

Observations About the Brazilian Healthcare Market Insights From a Health Care Executive on the Ground

By Mitchell Morris, MD Vice Chairman and Global Healthcare Leader, Deloitte LLP and
Enrico De Vettori, Partner Life Sciences & Healthcare, Deloitte Touch Tohmatsu

Brazil will be the Health IT country of the month in August. As we gear up for the 2nd Annual Health IT Trade Mission to Brazil and Medinfo, the world's leading health informatics conference we will run a weekly series of perspectives from top health care executives on the ground. Today we will hear from executives at Deloitte in our second article of our 4 part series.

Change is underway ...

The recent law permitting foreign investment in the Brazilian healthcare industry is fueling a fundamental change in the market. Consolidation and convergence in healthcare has been underway for a few years in the U.S. market and similar changes in Brazil have the potential to transform healthcare for Brazilians.

... but what does change in Brazil look like?

Like much of the world, the healthcare industry in Brazil is highly fragmented and faces mounting costs. At the same time, Brazilians are demanding more comprehensive and timely services from both public and private healthcare providers. The past year has seen several significant foreign investments, mostly from US companies, in Brazilian healthcare. This influx of capital and the creation of larger funders and providers of care may have a near term positive impact on Brazil.

... and what changes can be made?

- 1.** Capital infusions can be used to improve infrastructure of hospitals and expand the services they can provide.
- 2.** The formation of health system operating companies that manage groups of hospitals can drive down unit costs and help to establish centers of excellence for areas such as women's health, oncology, cardiovascular, joints, etc.
- 3.** Larger organizations that can converge the funding and delivery of care and manage financial risk can help Brazil move more rapidly to a model of population health. In this model the emphasis is on preventing the need for acute care and keeping Brazilians at home and at work even though they may have some chronic illnesses like diabetes, heart disease or asthma.

Opportunity for public health in Brazil

While some of these changes will be driven by the private sector, there is also an opportunity for public health services to benefit by adopting the methods of population health management to lower the overall cost of care. Thoughtful and strategic investments in the Brazilian healthcare market can be transformational for Brazil and create strong and growing healthcare companies.

For more info: http://export.gov/brazil/industryhighlights/healthit/eg_br_084597.asp