

Alignment of Needs & Solutions; Emerging Opportunities for China

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Evolving MedTech Market (1)

Chinese Market

- ❖ Healthcare market to reach \$600bn by 2015
 - ❖ 3-fold increase from 2000
- ❖ \$5bn Medical Device market
 - ❖ 5% of the 2008 global Medical Device market, will be 25% by 2050
 - ❖ 75% of medical equipment in China outdated with most made in 1980s or earlier
 - ❖ Growing interest in patient monitoring (2% of present device market)
 - ❖ Government initiative to cut drug prices and invest more in devices

Evolving MedTech Market (2)

Chinese Market

- ❖ In-vitro diagnostic market valued at \$1.18bn poised for rapid growth
 - ❖ Emerging private laboratories
 - ❖ Increasing demand from middle classes paying for health screening
 - ❖ Point of care diagnostics will benefit from establishment of 29,000 new rural clinics and 2,000 county level hospitals
- ❖ Health Information Technology (HIT) set to reach \$4.1bn by 2013
 - ❖ 2004 government mandate that spending on HIT \geq 4% of total hospital turnover

Evolving MedTech Market (3)

Chinese Market

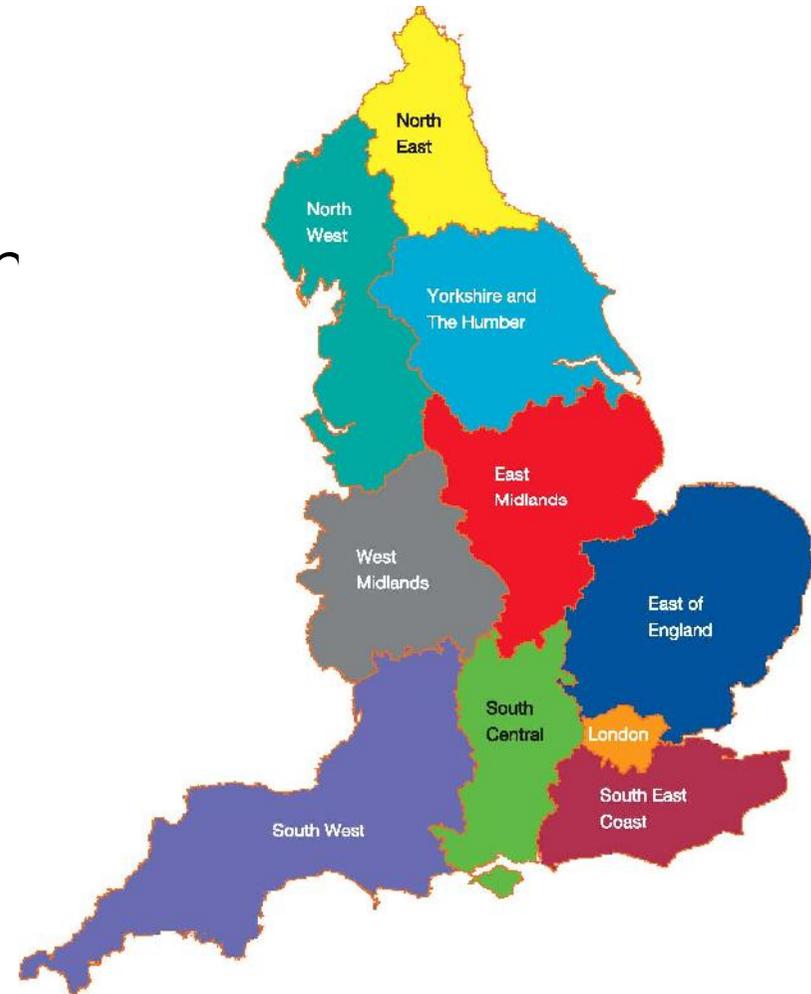
- ❖ Increasing demand for quality products
 - ❖ Consolidation of a fragmented market
 - ❖ 11,100 domestic manufacturers
 - ❖ 43% of MedTech market comprised of small companies

NHS

- ❖ The NHS as an asset for trade
 - ❖ Largest unified healthcare service in the world
 - ❖ Rich resource for clinically led innovations
 - ❖ Significant purchaser (£102.3bn budget)
 - ❖ Clinical staffing
 - ❖ 120,000 hospital doctors
 - ❖ 40,000 GPs
 - ❖ 400,000 nurses
 - ❖ 25,000 ambulance staff

East of England Region

- ❖ A Region of Innovation
 - ❖ 23% of UK's overall R&D spend
 - ❖ 80 Nobel laureates worked in region
- ❖ NHS East of England
 - ❖ 1 of 10 regions
 - ❖ 5.5m population
 - ❖ £8.5bn budget in 2010/11
 - ❖ 40 Trust organisations
 - ❖ 17 Hospitals
 - ❖ 125k staff



NHS East of England - 11 Pledges

A better patient experience



We will deliver year on year improvements in patient experience



We will extend access guarantees to more of our services



We will ensure that GP practices improve access and become more responsive to the needs of all patients



We will ensure that NHS primary dental services are available locally to all who need them



Improving people's health



We will ensure fewer people suffer from, or die prematurely from, heart disease, stroke and cancer



We will make our health service the safest in England



We will improve the lives of those with long term conditions

Reducing unfairness in health



Working with our partners, we will reduce the differences in life expectancy between the poorest 20% of our communities and the average in each PCT



We will ensure healthcare is as available to marginalised groups and looked after children as it is to the rest of us



We will cut the number of smokers by 140,000



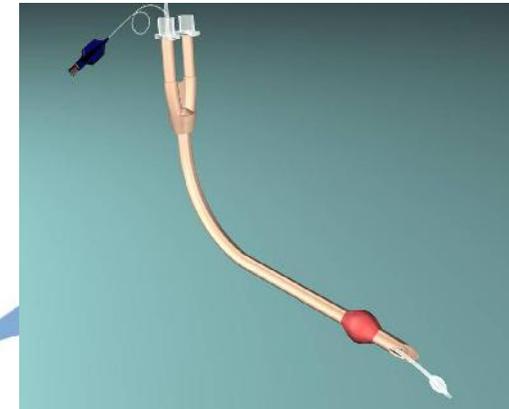
We will halt the rise in obesity in children and then seek to reduce it

NHS East of England

Innovation Supply & Demand

❖ Supply through Health Enterprise East

- ❖ 200 inventions assessed annually
- ❖ Generation and management of rich IP portfolio
- ❖ 55 licenses granted since 2005
- ❖ 29 novel products commercialised
- ❖ 50 projects in present development portfolio



❖ Demand for innovation

❖ Growing and aging population

- ❖ 11% population growth through 2014
- ❖ 16.5% over age 65 in region versus 15.8% nationally

❖ Recognised need to change

- ❖ 30% of medicine changes every decade
- ❖ Late adopter, limited use → Early adopter, broader use

❖ Limited resources

- ❖ Increasing productivity by 15-20% yields £1.6-2bn in resource for the NHS East of England

Health Enterprise East – Profile

- ❖ Drives development of NHS innovations
 - ❖ From inception to prototype for testing
 - ❖ Creation and maintenance of intellectual property
 - ❖ Seeks licensees for global commercialisation
 - ❖ Dynamic portfolio of novel products available
- ❖ Assists industry to access and navigate the NHS
 - ❖ NHS expertise to guide product development
 - ❖ Customised services to accelerate adoption and broaden product use
 - ❖ Translating successful local achievements regionally and nationally

Industry Services - Profile

❖ Health Enterprise East (HEE)

- ❖ Close & trusted partner within the NHS community

 - ❖ SHA, PCT's & Member Trusts (hospital & ambulance)

- ❖ Core remit to engage industry in developing solutions to priority unmet needs (e.g. SBRI)

- ❖ Active engagement with industry

 - ❖ Export and Import of innovation

- ❖ **'Applied innovation is our only shareholder'**

- ❖ These attributes enable HEE to be the 'honest broker', bridging industry and the NHS

 - ❖ Industry ↔ HEE ↔ NHS

Industry Services - Objectives

❖ Objectives - Health Enterprise East

- ❖ Grow use of novel technologies within the NHS that deliver significant healthcare benefits
 - ❖ Late adopter, limited use → Early adopter, broader use
- ❖ Deliver partner benefits:
 - ❖ For Industry: Improving commercial success
 - ❖ Providing a stream of novel MedTech products for global licensing and commercialisation
 - ❖ Accelerated NHS adoption and wider use of industry products
 - ❖ For the NHS: Addressing the priorities of the Strategic Health Authority (SHA)
 - ❖ Alignment: Secure demonstrable 'win-win' outcomes by enabling industry to develop more robust solutions to NHS unmet needs

Product & Market Issues

- ❖ The export opportunity for China
 - ❖ Intense demand and large market for high quality, innovative products
 - ❖ Opportunities in China for existing and new products emanating from the UK
- ❖ The opportunity for the NHS
 - ❖ Identification and adoption of new products that deliver strategically important results