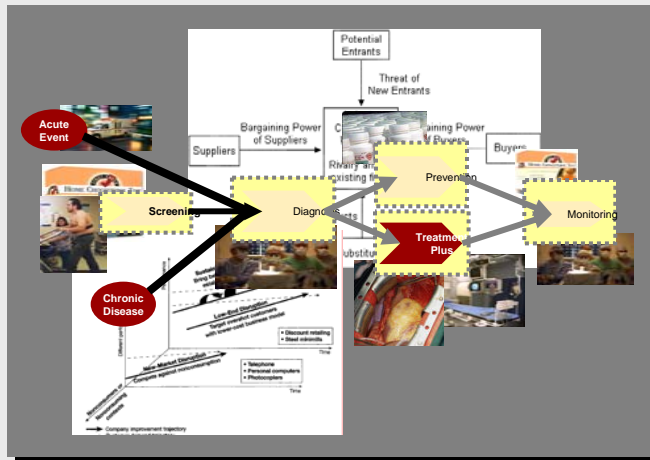


Future Trends in Healthcare: Impact on ASCs



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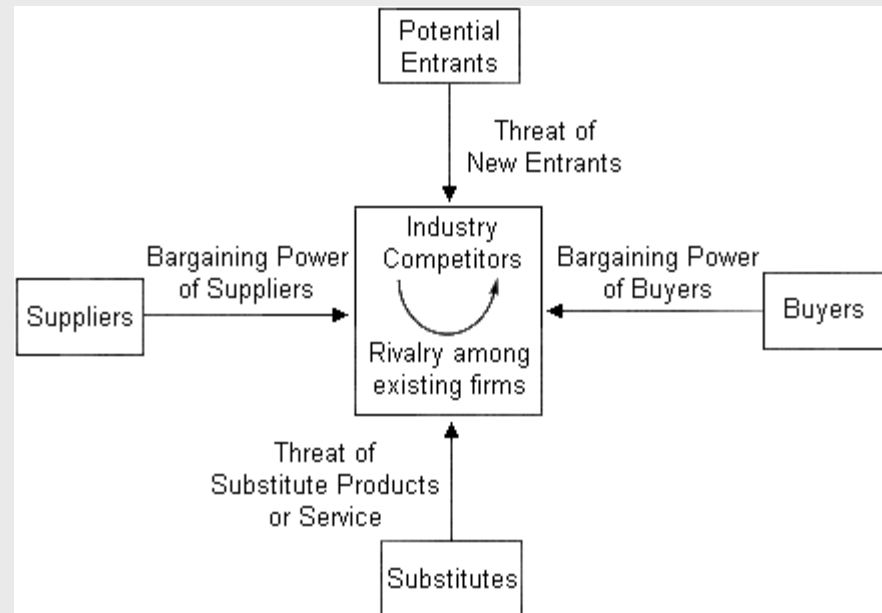
Outline

- **Change**
- The Future of Healthcare
- Imperatives for ASCs

Competitive forces cause change

- Entry of hospitals
- Relaxation of CON

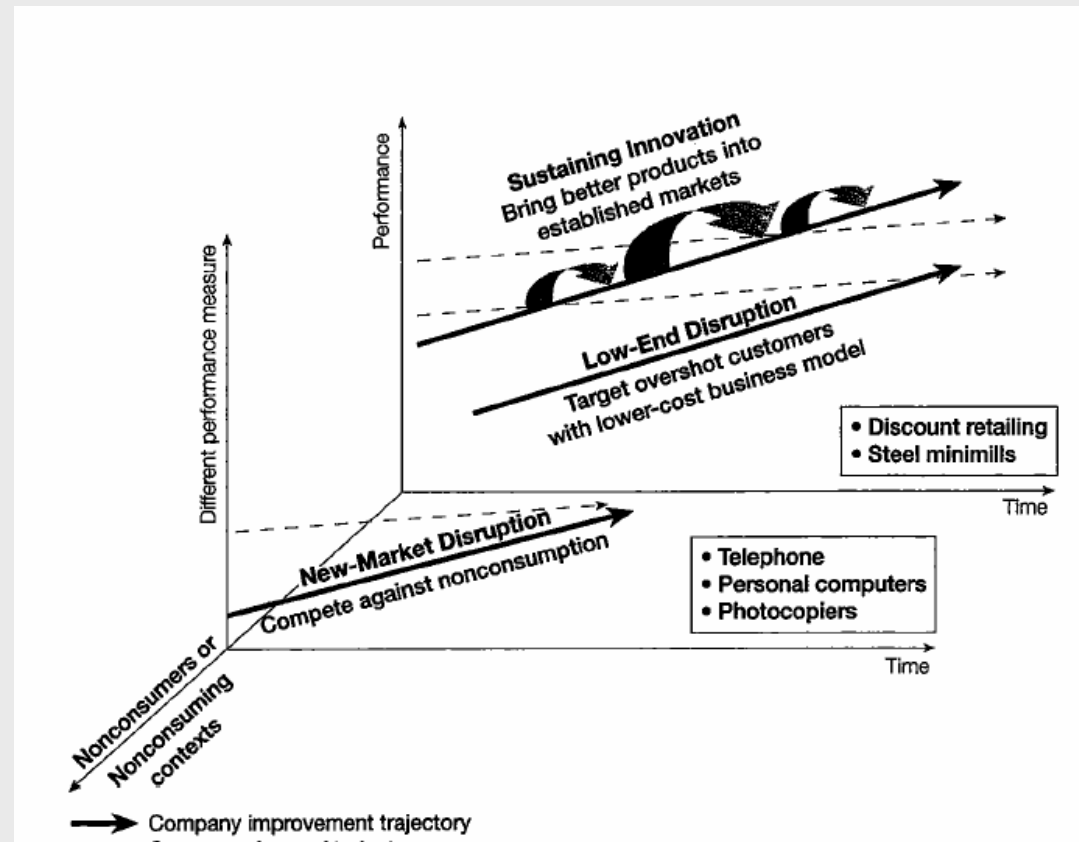
- Growing influence of device companies
- Relative physician/surgeon shortages
- Physician work-life balance issues



- Aging of the population
- Emphasis of baby-boomers on convenience and seamlessness
- Consumer-directed health plans
- Growing influence of Federal government
- Emphasis on quality measures
- BBA II?

- Emerging technologies
- Convergence of diagnosis and treatment

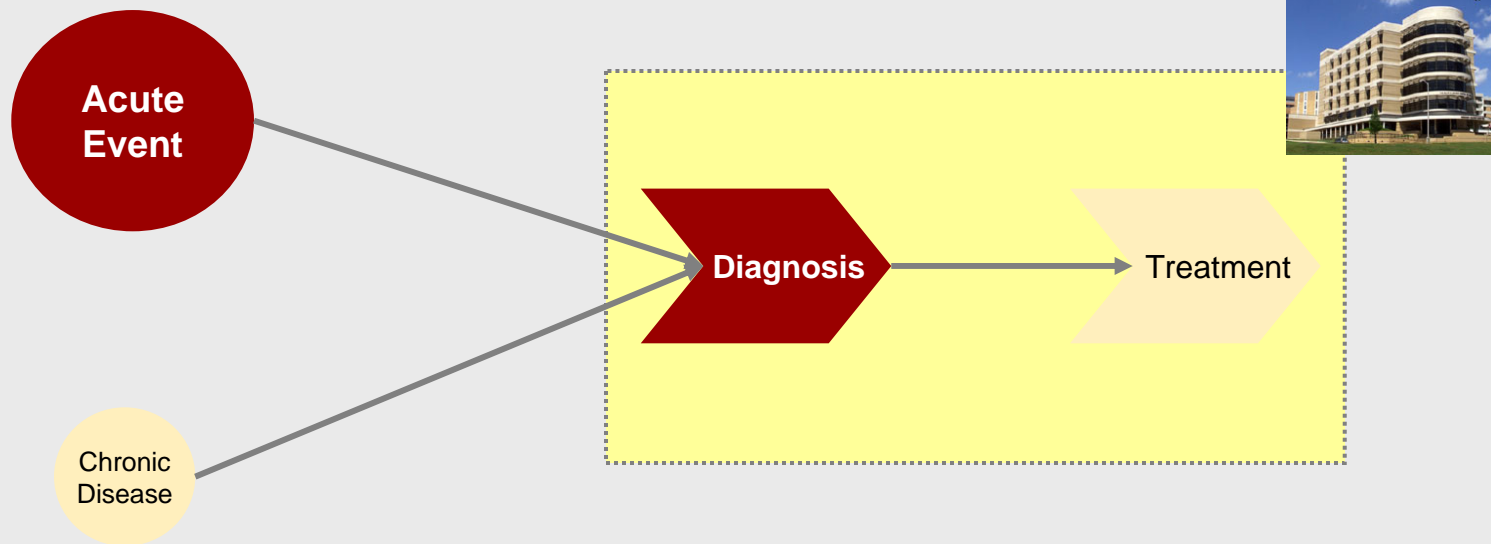
Change can be incremental or disruptive



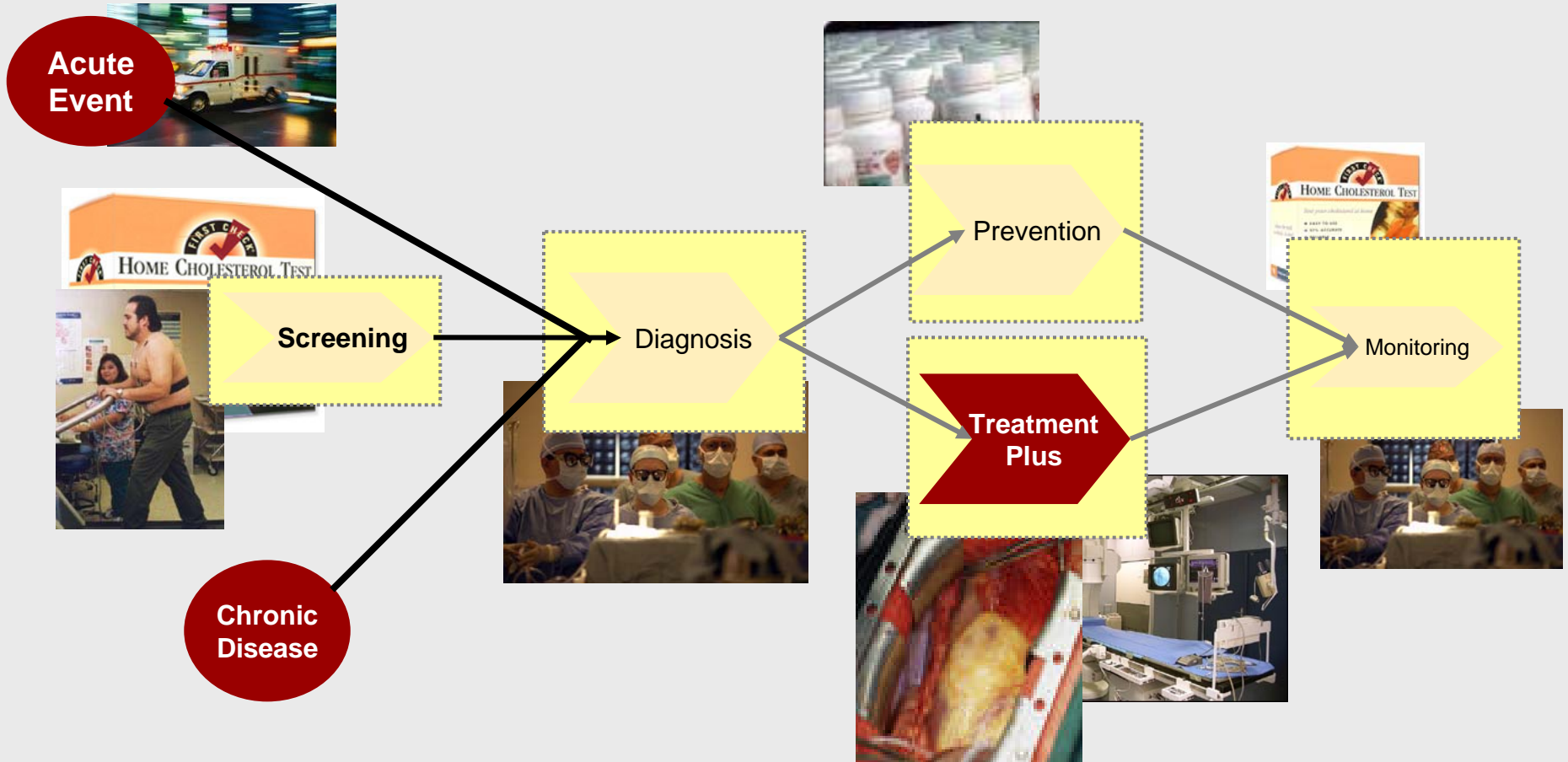
Outline

- Change
- **The Future of Healthcare**
- Imperatives for ASCs

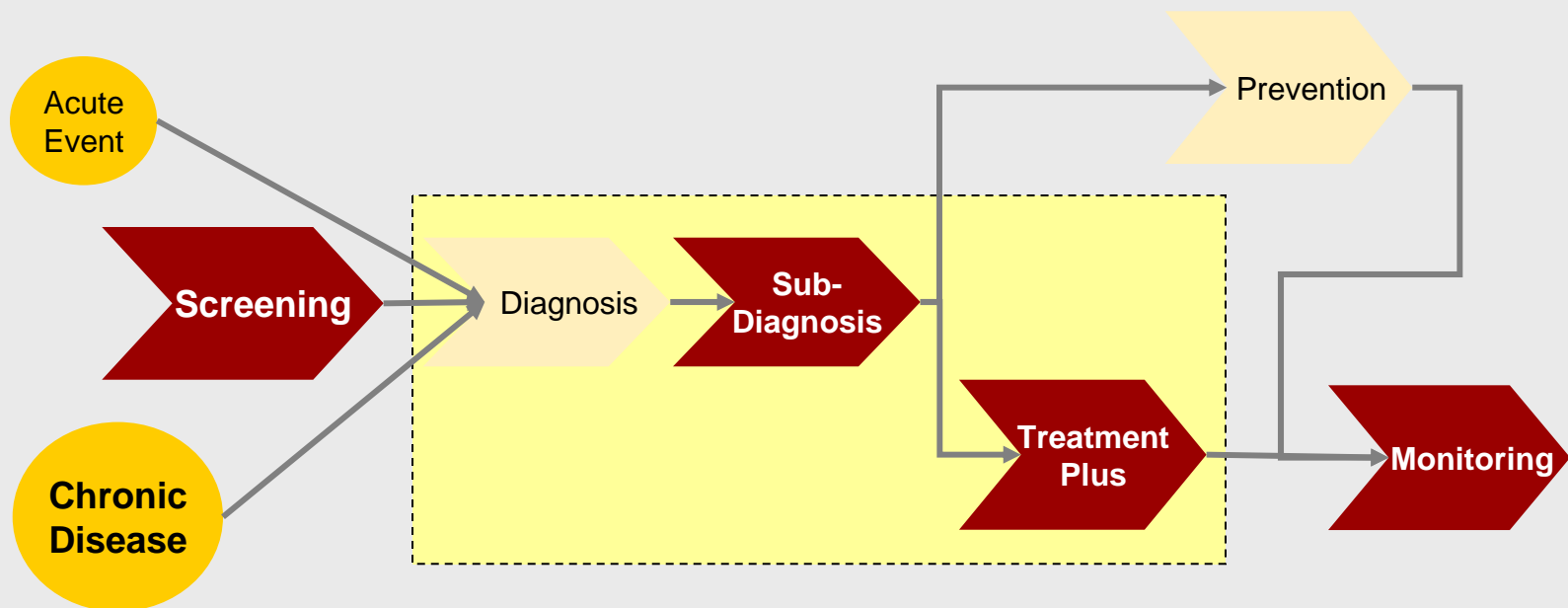
The hospital as center of care



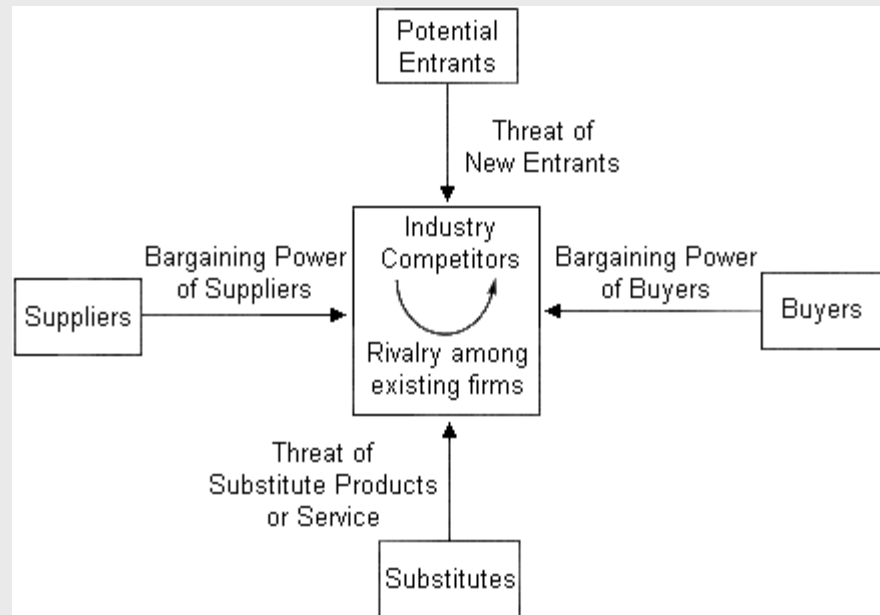
Care is now decentralized and fragmented



The future will demand more integration and coordination



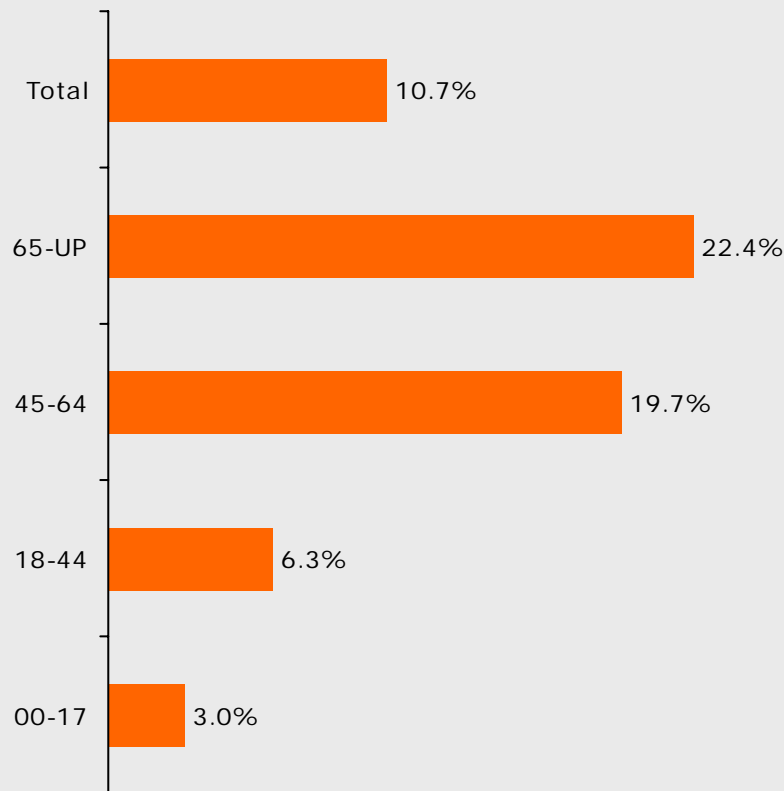
Buyer driven forces



- Aging of the population
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- Growing influence of Federal government
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- BBA II?

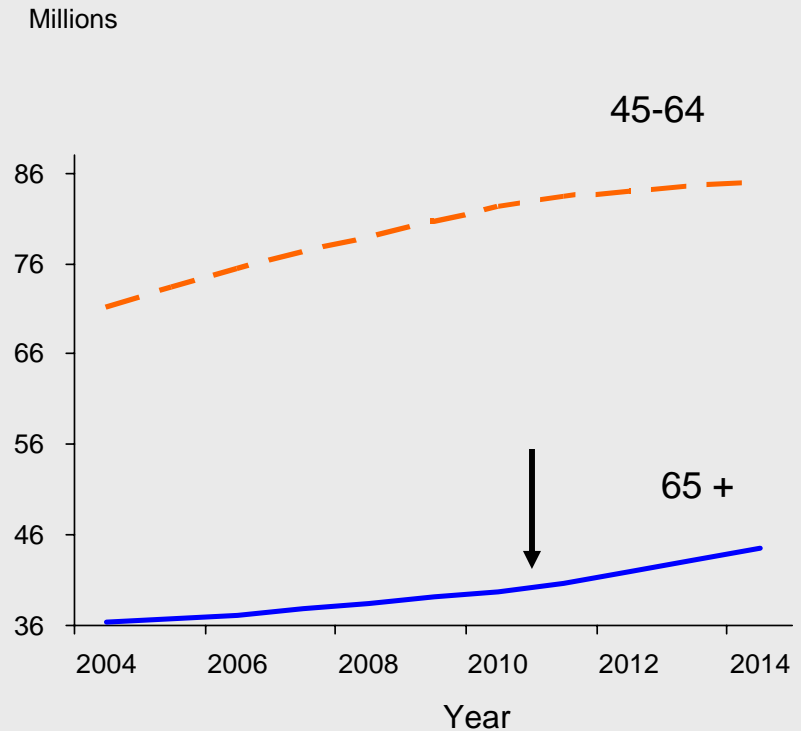
Growth of Over-65 Age Group Accelerates After 2010

Forecasted Percent Change
US, 2004-2014



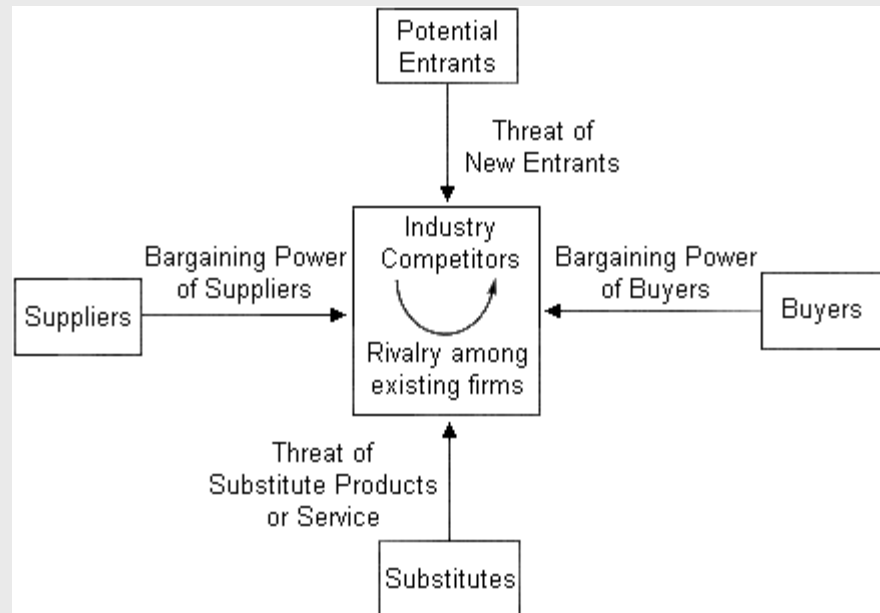
Source: Sg2 Analysis, 2004

The Baby Boomers
US, 2004-2014



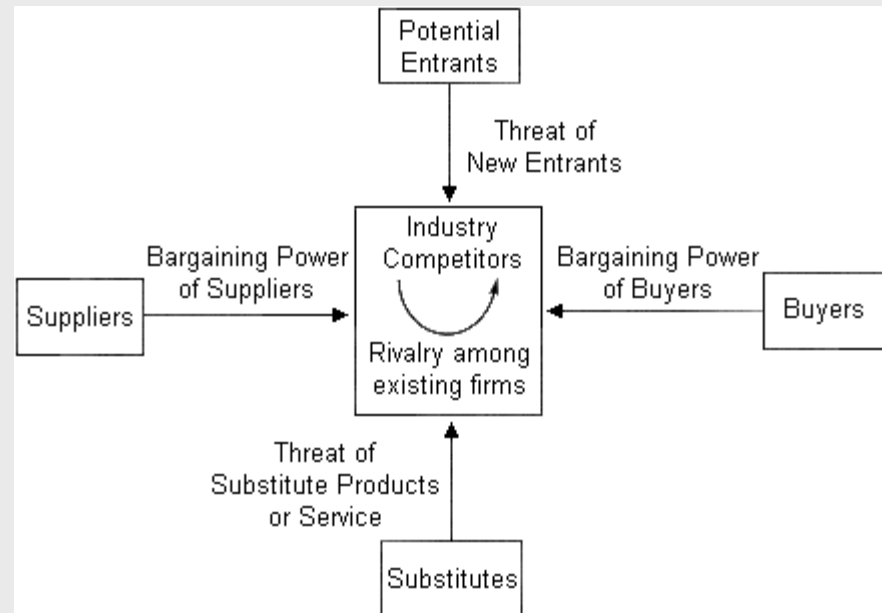
Supplier-driven forces

- Growing influence of device companies
- Relative physician/surgeon shortages
- Physician work-life balance issues

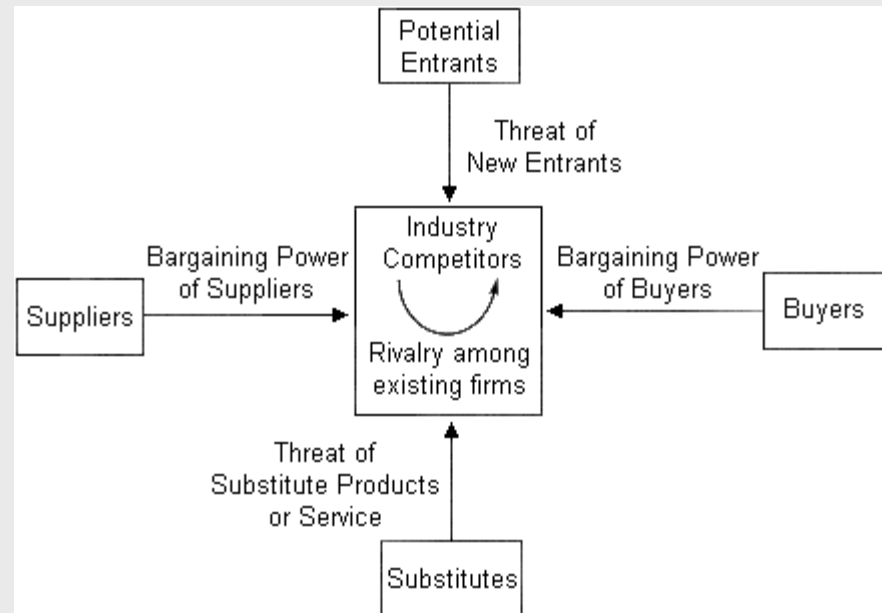


Potential entrants

- Entry of hospitals
- Relaxation of CON



Substitutes



- Emerging technologies
- Convergence of diagnosis and treatment

Key disruptive technologies

CV	Carotid stenting Less invasive intervention Non-invasive angiography
Cancer & General Surgery	Targeted therapies MIS advances Virtual colonoscopy HIFU Image-guided surgery
Neuro/Ortho	Carotid stenting Image-guided surgery Robotic surgery MIS advances (hip,knee,spine)

Outline

- Change
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- **Imperatives for ASCs**

Imperatives for ASCs

In order to meet the changes in the future ASCs ...

- Must provide **coordinated, seamless care**
- Must address **increasingly complex conditions** and must address more than just the medical / surgical problem
- Must consider **alliances** to help address these challenges
- Must measure **quality**
- Must **“ride the IT wave”** or be rendered irrelevant
- Must increasingly consider the integration of **imaging** (and diagnosis) to their operations
- Must be increasingly aware that the federal government (Medicare, etc.) are not just “bystanders” in the process. **Regulation and compliance** are critical
- Must keep **costs down** – reimbursements will not be increasing and may very well decrease (though without compromising quality)
- Must keep **physicians happy** ... which is not always about money
- Must be **flexible** enough to accommodate technology changes. “One-trick” ASCs have a limited future

Æsis Research Group

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Providing forward-looking information, intelligence and research services to healthcare investment decision-makers

Facilitating hospital-clinician relationships to help implement and move forward strategic, operational and facilities initiatives

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