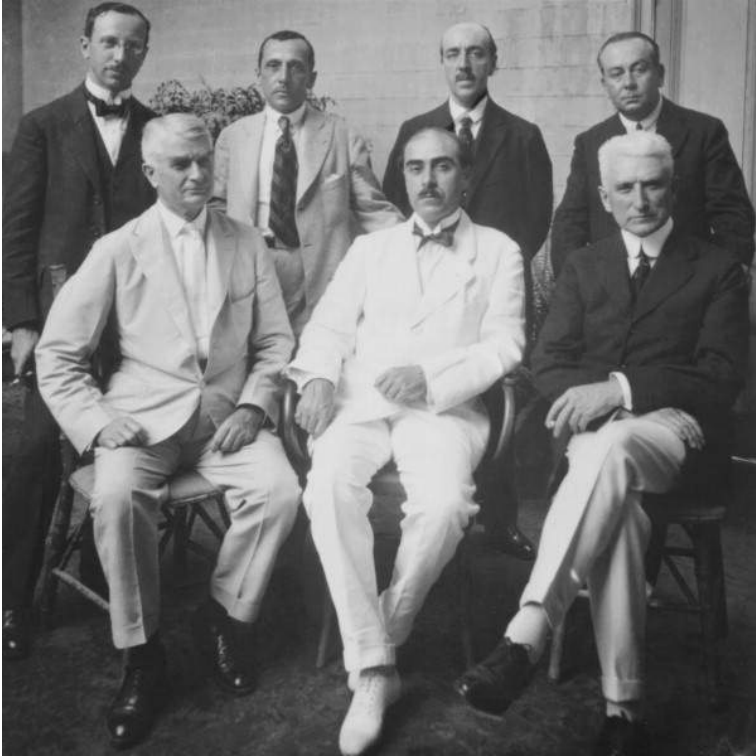




Una perspectiva de cobertura y financiamiento ante los retos y tendencias de la salud en America Latina

July 2018

Long history between Mayo and Ecuador



We visited Quito a few years ago



We will continue our relationship

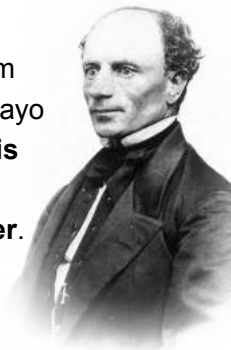


From Ecuador to Rochester



1864

- Dr. William Worrall Mayo moved his family to Rochester.



1883 & 1888



Dr. Mayo's sons, Charles and William, joined him in practice after finishing medical school.

1883

A devastating tornado struck Rochester, Minnesota.



1889

Saint **Marys Hospital** opened with 27 beds. The Mayo brothers worked closely with the Franciscan Sisters,



1906

Visiting physicians organized **The Surgeons Club.**



1914

The **first building** in the world designed for integrated multispecialty group practice of medicine opened.

“**MAYO CLINIC**” was carved in stone above the front door.

1915



Doctors from all over the world came to **learn from Mayo physicians.**

1919

The Mayo brothers and their wives donated the assets of the private practice **to create a not-for-profit organization.**

Healthcare as we started - 1889



Evolution of global business

Time	Up to the 19 th Century	20 th Century	21 st Century
Focus	Land acquisition: <u>Colonization</u>	Capital formation and competition: <u>Capitalism</u>	Human capital development: <u>Capabilities / competencies</u>
Key Players	U.K., Spain, Portugal, France	US, Europe, Japan	Rise of emerging economies

Public's health

- The broader definition offered by the Institute of Medicine (1) *The Future of the Public's Health in the 21st Century*, calls for significant movement in “building a new generation of intersectoral partnerships that draw on the perspectives and resources of diverse communities and actively engage them in health action.”

The Journey – we need to make



One important consideration – 4th industrial revolution

- AI - Inteligencia Artificial
- Big Data
- Creation of ecosystems
- Inter-sectorial collaboration
- No boundaries - anymore

World Bank and Private sector are investing in L.A.

IFC in Healthcare - US\$2.75 billion invested in 38 countries around the world

Health Services



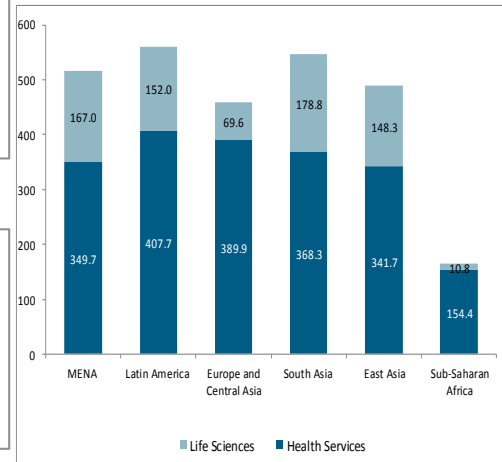
- Active Portfolio: US\$1,089.69 million (71% of health portfolio) investments
- IFC works with a variety of clients, including hospitals, diagnostic chains, and HMOs
- 17.2 million patients treated annually in health services by our clients

Life Sciences



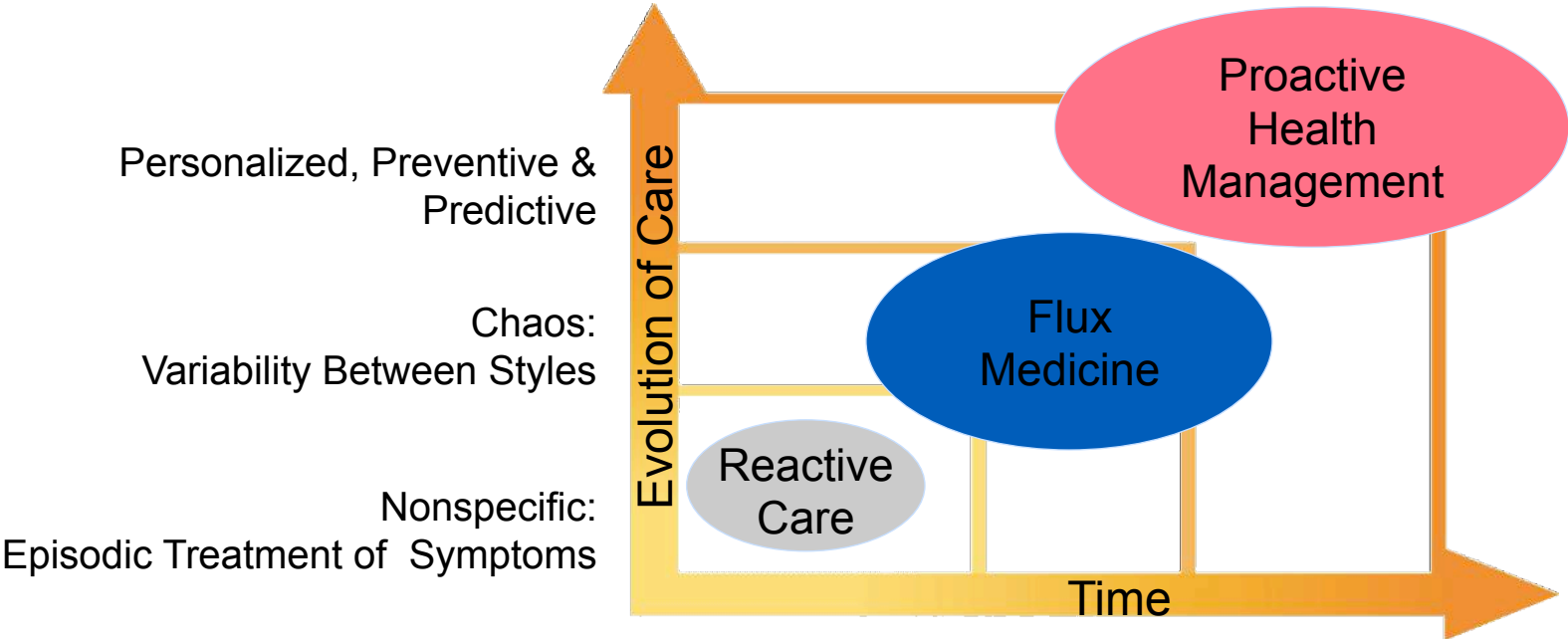
- Active portfolio: US\$442.70 million (29% of health portfolio)
- IFC works with clients in pharmaceuticals, biotech, vaccines, medical technology, pharmacy/distribution, and personal care/cosmetics

Total Healthcare Commitments to June 2013* (US\$ million)

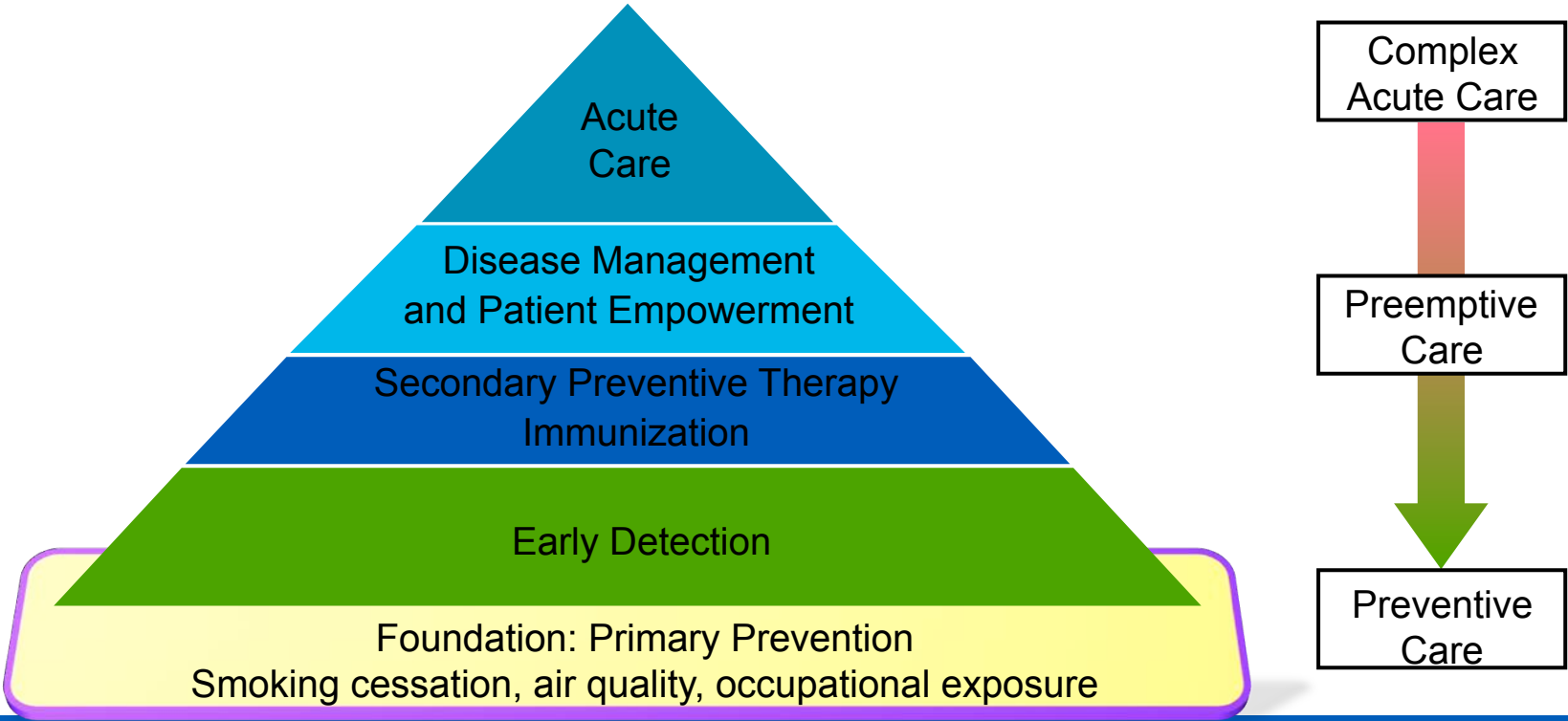


* Does not include \$15m in global transactions

We Are in the Midst of a Transition to Proactive Health Management

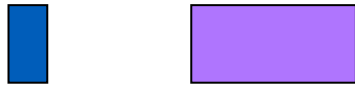


Should Your Hospital be Managing Population Health?

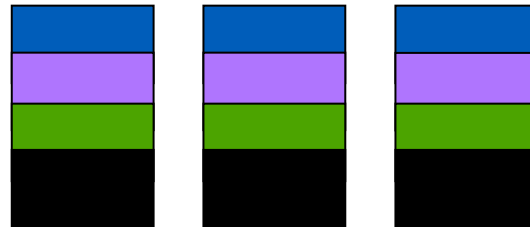


New Approaches Are Required to Compete in the Future Marketplace...

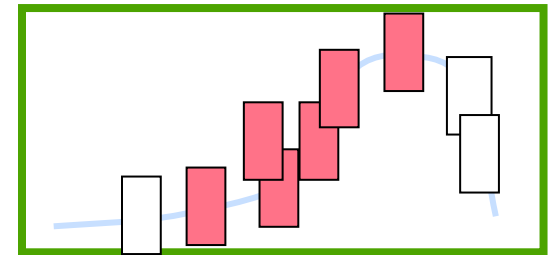
Thinking Differently: Systems of Care



Hospital
Departments

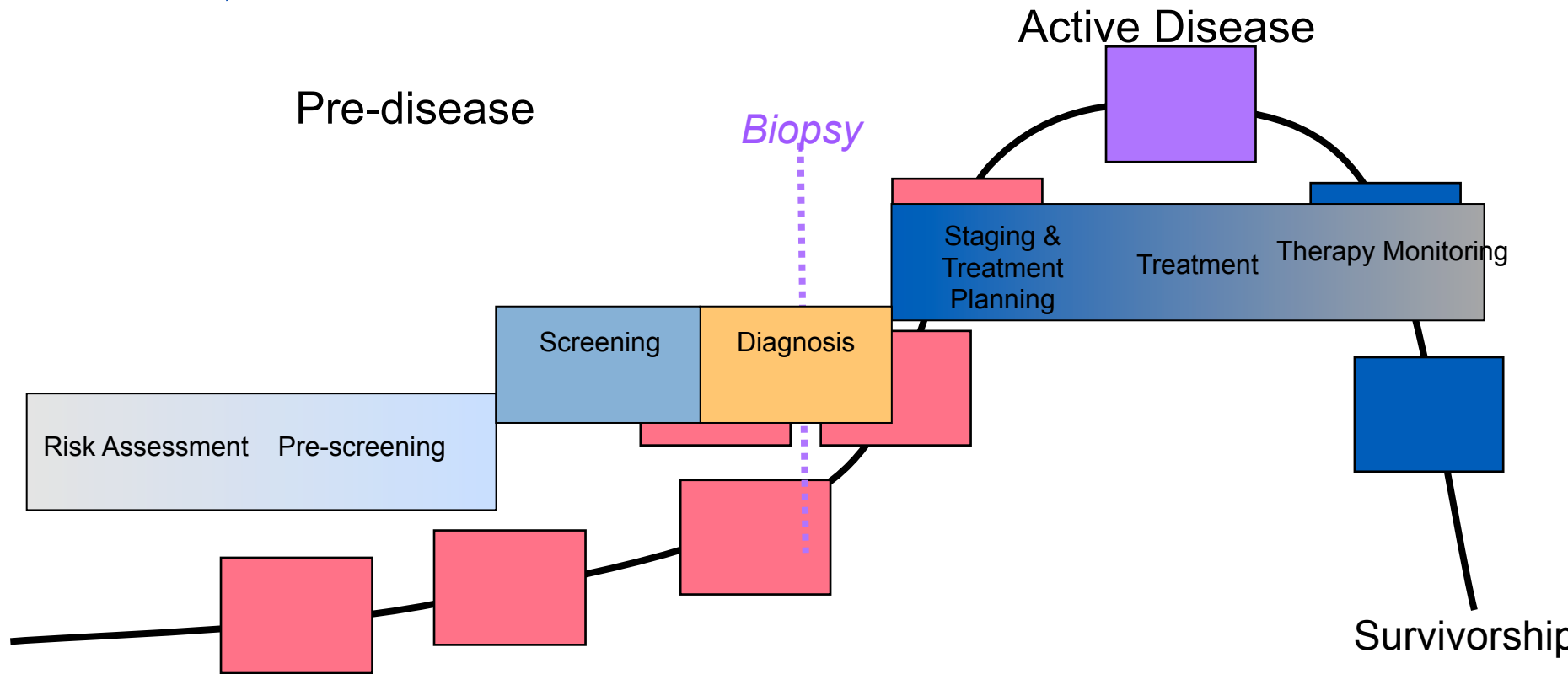


Clinical
Service Lines



Systems of Care

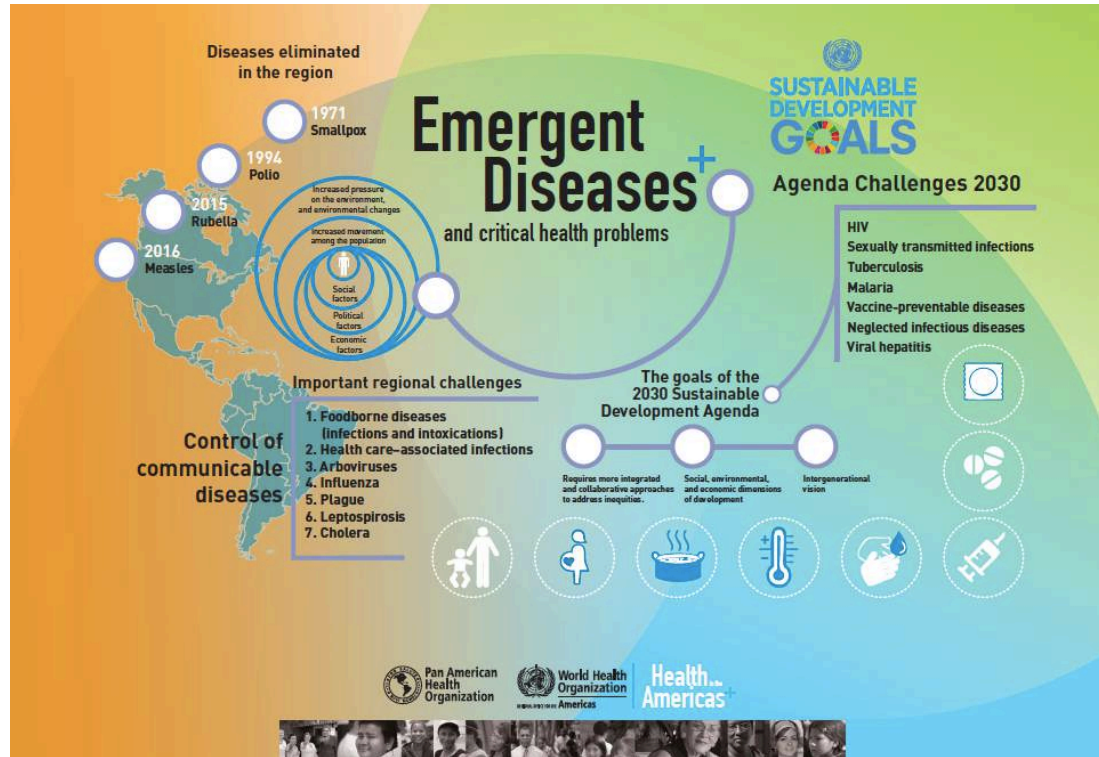
Understanding the Patient Journey Allows You to Plan Services, Needed Investments and Resources



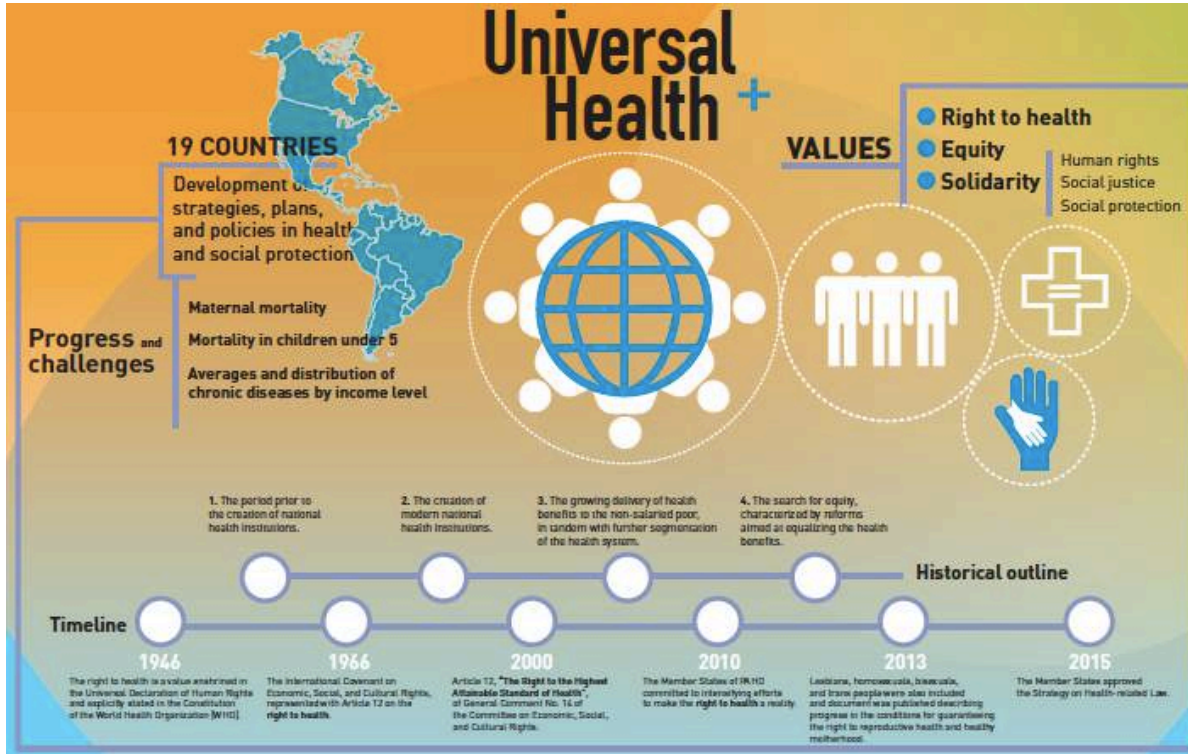
Sustainable health roadmap



Critical health problems



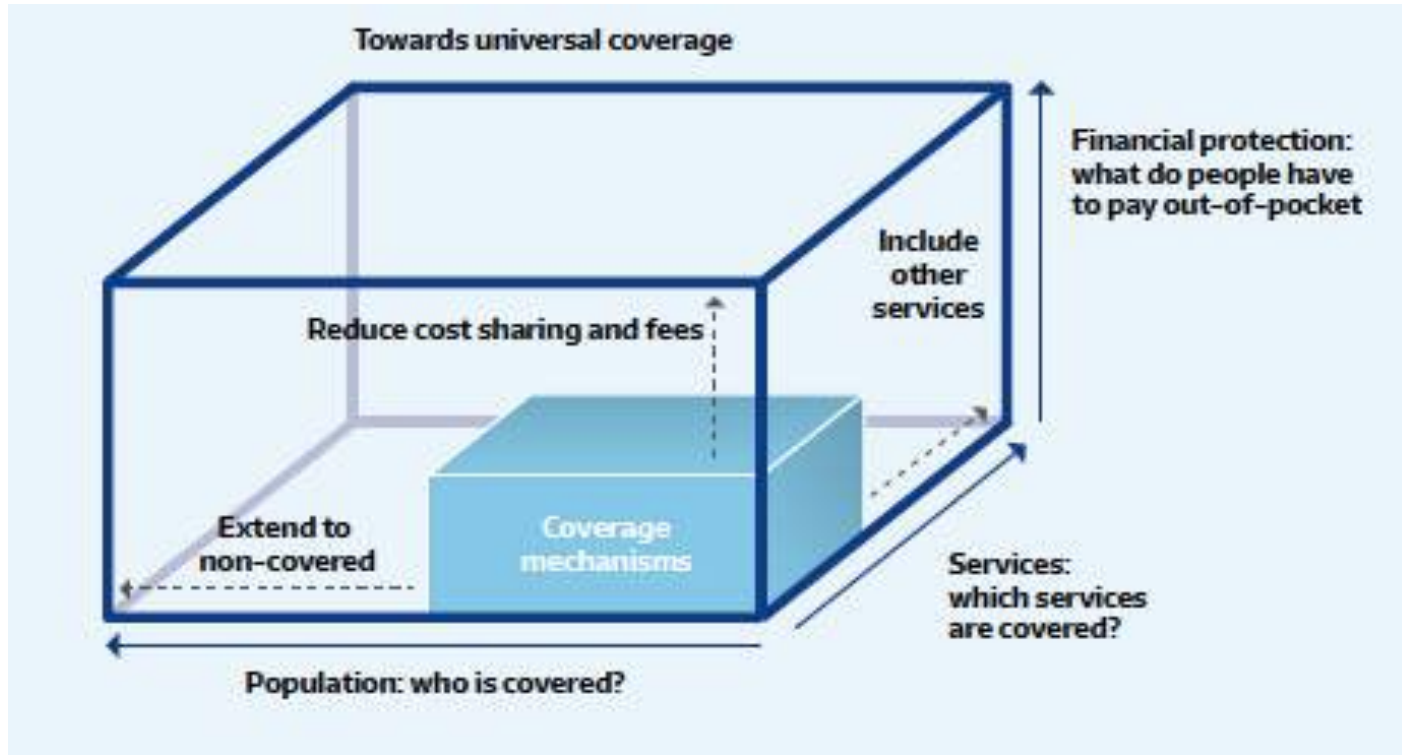
The Journey to universal health coverage



Public's health

- The broader definition offered by the Institute of Medicine (1) *The Future of the Public's Health in the 21st Century*, calls for significant movement in “building a new generation of intersectoral partnerships that draw on the perspectives and resources of diverse communities and actively engage them in health action.”

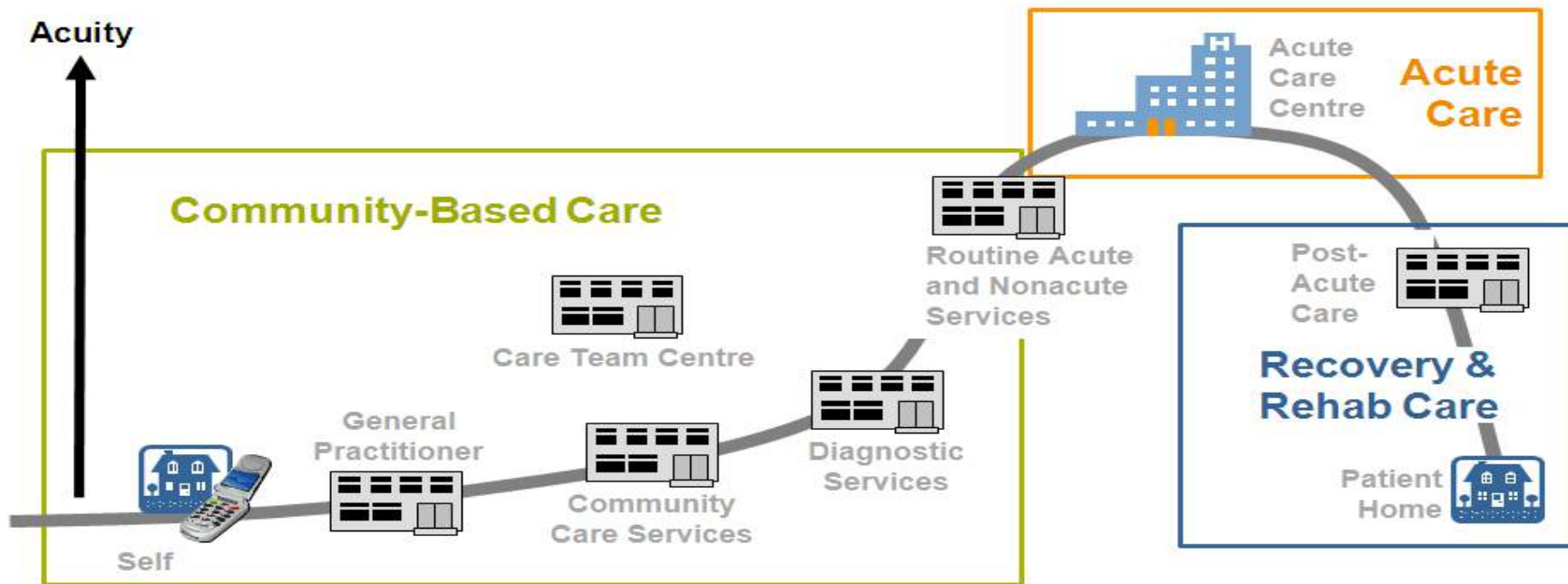
Benefit design and rationalization of coverage



$$v = \frac{Q}{C}$$



The Patient Journey Takes Place Across a System of Care



Conclusions

- Every success in Public Health becomes a problem in Medicine
- Improve our planning and inter-sectorial coordination
- Public and Private sector need to learn to work together
- Real time problem solving (outbreaks) and learning is a must (chronic)
- Work together to decrease healthcare inflation and improve health and value outcomes
- The future of competition is collaboration



150 YEARS MAYO CLINIC

“The prevention of disease today is one of the most important factors in the life of human endeavors.”

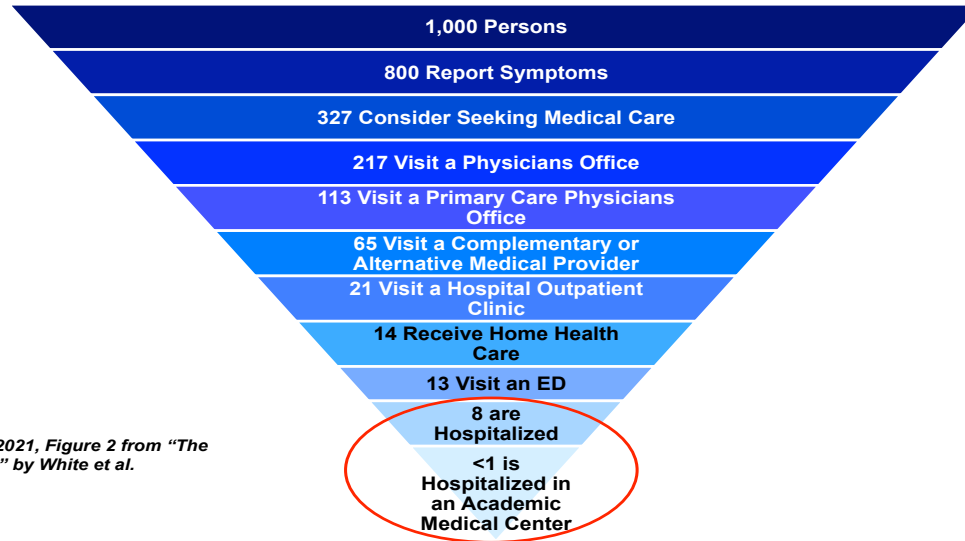
Dr. Charles Mayo



Revisión de tendencias regionales sobre pagos en el ámbito de la salud

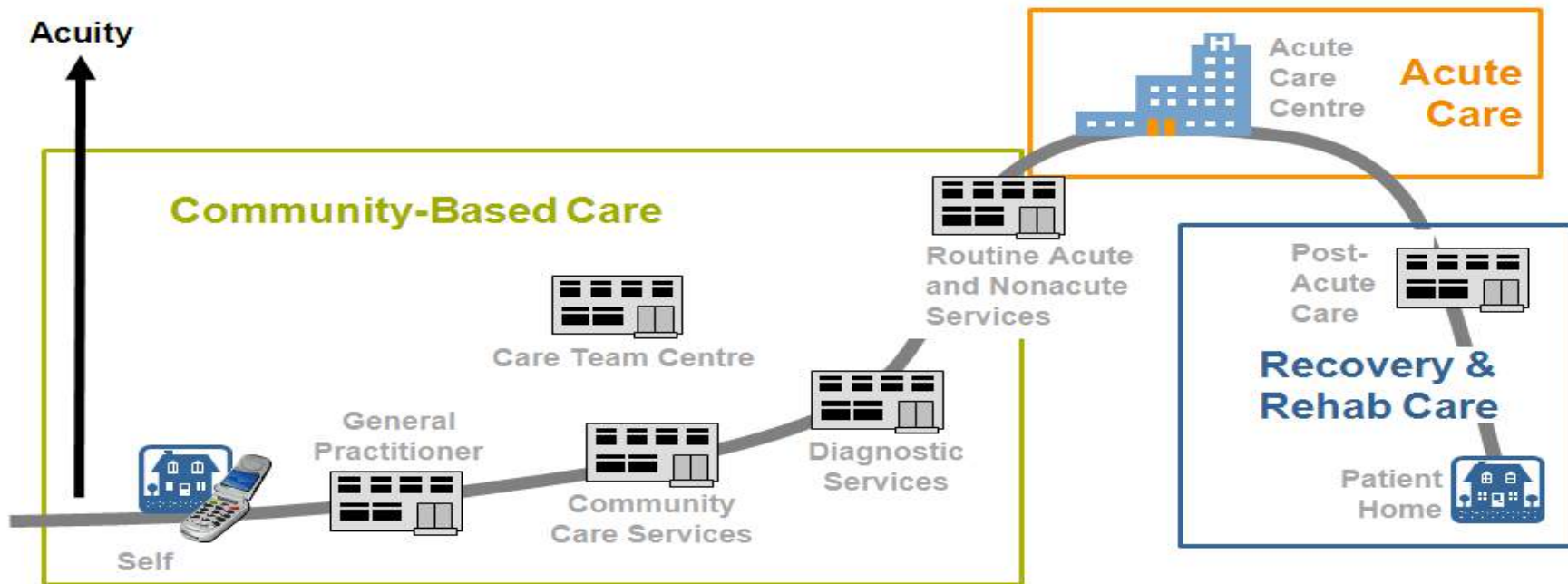
July 2018

Utilization of services in Academic Centers



Source: *NEJM* 2001;344:2021, Figure 2 from "The Ecology of Medical Care," by White et al.

The Patient Journey Takes Place Across a System of Care



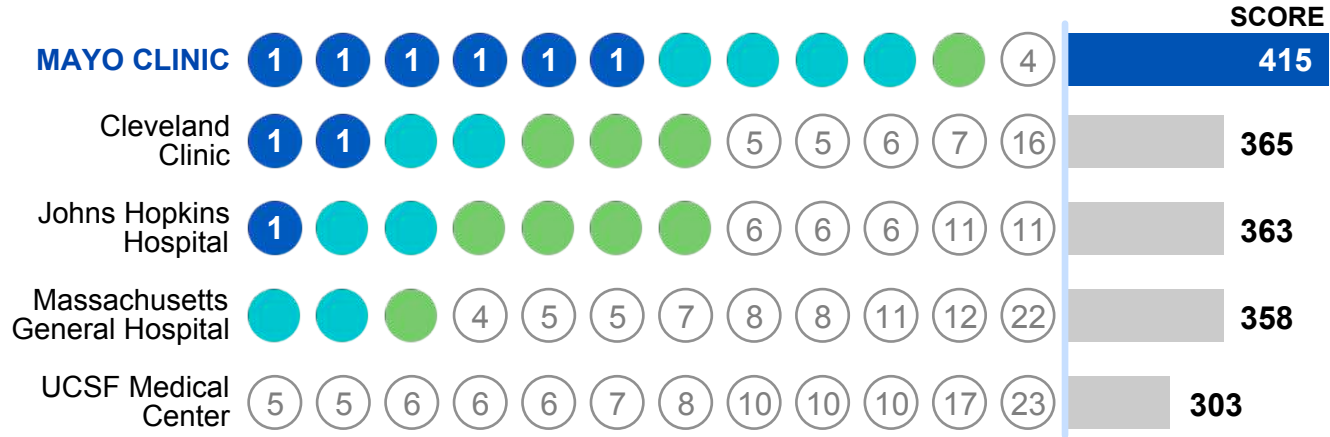
RANKED #1 IN THE NATION

#1 FLORIDA ➤ #1 ARIZONA ➤ #1 MINNESOTA

U.S. News and World Report 2017-18

GLOBALLY RECOGNIZED EXCELLENCE

U.S. NEWS & WORLD REPORT – BEST HOSPITALS



Rankings across twelve specialties

Score is an output of healthcare quality based on structural, process and outcomes measures.

**QUALITY
RECOGNITION**

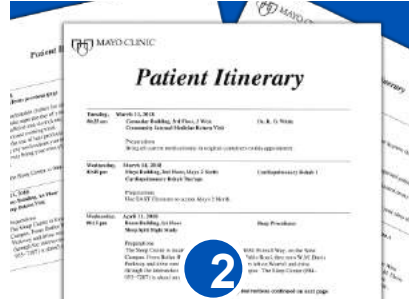


MAYO CLINIC PATIENT JOURNEY



1

OUTPATIENT EVALUATION SCHEDULED



2

ITINERARY DEVELOPED



3

REGISTRATION



4

PHYSICIAN APPOINTMENT



5

TESTS ORDERED



6

DOCUMENTATION IN ELECTRONIC RECORD



7

INFORMATION IN PATIENT PORTAL



8

FINAL VISIT OR CALL WITH PATIENT'S RESULTS

MAYO CLINIC MODEL OF CARE

- Integrated, **team approach**
- Unhurried patient exam
- Highest quality with **compassion and trust**
- **Respect** for patient and family



MAYO
CLINIC

Care Network
Member



PATIENT CARE

RESEARCH

EDUCATION





**“THE BEST
INTEREST OF THE
PATIENT IS THE ONLY
INTEREST TO BE
CONSIDERED.”**

William J. Mayo

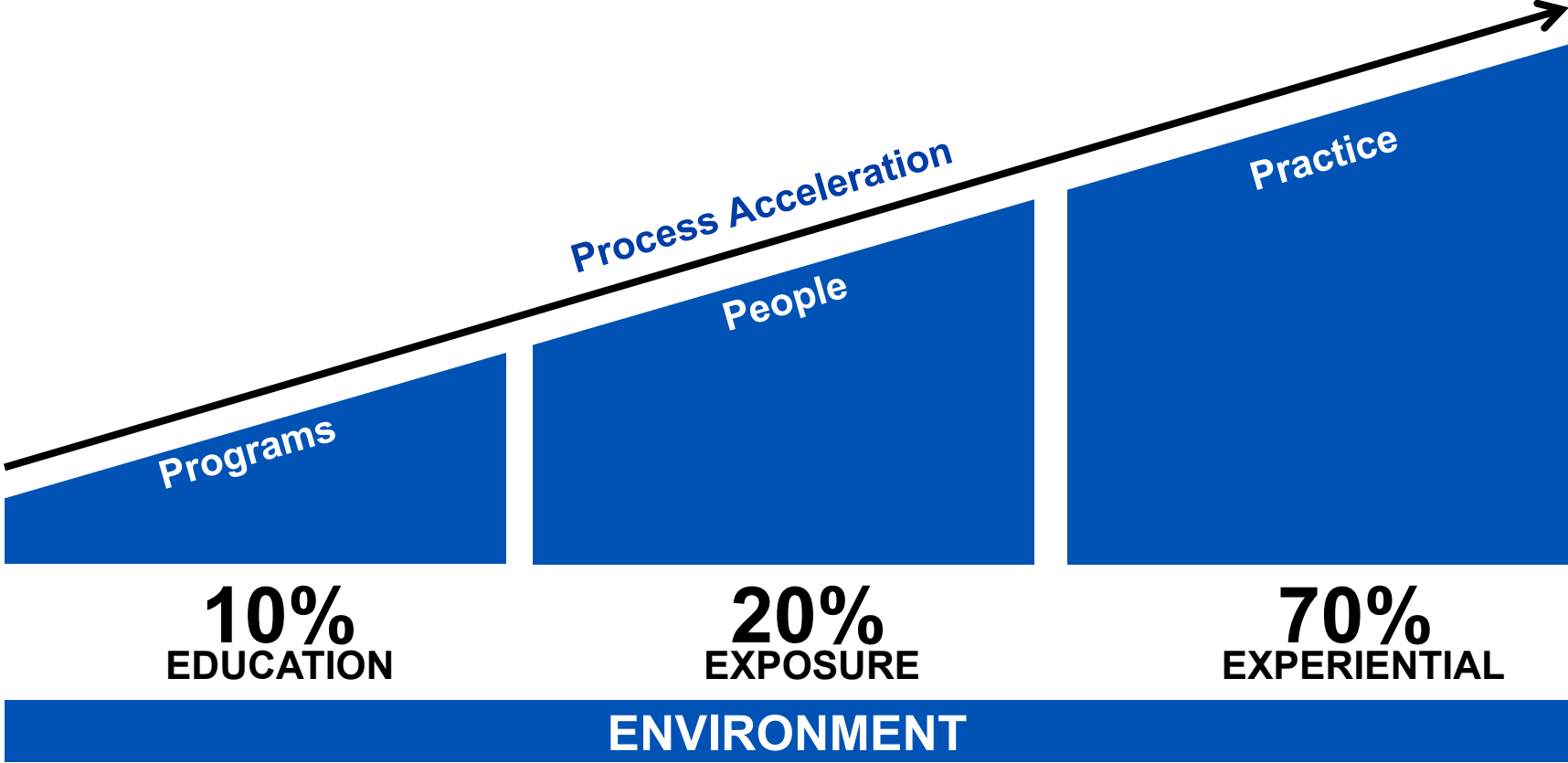




MAYO CLINIC MODEL OF CARE OUR ENVIRONMENT

- **Physician/administrator partnership**
- **Integrated medical record**
- **Professional compensation**
- **Unique professional dress, decorum and facilities**

WORKFORCE LEARNING MODEL



70-20-10 EXAMPLES



ON THE JOB

Shadowing

Stretch assignments

Action-learning projects



COACHING

Mentoring

“Just-in-time” feedback



FORMAL LEARNING

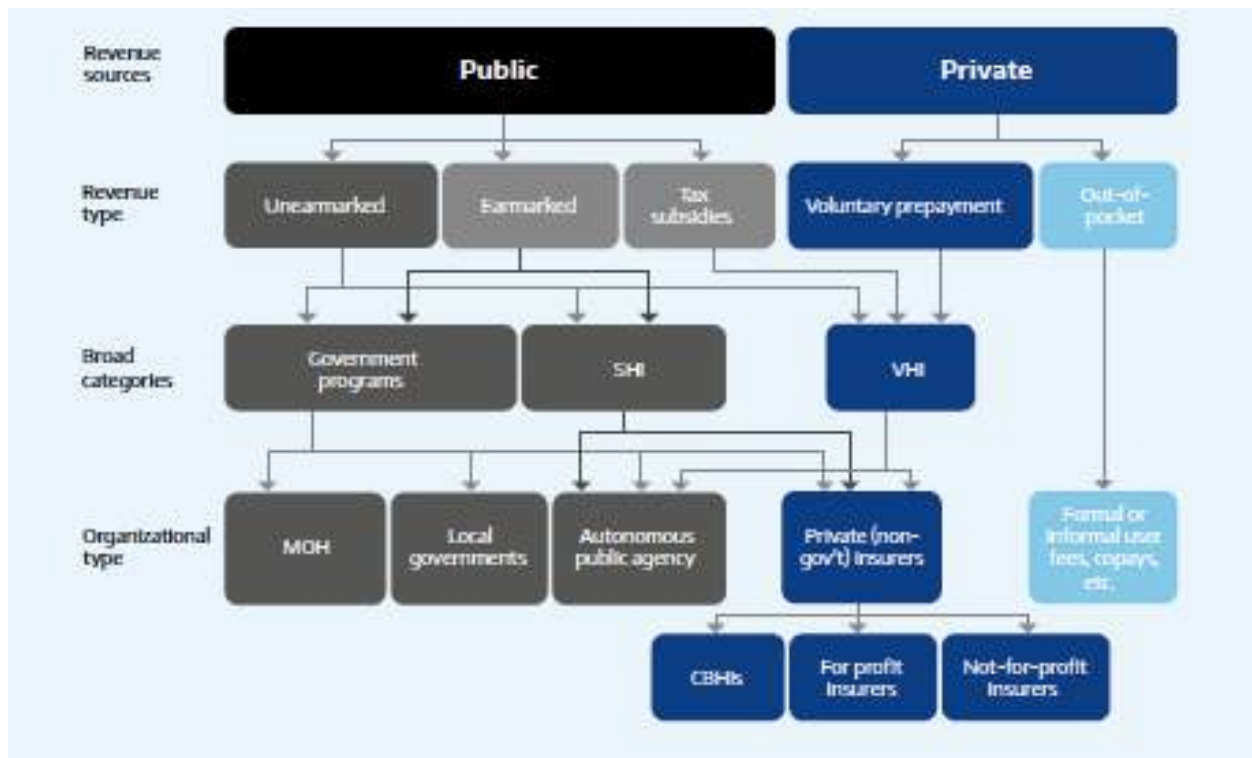
Classroom

Blended learning

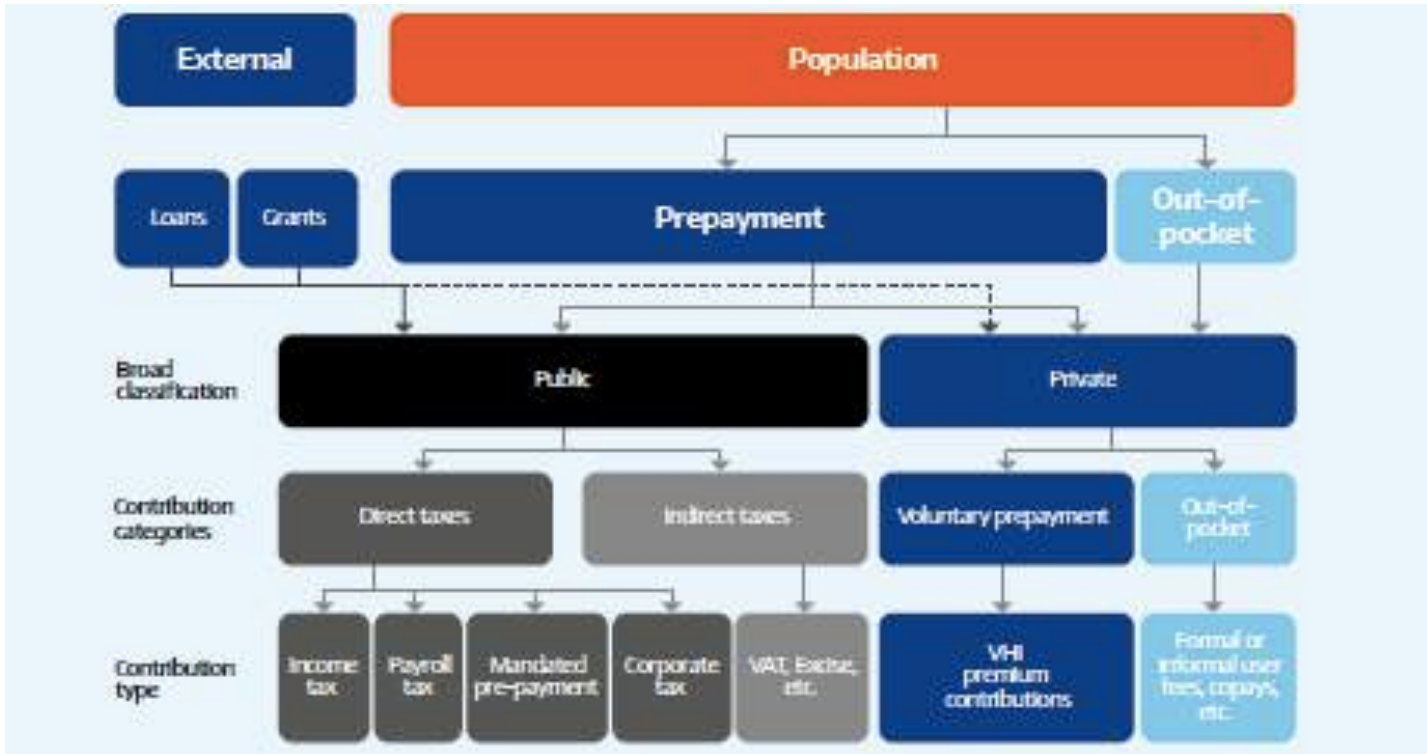

$$\text{VALUE} = \frac{\text{QUALITY}}{\text{COST OVER TIME}}$$

(outcomes, safety, service)

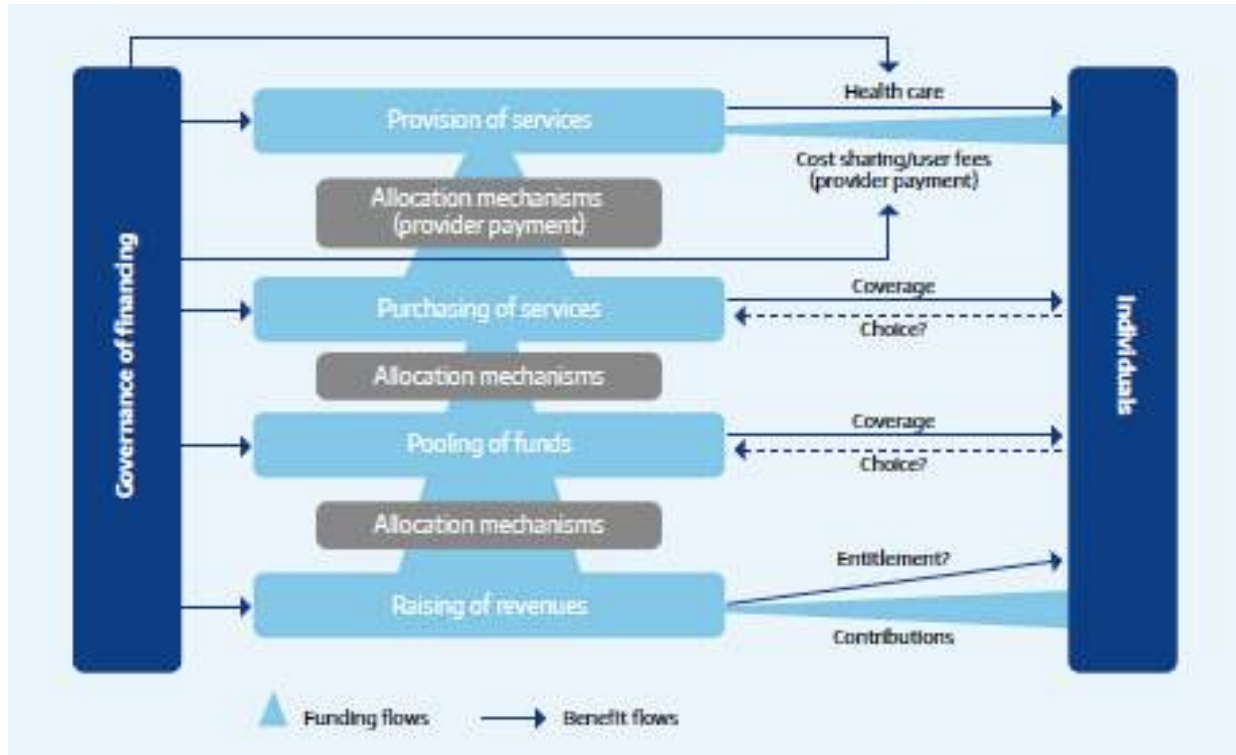
Common revenue flows from sources to pooling entities



Major revenue sources and contributions mechanisms



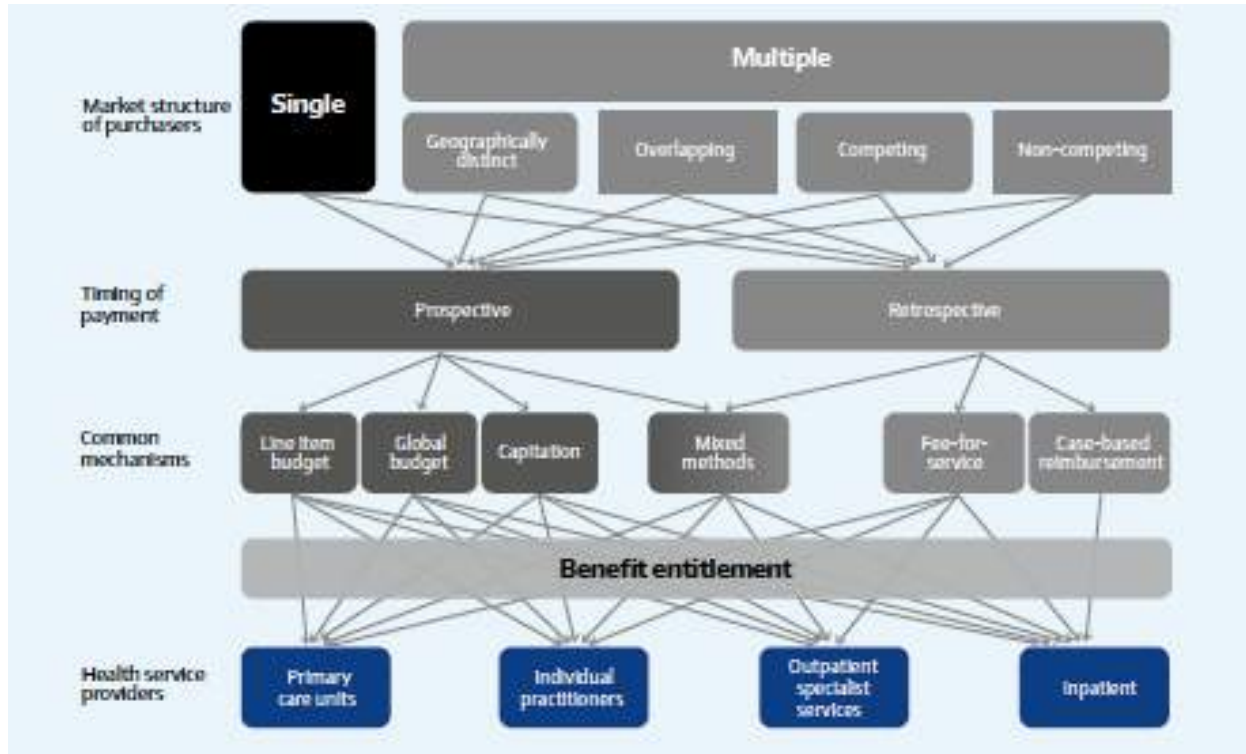
Health financing arrangements and the population



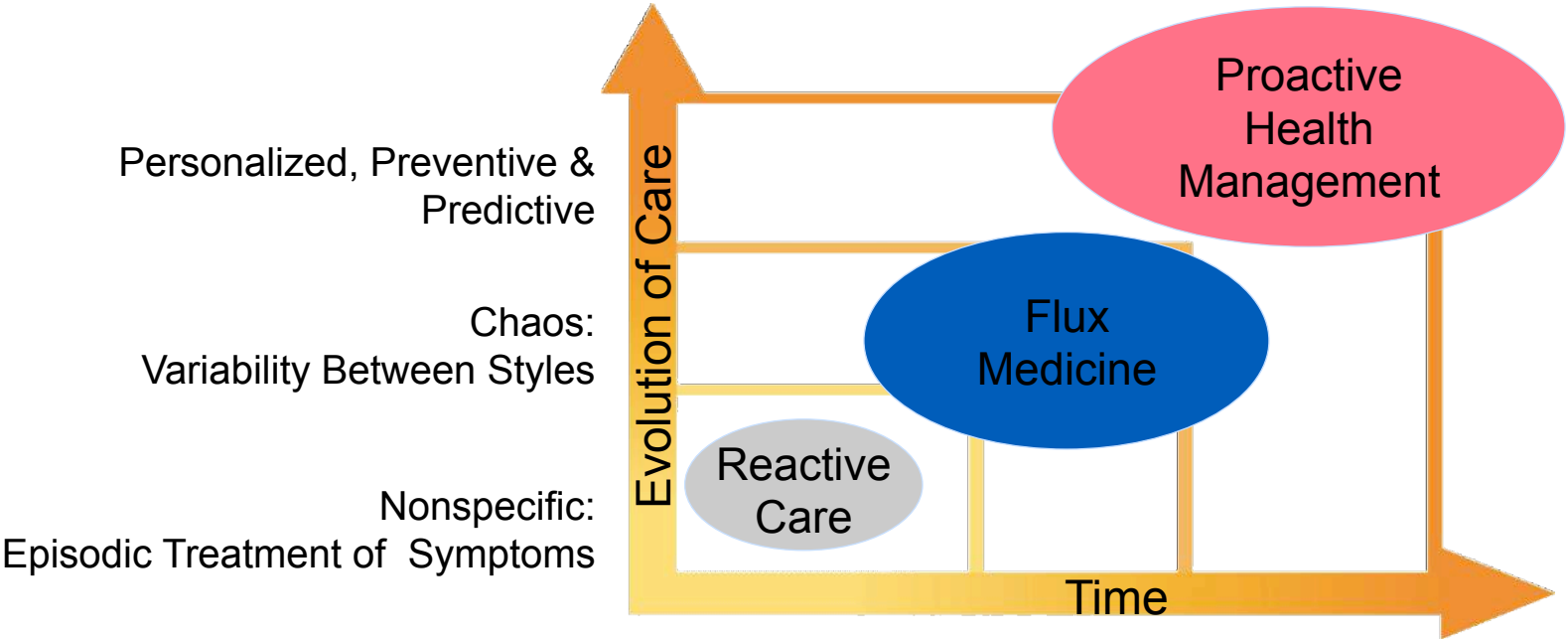
Manage your payer mix – as your operational strategy

- Contract profitability
- Right mix of services
- Right patient population
- Right strengths of your organization
- Right value proposition

Overview of purchasing market structure



We Are in the Midst of a Transition to Proactive Health Management



Management models - simplified



a partnership where an Administrative or Nurse Leader is paired with a Physician Leader, bringing together complementary skills and expertise

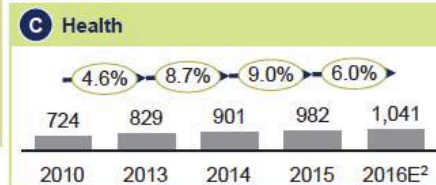
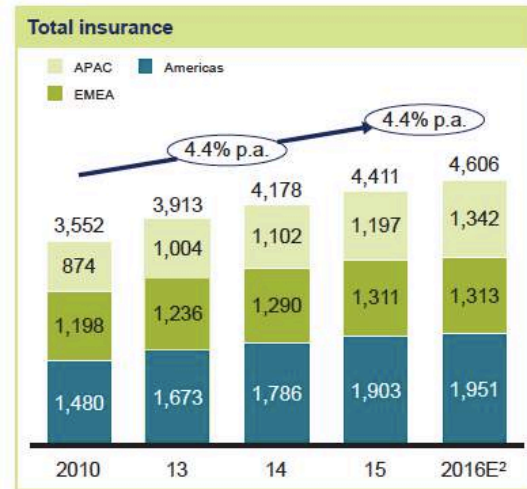


bringing all three together as partners – Nurse Leader, Physician Leaders and Administrator - for complementary skills and expertise

Global Insurance Industry - projection

The global insurance industry, backed by APAC, is expected to show stable growth.

Premiums, € billions;¹ CAGR, %



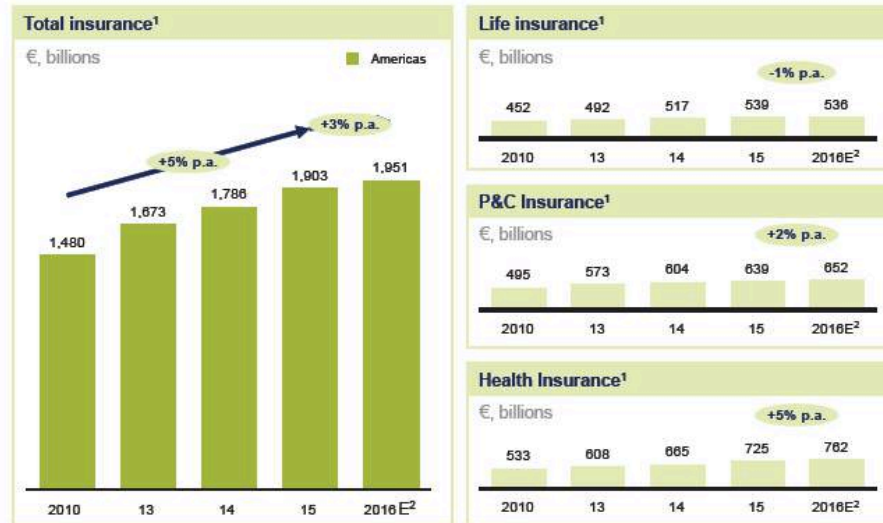
¹ Using yearly floating foreign-exchange rate for Argentina, Ukraine, and Venezuela due to high inflation rates; 2015 year-end foreign-exchange rate for all other geographies.

² The 2016 figures are estimated based on Q3, H1, and full-year reporting.

Source: McKinsey Global Insurance Pools

Americas growth driven by health insurance

Total premiums in the Americas are expected to grow at 3 percent per annum.



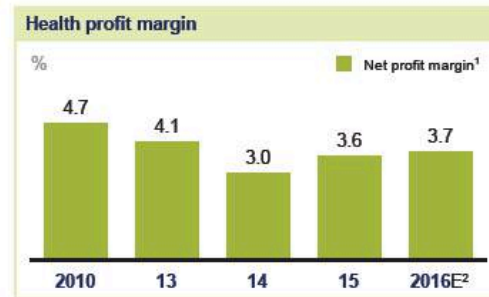
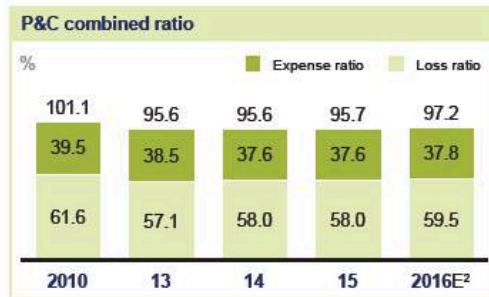
1 Using yearly floating foreign-exchange rate for Argentina, Ukraine, and Venezuela due to high inflation rates; 2015 year-end foreign-exchange rate for all other geographies.

2 The 2016 figures are estimated based on Q3, H1, and full-year reporting.

Source: McKinsey Global Insurance Pools

Net profit in health insurance improves

Insurance market profitability in the Americas is expected to improve in health.



¹ After tax profit/gross direct domestic written premiums.

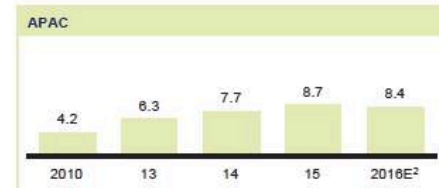
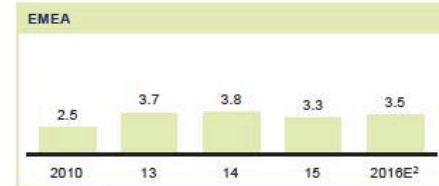
² The 2016 figures are estimated based on Q3, H1, and full-year reporting.

Source: McKinsey Global Insurance Pools

Global average net profit – Americas recovering

Profit margin for global health insurance industry has been mostly stable.

Net profit margin,¹ %



1 Defined as after tax profit/gross direct domestic premiums written.
2 The 2016 figures are based on available Q3, H1, and full-year reporting.

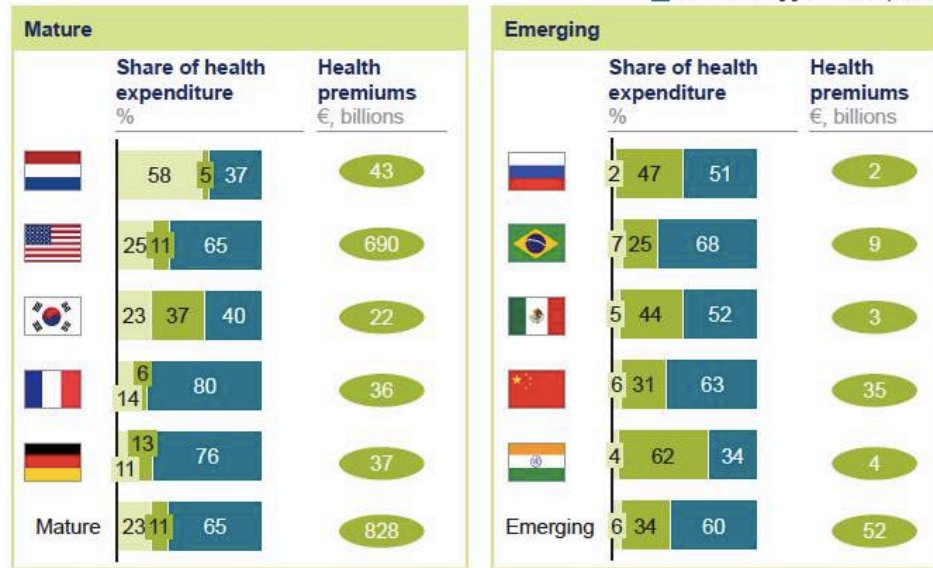
Source: McKinsey Global Insurance Pools

Emerging markets – mix of insurance and OOP expense

Emerging markets today have a much higher proportion of "out of pocket" health expenditure than mature markets.

2015

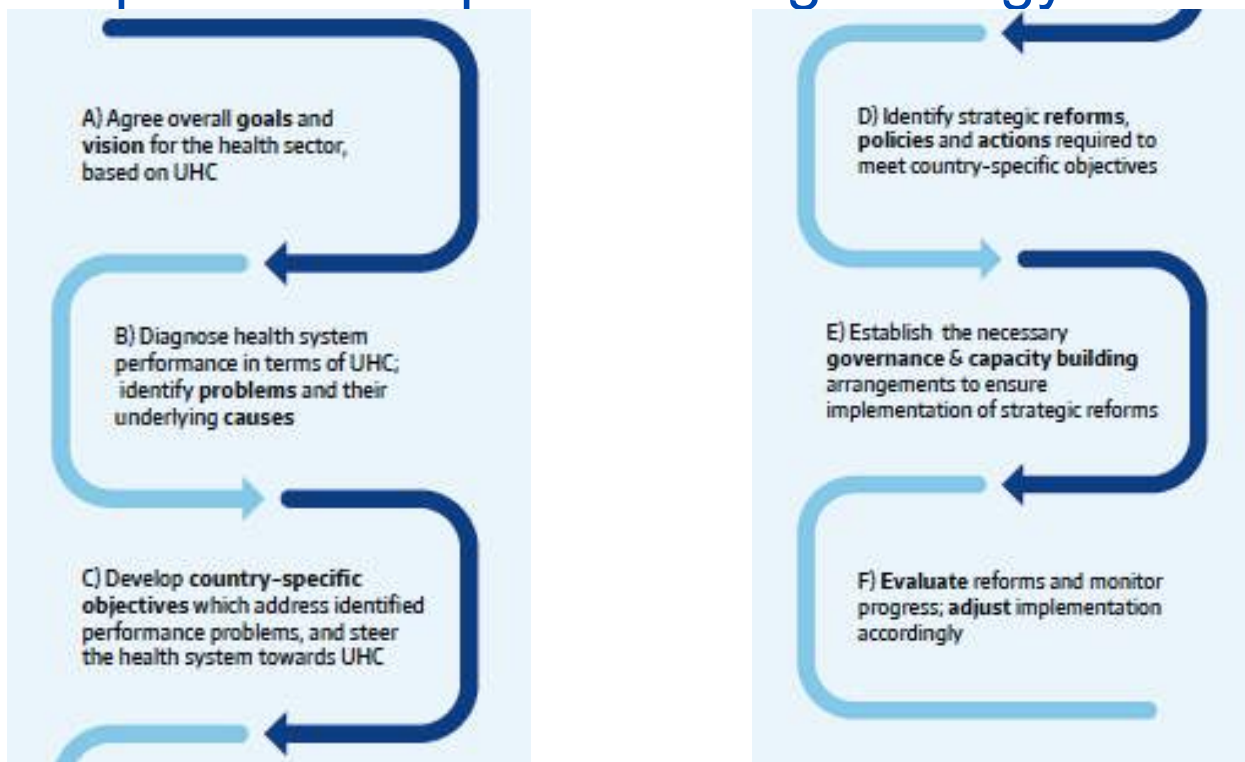
■ Premiums
■ "Out of pocket"¹
■ Others including government expenditure



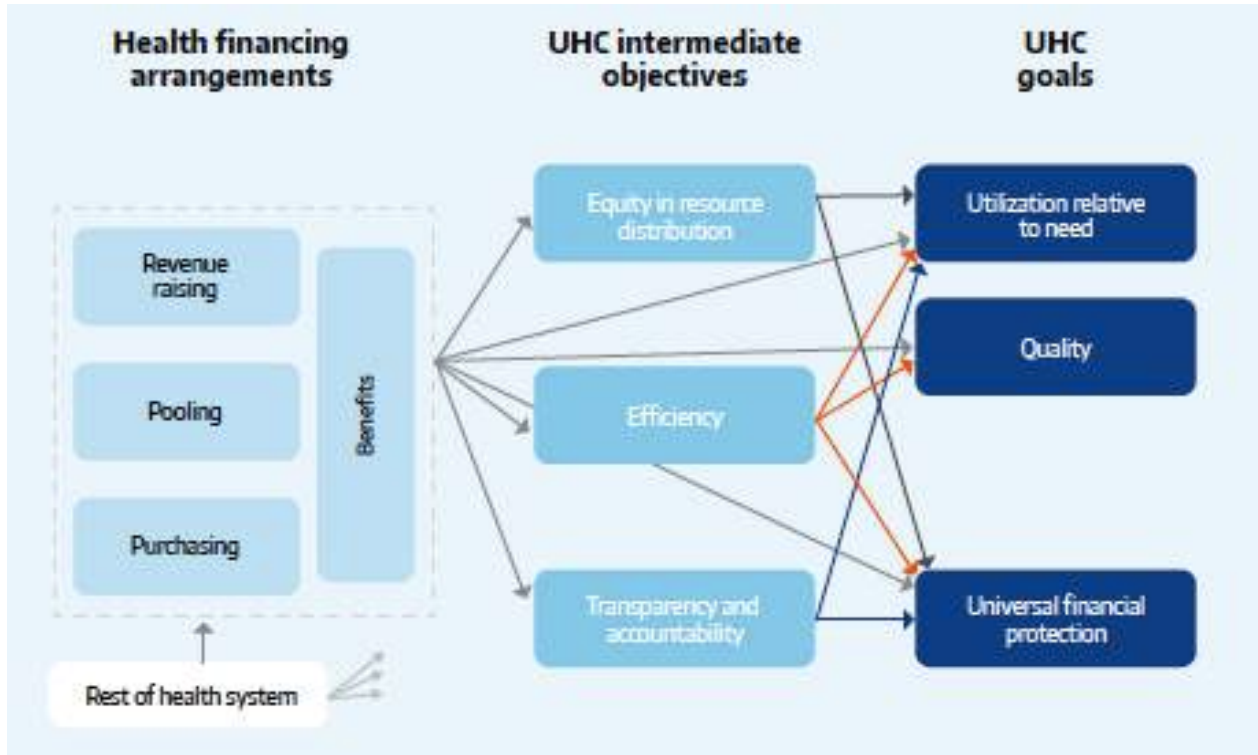
¹ "Out of pocket" expenditure for 2015 has been estimated based on 2011 to 2014 compound annual growth rate.

Source: McKinsey Global Insurance Pools; World Health Organization

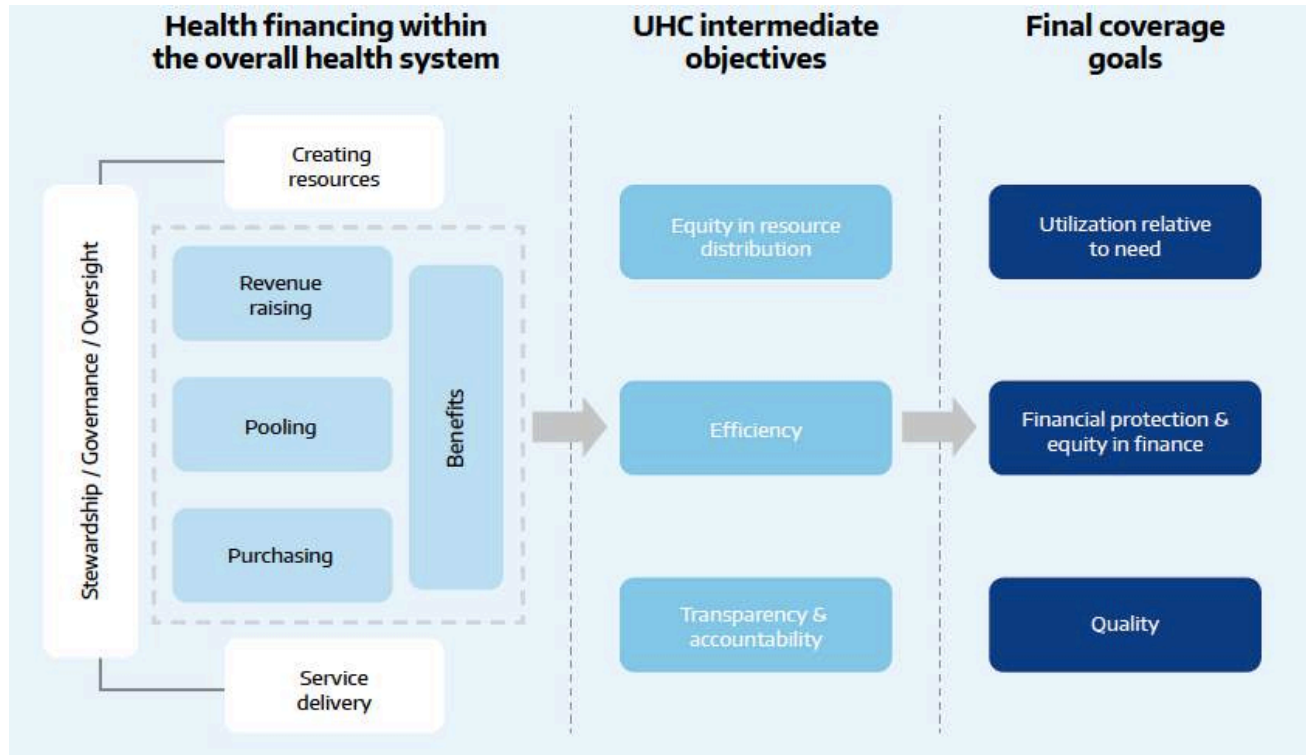
Key steps to develop a financing strategy



Health financing policy & UHC pathways



UHC goals & objectives of health financing policy



Interviews to CEO in private hospitals

- Costo de la salud
- Paciente mas informado
- Paciente satisfecho = desempeño financiero
- Perfil de la enfermedad cambio
- Calidad y desenlaces clinicos

Conclusions

- To improve health we need to work on health determinants not only health systems
- Continue focus on economic improvement
- Productivity of countries depends on the health of individuals
- Need to explore a (more) narrowed model, not continue with fee for service
- Health benefit design (entitlements and obligations) needs better understanding and enforcement