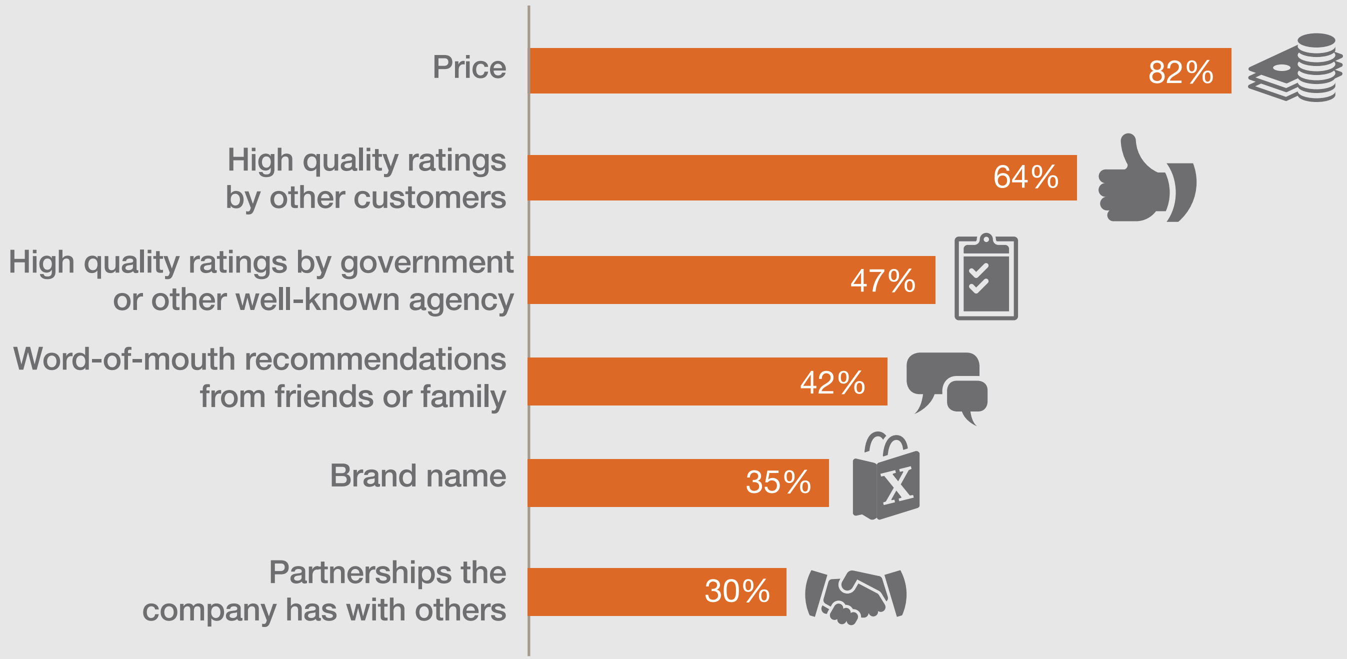
Top health industry issues of 2015

Outlines of a market emerge

pwc

Price and consumer ratings are most important when making healthcare purchasing decisions

Which of the following factors are most important when making decisions about purchases of healthcare products or services?



Source: HRI Consumer Survey, PwC, 2014

pwc

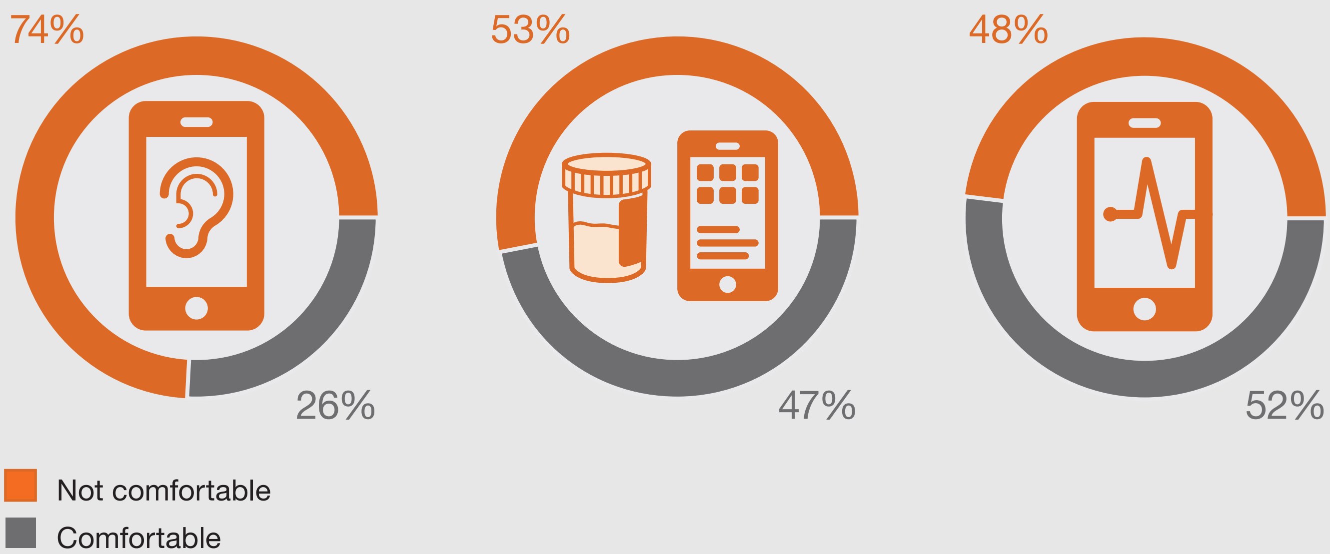
US clinicians ready to embrace mobile apps and devices

US clinicians were asked how comfortable they are using patient data streamed from mobile health apps and devices

Mobile app/device that can check for ear infection

Mobile app/device that can analyze urine

Mobile app/device that can monitor and check vital signs



Source: HRI Clinician Workforce Survey, PwC, 2014

pwc

Mobile health apps are becoming a regular part of care

Clinicians that believe mobile apps will become important to physicians for patient health management over the next 5 years

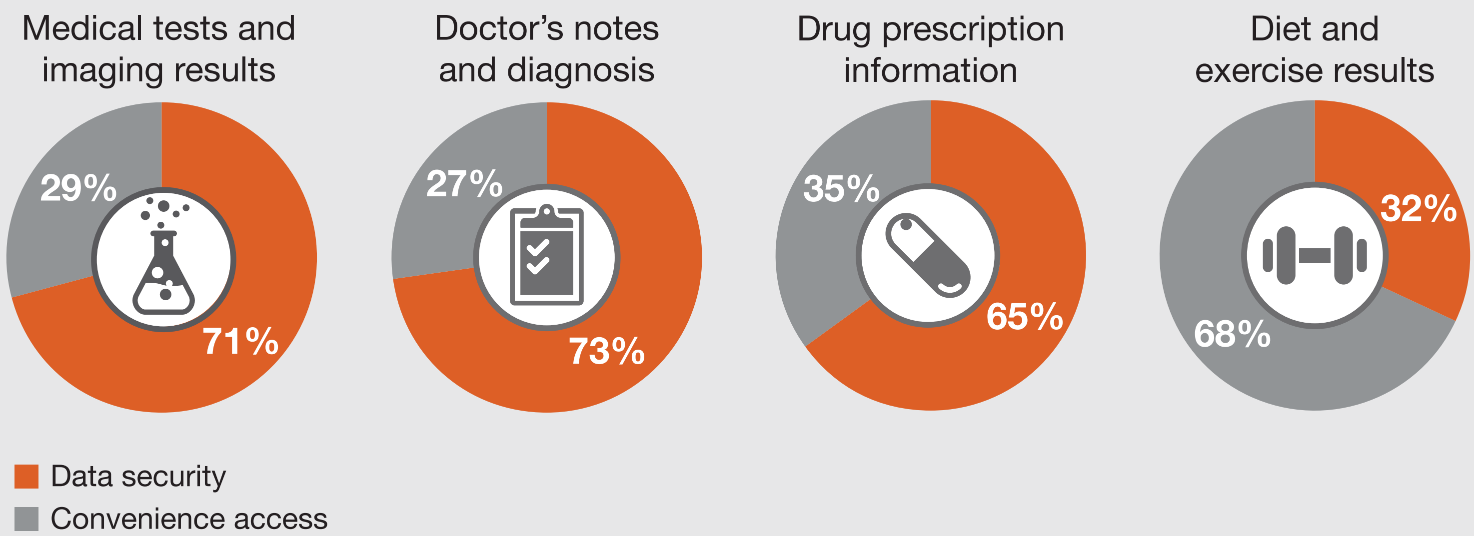
Top four mobile medical application categories used by respondents

Source: HRI Clinician Workforce Survey, PwC, 2014 & HRI Consumer Survey, PwC, 2014

pwc

Privacy trumps convenience for most health data

US consumers were asked which is more important to them – data security or convenience – regarding access to different kinds of health data



Source: HRI Consumer Survey, PwC, 2014

Dual-eligibles represent high cost, high potential for savings

Differences in average fee-for-service Medicare payments for dual-eligible beneficiaries and non-dual-eligible beneficiaries, 2010

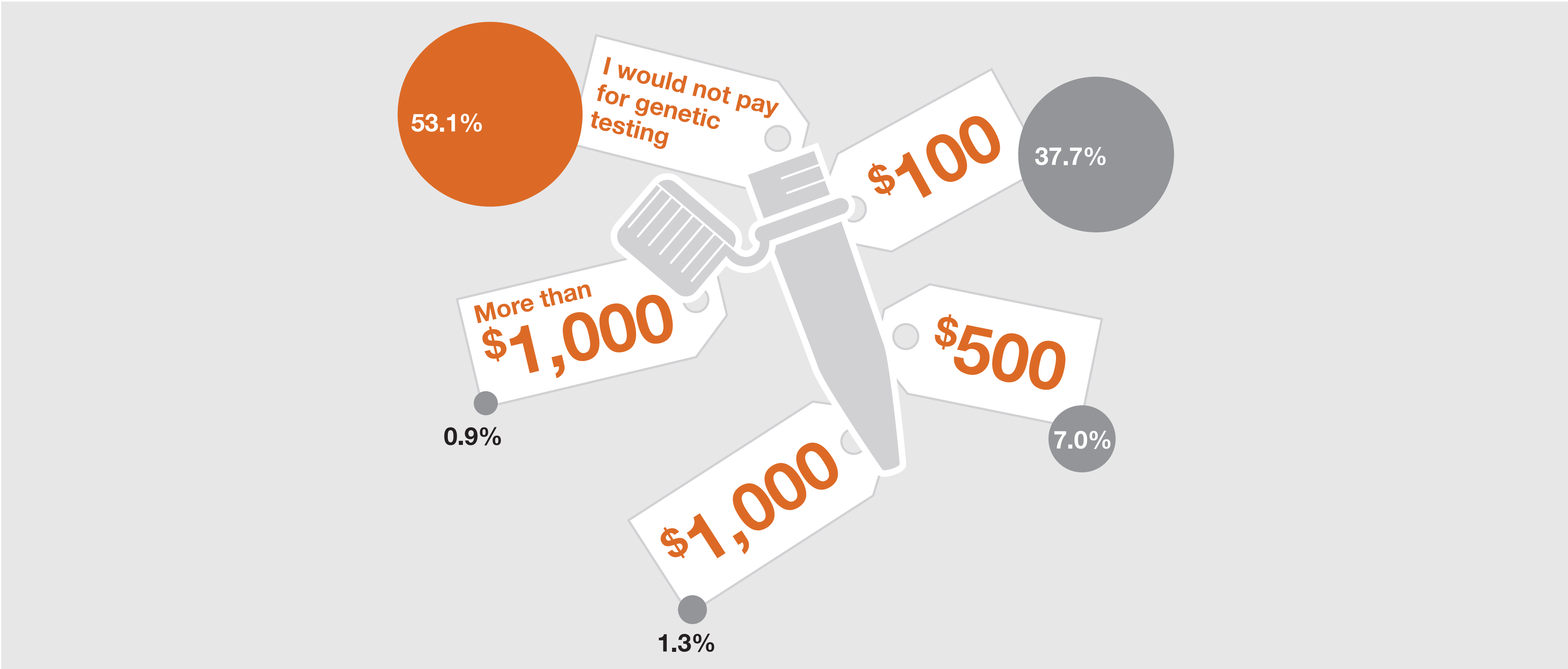
	Medication	Inpatient	Outpatient	Nursing facility	Physician	Hospice	Home health
Dual-eligible beneficiaries	$4,805	$6,122	$2,311	$1,466	$3,209	$676	$806
Non dual-eligible beneficiaries	$1,002	$2,803	$1,133	$572	$2,598	$211	$460
Payment difference	$3,803	$3,319	$1,178	$894	$611	$465	$346
Percentage of difference	380%	118%	104%	156%	24%	220%	75%

Source: HRI, MedPAC analysis of the Medicare Current Beneficiary Survey, Cost and Use file 2010

pwc

Most US consumers are unwilling to spend much for genetic testing

Amount US consumers are willing to pay for genetic testing

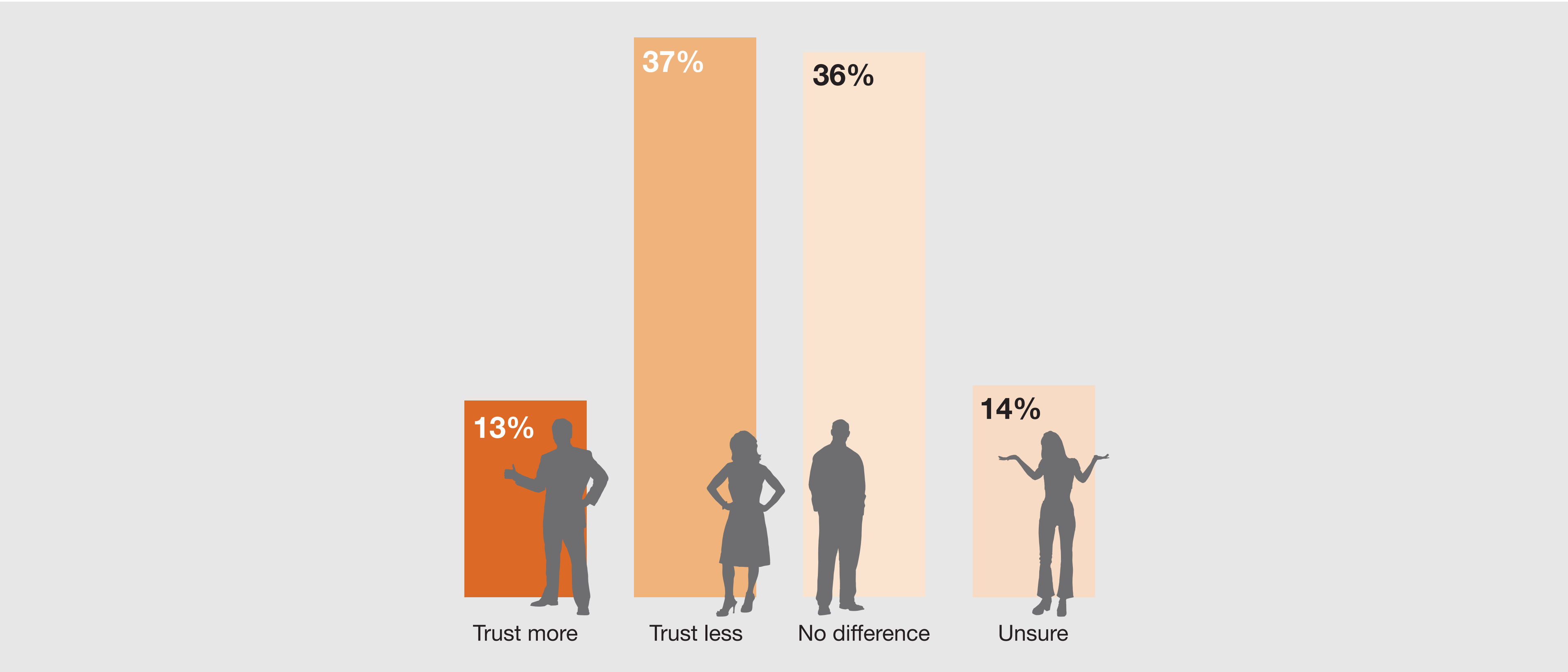


Source: HRI Consumer Survey, PwC, 2014

pwc

US consumer views are mixed on pharma dollars for MDs

US consumers' trust in doctors receiving pharmaceutical company payments

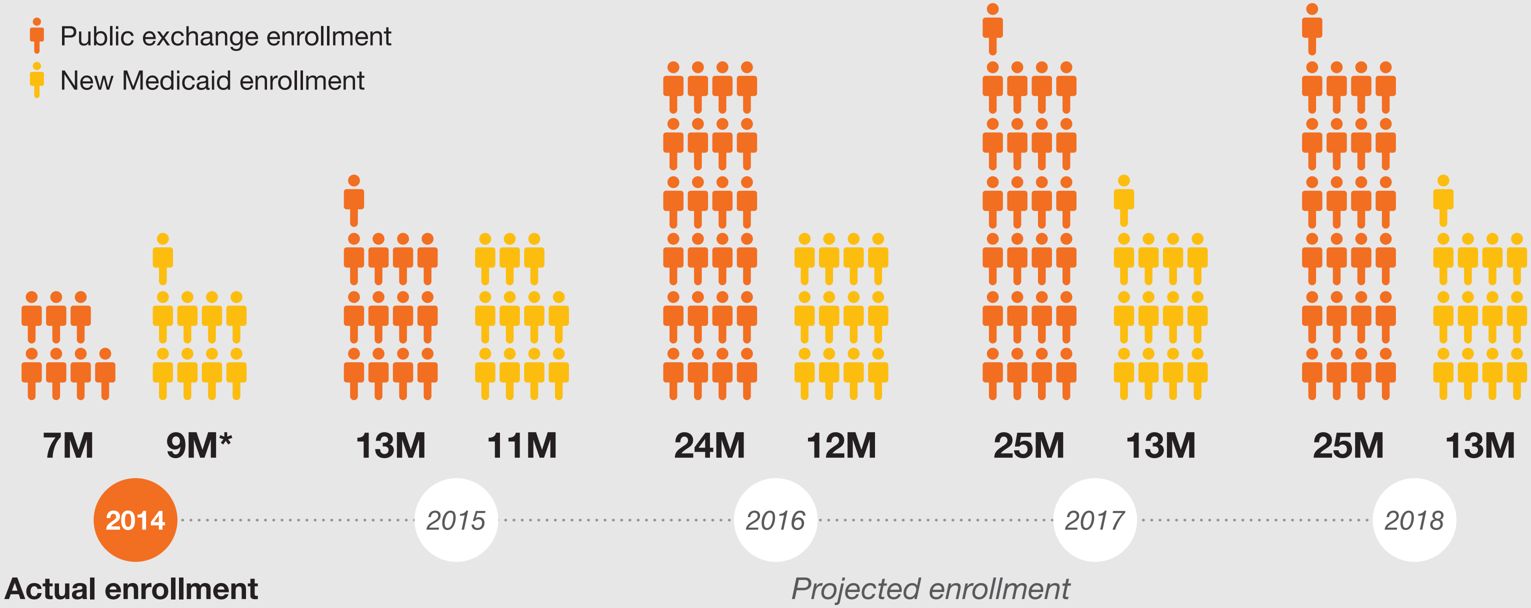


Source: HRI Clinician Workforce Survey, PwC, 2014 & HRI Consumer Survey, PwC, 2014

pwc

The number of newly-insureds projected to grow dramatically

ACA insurance enrollment will grow rapidly in 2015 and 2016, providing a window of opportunity for companies to attract new healthcare consumers



**8.7 million*

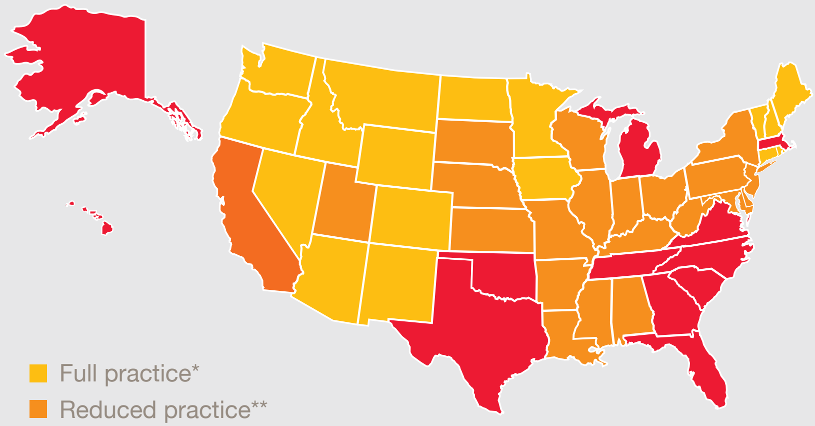
Note: CBO's forecasts are net projections that take into account individuals shifting away from public coverage. The numbers include not just the newly insured, but also individuals who have previously had coverage (such as through an employer).

Note: HHS recently issued a revised 2015 public exchange enrollment estimate of 9 to 9.9M. These numbers have not yet been officially incorporated by the CBO.

Sources: HHS, CBO Updated Estimates of the Effects of the Insurance Coverage Provisions of the Affordable Care Act (April 2014). Actual 2014 enrollment numbers are as of Sept 2014 for exchanges and August 2014 for Medicaid.

Nurses, nurse practitioners and other extenders gaining new responsibilities across US

US consumer comfort in seeing a nurse practitioner or physician assistant ranges from 66% – 87% across all regions.



- Full practice*
- Reduced practice**
- Restricted practice***

*Full practice: Physician extenders can practice completely independent of physician approval

**Reduced practice: Physician extenders can do certain actions (treat, diagnose) independently but will need physician approval for other actions (prescribe medication)

***Restricted practice: Physician extenders need physician approval for all actions

% Comfortable seeing Nurse Practitioner/Physicians Assistant instead of doctor (listed by region)

87% East South Central
(Alabama, Kentucky, Mississippi, Tennessee)

85% Mountain
(Arizona, Colorado, Idaho, New Mexico, Montana, Utah, Nevada, Wyoming)

79% New England
(Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont)

78% West North Central
(Iowa, Kansas, Minnesota, Missouri, S. Dakota, Nebraska, N. Dakota)

77% South Atlantic
(Delaware, D.C., Florida, Georgia, Maryland, N. Carolina, S. Carolina, Virginia, W. Virginia)

73% Middle Atlantic
(New Jersey, New York, Pennsylvania)

72% West South Central
(Arkansas, Louisiana, Oklahoma, Texas)

70% East North Central
(Indiana, Illinois, Michigan, Ohio, Wisconsin)

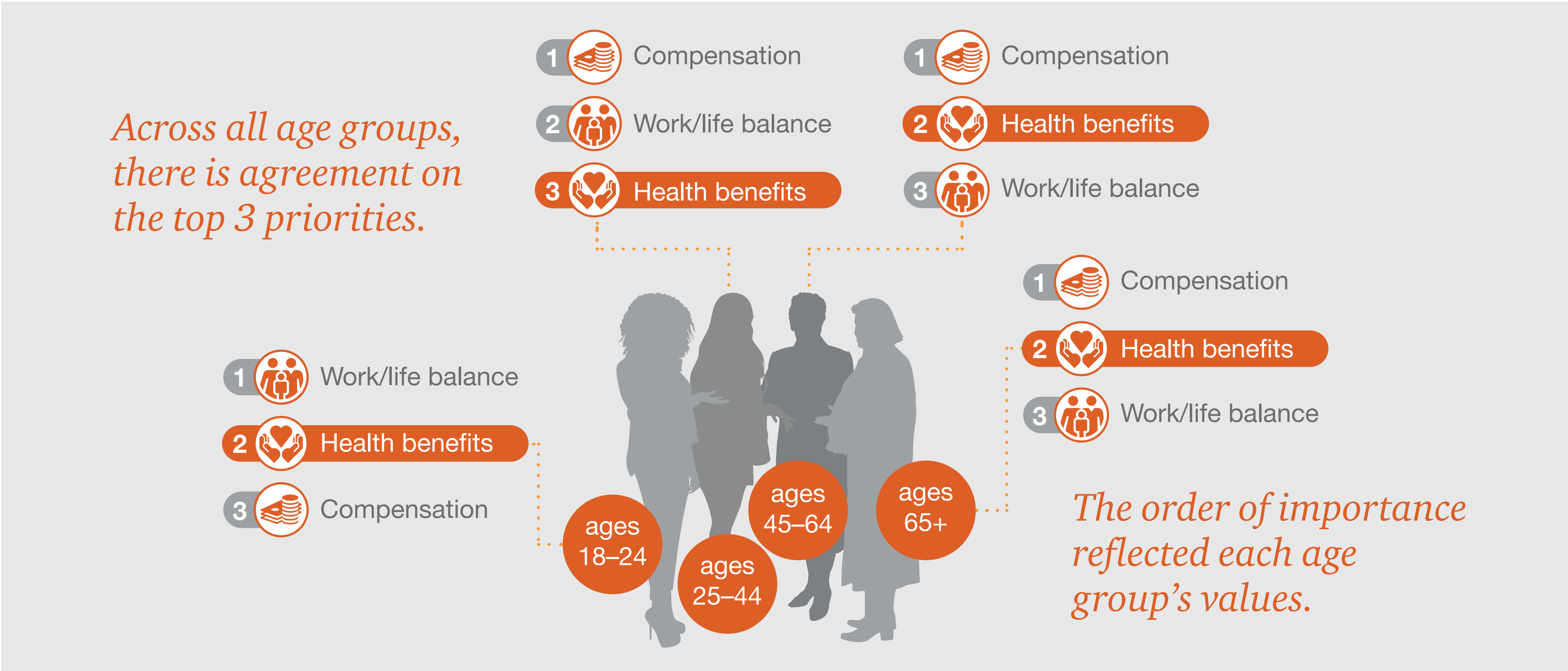
66% Pacific
(Alaska, California, Hawaii, Oregon, Washington)

Source: American Association of Nurse Practitioners and PwC's Health Research Institute Consumer Survey

pwc

Work/life balance tops younger workers' priorities for jobs

Top 3 choices for the most important thing to millennials career choices, as voted by various age demographics

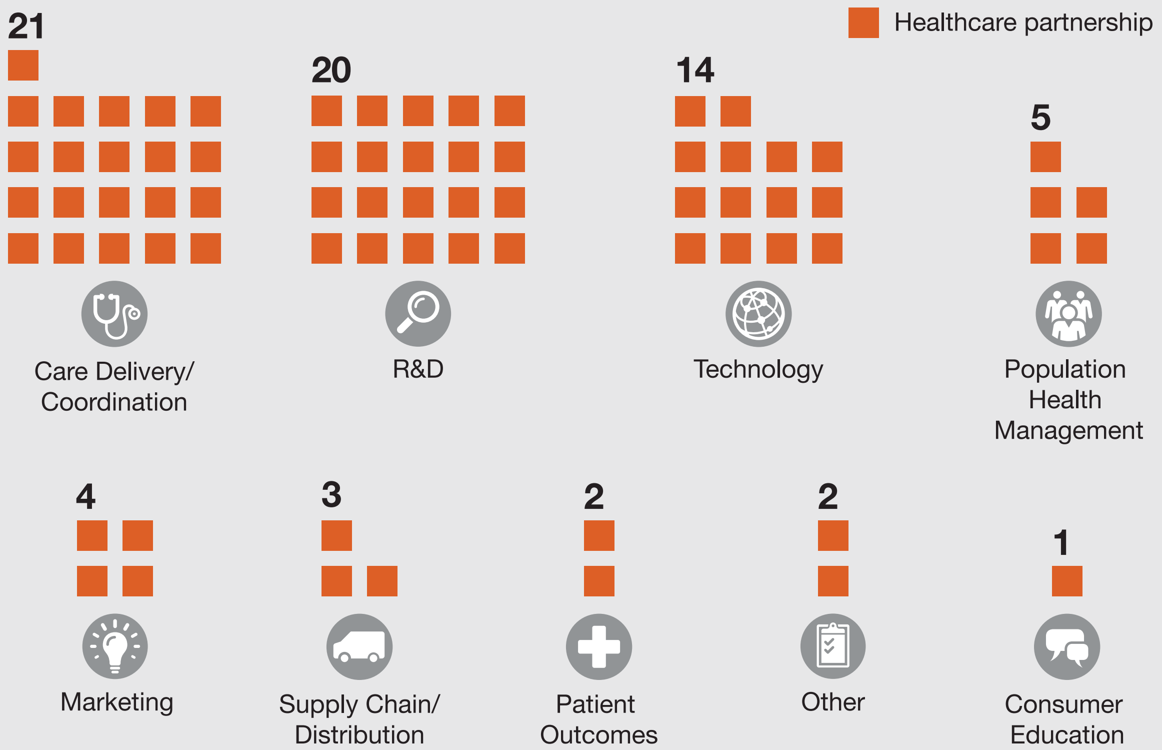


Source: HRI Consumer Survey, PwC, 2014

pwc

Fortune 50 companies are busy forming healthcare partnerships

The biggest companies formed over 70 distinct healthcare partnerships, which fell into the following categories



Note: Some of the 20 companies formed multiple new partnerships in 2014.

Source: HRI analysis of public financial statements, GlobalData reports, press releases, and other media.

For more information, please visit:
www.pwc.com/us/healthindustries
www.pwc.com/hri

MW-15-0776. km. Rr.