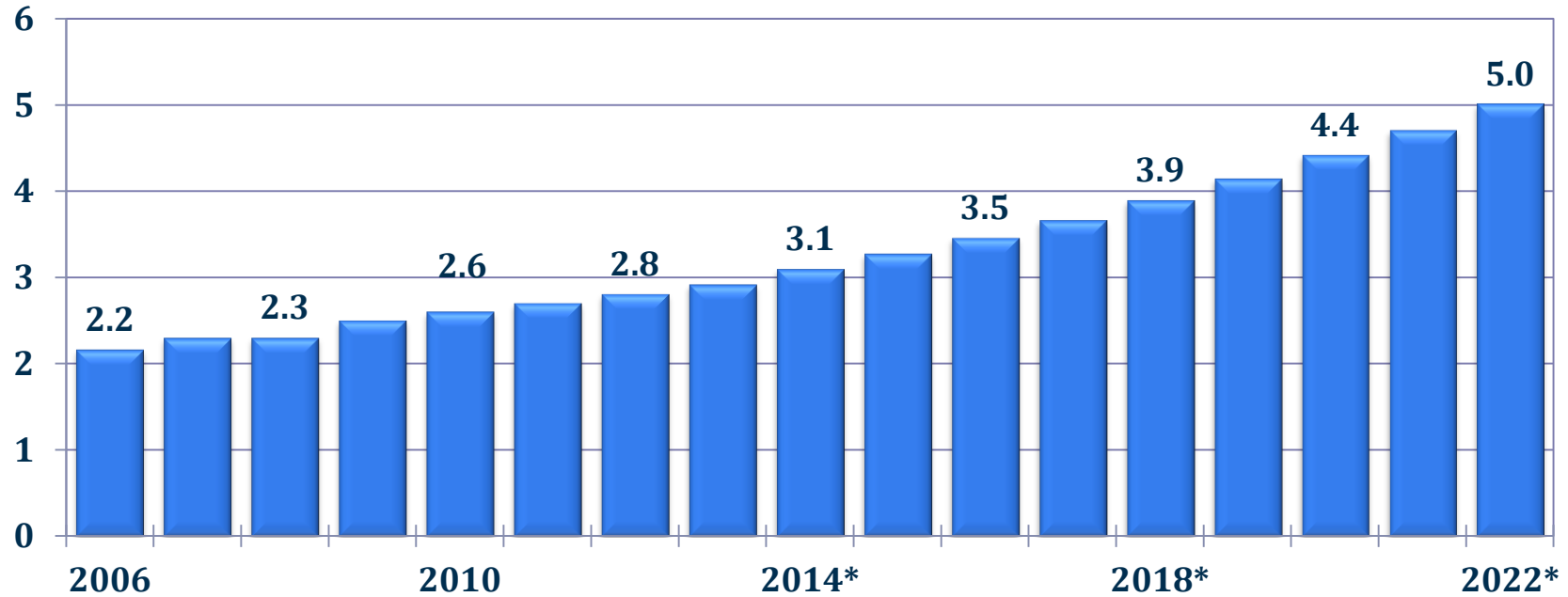


National healthcare expenditures are projected to equal \$5 trillion by 2022



US\$ trillions



Source: Centers for Medicare and Medicaid Services.

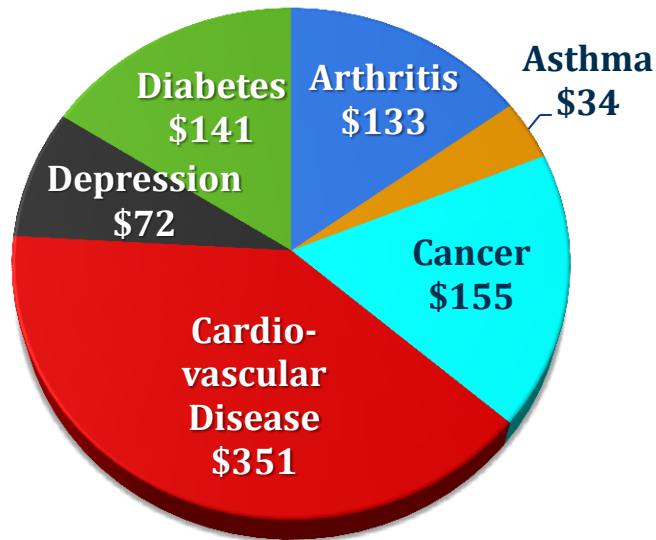
* Projected.

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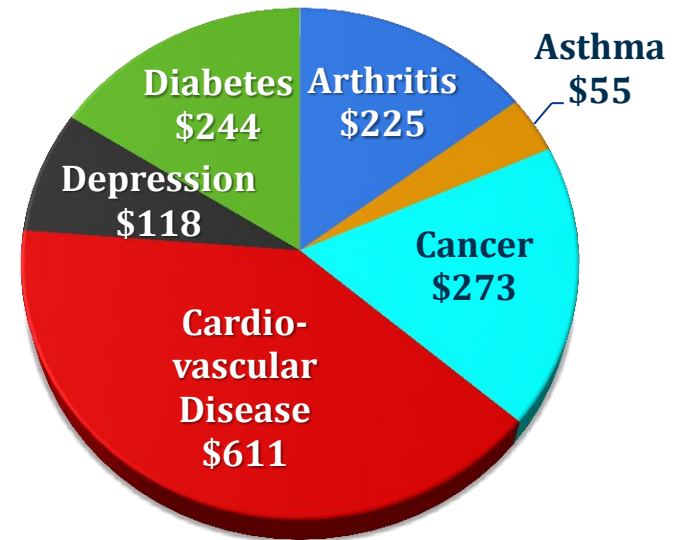
Spending on top 6 chronic diseases will grow over 70% by 2020



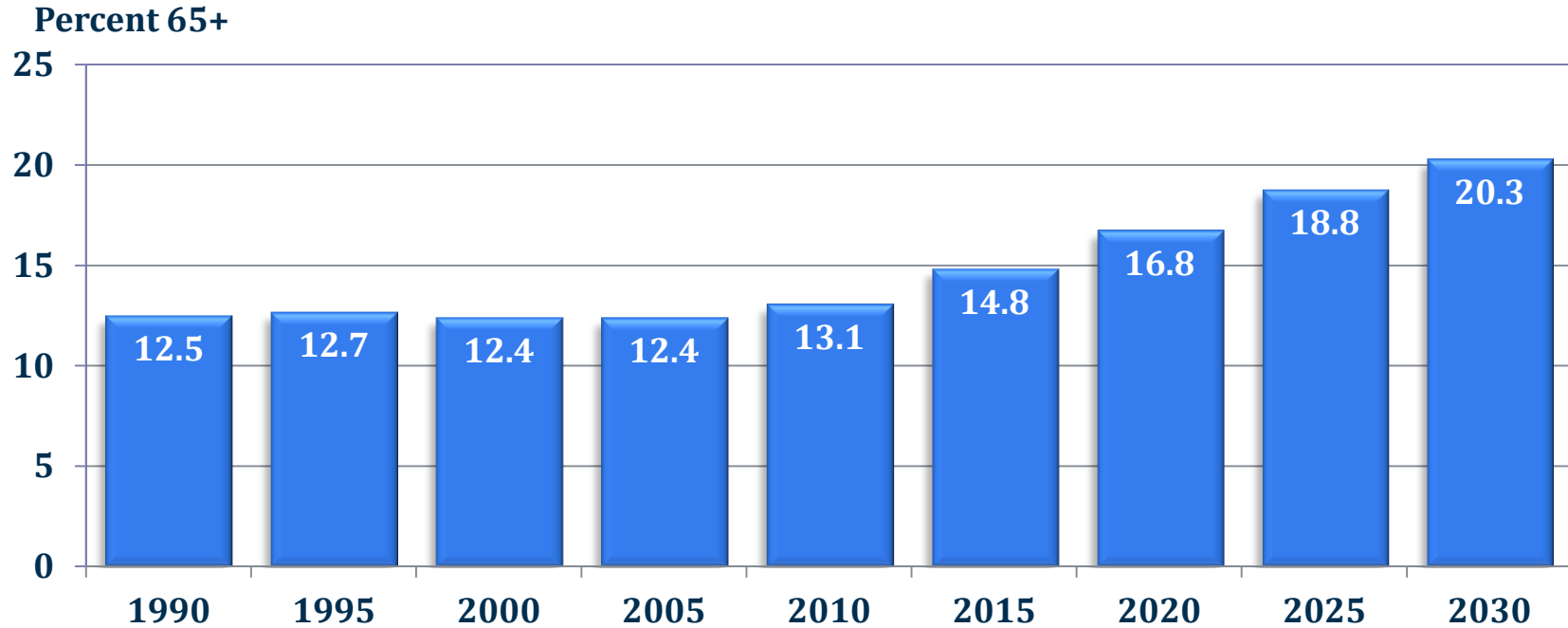
2010 Total = US\$ 887 billion



2020 Total = US\$ 1.5 trillion



U.S. aging population is growing fast

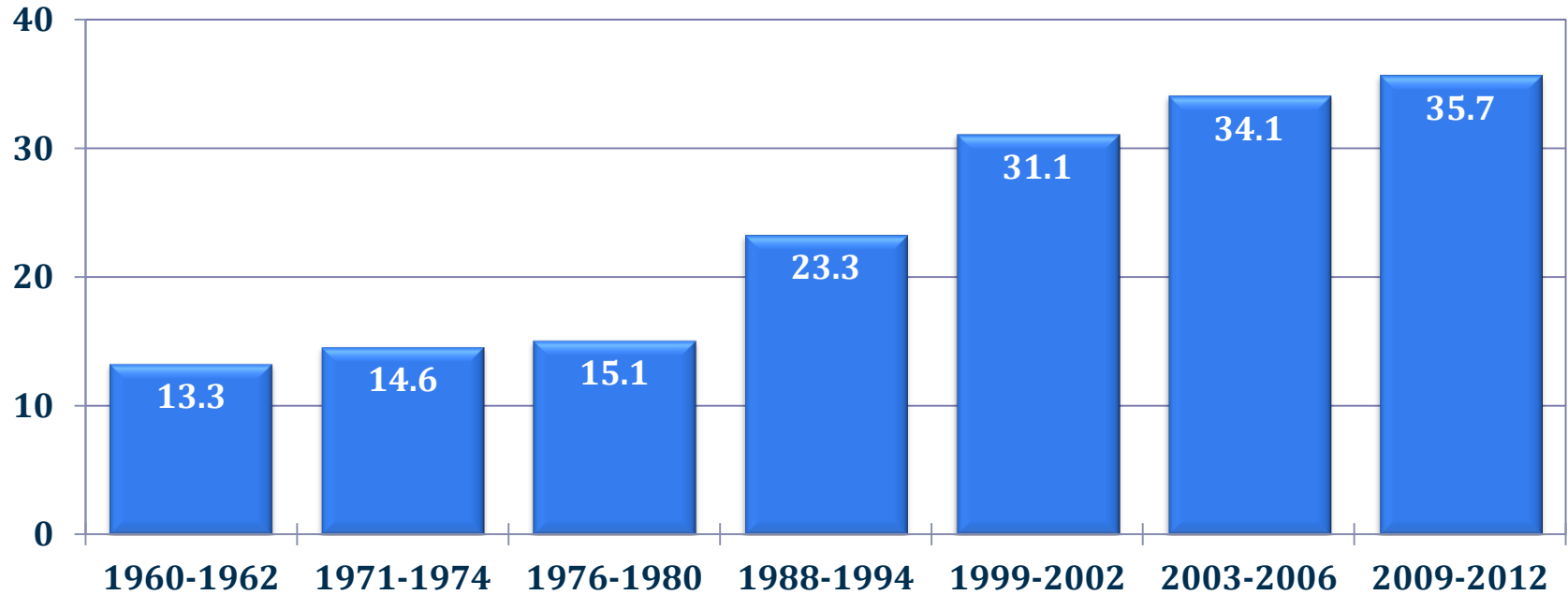


Sources: U.S. Census Bureau, Moody's Analytics.

Rising U.S. adult obesity rates



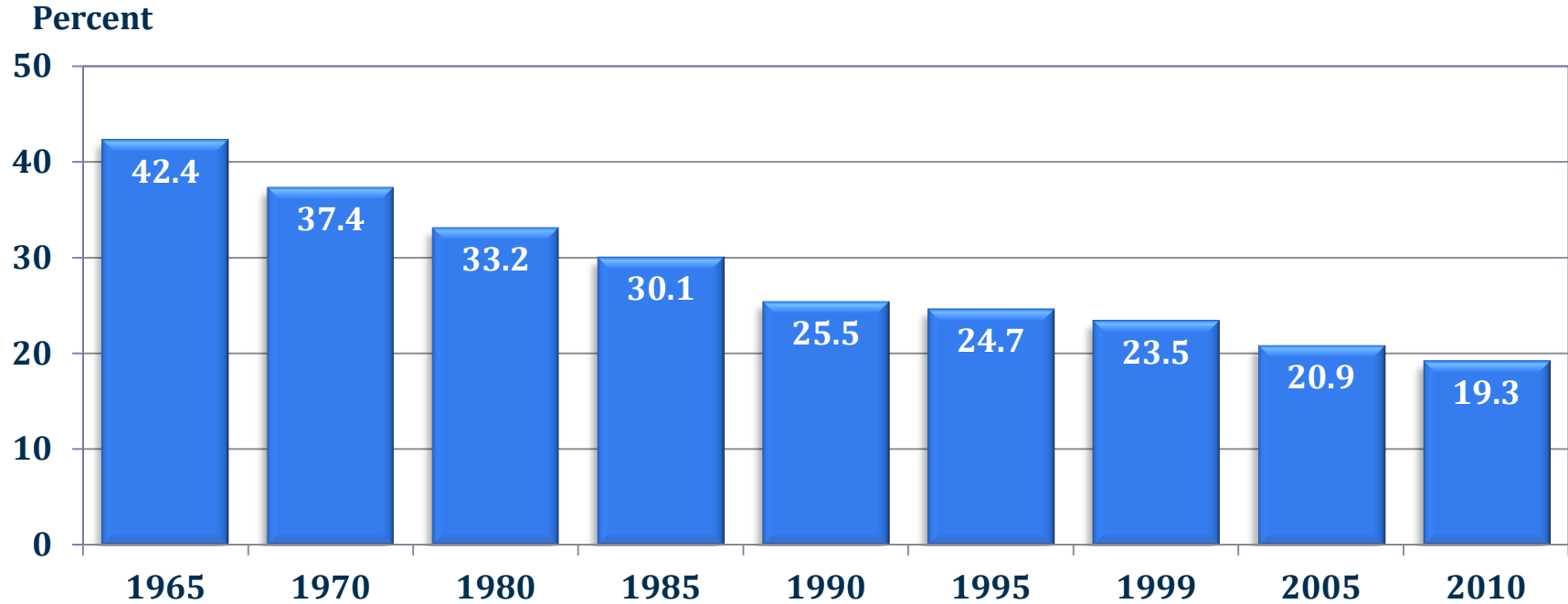
Percent obese



Source: Centers for Disease Control and Prevention.

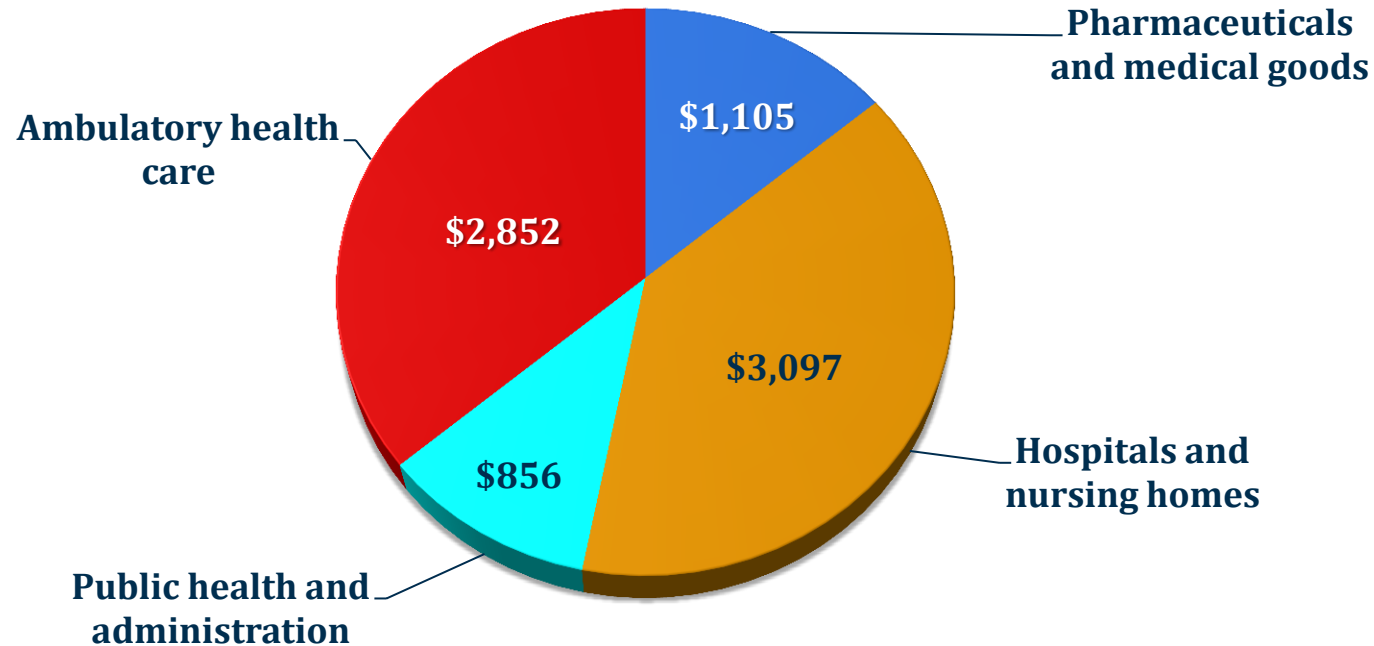
Percent of current adult smokers has decreased dramatically

Percent of adults that are current smokers in the U.S.



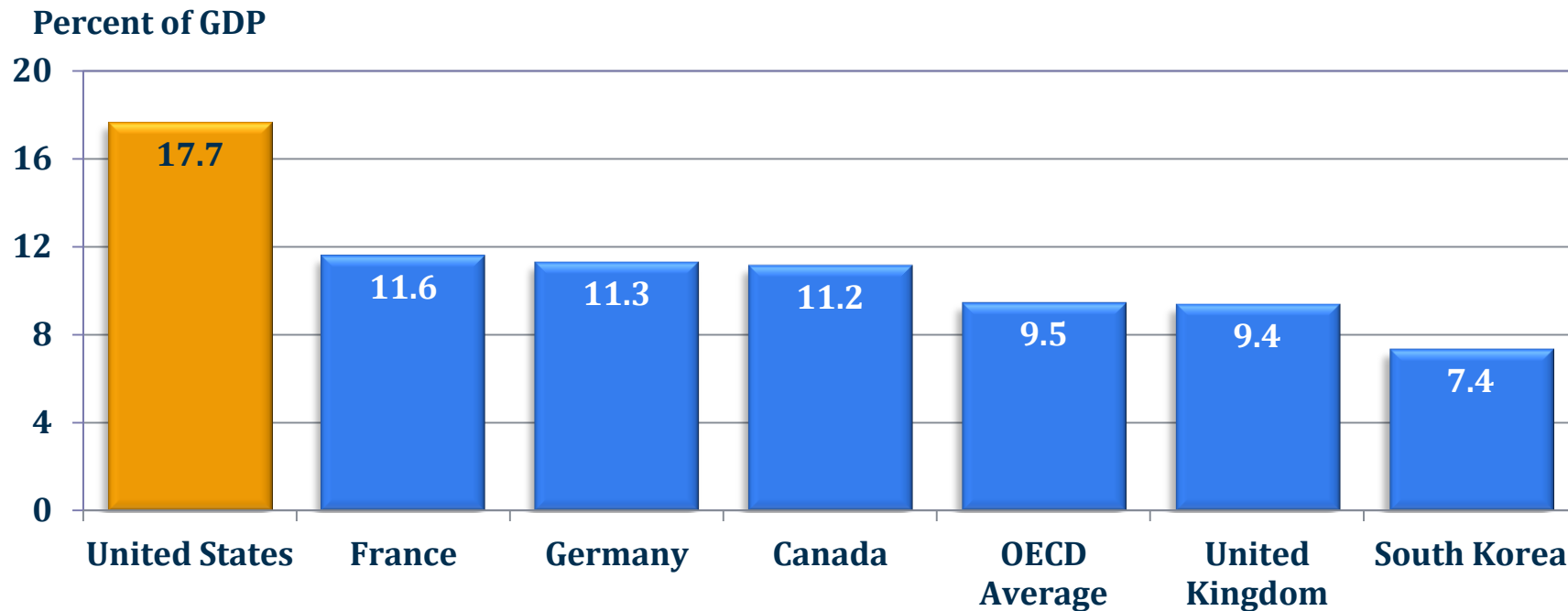
Source: Centers for Disease Control and Prevention.

Breakdown of U.S. annual per capita health spending by category of care



Total expenditure on health

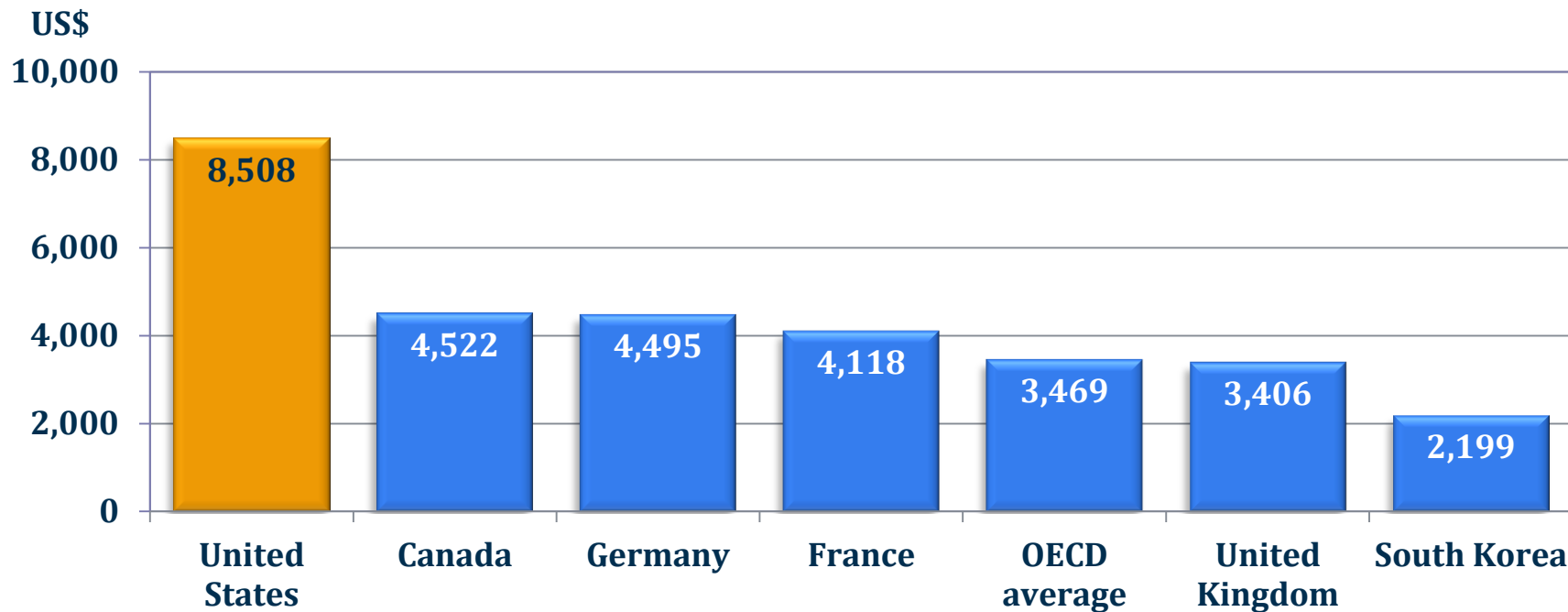
Percentage of the GDP in select OECD countries



Source: OECD.

Total expenditures on health

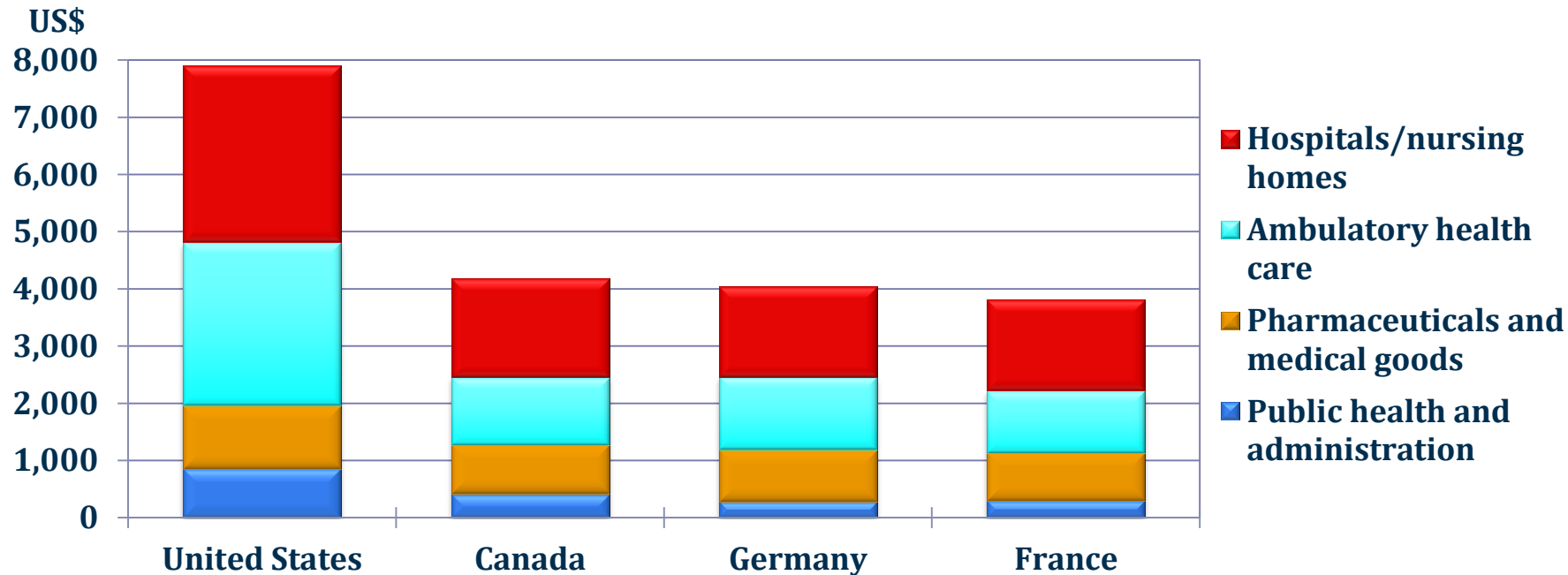
Per capita in select OECD countries



Source: OECD.

U.S. spends more for all categories of care

Health spending per capita in select OECD countries



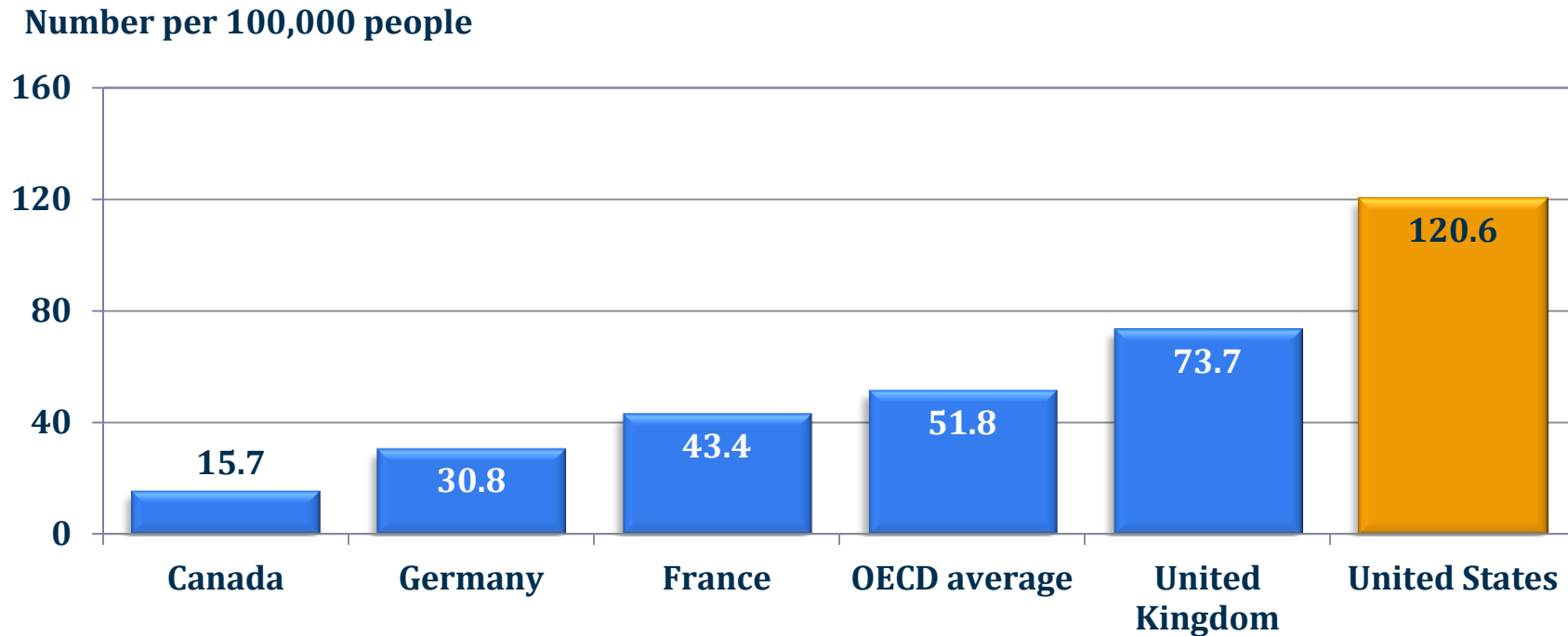
Where does the U.S. spend more than other countries?



	U.S. rank compared to other OECD countries	U.S.	OECD average
MRI units per million population	2	31.6	12.5
MRI exams per 1,000population	2	97.7	46.3
Tonsillectomy per 100,000 population	1	254.4	130.1
Coronary bypass per 100,000 population	3	79.0	47.3
Knee replacements per 100,000 population	1	226.0	121.6
Caesarean sections per 100 live births	6	32.9	26.1

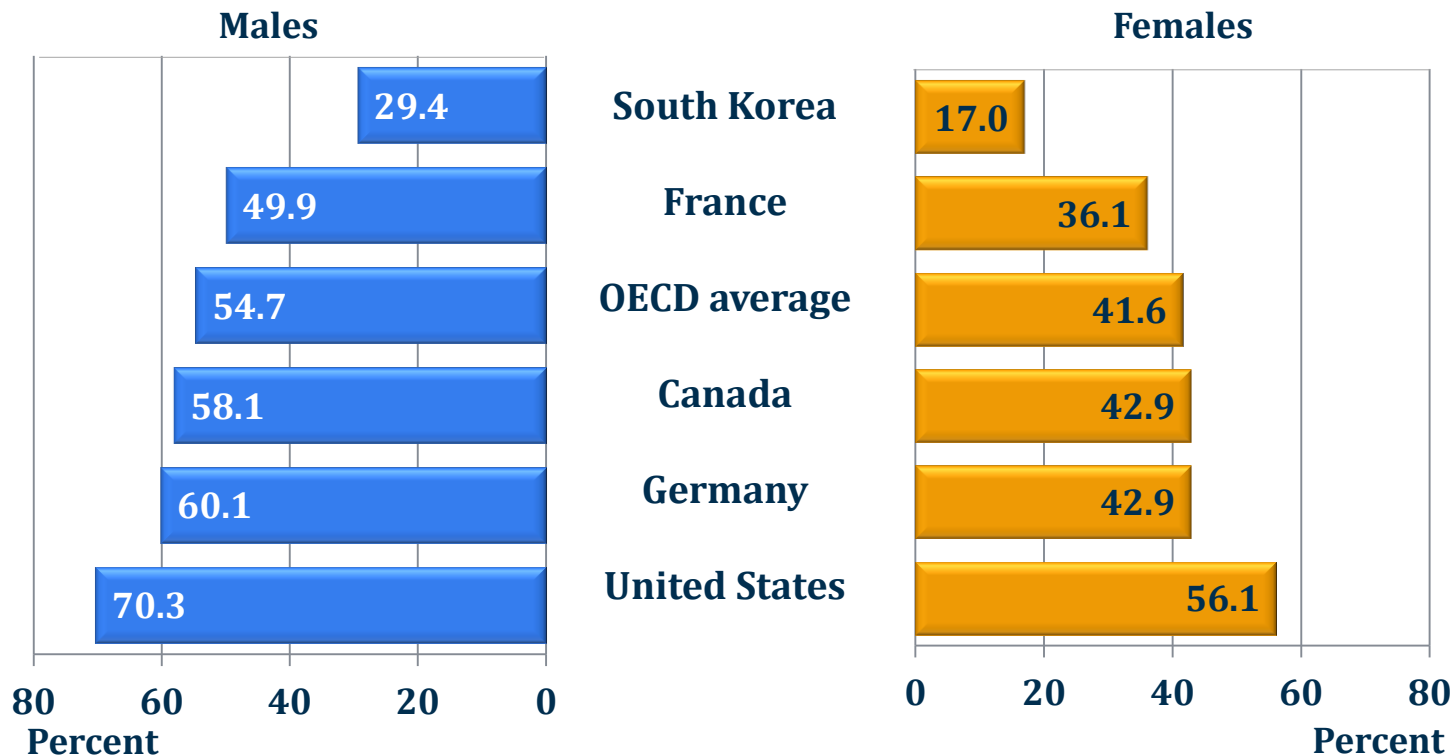
U.S. chronic disease management needs improvement

Asthma hospital admissions per 100,000 people in select OECD countries



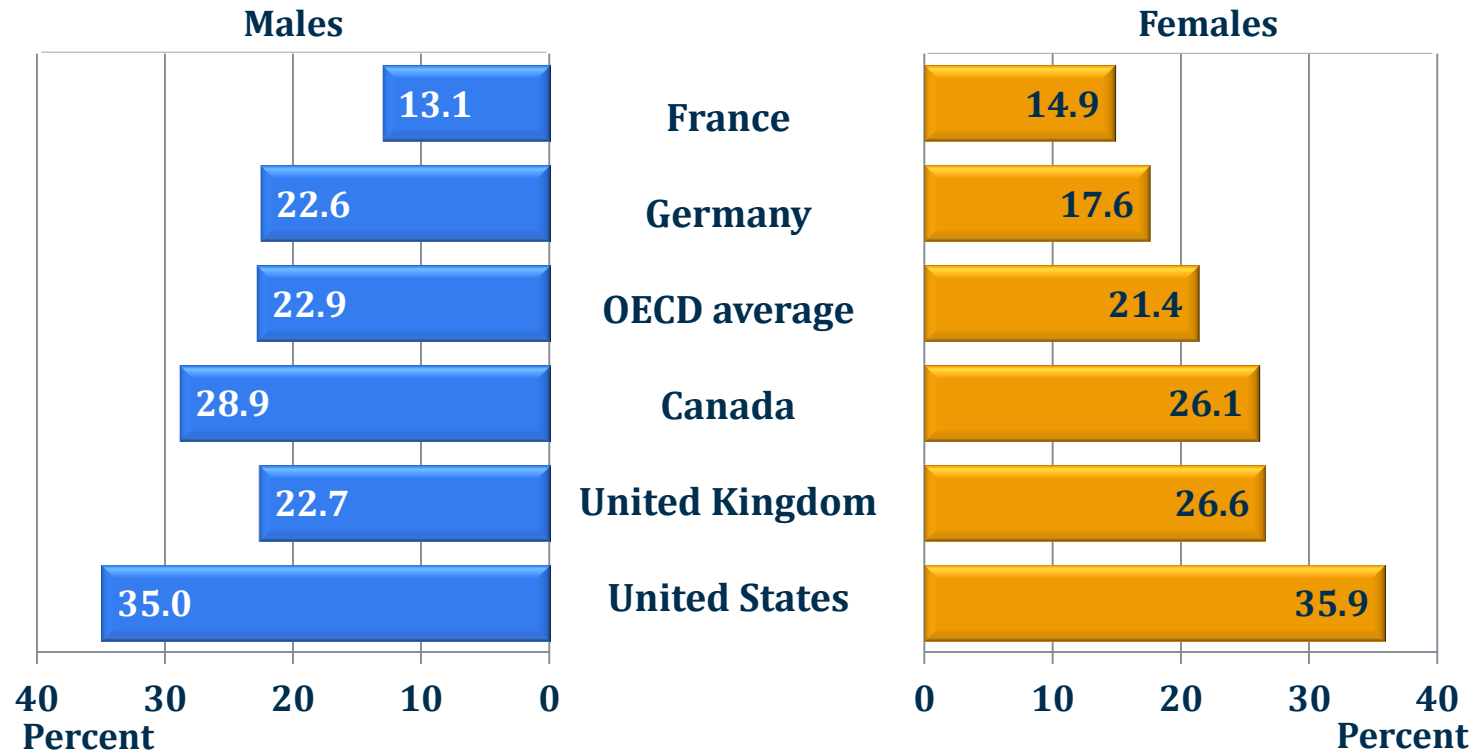
U.S. tops the OECD in percent of overweight adults

Percent of overweight or obese adults in select OECD countries



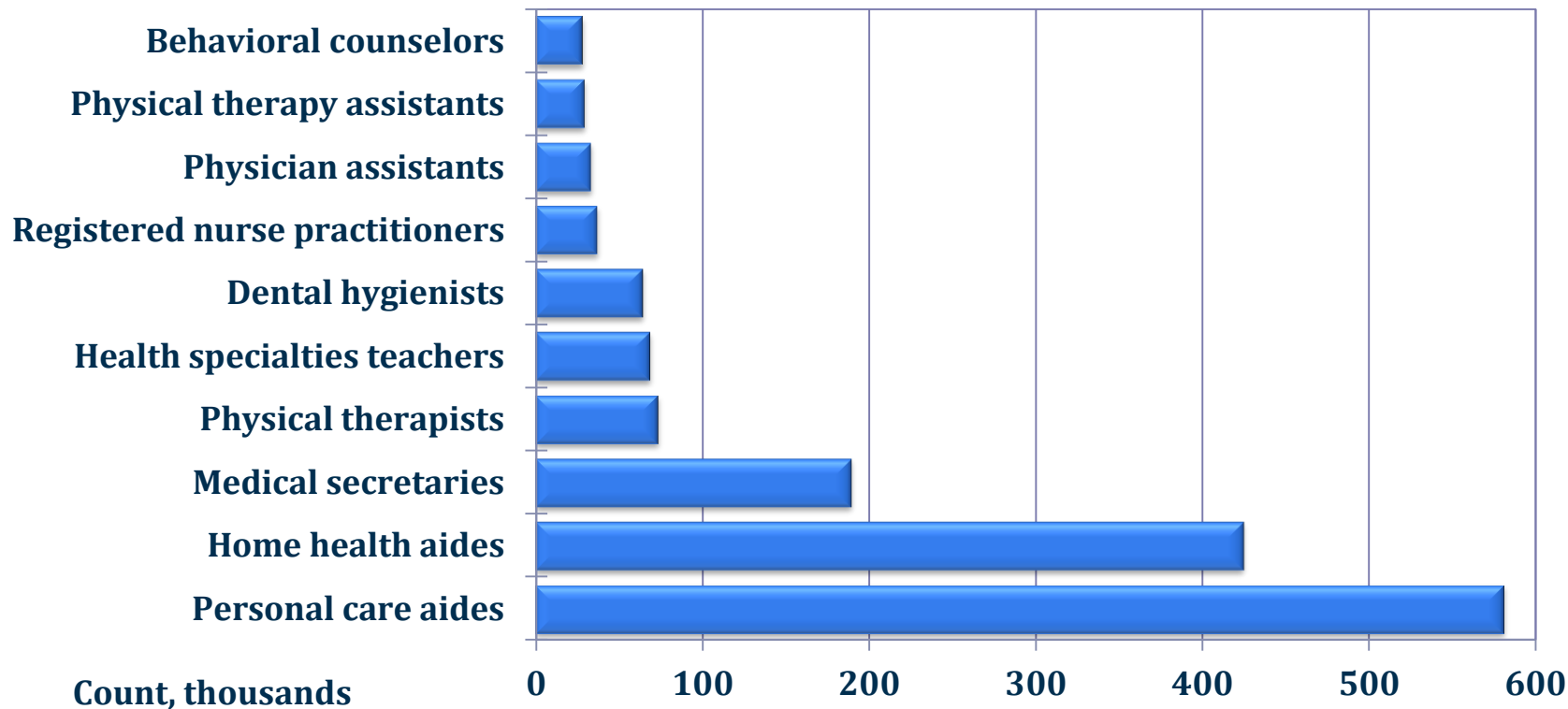
Over one third of U.S. children are overweight

Percent of overweight or obese children in select OECD countries



Healthcare projected to represent a third of job growth by 2022

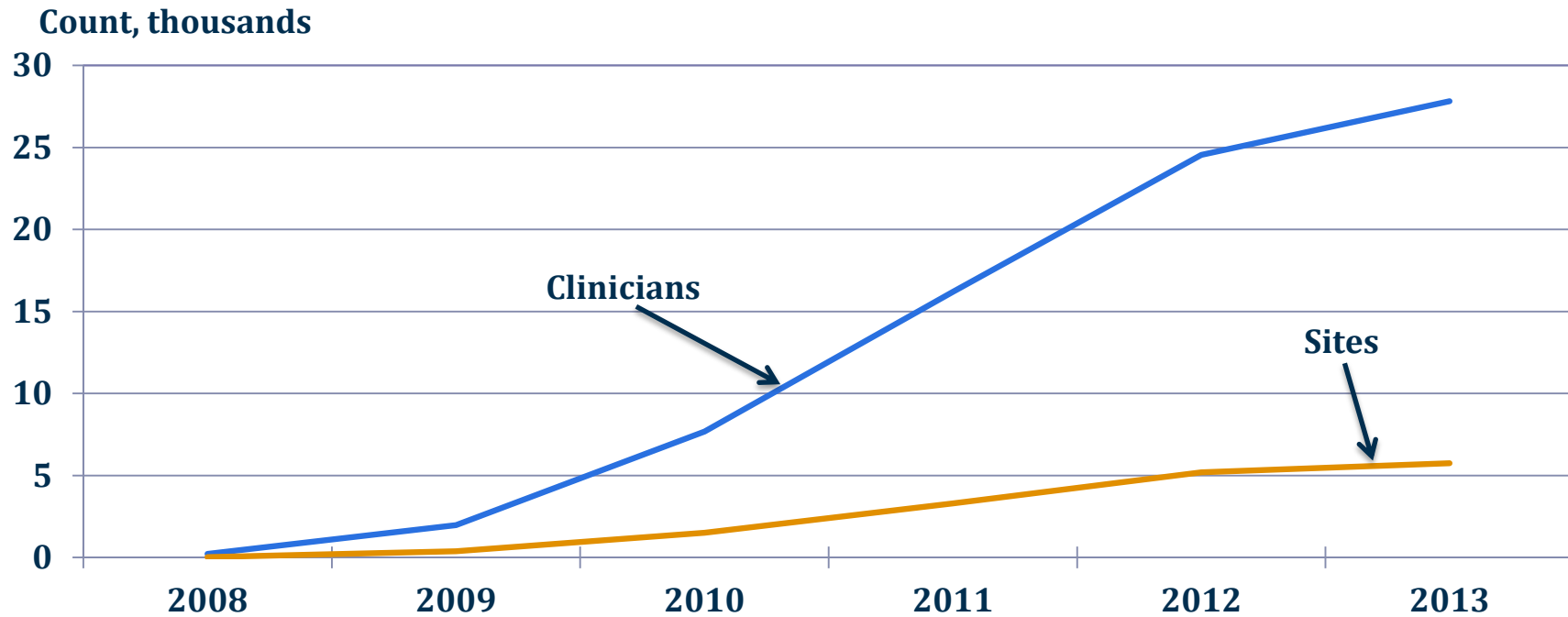
New jobs in 1,000s



Source: Bureau of Labor Statistics.

Growth of patient-centered medical homes

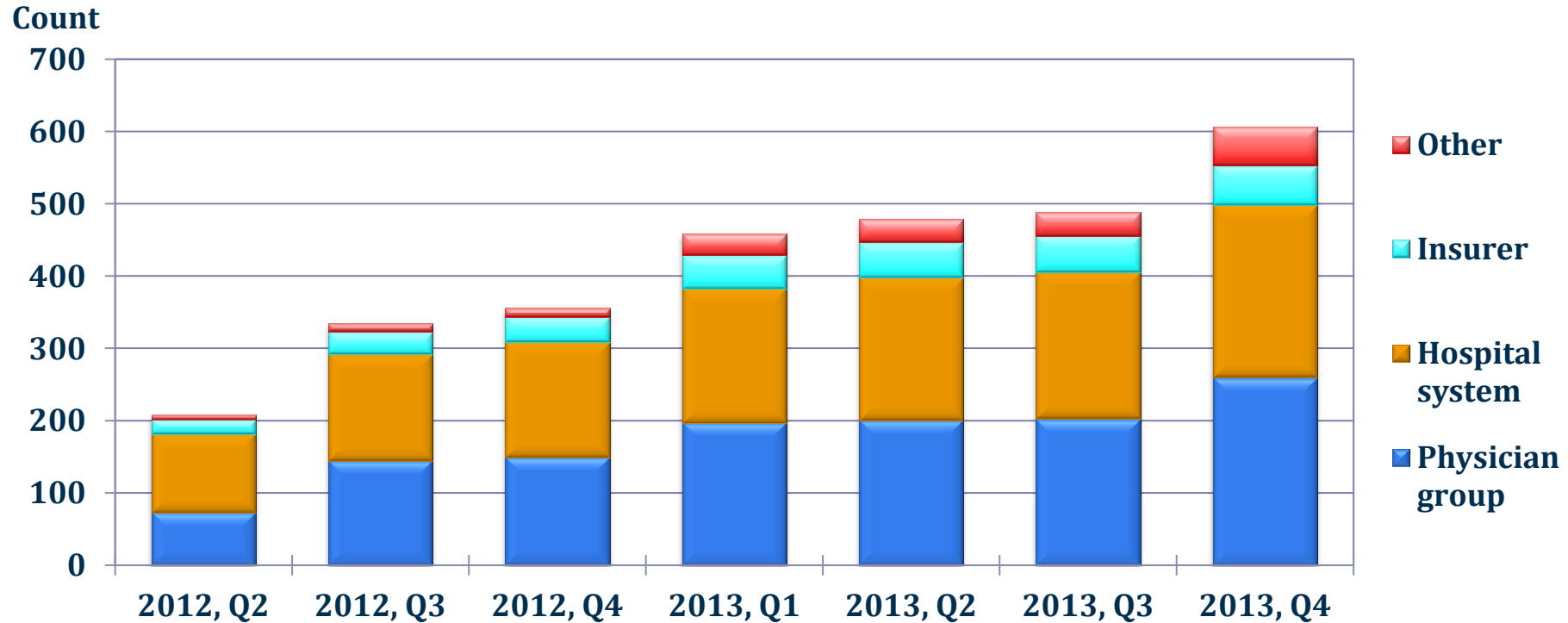
Number of recognized sites and clinicians in thousands



Source: National Committee for Quality Assurance.

Increasing prevalence of accountable care organizations (ACOs)

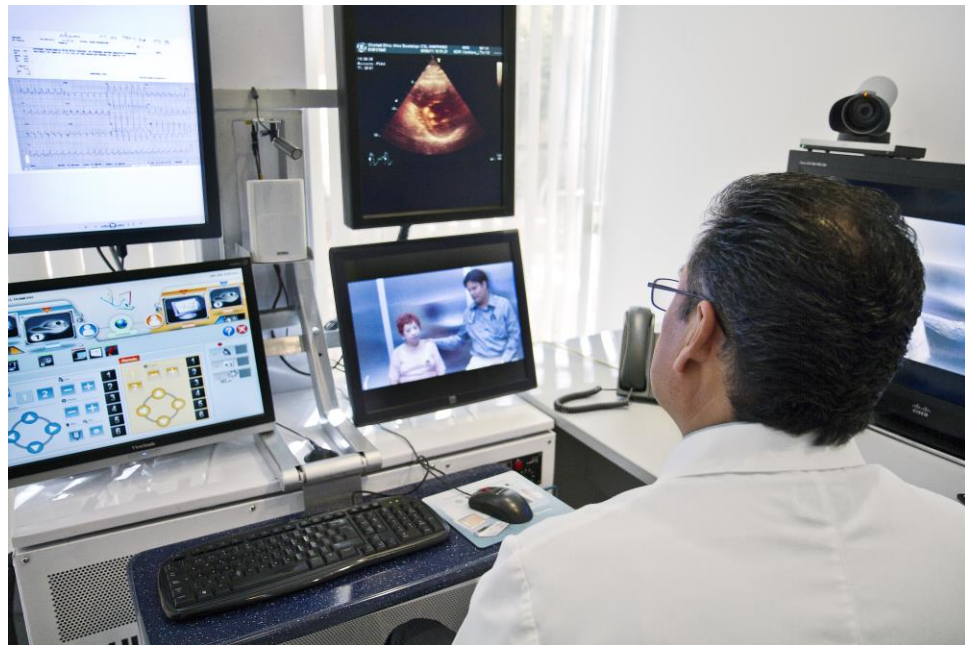
By sponsor type



Greater access to care with connected health and telemedicine



- Telemonitoring (weight, BP, heart rate, pulse oximetry)
- Time- and place-independent access to specialty physicians
- eReferral to reduce wait times for specialties
- Tele-ICU intensivist coverage over more intensive care unit beds
- Greater medication regime adherence



Free smartphone apps for medication adherence



App	Feature(s)
Care4Today	Monitor medication use of loved ones. Donate to charity when taken on time.
Med Helper	Export results to doctors, nurses and caregivers.
MedCoach	Connect to your pharmacy to order refills.
MediSafe	Supports English and non-English languages.
Pill Monitor	Email a log of prescriptions taken.
Pill Reminder	Set up accounts for multiple family members through www.drugs.com .
RxmindMe	Export prescription information through Walgreens.

Healthcare providers in the future



- Projected physician shortage:
 - 2012: 950k practicing physicians
 - 2020: 90k more providers needed (1/2 primary care)
 - 2025: 130k more providers needed (1/2 primary care)

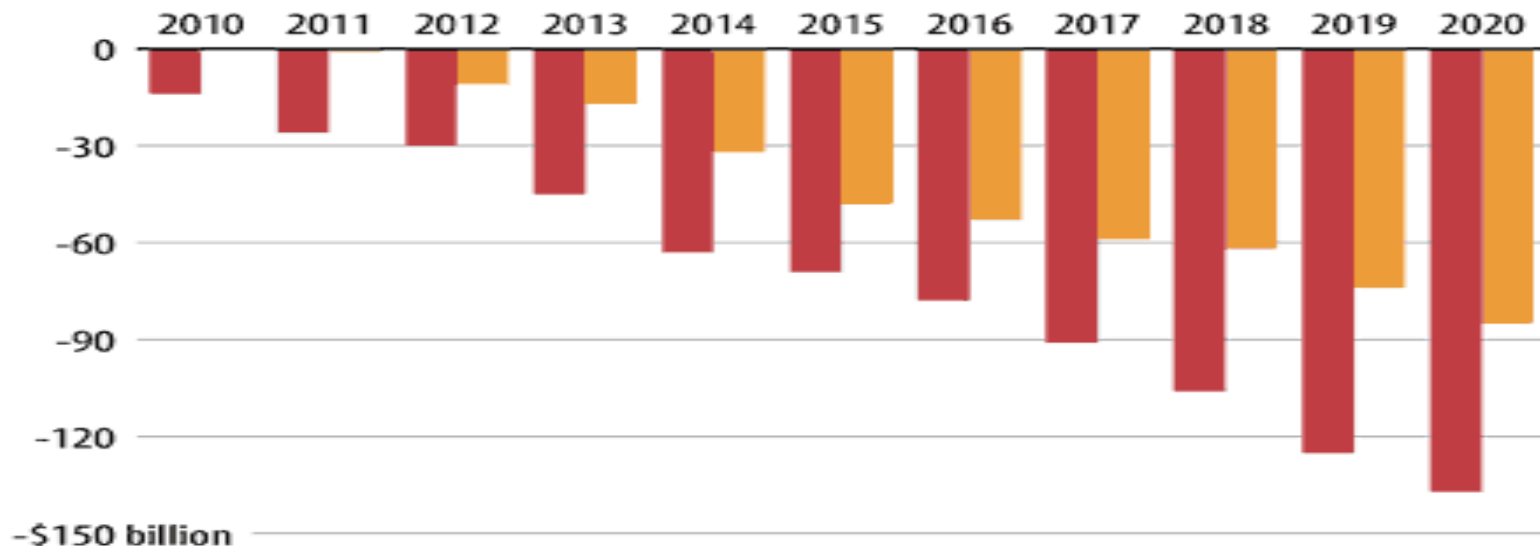


Medicare and Medicaid projected to cost \$1.2 trillion less than under earlier projections



Difference between Congressional Budget Office's March 2010 and May 2013 projections

■ Medicare (total reduction \$774 billion) ■ Medicaid (total reduction \$445 billion)

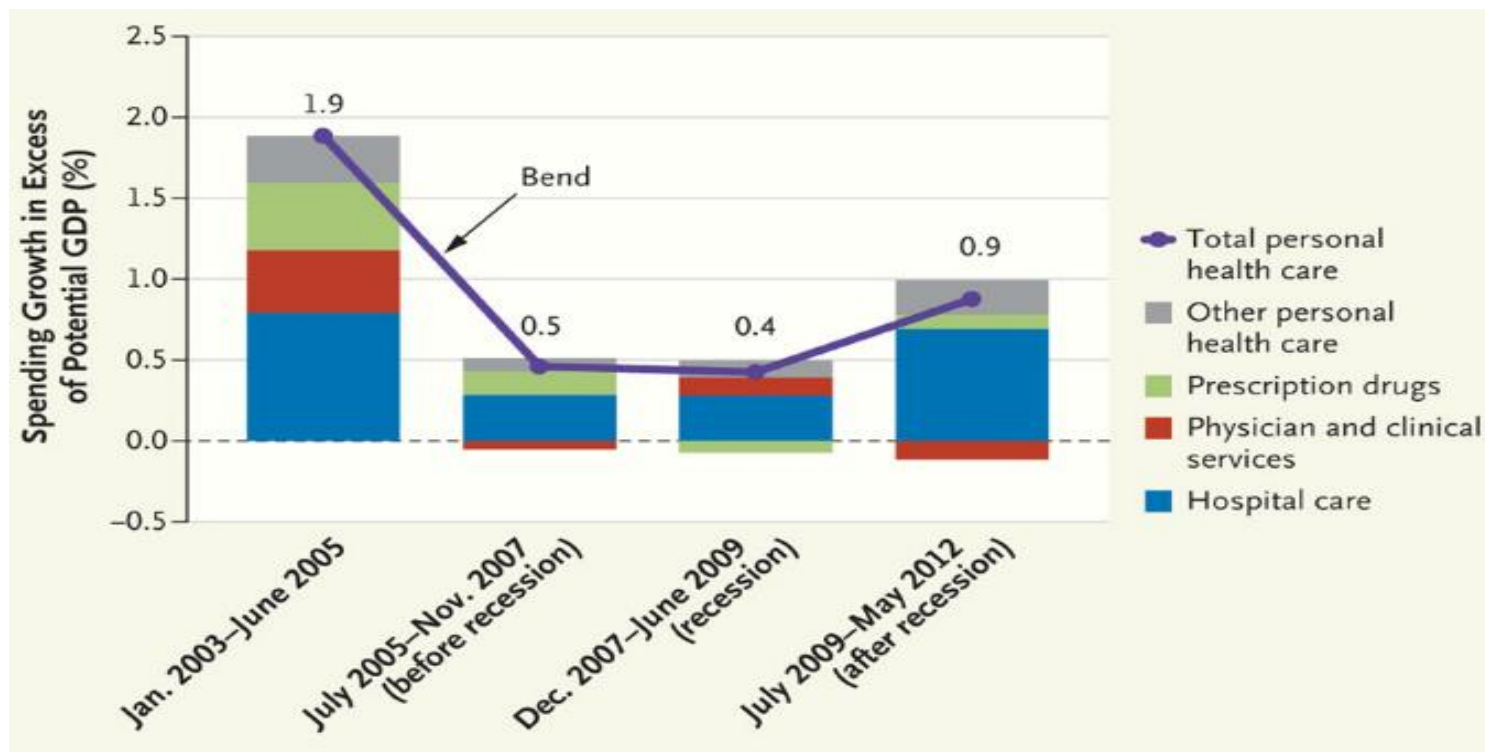


Note: Data exclude changes in spending attributable to enacted legislation and updates in the economic forecast

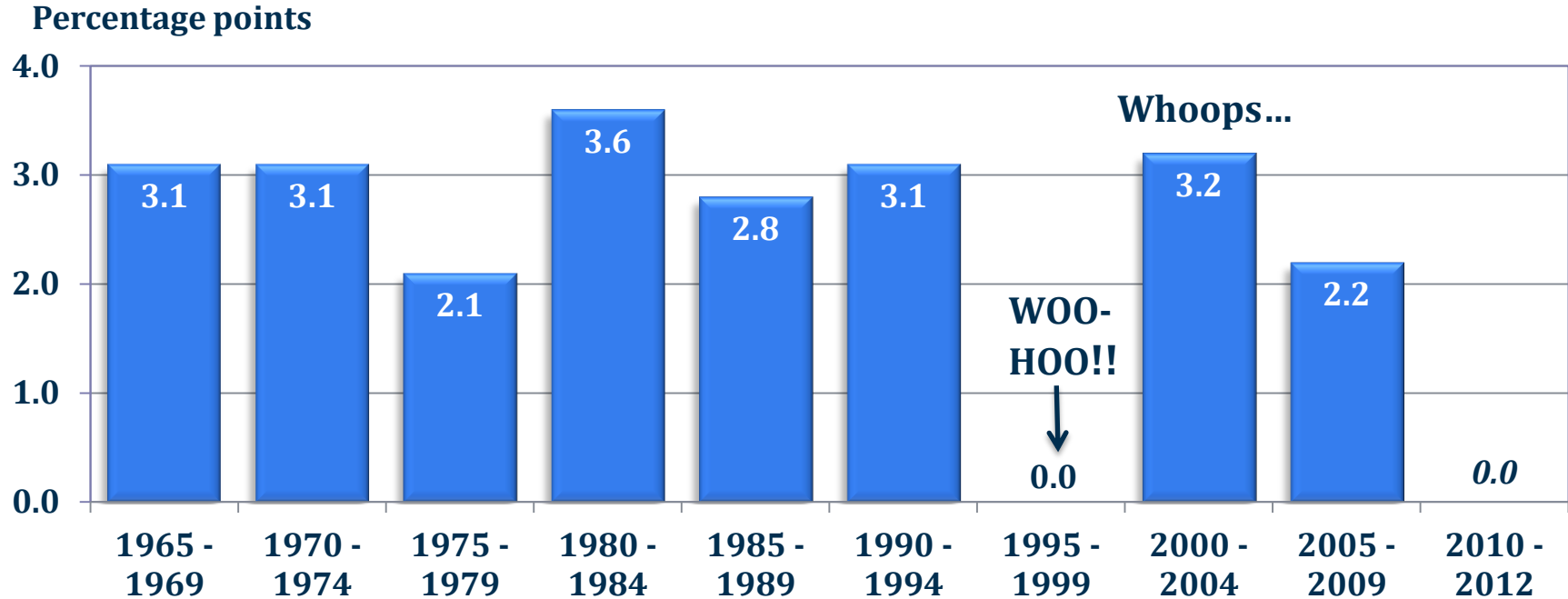
Source: Congressional Budget Office

Center on Budget and Policy Priorities | cbpp.org

When the cost curve bent



Average annual difference between growth in real GDP per capita and growth in real health expenditures per capita, 1965-2012



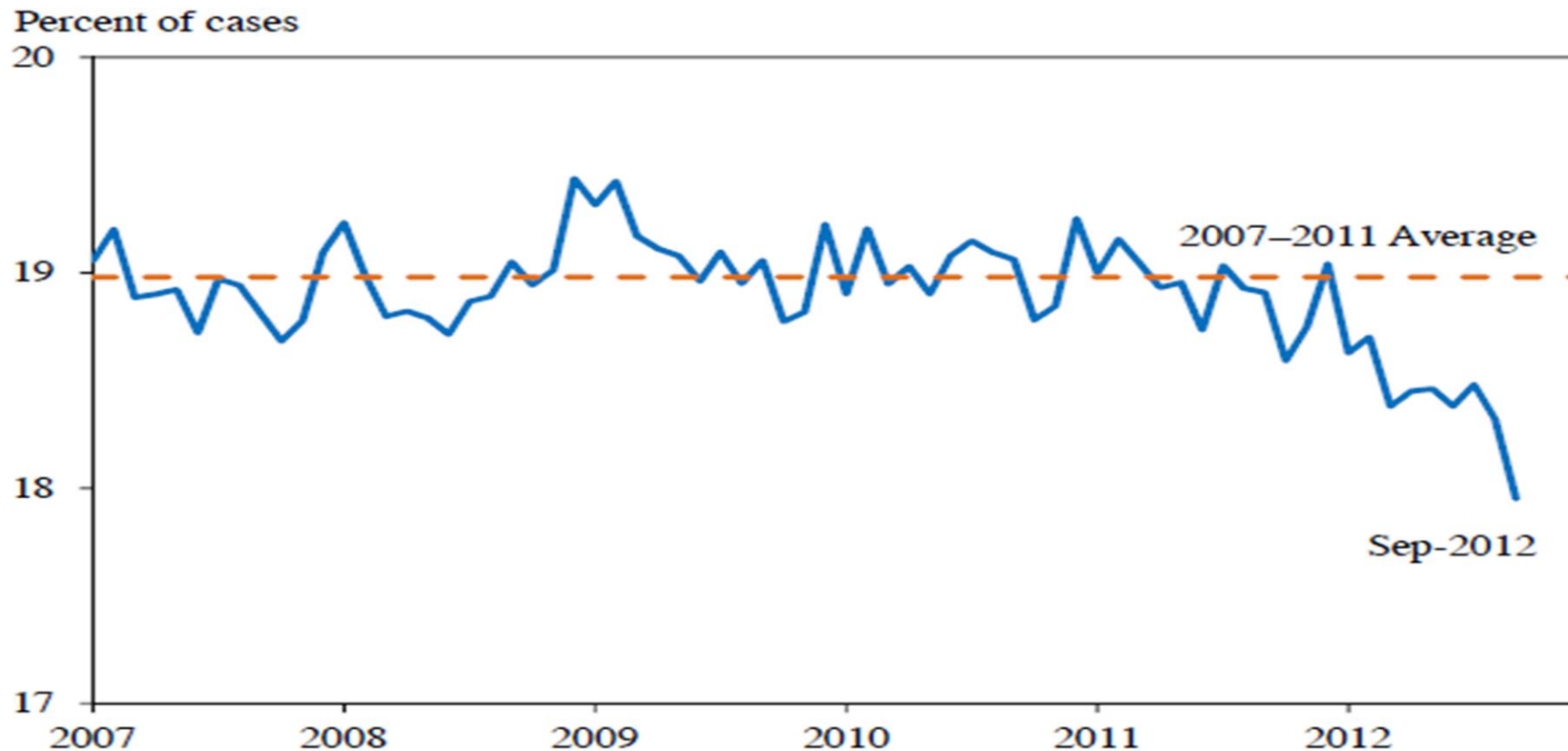
Source: Bureau of Economic Analysis, National Income and Product Accounts, Centers for Medicare and Medicaid Services, National Health Expenditure Accounts, CEA calculations.

Note: Health expenditures per capita are deflated by the GDP price index

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Acute care hospital readmission rates

2007-2012









Source: Center for Medicare and Medicaid Services, Office of Enterprise Management.

What's "hot"



The six major themes of 2013 comprise almost 50% of all funding for the entire year

 EHR AND CLINICAL WORKFLOW Electronic health records and surround applications, including clinical workflow support \$245M	 ANALYTICS AND BIG DATA Data aggregation and analysis to support a wide range of health-care use cases \$161M	 DIGITAL MEDICAL DEVICES Hardware/software designed to treat a specific disease or condition \$146M
 WEARABLES AND BIOSENSING Wearable consumer devices that measure specific biometrics \$136M	 POPULATION HEALTH MANAGEMENT Comprehensive platforms designed to manage the health of populations under the shift to risk-based payment models \$126M	 HEALTHCARE CONSUMER ENGAGEMENT Consumer tools for the purchasing of healthcare services or health insurance (B2B and B2C) \$119M

Source: Rock Health funding database
Note: Rock Health categorizes companies into 24 categories



Who is paying?



Solutions must be compelling enough for stakeholders to buy on recurring basis
-Consumers are not conditioned to pay for healthcare solutions



PAYER



PHARMA



PROVIDER



EMPLOYER



CONSUMER

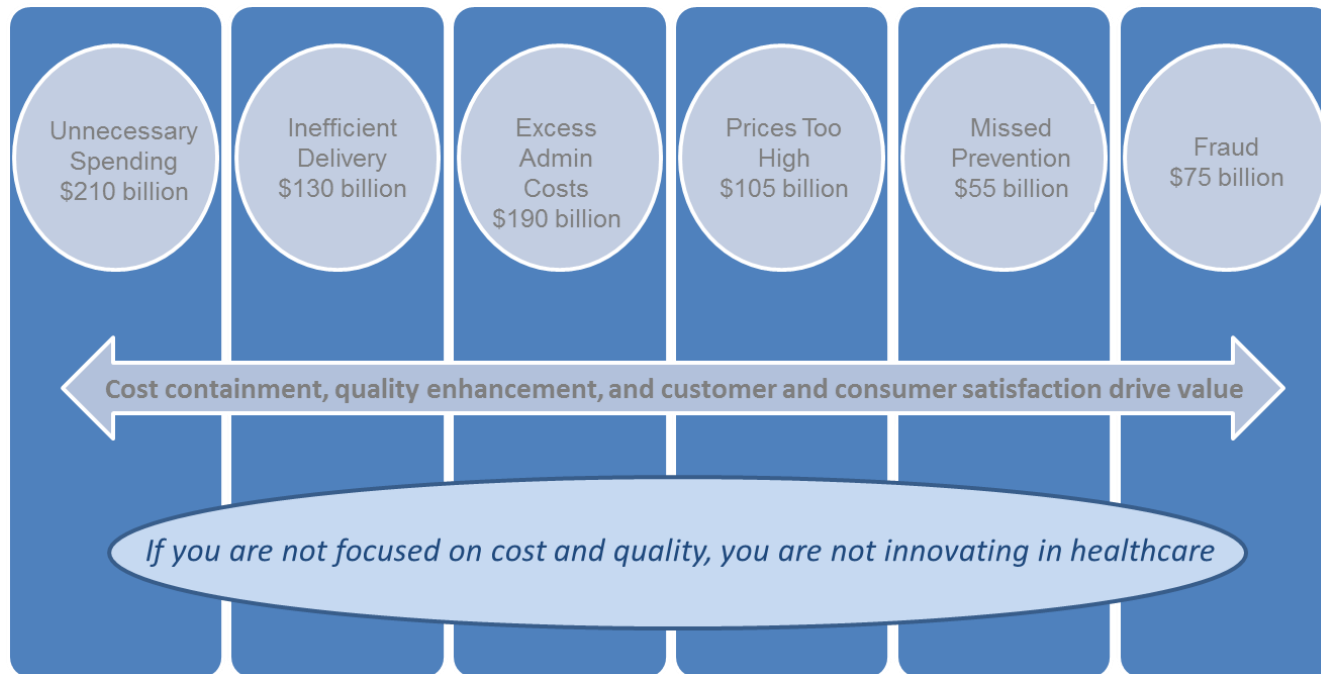


Process innovation is a key change agent

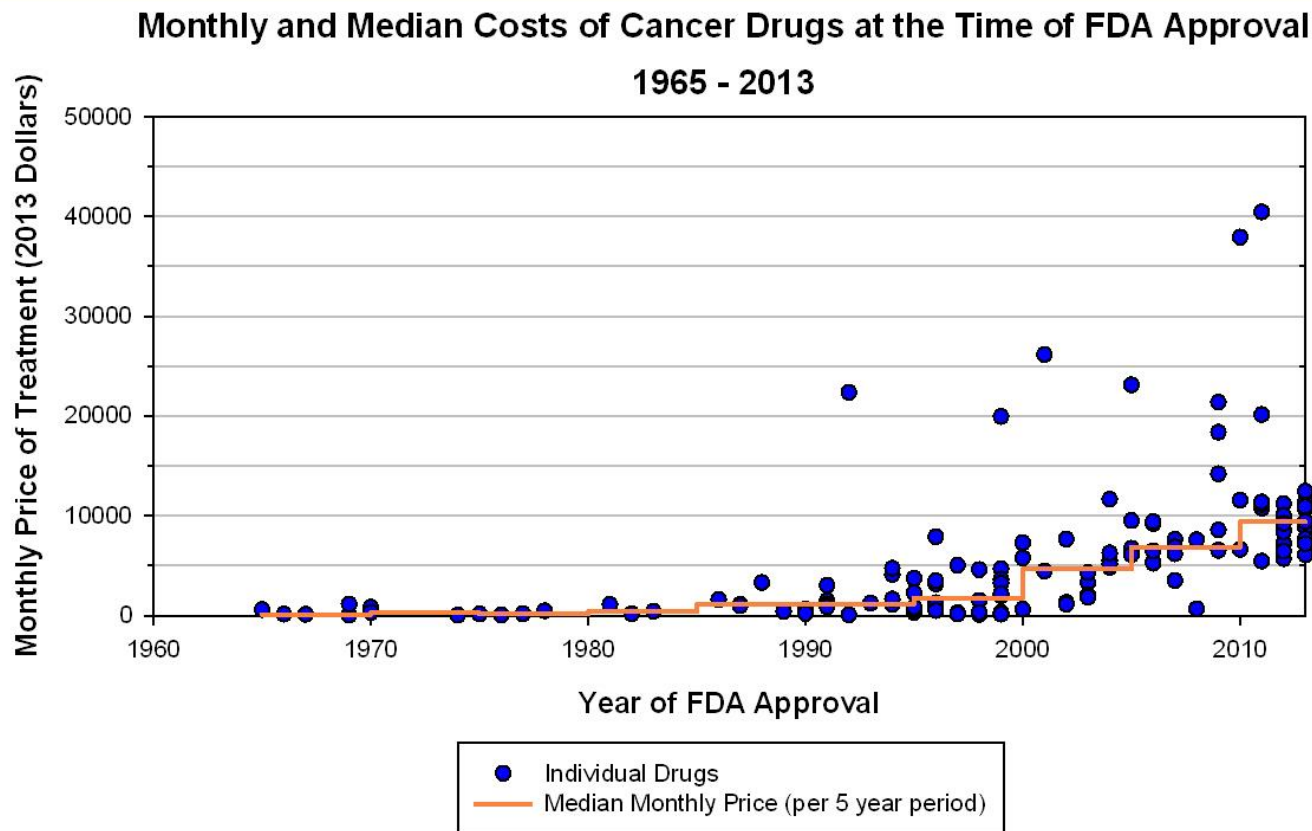


\$765 billion annually wasted in the healthcare system

--Technology-enabled solutions and outsourced services are key enablers



Skyrocketing cost of cancer drugs



Source: Peter Bach, MD, Memorial Sloan Kettering Cancer Center .

Way to health



GlowCap®



GlowPack™



fitbit



Way to Health



incenta HEALTH



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Multi-directional connectivity

