GLOBAL DATA: The Next Frontier in Healthcare Data
OVERVIEW

The healthcare marketplace is expanding at a rapid pace – not just in the U.S. but also globally. Estimates from *The Economist* Intelligence Unit (EIU) predict that the average global healthcare spending will rise to 5.3 percent in the next three years – a rise of 2.6 percent annually. Initiatives to increase access to healthcare, manage chronic diseases and serve a skyrocketing aging population is placing tremendous pressure on healthcare organizations, healthcare providers and governments all over the world. These shared challenges present shared opportunities among key healthcare stakeholders to innovate and expand beyond borders to solve pressing challenges in areas such as pharmaceuticals, medical devices and healthcare IT.

Population growth will be another factor affecting global health – and the global healthcare marketplace. Among developed nations, record-high rates of population growth of 3-4 percent per year, combined with rising costs in healthcare and economic crises, are forcing governments to push for broad reforms that make healthcare more sustainable. Comparatively, developing nations in the Asia-Pacific region, Sub-Saharan Africa and the Middle East are seeing a decline in birth rates, but a rise in aging populations and household incomes are expected to boost demand and spending.

For healthcare stakeholders, the growing global demand for treatments and solutions that solve health issues, promote sustainability and reduce local risk represent openings for growth and expansion into emerging markets. To successfully enter these markets, life sciences, medical device and healthcare IT companies will need accurate global healthcare data to leverage new opportunities and, as this whitepaper will show, to meet government compliance requirements similar to those of the French Sunshine Act.
New Markets, New Opportunities

Although healthcare spending in developed regions, such as the U.S. and Western Europe, is expected to decline, the EIU reports that new markets are emerging in the Asia-Pacific region, Mexico, the Middle East and Africa, where spending is expected to increase at an average annual rate of 17 percent in India, 14 percent in China, and more than 10 percent in Mexico, the Middle East and Africa. Population growth is a key driver of increased spending, but the demand on health care is primarily being driven by four major factors: the global senior tsunami, chronic diseases, increased access and healthcare IT. Within each of these factors are fertile opportunities for life sciences and medical device manufacturers, as well as healthcare IT developers and business consultants.

Opportunities for Life Sciences

According to the World Health Organization, chronic diseases such as diabetes, heart disease, chronic respiratory disease, obesity, cancer and heart disease are the leading cause of death worldwide, representing 63 percent of all deaths.

![Chronic Disease-Related Deaths](image)

Figure 1. Percentage of chronic disease-related deaths in emerging markets. Source: World Health Organization.
Chronic diseases are especially problematic in emerging markets: diabetes has reached epidemic levels in Africa, China, India, the Middle East and Latin America. Cardiovascular disease poses the gravest danger, however, as the number one cause of death worldwide. Coupled with the growing rate of aging adults – who are most likely to be plagued by chronic disease – the outlook for chronic disease is grim.

However, as governments struggle to meet the healthcare needs of patients with chronic diseases, the need for new medicines and treatments is also expected to rise, along with greater focus on preventative measures and health education. In India, for example, the government has instituted a free generic medicine policy and is increasing expenditures on health awareness education.

Life Sciences companies can play an integral role in the management of chronic diseases globally by developing innovative and low-cost treatments to serve populations in these emerging markets.

**Opportunities for Medical Device**

Two factors will drive opportunities for medical device manufacturers to enter emerging markets: the growing aging population and the need for increased access to healthcare.

According to a Deloitte & Touche report based upon United Nations data, the population aged 60 is expected to triple in the next 50 years, reaching nearly two billion by 2050. In general, healthcare systems around the world, and in particular, healthcare systems in emerging markets, are currently ill-equipped to meet this growing demand due to clinician shortages, remote locations and infrastructure limitations.

In emerging markets such as China, India and Brazil where economic development has increased access to healthcare but access is simultaneously unavailable to patients in remote locations, innovations in telehealth devices and mHealth could prove invaluable. Pilot programs using drones for transporting medical supplies to rural areas have already shown success in Asia, and it is expected that the need for telehealth and mHealth will increase.
Opportunities for Healthcare IT

The need for advanced healthcare technologies and data is being felt worldwide. Technologies such as electronic health records (EHR), e-prescribing, mobile health apps and the use of “big data” are not only connecting patients with providers, but they’re also connecting providers all along the healthcare supply chain from both developed and emerging markets.

Funding for such technologies continues to be a barrier, particularly in emerging markets. However, healthcare IT companies should keep an eye on emerging markets in Mexico, China, the Middle East and Southeast Asia, where governments have made policy decisions to invest in new healthcare technologies and healthcare education programs.

Medical tourism will also drive opportunities for both healthcare IT and medical device companies in emerging markets. Increasingly, consumers worldwide are seeking low-cost medical care in Asia, the Middle East and Brazil, and the trend shows no signs of decline. Where medical tourism is popular, so too will the latest healthcare technologies and medical devices be in demand.
3 Global Healthcare Trends to Watch

A review of industry analyses shows us that there are three trends in global healthcare that will drive the need for global healthcare data: 1) a booming healthcare analytics market; 2) global healthcare cloud computing; and 3) global investments and acquisitions.

TREND #1 – The Rise and Rise of Healthcare Analytics

Recent projects estimate the global healthcare analytics market will reach $23.1 billion by 2020, reflecting a growth rate of 25.2 percent from 2013 to 2020. Globally, governments are instituting healthcare initiatives and regulations to reduce costs, improve quality of care and increase transparency. Such measures are driving healthcare providers and organizations to: adopt technologies such as EHR and healthcare information exchanges (HIE); form strategic partnerships to reduce costs and increase efficiencies; and acquire accurate data to remain in compliance with new regulations.

As these and similar initiatives take form in emerging markets, the need for healthcare analytics data will be key to solving many of the challenges healthcare systems face today, particularly in areas of regulatory compliance, the reduction of hospital readmissions, the prediction and prevention of chronic diseases, and claims processing.
TREND #2 – The Expanding Global Healthcare Cloud

Regions in North America, Europe and Asia have caught on to cloud computing, with the U.S. representing the largest user group of cloud computing. However, recent reports show that emerging healthcare markets will also start moving towards the cloud and will contribute to its annual growth rate of 20.5 percent from 2012 to 2017.

Cloud computing issues that confront regions in developed regions will pose the same challenges for emerging markets – namely security, interoperability and government compliance. Flexible global healthcare data that integrates seamlessly with cloud technologies will be a major factor in accelerating the adoption of cloud computing worldwide.

TREND #3 – Global Investments and Acquisitions

While the majority of mergers and acquisitions in healthcare have been occurring in the U.S. and Europe, the Asia-Pacific region has shown extraordinary growth in the number of healthcare buyout deals. According to recent data from Bain Capital, buyouts in Asia-Pacific grew by more than 45 percent, compared to just 5 percent in North America and 3 percent in Europe.

Global investments in biopharma is showing strong growth across various sectors, including generics, traditional pharma and biotechnology, with large deals being struck in Italy and the UK. In both the U.S. and Europe, investments in specialty drugs within biopharma pipelines are growing. Major acquisitions of retail health, healthcare IT and elderly care facilities are occurring in the UK. And hospital deals are increasing in Europe and Asia-Pacific.

As mergers, acquisitions and strategic partnerships continue to unfold across the globe, there will be simultaneous shifts in supply chains and decision-makers. These changes will propel the imperative need for global healthcare data that provides key organizational and decision-maker data.
Transparency: The French Sunshine Act

Healthcare stakeholders looking to enter markets abroad must ensure that they comply with legal regulations concerning transparency. The French Sunshine Act provides a clear example of what to expect. Similar to the U.S. Open Payments/Sunshine Act, the French Sunshine Act (Loi Bertrand) was adopted to ensure transparency of decision-making in healthcare and to prevent conflicts of interest between stakeholders.

Adopted in 2011, the French Sunshine Act mandates that a range of healthcare companies involved in the manufacture or distribution of pharmaceutical drugs, medical devices, biomaterials and other products disclose information about any agreement made with French healthcare providers. This includes disclosures on Research and Development contracts, event invitations, travel expenses, cash and in-kind benefits and consulting agreements exceeding €10. Additionally, the qualifications, medical specialties – including the qualification and registration number for healthcare providers – as well as the school and registration number for students must be reported. Failure to meet the French Sunshine Act disclosure obligations can lead to sanctions and financial fines up to €45,000.

As the healthcare market becomes more globalized, companies with agreements, partnerships and sales abroad the need for accurate healthcare provider and organization data will be vital.
CONCLUSION

Healthcare stakeholders are reacting to changes in the marketplace by growing into new and previously untapped markets, many of which extend beyond their immediate borders. Regulatory barriers and protectionism among some regions in emerging markets pose challenges, but pressure to meet the increasing demand for healthcare, reduce costs and keep chronic diseases in check will pave the way for growth. Responding to these changes will require life sciences, medical device and healthcare IT companies to consider low-cost solutions and services and innovative delivery models that are tailored to specific markets.

To leverage new opportunities in emerging markets, stakeholders will first need global healthcare data to analyze where potential customers are, what corporate linkages exist, and who the decision-makers are. Additionally, companies that have already expanded into international markets must prepare for government regulations on data transparency, which requires in-depth healthcare provider data.

Healthcare Data Solutions (HDS), a leading provider of healthcare database and compliance solutions, is one of only two companies in the U.S. that can provide global healthcare data.

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