



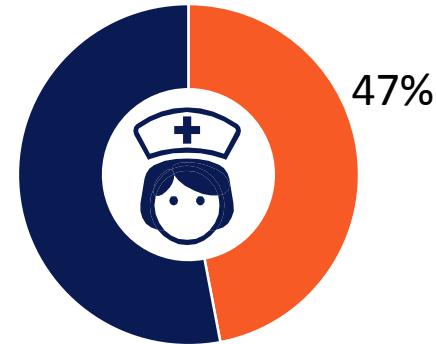
## | Healthcare industry in Brazil

# HEALTHCARE MARKET OVERVIEW

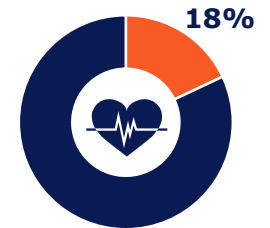
Strong **desire** across all consumer segments for **private healthcare**

**Reasons why people would like to have a private plan**  
(% of respondents)

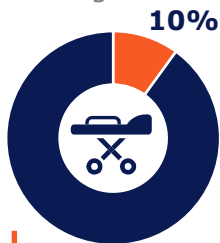
Quality service of healthcare plans



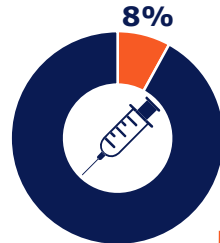
To feel secure in the event of illness



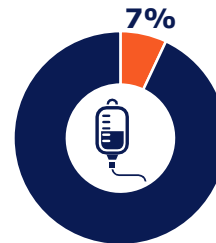
For support in emergencies



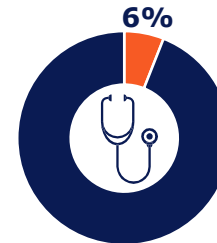
To prevent illness



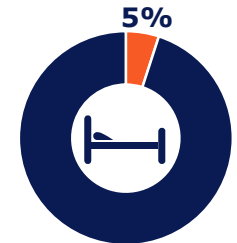
Plan coverage (e.g., exams)



Need for medical treatment



Convenience and comfort



**Equal % for emergencies and prevention**

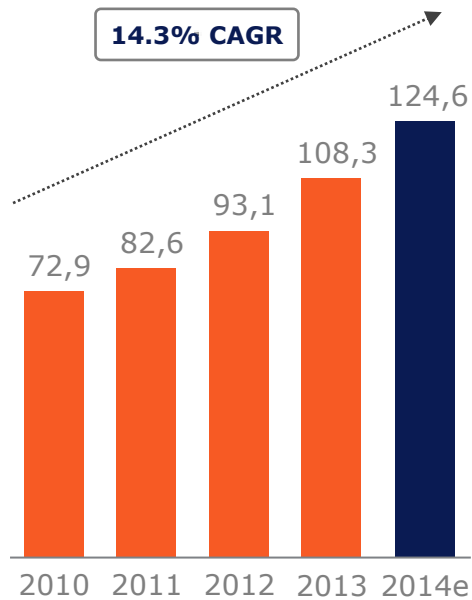
Source: Datafolha/2013

# BRAZILIAN HEALTHCARE MARKET OVERVIEW

- Demand supported by historically **low unemployment** levels and **rising income**
- Market growth driven by employees **benefit packages** and **affinity/SME's**

## MARKET REVENUES

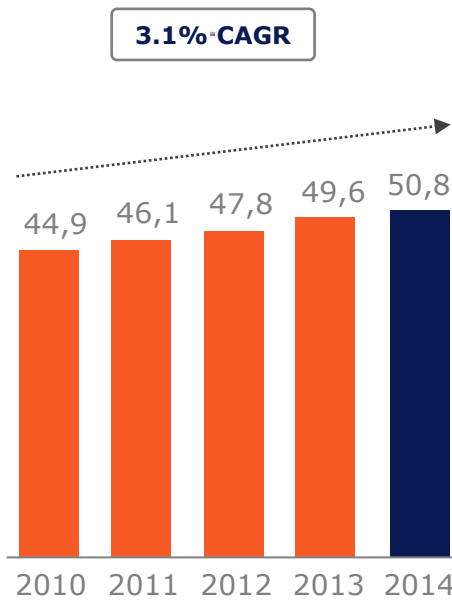
(R\$ billion)



Source: ANS (Sep/2014)

## MARKET MEMBERS

(million)

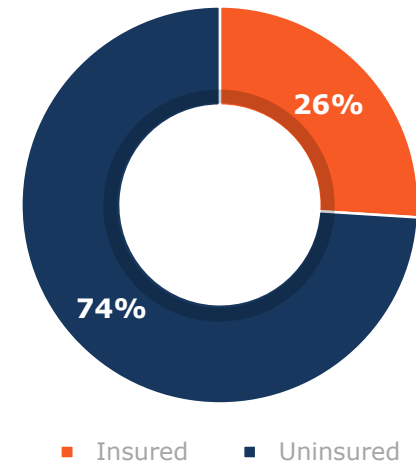


Source: ANS

## PENETRATION:

50.8 million lives insured

(% of total population)

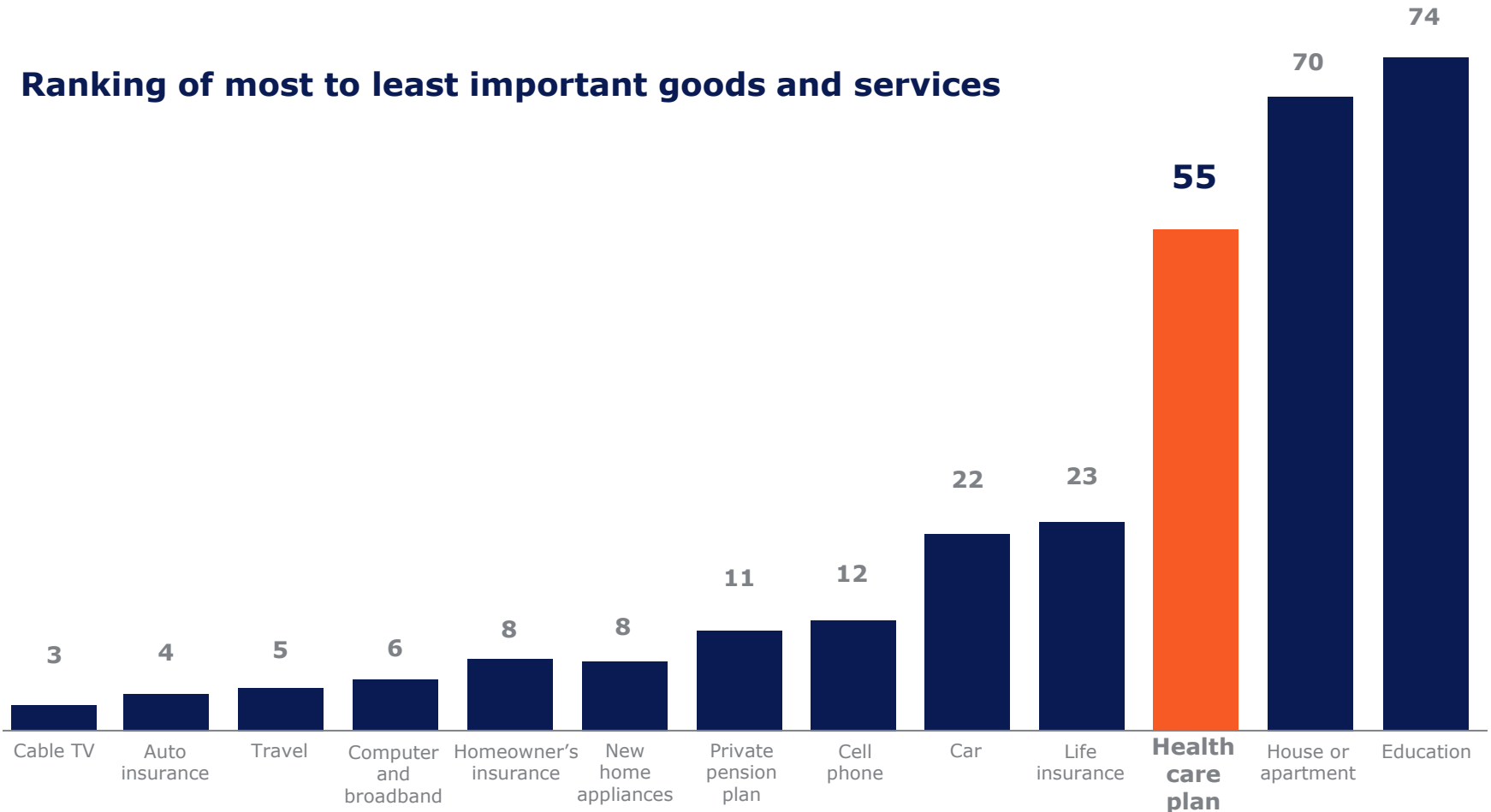


Source: ANS

# HEALTHCARE MARKET OVERVIEW

Most **important** goods and services for Brazilians

## Ranking of most to least important goods and services



Source: Datafolha



## **| Healthcare environment**

# HEALTHCARE ENVIRONMENT

The business environment for healthcare has become more challenging, and at an accelerating speed



## **Changes in demographics (aging population)**

Population 65+ growing at ~3% p.a., expected to account for >20% of total population by 2050



## **Epidemiological transition**

Increase of chronic and degenerative diseases



## **Changing consumer profile and behavior**

Consumers more conscious and involved on health decisions, investing more time and money on wellness & prevention



## **Technology innovations**

Increased information availability & Pharmacological and technological advances

# HEALTHCARE ENVIRONMENT

This challenging scenario demanded a new approach



Healthcare players are **redefining** the **core** business, being pro-active in managing costs across the value chain

## Traditional Process (Old Core)

Sick customer



Insurer (payer)



- Pays doctors, medical examinations, hospitalization surgeries

## Transition Process (Core redefined)

At risk or Sick customer



Active role in the value chain



- Direct purchases of materials and drugs, 2<sup>nd</sup> Opinion, etc

Prevention



- Some Disease Management programs

# HEALTHCARE ENVIRONMENT

New approach also includes Wellness and broad Disease Management initiatives, essential for the health business



Healthcare players are **diversifying beyond core**, seeking to protect margins and generate new revenue streams

Future Process (beyond core): Best in class + Pop. Health Mgmt





# NEW CORE AT SULAMÉRICA

One of the initiatives that SulAmérica already adopted and is expanding is Wellness, DM and Case Management programs



Increased membership enrollment in Wellness, DM and Case management programs will offer a new, underexplored battlefield for SulAmérica



SulAmérica retained Healthways in 2012 to provide first wellness solutions and help on increasing speed of membership enrollment and expanding reach of dedicated health care programs (e.g. *Saúde Ativa*)



In 2013 and 2014 relationship expanded to provide more wellness solutions and analytics



New value proposition adds to a higher degree of competitiveness and differentiation



New set of tools will help SulAmérica in promoting an environment of improved loss ratios and reducing claims