



# Healthcare today

2008 Key facts & figures

**PHILIPS**

sense and simplicity

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One of the largest industries in the world, the healthcare market has grown faster than the GDP in the Western world for the past three decades, and at high rates in emerging markets such as China and India. This pattern is expected to continue given an aging global population, increasing life spans and growing demand for more advanced healthcare in emerging markets as they continue to develop.

As healthcare continues to become a larger percentage of societal cost, there is a growing fear that the current system will not be sustainable. Specifically, the concerns are that costs will be too high, that there will be not enough healthcare workers to meet increasing demand and that diagnosis and treatment of patients will become more and more complex. Yet these challenges have created a unique opportunity for an innovative company like Philips.

# Healthcare is one of the most pressing global issues of our time.

Societies face the escalating burden of increasing and **aging populations**, as the **costs of healthcare spiral** out of control.

- By 2025, increases of up to 300% of the older population are expected in many developing countries, especially in Latin America and Asia.<sup>1</sup>
- It is expected that 2 billion people will be over the age of sixty by the year 2050.<sup>2</sup>
- Americans who lack health insurance will spend about \$30 billion out of pocket on medical care this year.<sup>3</sup>

Fewer caregivers shoulder a growing burden in an already **overloaded global system**.

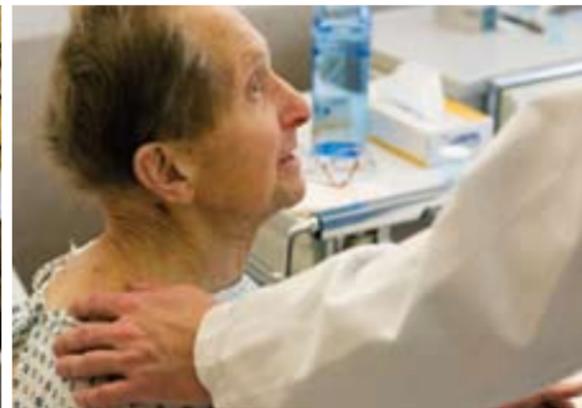
- According to the World Health Organization, the world is short over 4 million health workers.<sup>4</sup>
- Low- and middle-income countries carry more than 90% of the world's disease burden but account for only 11% of health spending.<sup>5</sup>



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## Unhealthy lifestyles contribute to the rise of **acute and chronic diseases**.

- As the economies of emerging countries grow, non-communicable diseases will become more prevalent. This will be due largely to the adoption of “western” lifestyles and their accompanying risk factors – smoking, high-fat diet, obesity and lack of exercise.<sup>6</sup>
- In 2020, chronic diseases, such as cardiovascular diseases, will contribute to up to 73% (approximately 1.2 billion) of all deaths globally.<sup>7</sup>



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## Consumers (patients) are demanding **better choices and higher quality care**.

- While the number of general practitioners in Spain, Germany, France, Italy and the UK remained virtually unchanged between 1995 and 2004, the number of specialists grew from 384,000 to 479,000 – a rise of almost 25%.<sup>8</sup>
- Reports show that 79% of consumers believe healthcare will be an important issue in the 2008 US election; 46% say that it will affect their vote.<sup>9</sup>

In the face of these challenges, we are presented with an enormous responsibility, and an enormous opportunity, to improve the state of healthcare.

# We're getting

# older...

## The trends:

- Today's population contains 3.1 billion adults aged twenty to sixty-four; and 390 million over sixty-five.<sup>10</sup>
- Over 80% of circulatory disease deaths occur in people over 65. Worldwide, circulatory disease is the leading cause of death and disability in people over 65 years.<sup>11</sup>
- Cancer and heart disease are more related to the 70-75 age group than any other; people over 75 become more prone to impairments of hearing, vision, mobility and mental function.<sup>12</sup>
- The risk of falls for those over 65 is high. Among the millions of falls each year, 1.8 million require medical attention, and 15,800 are fatal.<sup>13</sup>



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At Philips, we're working on the early detection, intervention and management of problems prevalent among the elderly. We strive to provide solutions that make it easier for seniors to live independently, with confidence and dignity. →



## Our solutions:

- Lifeline is the #1 provider of personal emergency response services in the US. We help over 700,000 people to live with greater independence in their own homes.
- Philips new CareGlow lighting system automatically illuminates when people step out of bed at night, guiding their way and helping to prevent falls and confusion.
- The Philips MD2 system offers accurate medication dispensing combined with monitoring and alerts leading to a 98% compliance level.

# We're getting

# sicker...

## The trends:

- Chronic diseases, such as heart disease, stroke, cancer, chronic respiratory diseases and diabetes, cause 60% of all deaths globally.<sup>14</sup>
- Diabetes cases in adults will more than double globally from 143 million in 1997, to 300 million by 2025, largely because of dietary and other lifestyle factors.<sup>15</sup>
- Without action, an estimated 388 million people will die from chronic diseases in the next 10 years.<sup>16</sup>
- According to the World Health Organization, an estimated 17 million people die of cardiovascular diseases (CVDs), particularly heart attacks and strokes, every year.<sup>17</sup>

### Did you know?

*80% of CVD deaths take place in low and middle-income countries.<sup>18</sup>  
In general, more than 15 million adults aged 20-64 are dying every year. Most of these deaths are premature and preventable.<sup>19</sup>*

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At Philips, we strive to improve quality of life for acutely and chronically ill people through better diagnosis, treatment, monitoring and management of their conditions. →



## Our solutions:

- Reducing time from discovery to treatment for heart attack patients begins during transport with Philips HeartStart MRx. It continues in the hospital with Philips Cath Lab solutions, and even follows the patient home with Philips Raytel home telemonitoring solutions. Raytel serves over 165,000 patients and 10,000 physicians annually.
- In the Philippines, Philips Easy Web (E-Web) Healthcare System allows for online referral and diagnosis of remote patients by experts based at the Philippine Heart Center (PHC). E-Web enables healthcare support for thousands of people in the rural Philippines who were previously outside the modern healthcare system.
- Philips Respironics specializes in developing innovative home and hospital solutions for chronic sleep and respiratory disorders, neonatal care and respiratory drug delivery.

# We need more

# care and caregivers...

## The trends:

- Demand for care is growing. There are simply not enough nurses and doctors to cope with the amount of patients in the global system.
- Fifty-seven countries, most of them in Africa and Asia, face a severe health workforce crisis.<sup>20</sup>
- Developing nations spend \$500 million each year to educate health workers who leave to work in North America, Western Europe, and South Asia.<sup>21</sup>
- As professional resources shrink, fewer care professionals are challenged to handle more patients, in less time and at lower cost.
- Healthcare providers are unequally distributed throughout the world, with severe imbalances between developed and developing countries.



### Did you know?

*The continent of Africa has 24% of the world's disease, just 3% of the world's health workers and less than 1% of the budget.<sup>22</sup>*

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At Philips, we are committed to providing support that maximizes caregivers' time and effort, making their work more efficient, more productive and of the best quality possible. →



## Our solutions:

- In many emerging markets, high-end patient monitors are out of reach for small to mid-sized clinics, forcing clinicians to depend only on visible symptoms to judge the patient's condition. Designed with this in mind, the new Philips SureSigns VM3 patient monitor is the first Philips patient monitor designed to be cost-effective for the India market.
- The Philips HD3 is our smallest, easiest-to-use, and most mobile HD system. This low-cost system supports many of the basic OB/GYN and cardiology examinations, as well as abdominal, small parts, pediatric and vascular exams.
- Protocol Watch monitors the changes in your patient's condition and notifies you when certain conditions or combination of conditions occur — freeing you to attend to your many other demands. This constant monitoring enables early awareness and detection of many conditions, including quick killers like sepsis.

# We want better

# care choices...

## The trends:

- Consumers have high expectations and will demand more, and better choices in their healthcare.
- Women make up to 90% of all the healthcare decisions in their families – from children to grandparents. They are savvy, discriminating consumers.<sup>23</sup>
- In 2007, an estimated 750,000 Americans traveled abroad for medical care; this number is anticipated to increase to 6 million by 2010. Some Europeans, with long waits on elective procedures, head abroad to Asia and the Caribbean.<sup>24</sup>

### Did you know?

*60% of people want physicians to provide online access to medical records, test results and online appointment scheduling; one in four say they would pay more for the service.<sup>25</sup>*

One million customers in over 100 countries purchase our products every day. Our insight-driven approach ensures that we understand people's needs and desires and that we develop products and solutions that meet those needs. →



## Our solutions:

- Since its introduction, Philips has installed more than 50 Ambient Experience suites around the world. Our unique Ambient Experience helps patients feel more comfortable and relaxed. More confident patients mean you see more of them in less time, often using lower sedation rates. It's a truly patient-focused approach to care.
- For obstructive sleep apnea patients – from children to the elderly – Philips Respironics offers a variety of continuous positive airway pressure (CPAP) machines and masks to fit every face every time — increasing comfort and compliance.
- Philips acquired US-based XIMIS Inc, a healthcare IT company specialized in systems to manage patient data, scheduling, exams and staffing, thereby helping to reduce errors and streamline workflow in hospital radiology departments.
- Getting help quickly after a fall reduces the risk of hospitalization by 26% and death by over 80%.<sup>26</sup> Philips Lifeline helps seniors to live independently.

# Rising costs are

# unsustainable

## The trends:

- Healthcare costs continue to rise in both developed and developing countries, with no indication of reversal.
- Based on population growth rates projected for 2020, global spending on healthcare in 2050 will equal €8 trillion.<sup>27</sup>
- India and China, together home to 2.4 billion of the world's estimated 6.5 billion people, have inadequate publicly-funded healthcare systems. More expensive private care – or fee-for-service care at public facilities – is rising in their place, shifting the cost burden to those who can least afford it.<sup>28</sup>
- Every 30 seconds in the United States, someone files for bankruptcy in the aftermath of a serious health problem, according to the National Coalition on Health Care.<sup>29</sup>



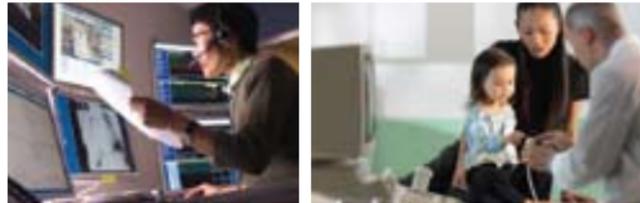
### Did you know?

Expenditures on healthcare in emerging markets is expected to explode by 2015.<sup>30</sup>

### Did you know?

Total spending in the US was \$2.3 trillion in 2007, or \$7,600 per person.<sup>31</sup>

With prevention, hospital stays are shortened. With better disease management, more people can be treated at home. Better monitoring creates new efficiencies in the system. Integrated data management puts more accurate information into all available hands. →



## Our solutions:

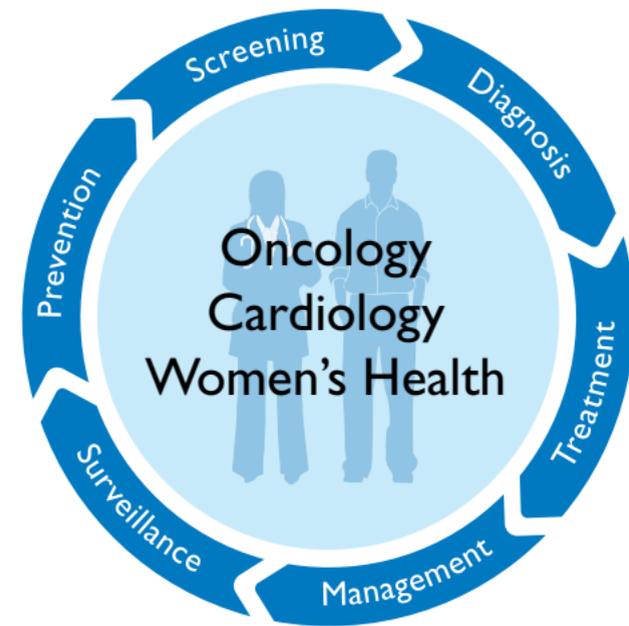
- Philips Visicu is built on teamwork, integration of best practices, and the innovative use of technology to aid critical care teams. This can result in improved patient care, decreasing mortality, and shortened lengths of stay in the ICU for the patient.
- Philips has strengthened its commitment to healthcare in developing countries by acquiring Dixtal in Brazil and Goldway in China, whose cost-effective patient monitoring solutions will add tremendous value to Philips global portfolio.
- Philips supports minimally invasive procedures with outstanding imaging products like the HD11 XE ultrasound system, which can be used to guide procedures, saving caregivers time and money.

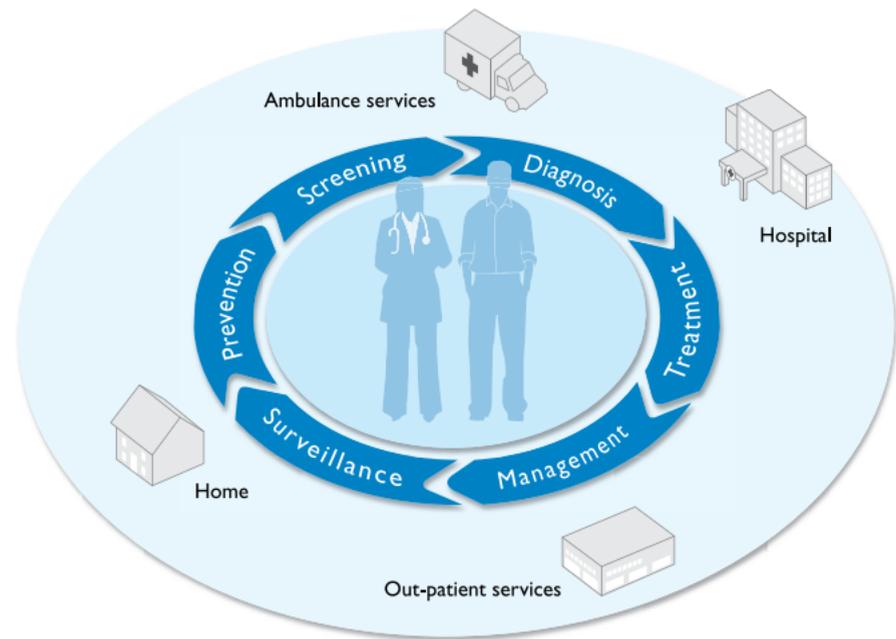


# The Philips difference

We start with the needs of **patients and their care providers**, because understanding their experience ensures we create solutions that best meet their needs.

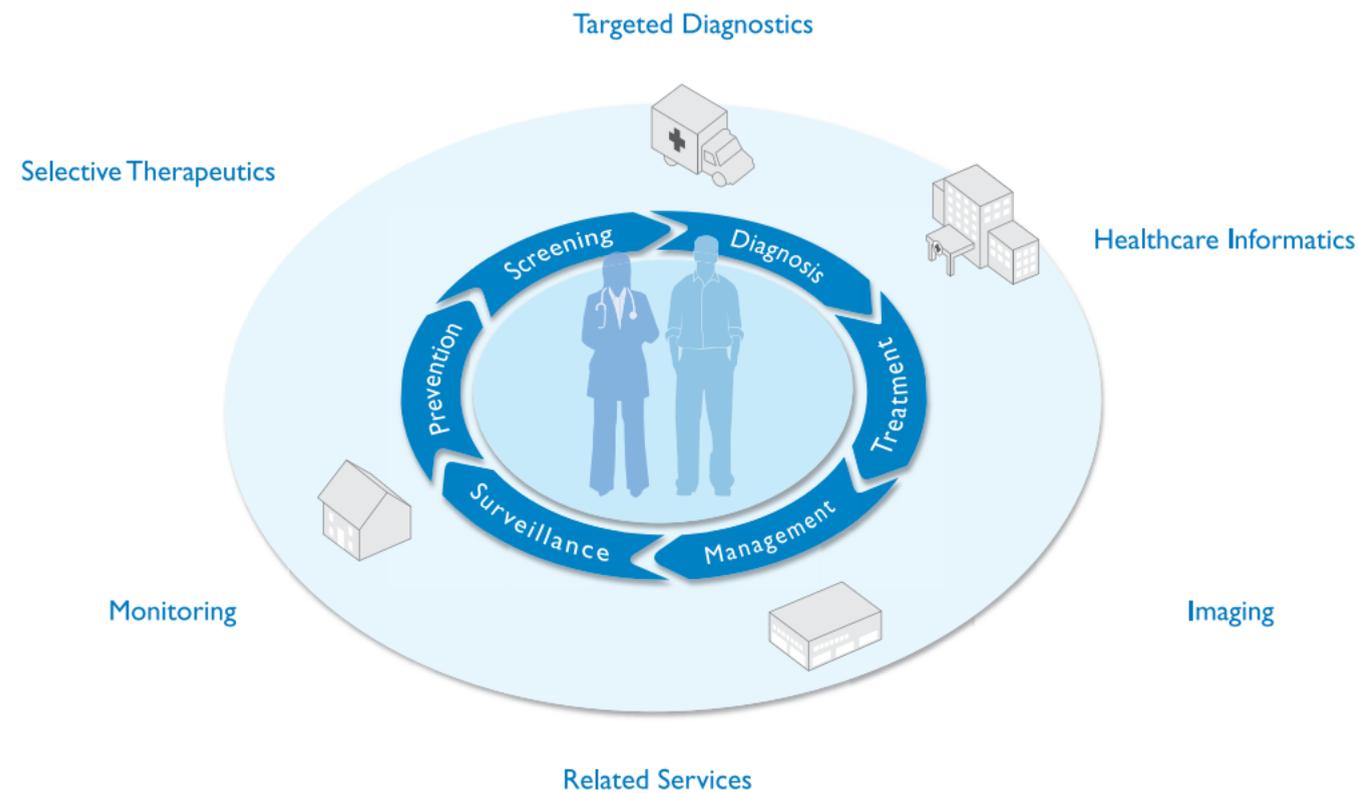
We focus on their **specific medical needs** throughout the **care cycle**...





wherever that **care occurs.**

And we apply our **technology** to improve healthcare quality and reduce cost because **meaningful innovation** creates value for patients and caregivers.





# Giving people the best healthcare possible

It's your mission. It's our mission too.

We're dedicated to understanding the challenges you face – and helping you overcome those challenges. Every day. We strive to improve the quality of people's lives and continue raising the bar on clinical excellence at lower cost. Because healthcare simplified means improving healthcare for people, every day.

**People focused. Healthcare simplified.**

# Resources:

- United Nations population estimates and predictions ([www.un.org](http://www.un.org))
- World Health Organization ([www.who.int](http://www.who.int))
- US Census Bureau ([www.census.gov](http://www.census.gov))
- Nursing home statistics ([www.shcny.com/demographics.htm](http://www.shcny.com/demographics.htm))
- National Coalition on Healthcare ([www.nchc.org/facts/cost.shtml](http://www.nchc.org/facts/cost.shtml))
- The Stroke Center ([www.strokecenter.org](http://www.strokecenter.org))

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