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In the previous issue, my colleague Chris McCahan, Global Lead for Health, outlined IFC’s recently revamped Health Strategy. In this issue, we dig a little deeper into IFC’s strategy for Life Sciences, which account for about a third of IFC’s healthcare portfolio.

Why are we active in this space? Because affordable medicines are essential to achieving UN Sustainable Development Goal 3—ensuring healthy lives and promoting well-being for all at all ages. Our Life Sciences footprint has grown steadily from $200 million in 2011 to $971 million (end of December 2017) and has dispersed across 32 projects in manufacturing and retail. IFC’s pharmaceutical investments are mostly in South Asia and Middle East-North Africa but we also have significant investments in Latin America, Eastern Europe, and East Asia. Recent transactions in the manufacturing space include Procaps in Colombia, MS Pharma in Jordan, Biological E in India, and B Braun in Indonesia, and in the retail space, Goodlife in Kenya.

What are the big trends and challenges? On the production side, we see a need to support regional integration, especially among generics producers, to better integrate pharmaceutical supply chains, and to scale up the production of quality medicines. Biosimilars—which are generic versions of biologics—are emerging as a viable segment. On the pharmaceutical retail side, we make investments with a view to consolidating what is typically quite a fragmented sector in many developing countries to better serve rural areas and to create more robust supply chains. The twin end goals are improved access to affordable medicines and reduced risk of substandard drugs getting onto the market.

Two good examples of the kind of clients we seek out are Hikma in Jordan and Fybeca in Ecuador. IFC’s relationship with Hikma, our first generics client, started in 1987 when it was a small domestic pharma company in Jordan. Since then, it has grown to be the largest regional pharma company, with a presence in Algeria, Ethiopia, and Sudan. Hikma provides employment to 8,000 workers in 29 manufacturing plants. It manufactures 550 different products and sells them at 15-45 percent below the price of originator brands.

Fybeca is a much newer client. In 2016, IFC approved a $30 million investment in the company to help it grow its network of ‘SanaSana’ stores that cater to low-income and underserved rural populations. Recognizing that such customers have more limited financial means, these stores permit them to buy pills in individual units rather than having to fill a prescription’s worth. A family-owned business since its foundation in 1930, Fybeca has expanded to 580 stores. IFC’s investment will enable it to overhaul its stock control system, including by introducing a robotics-centralized warehouse (read our case study on Fybeca here).

Largely because of market distortions and inefficient supply chains, medicines in emerging economies are between 2.6 and 6.3 times more expensive than international references according to survey data. In addition, studies indicate that up to 30 percent of pharmaceutical products in these markets are counterfeit. In short, there is much room for improvement…and investment.

Looking forward—trends & challenges in Life Sciences

Now in its 14th year, the biennial International Finance Corporation (IFC) Global Private Health Conference has become the premier private health event for emerging markets. The 2017 conference in Barcelona, Spain drew 500 delegates from 64 countries, with 70 percent at senior executive level (read Barcelona e-Magazine here, view highlights video here).

With more governments pledging to deliver Universal Healthcare to their citizens and renewed emphasis upon access, affordability, and quality, what does this all mean for health systems of the future? It will not be business as usual! There is increasing opportunity for the private sector to strengthen health systems by pioneering disruptive, innovative models that challenge historical norms. The 2019 conference will explore the latest innovations in building sustainable health systems for the future. For example: expanded use of technology and digital health; new models of service delivery; improved access to affordable drugs; better utilization of the limited supply of health professionals; harnessing Big Data to better plan and monitor.

Please join us on March 25–27, 2019 in Miami to network and share knowledge on the investment and service potential offered by the private health sector in emerging markets. For more information and sponsorship opportunities please contact: Macarena De Martini (mdemartini@ifc.org) or Charles Dalton (cdalton@ifc.org). For updates on Miami conference plans, including registration opening, follow our LinkedIn showcase page here.
THE PHARMACEUTICAL INDUSTRY IS KNOWN TO COMPLICATE THINGS AND GET INEFFICIENT—WE TRY TO SIMPLIFY

INTERVIEW:
Mr. Krishna Prasad
Founder and Managing Director
Granules India Ltd.

Q: What is the biggest challenge in health in emerging markets today and how should we respond?

It’s noncommunicable diseases. The only way we can handle the challenge is for healthcare providers to effectively educate the patients about the early warning signs. Unfortunately, most patients in emerging markets don’t even realize that they are facing these diseases until it reaches a very advanced stage. Education can make patients more proactive and less reactive. Secondly, we need to ensure access to low-cost medication. We have seen this done for communicable diseases like AIDS with organizations like the Bill & Melinda Gates Foundation working with certain countries so it should be done for noncommunicable diseases too.

Q: Why is access to pharmaceutical products in emerging markets so key to raising the quality of healthcare?

Without access to quality pharmaceutical products, there is no healthcare that can be provided either for communicable diseases such as the cold, flu, chickenpox, H1N1 (swine flu), HIV-AIDS, and hepatitis—or noncommunicable diseases, which develop over time and are now the biggest killers of people worldwide. Examples of noncommunicable diseases include heart attack, high blood pressure, stroke, cancer, diabetes and arthritis. While substantial focus is given to communicable diseases, there needs to be a stronger focus on education about noncommunicable diseases coupled with access to affordable medication to improve the overall quality of healthcare.

Q: Do you think access to quality, affordable medications in emerging markets is improving?

Yes, I do. At one point in time, when a product could not be sold in the United States, it would be considered for emerging markets. Today, the system of regulatory
compliance is changing. The regulatory inspections are extended and auditors are coming to us to check the quality and compliance levels. We used to only deal with the U.S. Food and Drug Administration (FDA) and the European authorities, but now emerging countries send in their regulatory auditors before buying our products. This results in constant improvements of our facilities.

**Q:** How has Granules positioned itself to meet the rising demand for pharmaceuticals in emerging markets?

Number one is our regulatory compliance. Nowadays, twice in every quarter, one of our plants gets audited for compliance and quality by various regulatory authorities including the FDA, the Europeans, Australians, Canadians, Russians, and Mexicans. We always demonstrate our focus on regulatory and quality compliance. Each of these audits reinforces our teams’ competencies.

We divide our business into the core and niche. Core business focuses on high volume and niche focuses on low volume. In both segments, the focus is on innovative thinking and operational efficiencies. The core business is first-line-of-defense products like acetaminophen, ibuprofen, metformin for diabetes, guaifenesin for mucous thinning, and methocarbamol, which is a central muscle relaxant. Take metformin: we supply about three and a half billion doses a year to the U.S. market alone, which translates to about 46 percent of the U.S. market. Similarly, we supply 30 percent of the U.S. prescription market for ibuprofen. So, the volumes at which we work, the efficiencies we get in, and the cost advantage put us in a sweet spot to meet any future demand from anywhere in the world from a reliability and sustainable supply standpoint.

Selling across the supply chain gives us a unique advantage. We make our own Active Pharmaceutical Ingredients (APIs) and Finished Dosages (FDs). We also make the intermediate between API and FD, the Pharmaceutical Formulation Intermediate (PFI) and commercialize it, which is our innovation that we have popularized across the world.

**Q:** What distinguishes you from your competitors?

We always consider ourselves a typical manufacturing company, not a pharmaceutical manufacturing company. The pharmaceutical industry is known to complicate things and get inefficient. We try to simplify and build flexibility in any product manufacturing, be it API or formulation. We look for out-of-the-box processes. If I start producing a product, what competitive advantage do I get if I make it in the traditional way? Let’s say someone else takes six steps to arrive at a product; we try to do it in only two or three steps by means of telescoping, which reduces the manufacturing footprint, lowers costs drastically, and increases consistency in quality and robustness.

For example, we make 24,000 tons of tylenol a year, which translates into 30-40 billion FDs. By keeping things simple, we manage to do it in a 50,000-square-foot facility that we built, whereas a competitor will do it in a 200,000-square-foot facility. We also make certain products at lower volume—about 20-40,000 pills a year—but at a higher price, especially at our U.S. plant in Chantilly, Virginia.

”We look for out-of-the-box processes. If I start producing a product, what competitive advantage do I get if I make it in the traditional way?”
What mistakes do pharmaceutical manufacturers commonly make?

They rush into product development and try to get product approvals at a much faster pace than the ramping up of capacities and competencies, which results in several complexities and inefficiencies across the value chain. For us, we are not in a rush, we don’t want to be first in the market. We don’t mind handling products that have been on the market for 15 or 20 years. But when we do get in, we will be the simplest, the most sustainable, and economical producer.

What kinds of products do you specialize in?

We don’t concentrate on a therapeutic category. If we were a marketing company, that might be more meaningful but we always felt that as a manufacturing company we should do whatever processes suit our capability and focus on technology platforms. So, for example, we do about six different products that are used to treat Attention Deficit Disorder. Future avenues that we intend to pursue include oncology and peptides.

Where are the biggest growth markets for pharmaceutical manufacturers?

While highly regulated markets like U.S. and EU remain the top priority, if any pharmaceutical company wants to grow big, in the long run it must get into emerging markets. The established markets, especially Europe, are getting stagnant; there is a lot of pricing pressure from governments so they are not as lucrative as they were in the past. The emerging markets that I think will grow the most are Africa, India, and the Middle East. Latin America would come next. Sub-Saharan Africa is really going to take off. The bigger markets like Nigeria and Kenya have already been growing for a bit so I see bigger growth potential in many other African countries.

Do you have plans to build a facility in Africa?

Not at this point. As a growing company, we need to prioritize and focus on strategic investments. So far, we have created strong manufacturing footprint by investing in India. We also operate a joint venture in China with a Chinese company so we are in the Chinese market too. We have another joint venture with the Belgian pharmaceutical manufacturer Ajinomoto OmniChem for Contract Research and Manufacturing Services (CRAMS) business. We are present in the U.S. and in Europe where we have been supplying products over the past 15-20 years. Recently, we have started to expand our R&D and manufacturing footprint in the U.S. In the U.S. and European markets, we see that even though growth is not very high for our product range, we are able to clinch substantial business from competitors and get into a leadership position because of our efficiencies and reliability.
When a passenger boards an airplane, they have a reasonable expectation of arriving safely at their destination. When a patient enters a hospital or clinic, they should have the same expectation. Unfortunately, statistics show that the healthcare experience for patients can be more like a bungee jump than a flight in terms of health risk. Many hospitals in all parts of the world, even advanced economies, sometimes fail to follow established processes for patient safety, exposing their patients—and their professional reputations—to unnecessary risk.

Since 2010, IFC, the member of the World Bank Group that promotes private sector development in emerging markets, has been working with advisors to develop a quality tool for helping clients improve patient safety. IFC recently completed a comprehensive update of this tool to align with the latest thinking in best practices. IFC piloted the tool with four clients and completed an in-country assessment with three private hospitals in Nepal. We are now pleased to announce this launch of a new program to help hospitals improve their safety performance. We plan to offer the tool to clients as an advisory ‘full service’ product helping them to improve quality and other associated services, notably process.

Check out my previous blog on the importance of the right processes.

Our goal is to help hospitals and clinics in emerging markets take the first steps toward the path to quality improvement and to embed quality in the culture of the organization. This is not a hospital accreditation framework. There are many excellent accreditation systems and there is no need to replicate them. Rather, we believe that healthcare providers that apply this tool will be taking the first steps to building a quality agenda and framework. This should help make them become more attractive to investors making it easier for them to grow, and—most importantly—attractive to more patients. When ready, entities will be encouraged to pursue accreditation options.

### HOW IT WORKS

The Tool draws on the IFC Healthcare Quality Workbook, which lays out 150 standards in eight core areas:

- International patient safety goals
- Ethics, patient, and family rights
- Medication: management and use
- Quality improvement and patient safety
- Infection control
- Governance, leadership, and direction
- Facilities management and safety
- Human resources

The steps of helping a hospital to align with the Workbook’s 150 standards are:

- The hospital undertakes a self-assessment in preparation for an onsite visit from an IFC team.
- IFC works with staff onsite to score it on all quality metrics.
- IFC produces a report identifying gaps and making recommendations.
- IFC can then offer additional services to help the facility to implement recommendations.

Quality is one of the four pillars underpinning IFC’s health strategy. When investing in emerging market hospitals and clinics, we seek out entities that have sustainable business models, contribute to more access to healthcare in their country or region, offer healthcare at an affordable price point, and provide services that are of high quality.

IFC’s committed investment portfolio in the health sector in emerging markets totals $2.2 billion. IFC has more than 100 active investments in health services, life sciences, and medical technology. Over the last 15 years, IFC has invested more than $4 billion in the private health sector in these markets.
For nearly three decades, Dr. Bektur Abdiev has worked in a dialysis unit at the National Center of Cardiology and Therapy in Bishkek, the capital of the Kyrgyz Republic. A nationwide shortage of equipment and expertise means that only 20 percent of people who need dialysis have access to it through the country’s public health centers, and nearly 1,000 Kyrgyz citizens die every year from kidney failure.

To address this crisis, the Kyrgyz government signed a 10-year public-private partnership (PPP) agreement with a leader in dialysis care, Fresenius Medical Care, to finance, build, equip, and operate four dialysis centers in the capital and in the two regions of Osh and Jalal-Abad to deliver hemodialysis and home-based peritoneal dialysis to patients.

With support from multiple donors, IFC helped deliver the partnership, which is the first PPP for the Kyrgyz Republic, and the first health PPP in Central Asia.

Patients will continue to receive this lifesaving treatment free-of-charge, and Abdiev and many of his colleagues believe this will dramatically improve dialysis services and survival rates. When the centers are operational (late 2018), 75 percent of the population will be covered with a minimum of 80,000 dialysis sessions available through the PPP. For the first time, peritoneal dialysis, a procedure that allows individuals to perform dialysis at home, will be available. Because dialysis treatment requires three half-day sessions per week, peritoneal dialysis can dramatically improve patients’ quality of life—especially for those who live in rural areas, far from hospitals, and for children with chronic kidney disease.

Due to insufficient spare equipment for sterilization between patients and limited access to running water, 79 percent of Kyrgyz dialysis patients are infected with hepatitis. To raise quality standards, Fresenius has committed to put in place best-practice procedures and separate treatment areas to prevent cross-infections. The PPP agreement also includes a quarterly performance assessment against four quantitative patient outcome indicators associated with penalties calculated in percentage of the session price. It is a first-of-a-kind contract in the country.

With support from multiple donors, IFC helped deliver the partnership, which is the first PPP for the Kyrgyz Republic and the first health PPP in Central Asia.”

IFC has helped other countries to secure better dialysis care for their citizens, including in Bangladesh where the PPP agreement for two dialysis centers received a special award at the 2017 Asia Pacific PPP Awards for its “exceptional outcome and for very innovative and unique use of a PPP to help address a significant social need.”

IFC helped design this PPP, which will increase Bangladesh’s capacity to provide dialysis services to its citizens. With less than 10 percent of the 1.6 million people with end-stage renal disease receiving dialysis treatment, the PPP increases the number of dialysis sessions available by more than eight times, while maintaining the affordability of the treatment for the poorest patients, and improving services on a regular basis, assuring upgrades and reliability. The 10-year concession was granted to Sandor Medicaids, a leading dialysis service provider, to finance, refurbish, equip, staff, operate, and manage dialysis centers at the National Institute of Kidney Diseases and Urology Hospital in Dhaka and the Chittagong Medical College Hospital in Chittagon.
For the first time in Bangladesh, standard operating procedures, based on international best practices, have been introduced. Clinical outcomes are also being monitored—for example, at the end of each dialysis session, tests are done to check whether dialysis was conducted satisfactorily.

To ensure the long-term success of these new dialysis centers in the Kyrgyz Republic and Bangladesh, the private companies committed to training plans for doctors, nurses, and local technicians.

**FINDING SOLUTIONS FOR OVERSTRETCHED HOSPITALS**

IFC has a history of success in structuring long-term PPP contracts in challenging environments that deliver specialized public services. Since 2012, more than a quarter of Romania’s dialysis patients have received better healthcare as a result of a PPP IFC helped structure to provide dialysis on an outpatient basis. The introduction of a fixed fee for treatment resulted in a more transparent pricing system for dialysis services, leading the Romanian government to adopt strict national quality standards for both privately and publicly managed clinics, benefitting patients across the country.

In Romania, the Kyrgyz Republic, and Bangladesh, improving dialysis services helps ease the load for overstretched local hospitals, boost the efficiency of medical centers that provide routine and specialized care to patients, and reduce patients’ time, travel, and expense. The impact is more than just offering lifesaving treatments to those suffering from kidney disease—it has a ripple effect across the sector.

**STRENGTHENING PUBLIC HEALTH SERVICES THROUGH PPPS**

IFC has seen an increase in demand from governments for structuring specialized PPP, such as dialysis or radiotherapy, as well as for clinical support services, including labs, radiology, and nuclear medicine, as a way to fill major service gaps. When properly structured, PPPs can be a highly effective tool to strengthen public health services and improve access to affordable, quality healthcare.

Diagnostic PPPs can indeed be important to a country’s overall health system, because diagnostic results are responsible for 70 percent of all treatment decisions. From a cost perspective, laboratory diagnostics are a small component of healthcare costs, usually less than 5 percent, but drive 60-80 percent of treatment costs. In the last two years, IFC helped governments tender several diagnostics projects in India, Albania, Brazil, and Moldova, and is currently engaging as a lead transaction advisor on diagnostic projects in Liberia, Sierra Leone, and Saudi Arabia.

Demand for healthcare is growing rapidly in developing countries. IFC’s roles includes direct and indirect investment in healthcare and life-sciences companies, sharing industry knowledge, raising management and clinical standards, and supporting public-private collaboration in health.
At first, Fabiana Ebani wondered why she was short of breath, but that was the start of a rare condition that eventually made her so weak that she struggled to brush her teeth. The 34-year-old nurse, wife, and mother of an 8-year-old son, had to quit her nursing job because she lacked strength. She was diagnosed with severe cardiomyopathy, a form of heart disease, and she needed a heart transplant to survive.

In March 2016, she traveled 200 kilometers from her home in Macaé, an industrial city, to be hospitalized at CopaStar, in Copacabana, in the state of Rio de Janeiro. CopaStar specializes in highly complex medical and surgical care for trauma, neurology and cardiology, and has robotics technology. She chose CopaStar because of its advanced technology and medical expertise.

When she arrived, Fabiana’s heart was only pumping 800 milliliters of blood per minute—normal blood flow is 4 liters. Soon after being admitted, she suffered six heart attacks in one day. Since no heart was available for transplant, the medical team connected her to a Centrimag, an artificial heart, which performed the function of the left ventricle for 53 days. The prolonged use, well over the recommended length of 30 days, was a tribute to the excellent care she received, which was manifested through careful attention to details that prevented the development of blood clots and infections. Dr. Jacqueline Miranda, the cardiac intensive care unit manager explains, “Until very recently, we would not have been able to keep this patient alive. Few teams are prepared for this medical approach.”

Once a compatible heart became available, the transplant went smoothly and Fabiana spent three days in the Intensive Care Unit. She later started rehabilitation with the hospital’s physiotherapy and other specialist teams who coordinate for seamless operation. Fabiana declared, “I was given the best assistance, not only in quality but also in the warmth of care from the medical team.”

Dr. Jorge Moll, a cardiologist, chairman of the Board, and founder of Rede D’Oro São Luiz, S.A. (RDOR), explains, “We had just inaugurated the CopaStar hospital six months prior to this surgery, precisely to address high complexity cases locally. Until now, there was no local hospital in Rio de Janeiro state that could address high-complexity patients at a level on par with the Sírio-Libanês and Albert Einstein hospitals in São Paulo. Now, patients do not need to fly to São Paulo. CopaStar is a top caliber hospital, because we have attracted highly specialized physicians and we have made investments in the most modern technology available in the medical market. Our physicians were able to conduct two highly complex surgeries and provide a sophisticated level of intensive care after the procedure to keep Ms. Ebani alive.”

RDOR is a privately held, for-profit, holding company of a network of hospitals that has become the largest independent operator of hospitals in Brazil, with 37 hospitals and 5,200 operational beds. RDOR offers a wide range of services including emergency care, imaging, surgery, and maternity care. The network has a presence in four states: Rio de Janeiro, São Paulo, Federal District, and in Pernambuco, a traditionally underserved market in the less developed region of the Northeast. In addition, RDOR has 35 oncology clinics in seven states.

Together with insurance companies, RDOR has helped to control the growing cost of healthcare and expanded access to quality hospital services to a broader segment of Brazilian society, including lower income workers, such as nurses, industrial workers, and administrative staff, who never previously had health coverage. The availability of health insurance has boosted patient volumes. In 2016, RDOR’s emergency rooms attended to 3.35 million patients and one hospital alone saw nearly 300,000 patients. The network delivers quality care through a cadre of 40,000 employees, of which about 75 percent are female, and 8,500 are permanently contracted doctors. Five hospitals are Joint Commission International (JCI) certified, while 25 hospitals are certified either by Canadian or Brazilian bodies.

In a country that is grappling with a deep recession and that is suffering from a shortage of good quality hospital services and beds, RDOR is helping to fill a void by opening greenfield hospitals and acquiring struggling hospitals. RDOR not only prevents ailing hospitals from closing, but invests in them and reorganizes them into well performing, sustainable care providers.
KEY SUCCESS FACTORS

RDOR is demonstrating how a hospital network can be more sustainable than smaller, independent hospitals in Brazil. The keys to RDOR’s success are medical quality, patient satisfaction, and a long-term view that is anchored in efficient financial management. Its robust business intelligence platform underpins all the areas. RDOR is led by a top management team that provides governance, structure, and promotes accountability.

• **Medical Quality:** Medical Quality has been in the DNA of the company since RDOR was founded and guides all decisions. RDOR has built a solid brand reputation because of the quality of care it delivers. Management is obsessed with recruiting the best physicians. It has increased the clinical team-to-bed ratio, and it has installed the latest technology. Quality oversight is coordinated at the corporate level. It organizes processes very well, communicates standards, and holds staff accountable. In response to gaps in the market, it is filling a void with Onco D’Or, a network of 35 cancer clinics, which will soon be complimented by three specialty hospitals. Until recently, the best cancer treatment was reserved only for the wealthy, but Onco D’Or recruited the leading cancer specialist in Brazil to provide that same high-level standard of care to thousands more people across income levels.

• **Patient Satisfaction:** Patient Satisfaction is critical to RDOR’s operations and to the company’s identity. The principle job of each hospital management team is to align all the operations around patient care and satisfaction. RDOR shifts the typical back-office bureaucracy that tends to occupy management time to a corporate shared services center to free up management to walk the halls of the hospital and focus on delivering the best quality of care. RDOR aligns its operations to reflect patient expectations by designing features, such as architectural designs and work-flows, from the patient’s perspective. It created a “Smart Track” system that gets emergency room patients to a doctor fast, without triage. Patients evaluate services through a survey. This gives management additional insights on areas that are working well and other areas that need reinforcement. Because of this focus, it has created a top-quality hospital network and brand that is in demand—patients want to go to their facilities and insurers want to include them in their networks.

• **Efficient Financial Management:** RDOR takes a long-term view to the sector which guides financial decisions and investments and promotes efficient financial management. RDOR’s financial performance is the strongest among its peers, because it has high levels of control over the operation that leads to increased efficiencies and profitability. Insurance is RDORs main source of revenues and RDOR works jointly with carriers to bring in volumes and pilot new areas for reducing or slowing the growth of healthcare costs, such as through bundling payments for certain procedures. It manages its staffing operations strategically if occupancy rates fall below 80 percent. Because of its scale, it can extract efficiencies through its corporate shared services center. Since it procures in large volumes, it negotiates better prices for medical supplies, equipment, and technology. With the savings generated by these efficiencies, it offsets the high costs of additional staffing and the latest technology. Its robust business intelligence platform provides management with timely data to make decisions.

• **Management:** The three pillars above are guided by the Moll family, who retains control through the board, and a career CEO. Together, the Board and the CEO have reinforced governance as well as strengthened the management team and structure to position the company for sustained growth as it consolidates more hospitals in its network. Management aligns the culture and goals through key performance indicators that promotes accountability.

Since 2010, IFC has played a catalytic role in the growth of the company with a total of four loans to the Rede D’Or Group, totaling $230 million from IFC’s own account, including a loan in 2007 to São Luiz Hospital, with which RDOR later merged. IFC mobilized an additional $285 million from third party lenders. The funds were used to expand hospital beds and grow the network. This funding aided the company in becoming the largest private hospital operator in Brazil. In 2016, RDOR had net revenues of R$7.9 billion ($2.3 billion).
The rapid evolution of technologies that collect and analyze data of individuals on an ongoing basis is making such data more available, accessible, and useful with big implications for healthcare. Combine this data with other technological advances, such as machine learning and image recognition, and we have a more data-driven, personalized system of healthcare. IFC, the member of the World Bank Group focused on private sector development is seeing this trend starting to penetrate emerging markets too.

Newer applications are all about interpreting the data: what does it say about what is wrong with me as I go about my daily life? This differs from the traditional assessment of health status at a single point in time, such as when we visit a doctor or have a blood test. The next step is responding to that interpretation, and acting on the data. What medication, medical procedure, exercise or nutrition do I need?

Technology is making these steps more feasible and accurate. Collecting and aggregating large volumes of data enable conclusions, which ultimately influence and benefit an individual’s diagnosis and care path. The increasing connectivity of the world makes it easier to connect data to the best expertise, whether it is a machine or a human accessing the data remotely. As well as making the diagnosis and treatment of health conditions more targeted and tailored to an individual, these technologies can lower the cost of an intervention by reducing or removing constraints imposed by scarcities in human capital or lack of physical infrastructure.

Personalized medicine is a term often linked to genomics. In China, companies are building capacity in genome sequencing that, in some ways, sets them ahead of many developed markets. Companies such as BGI and Wuxi AppTec are emerging leaders, operating both inside and outside China, in areas ranging from genomic research and sequencing services to diagnostic applications personalizing care. However, personalization of medicine can also mean the way care is delivered. For example, we are seeing the emergence of online health consultation platforms that enable not only care at home but also in remote locations.

“...
AI-driven ‘chatbots’ pre-screen primary care patients, a preliminary step followed up with text or video consultations with nurses, doctors or specialists. For instance, Babylon Health is a UK-based solution that works with the government of Rwanda to provide remote health consultations. DocsApp in India has created a virtual care path, including e-prescribing and links to off-line labs, if needed following the virtual consultation.

Sometimes, tech-based healthcare companies fail or underperform because they are not sufficiently cognizant of the broader healthcare ecosystem. While some technology can be appropriately left entirely with the consumer, for the most part, technology that promotes health should integrate into the system or the service provider to ensure the patient’s continuity of care. Take for example, South Africa’s Discovery Health: primarily an insurance business, it has a significant tech-enabled wellness management capability through its Vitality offering. The company identified from the get-go the benefit of integrating data to optimize care for the individual.

IFC has been doing its part to facilitate market access that links innovative technologies to off-line health providers in emerging markets through its TechEmerge program. Initially launched in 2016, with a focus on healthcare in India, TechEmerge received 330 applications from earlier stage health technology companies around the world. This unique matchmaking program led to 17 pilots between tech companies and Indian healthcare providers.

Examples include Israeli company MobileODT, which supplied Apollo Healthcare Group with handheld, point-of-care cervical diagnostic imaging devices that can screen for precancerous clinical abnormalities.

“While some technology can be appropriately left entirely with the consumer, for the most part, technology that promotes health should integrate into the system or the service provider to ensure the patient’s continuity of care.”

Another example is India-based Tricog, that partnered with Cygnus Hospitals to enable remote reading of ECGs by cardiologists supported by an algorithm. In both instances, with each case comes additional data that serves to improve the algorithm and overall predictive capacity of the solution. IFC has recently expanded TechEmerge to Brazil.

Over the last few years, the number of solutions that leverage data to aid diagnosis, improve care pathways, and optimize provider workflows, among others, has been rapidly changing the healthcare landscape in emerging markets. We expect this trend to continue. Over time, we expect data-enabled technologies to result in more personalized care in emerging markets, which ultimately should reduce costs, enhance access, and improve outcomes for patients.

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PRIVATE HEALTHCARE IN EMERGING MARKETS
An Investor’s Perspective

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Creating Markets, Creating Opportunities