



The future of healthcare: delivering a lot more for a lot less

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Healthcare at Home

- **The good:** healthcare is an eternal market
- **The bad:** political and procurement processes
- **The ugly:** the NHS is running out of money. And good people.

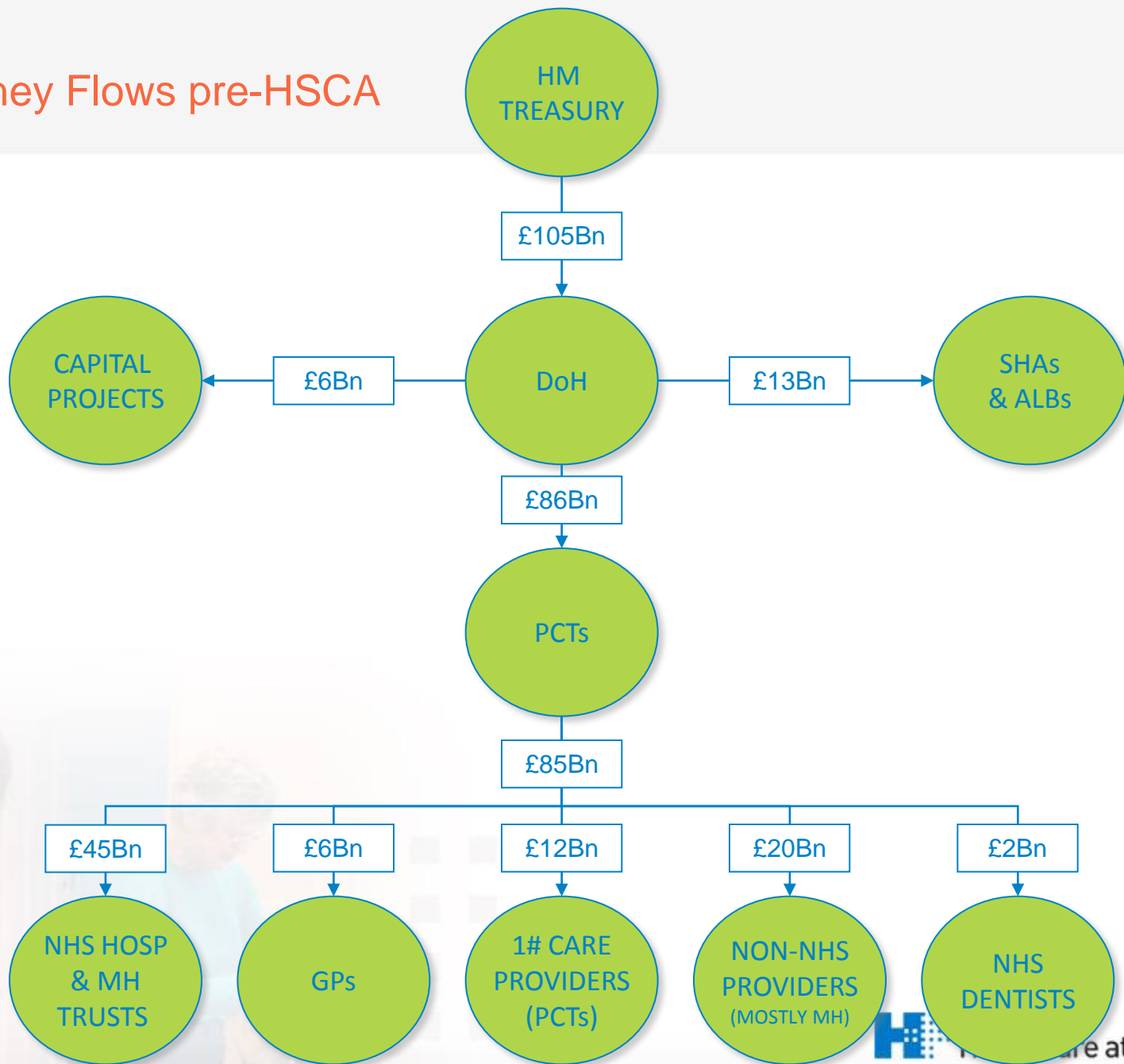


The context

- Biggest systemic reform since 1948
- Global recession
- Healthcare is outgrowing the economy by 2% each year across the developed world
- According to UN projections, the proportion of people aged 65+ will double between 2010 – 2050
- US: healthcare is 15% of GDP; on course to be 96.8% by 2100*
- UK: healthcare is currently 7% of GDP

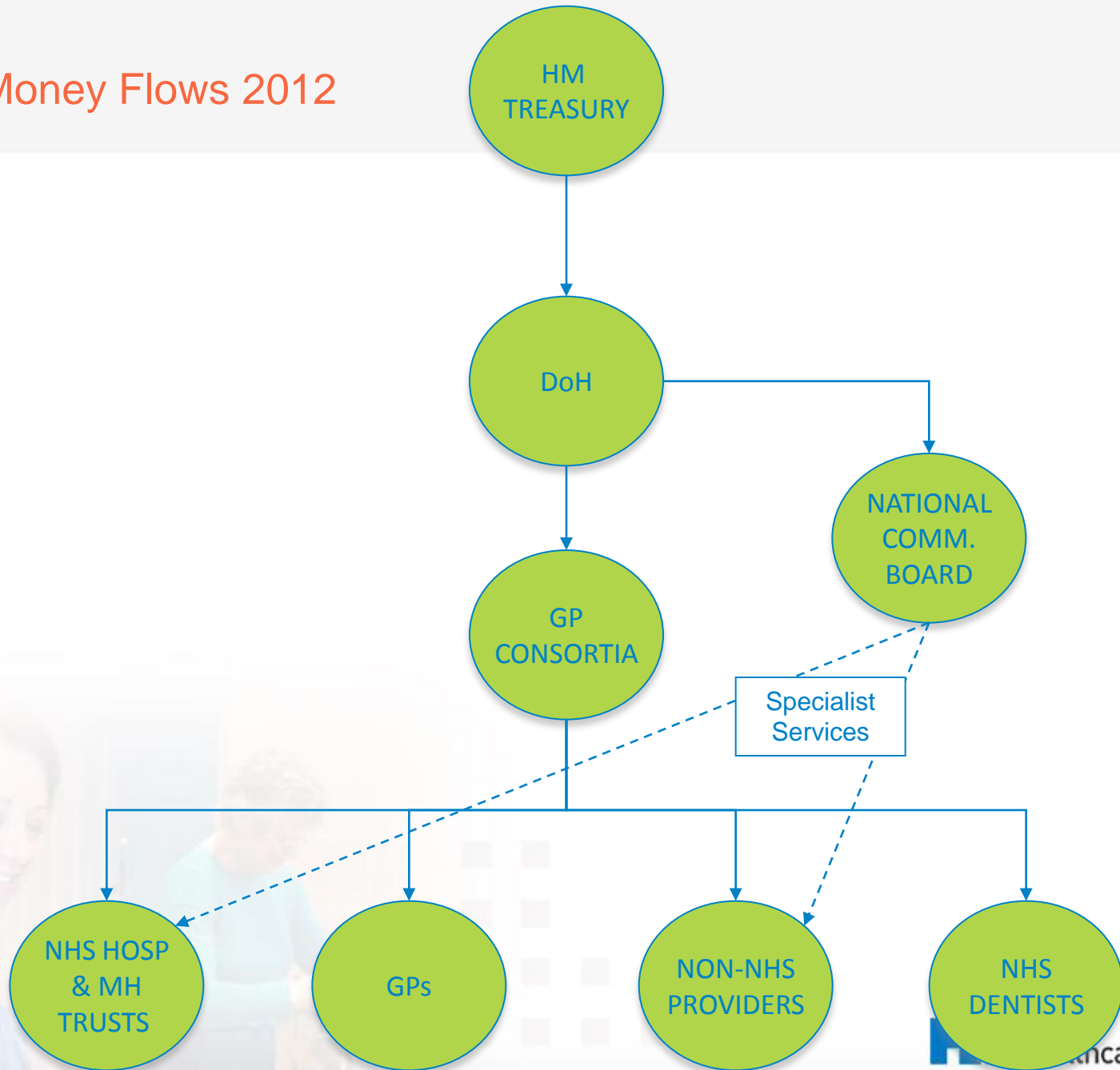
*Ref. Nicolaus Henke, McKinsey & Company

NHS Money Flows pre-HSCA



Extrapolated from 2008/09 actuals applied to 2009/10 plan

NHS Money Flows 2012



Extrapolated from 2008/09 actuals applied to 2009/10 plan

In the midst of it

Our customers tell us...

Do **more** with **less**

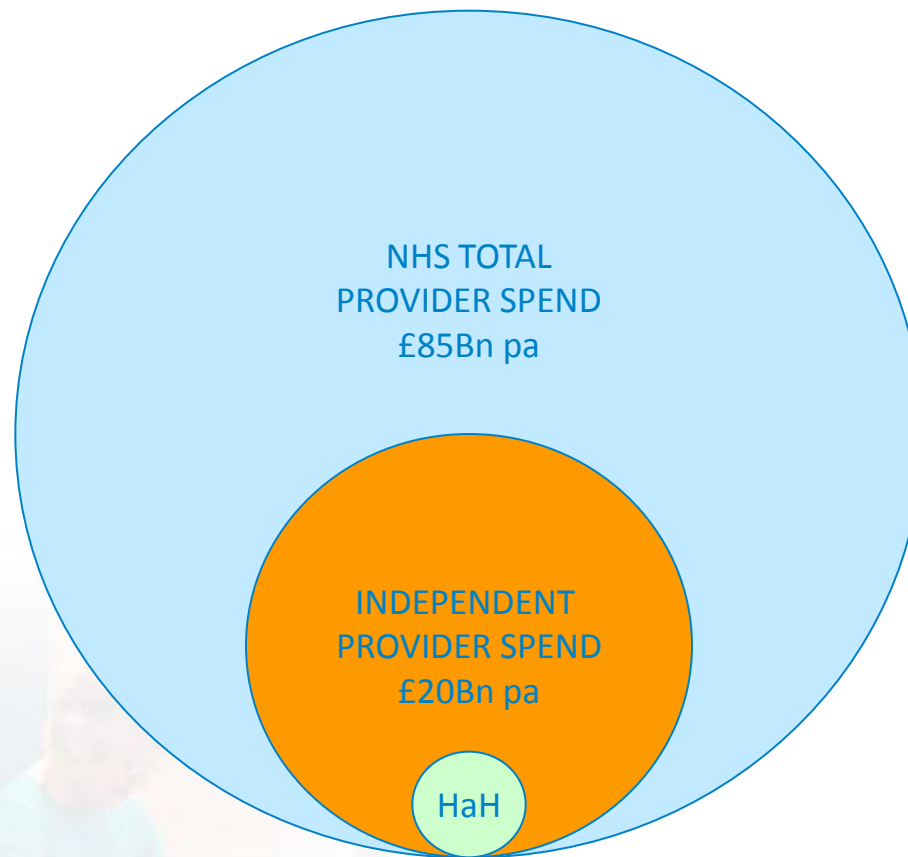


Given this...

Is private equity the right investment vehicle?

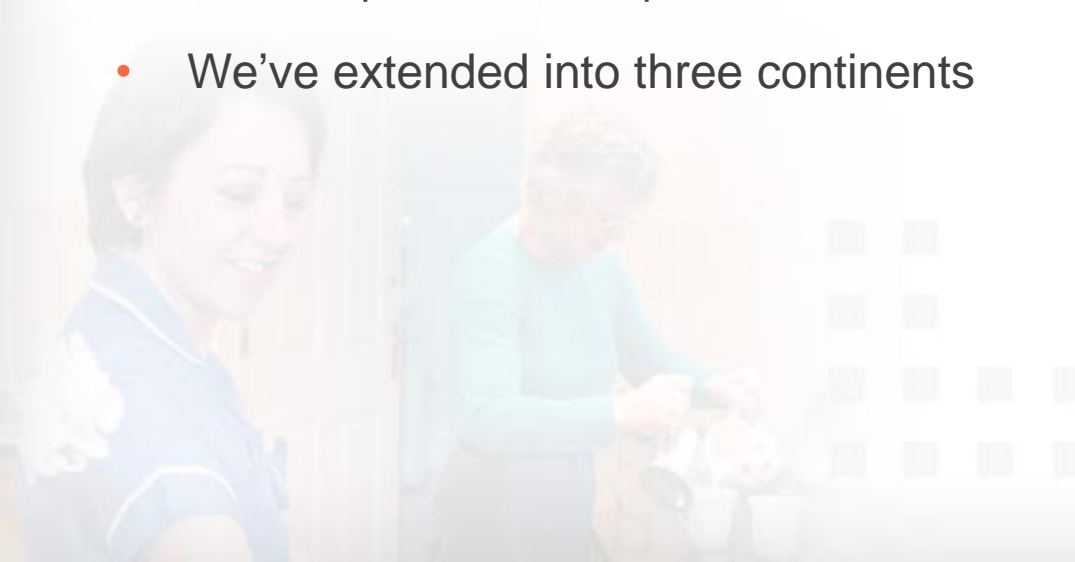
- Long term game
- Patience and understanding
- We can't give clear predictions on which services are going to come online and when

Sizeable opportunity



About us

- We are treating 150,000 patients at any one time
- We dispense over 1 million prescriptions a year
- We operate in four markets:
 - Pharma
 - NHS Core
 - Private Medical Insurers
 - Complex out-of-hospital clinical services
- We've extended into three continents



Shifting sands

- Lower complexity services under pricing pressure (HIV; growth hormones; anaemia)
- Hackett Review and its implementation
- Increasing competition – but how robust are they?
- Capital structures of many would-be competitors keeps them out of the game
- Drugs are expensive; homecare products in particular
- Financially robust organisations with longevity and security will win out



The future

- Delivering more clinical services at home and in the community
- A health sector that has to deliver more, for less
- An independent sector that has to step up to the mark
- Clinical services have the biggest upside

But they're the most unpredictable

They're also the hardest to sell



And they're the hardest to design and run

And deliver the greatest returns

We do have allies

To make this work, we need:



- More open procurement based on modern commercial arrangements
- Collaborative procurement involving providers, commissioners, patients
- Stability built into contracts through longevity
- Providers, commissioners and suppliers prepared to take proportionate risks
- Fully integrated clinical governance across all partnering organisations



Homecare Medicines

Towards a Vision for the Future

Mark Hackett, CEO, University Hospital Southampton NHS Foundation Trust



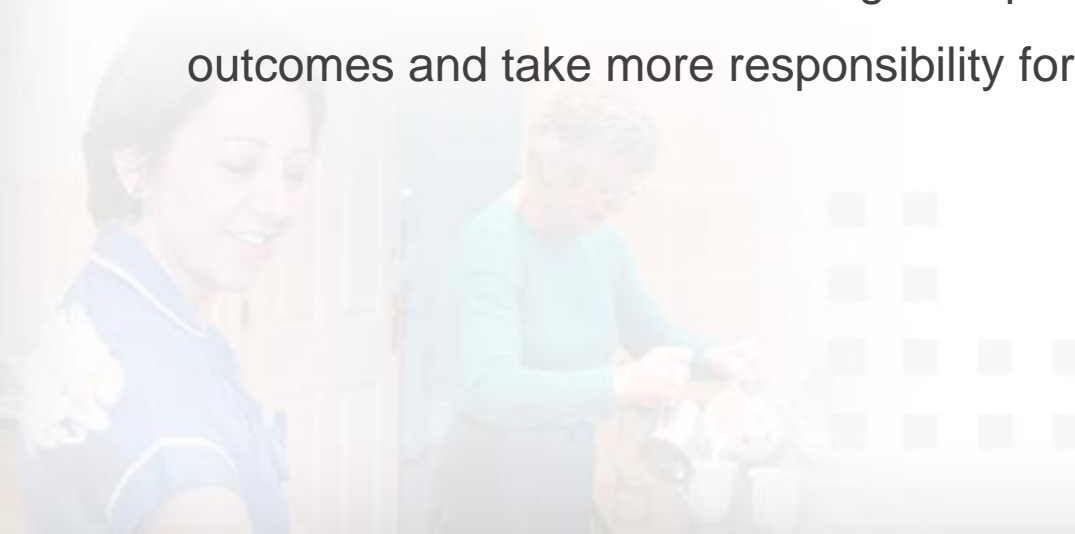
Supporting an embryonic market

- As a sector we have to support and champion each other
- Recognise where true innovation is happening and support the leaders
- Start presenting ourselves better to the NHS and make it easier for them to work with us
- Align ourselves in every aspect to our customers



Making it happen, our way

- Keep service design central to everything
- Flex and change according to the health economy's needs
- Evaluate, challenge and review constantly; be prepared to admit when it's not working
- If the outputs aren't right, then change the inputs
- “Were you proud of that?”
- Have absolute belief in the end game: patients rehabilitate faster, with better outcomes and take more responsibility for their care when treated at home.



Never forget the patients

