Rise of Fintech in Healthcare
Global Trends and Opportunities

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Introduction

- Global Trends in Fintech and Healthcare
- What is the Opportunity?
- Analyze the Potential
- How do we get there?
Profitability

Challenges

In the emerging markets, lack of healthcare access continues to be a growing problem.

Challenges in developing markets
- Lack of healthcare access
- Increasing incidence of chronic diseases
- Lack of infrastructure

In the developed world, rising healthcare costs is an ongoing challenge.

Challenges in developed markets
- Rising healthcare costs
- Ageing populations
- Increasing incidence of chronic diseases

*Pwc Network (2015). *Global health’s new entrants: Meeting the world’s consumer*
Healthcare > $3 T
America’s Largest Industry
$3.24 trillion in 2015
Projected: $3.78 Trillion by 2018

China > ¥4 T < $1T
Projected to reach $1 T by 2020

Global > $9 T
Healthcare Spend

Notes: GDP refers to gross domestic product. Dutch and Swiss data are for current spending only, and exclude spending on capital formation of health care providers.
Source: OECD Health Data 2015.
Similar trends in:

- Canada
- Asia
- Europe
- South America
- Africa
**“Excess” Health Spending Growth by Factor (in Percent of GDP)**

<table>
<thead>
<tr>
<th></th>
<th>Demographics</th>
<th>Income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1.2</td>
<td>1.6</td>
<td>2.8</td>
</tr>
<tr>
<td>Asia Ex-Japan</td>
<td>1.0</td>
<td>1.5</td>
<td>2.6</td>
</tr>
<tr>
<td>U.S.</td>
<td>1.4</td>
<td>0.7</td>
<td>2.2</td>
</tr>
<tr>
<td>Euro Area</td>
<td>1.2</td>
<td>0.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Japan</td>
<td>1.4</td>
<td>0.5</td>
<td>2.0</td>
</tr>
<tr>
<td>India</td>
<td>0.4</td>
<td>1.4</td>
<td>1.9</td>
</tr>
<tr>
<td>EM Total</td>
<td>0.5</td>
<td>1.1</td>
<td>1.7</td>
</tr>
<tr>
<td>World</td>
<td>0.6</td>
<td>0.9</td>
<td>1.6</td>
</tr>
</tbody>
</table>

**Share of Total Health Care Financing in Select Economies**

<table>
<thead>
<tr>
<th></th>
<th>Out-of-Pocket</th>
<th>Public</th>
<th>Private Insurance</th>
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<tbody>
<tr>
<td>EM Economies</td>
<td>35.8</td>
<td>52.5</td>
<td>11.5</td>
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<tr>
<td>Asia Ex-Japan</td>
<td>34.5</td>
<td>54.9</td>
<td>10.4</td>
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<tr>
<td>China</td>
<td>33.8</td>
<td>55.8</td>
<td>10.3</td>
</tr>
<tr>
<td>Latin America</td>
<td>32.1</td>
<td>52.6</td>
<td>15.1</td>
</tr>
<tr>
<td>India</td>
<td>58.2</td>
<td>32.2</td>
<td>9.5</td>
</tr>
<tr>
<td>Advanced Economies</td>
<td>14.7</td>
<td>61.1</td>
<td>24.1</td>
</tr>
<tr>
<td>U.S.</td>
<td>11.8</td>
<td>47.1</td>
<td>41.1</td>
</tr>
<tr>
<td>Euro Area</td>
<td>14.1</td>
<td>76.1</td>
<td>9.7</td>
</tr>
</tbody>
</table>

**Economies in “Growth Phase” of Health Expenditures**

<table>
<thead>
<tr>
<th>Economy</th>
<th>GDP Per Capita (PPP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>$10,711.45</td>
</tr>
<tr>
<td>Developing Asia</td>
<td>$12,109.52</td>
</tr>
<tr>
<td>Peru</td>
<td>$12,554.21</td>
</tr>
<tr>
<td>China</td>
<td>$13,435.96</td>
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<tr>
<td>Dominican Republic</td>
<td>$13,518.52</td>
</tr>
<tr>
<td>Colombia</td>
<td>$13,617.08</td>
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<tr>
<td>South Africa</td>
<td>$13,885.85</td>
</tr>
<tr>
<td>Upper middle income</td>
<td>$14,864.99</td>
</tr>
<tr>
<td>Thailand</td>
<td>$15,330.15</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>$16,369.88</td>
</tr>
<tr>
<td>Brazil</td>
<td>$16,785.93</td>
</tr>
<tr>
<td>Mexico</td>
<td>$17,608.59</td>
</tr>
</tbody>
</table>

Competitive Advantage and Arbitrage

- Speed
- Flexibility
- Response Time
- Accessibility
- Affordability
- Predictability
- Customer Acquisition Costs
- Increased Case Acceptance
Opportunities | Fintech & Healthcare

Consumer Patient Financing

- Financing of Medical and Health related procedures
- P2P and B2C Solutions
- Most Competitive: Dentistry, Hearing, Plastic Surgery, Cosmetic Procedures, Optometry, Veterinary, and Hospital Care
- Emerging: Anesthesiology, Podiatry, Chiropractic, Urology, ENT, General and Family Medicine, Neurology, Orthopedics, and Outpatient Care
Patient Presents To Health And Wellness Practice

Treatment Plan is Designed

Case Presentation

Financial Options

Doctor, Patient, Practice Agree On Final Treatment Plan

Treatment Plan Coordinator and Patient Apply Online (via Computer, Tablet, Smart Phone)

Patient Chooses Financing of Treatment Plan or CoPay

Treatment Option A, B, C, D

Out-Of-Pocket Credit Card

Private Insurance

Website, portal, and/or Application Management

Underwriting

Offer or Denial

Loan Approval

Funding Patient or Doctor Account

Payments, Collection, and Defaults

Call Center

CRM

Servicing

LOS

Collateral Account

Operating Account

Marketing

Customer Acquisition

Lending Charter

LMS

Payment and Collections Account
Opportunities | Fintech & Healthcare

Commercial Doctor Financing

- Construction
- Bridge Loans
- Credit Cards
- Startups
- Acquisition
- Equipment
- Working Capital
- Receivables
- Real Estate
Opportunities | Fintech & Healthcare

Health Technologies and Supply Chain
- IBM Watson
- Microsoft Cloud
- Robotics
- Retail Clinics
- Consolidation of Healthcare Organizations
- Vendors

Innovation & Entrepreneurship
- Funding solutions with equity participation
Best Practices

- Transparency
- Regulatory Compliance
- Staff and Sales Training
- Customer Relations: CRM
- Underwriting: LOS and LMS
- Marketing Approach and Rates
Who can Lend Health to others?

- Healthcare Providers
- Other Professionals
- Private Investors
- Institutional Investors
- Angel Investors

- Hedge Funds
- Venture Capital
- Crowdfunding
- Banks
- Foreign Entities