

Definitions

This is a list of the definitions used by Healthcare Business International in all its work, including our database products. The definitions include examples and a simplified business model. To comment on them contact

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Ambulance and Air Ambulance Services – Services transporting patients. Ambulances can be split down into emergency ambulance services and general ambulances, which transport patients for routine appointments. Falck, a Danish headquartered multinational is by far the world's largest ambulance company and also outsources fire brigades. Air ambulance services typically move critically ill patients across regions or continents.

Assisted Living

Also known as sheltered accommodation. Elderly residents live in small flats or bedsits in a complex. Often they have access to some basic level of care and are covered by an alarm system. We can differentiate between private swanky gated communities to which ageing baby boomers move to play golf, swim and live the high life and much more Spartan public sector affairs which might boast a shared community room for bingo. The former is typically found in Australia and the USA where land is cheap. The latter in Europe where land is expensive. But assisted living communities come in all shapes and sizes and can be found in city centres. In the private sector residents typically buy the property, pay a lowish service fee and then pay a 20-30% commission to the developer when they sell.

Child Care – Our catch all term for all childcare facilities. These vary from crèches and kindergartens where chains have formed in the Nordic region and the UK through to specialist units looking after children with conditions such as autism.

Chronic Disease Management – Private operators who seek to help patients or payors control chronic conditions (an ever expanding range which now includes former killers such as cancer and HIV). Typically involves remote monitoring on a daily, or more normally, weekly basis with cheery calls from nurse mentors and the occasional face-to-face physical. The educated worried well like these services, whilst alcoholic diabetics who smoke tend to shun them. It is therefore very hard to assess real efficacy! Typically paid for by public payors in Europe although SHL in Israel provides a personal subscription service for people who have had a heart attack and want to avoid the next one. Not a large or lucrative market as the prestigious acute sector still takes most of the money, the economic benefits of longer life for the sick is not properly costed and policymakers insist on blind trials and pharmaceutical levels of proof.

Cosmetic Surgery – Elective procedures to make you look nicer. But also includes bariatric surgery, bands to make your stomach smaller and to cut obesity. Large national chains are developing in most countries.

Dentistry – All types of dentistry. Chains are springing up in all countries which don't insist that dentists have to own their own practices. The new operators are open longer hours in central locations and offer a wider range of services.

Orthodontistry is increasingly privately paid for and 5 or ten-year guarantees for implants or root canals may be the next step.

Dialysis – Facilities, which clean your kidneys. Typically day clinics but also done at home. Big international chains such as Fresenius, Davita and Diaverum increasingly dominate this market. In some countries public sector hospitals can outsource to private providers and make 25% savings.

Disabled/Learning Difficulties – Politically incorrect catch-all term for all providers who serve physically and mentally disabled who are unlikely to see radical improvement in their conditions.

Domiciliary Care – the provision of unskilled care at home – cleaning, cooking, checking up – on the typically elderly infirm. Growth market but low margins as providers compete with a host of freelancers. Dominated by “ladies from the East” in countries like Germany and Italy that have huge populations of Polish and Ukrainian women who live with the customer.

Fertility – all fertility treatments. Growth area where we are seeing the development of international chains.

Hospital (Private) – Our catch-all term for facilities where many patients stay overnight, although this definition is becoming increasingly suspect as patients are increasingly released home the same day.

Can be divided in to elective facilities – conveyor belts where physicians typically perform the same procedure over and over again - and non-elective facilities. This latter would include university hospitals where many doctors will have no idea what they will be doing in 30 minutes time. In Europe almost all private hospitals are elective facilities, whilst big public hospitals are non-elective. The exception is Germany where private hospitals often have big accident and emergency facilities. Unsurprisingly, elective facilities that can plan ahead can therefore claim to be much more efficient than non-elective units!

Private hospital operators can be divided broadly into hoteliers and fully managed hospitals where the doctors are employees. In the former, the hospital provides a range of hotel services including nursing to individual doctors who run their private practices from their premises. Most private hospitals are hoteliers so they do not have much control (if any) over medical outcomes.

Hospital privatisation can take several forms. First we have wholesale privatisation where an operator buys a hospital outright and then runs it for the state or private individuals. This is a growing trend in Germany, China and Poland. But taking over a run-down facility with bloody-minded public sector staff has its downsides.

Then we have **functional privatisation** where a private operator manages a public facility, typically for a 10 or 20-year period. Examples include Circle’s attempt in the UK and Capiro’s more successful running of St Goran in Stockholm.

Finally, we have an operator-led private public partnership (PPP) model. Here the hospital is typically built by the private sector and then run by it for a period of 15-30 years before being handed back to the state. The Alzira model in Spain is the best example.

All privatisation in all countries are fraught with problems. The cleanest cut and most successful is the German outright privatisation model.

Imaging Services – Providers who specialise in providing a range of imaging services to diagnose conditions. These can be provided by outpatient facilities, small units to which family doctors and outpatient specialists refer patients, or inpatient facilities, the imaging departments within hospitals. The private sector can run either. The trick is to sweat the asset and get your equipment to produce 30-50 images a day, rather 8-10. So Ryanair, rather than the old, cosseted national airlines.

Large groups have formed here such as Affidea in south and east Europe, Alliance Medical (Western Europe), Concord (China). Imaging is typically separate from labs but not always. You find combined imaging/lab groups in Italy, the Netherlands and Brazil (Fleury, Dasar).

Laboratory Services – Providers who run tests on samples taken from your body (typically blood). In most countries tests taken by outpatient doctors (typically family doctors) are done in private labs. Most public hospitals have their own publicly-owned labs but some outsource these to private providers.

Well over 90% of tests can be automated these days so big private operators are building large factories which can do quality tests cheaply. Rapid international consolidation with major players such as Sonic Healthcare, synlab and SRL spreading internationally.

Medicalised Homecare - Services offered at home which involve a level of medical expertise (unlike domiciliary care). Can be divided into home oxygen services (Air Liquide, Linde), the delivery of drugs to the home (Healthcare at Home) and home nursing visits (Buurtzorg). But also includes dying at home and a whole range of specialist services. Popular in India. Politicians and patients alike prefer homecare to residential nursing homes, as it is cheaper. But quality of care is even harder to measure, and, once a patient becomes too infirm, homecare rapidly becomes more expensive than residential care.

Nursing Homes – Where you go when you are old and your family can no longer look after you. These days highly medicalised with residents having an average length of stay of 18 months or less. Demographics and the Alzheimer epidemic should see the sector grow, but governments find nursing homes expensive and limit new beds or cap budgets. Only rich countries can afford to pay for much of this service for their citizens. And typically even Europeans are expected to pay out of pocket for some rent and food, although care is free.

You can differentiate between private pay homes for the rich and those who try to operate mainly on what the state pays. A huge growth market in China and many Emerging Markets as families become more distant.

Occupational Healthcare – Broadly healthcare delivered at work and paid for by the employer. Employers are forced to provide a certain level of care in many European countries (Spain, Finland, Sweden). In other countries employers are happy to pay for a basic service to improve retention. A big market in Poland and Romania. Leaders include Luxmed (owned by Bupa) in Poland and Medcover, across East Europe. They have chains of owned or affiliated outpatient centres and doctors and even a few acute hospitals.

Oncology – any specialist hospital in cancer treatment.

Ophthalmology – Eye surgery of all types, Typically offer treatment for short-sightedness (LASIK is best known), long-sightedness and cataracts. The vain young tend to want the former and the old need the latter. But these days the young often have no money and the old are either paid for by the state or by NGOs in emerging markets.

The middle sector is where the growth should be as correcting sight here means no specs in middle age and no cataracts in old age. But how many 50-somethings are willing to go under the knife or laser? Chains of outpatient facilities in most countries are forming and there are one or two international chains such as Clinica Baviera.

Outpatient (ex Primary Care) – Catch-all for all non-primary outpatient businesses. Did you know there are 60,000 specialist doctors practicing from outpatient facilities in Germany?

Outsourcing – Medical services, which are often outsourced, include sterilisation (Synergy), laboratory and imaging services and recruitment, but there are dozens of other niche markets, including functional outsourcing where the payor or state outsources all hospital management.

Non-medical outsourcing divides into hard (facilities management) and soft (food, cleaning services, portage). Dominated by large quoted groups such as Sodexo and Compass. A relatively mature market.

Primary Care – The family doctor you should visit if you feel ill. Bypassed in many countries by patients going directly to hospitals or to specialist physicians. Bismarckian systems allow their citizens to go direct to specialists whilst NHS systems have strong primary gatekeepers. If you are Brazilian or German and you are worried about your heart you go direct to a specialist. In India or China you go straight to a hospital (the bigger, the better). If you are British you will go to a primary doctor.

The British approach is much cheaper (you probably had a panic attack or are suffering from depression or anxiety) but it can lead to much slower diagnosis.

Psychiatry – Residential psychiatry units is a big market in many countries for private providers who may get paid less than public providers for doing much the same job.

Radiotherapy – Units, typically in outpatient settings, where lasers fire rays at your cancer. Such facilities are expensive to set up and are often private sector run. A few international chains are forming here such as Amethyst (Romania, Poland and looking at Germany) and Genesis (Australia and now UK).

Recruitment – Supplying medical staff to the public sector is a huge and lucrative market for private providers.

Rehabilitation (Residential) – Countries vary dramatically in their approach to rehabilitation after surgery. In the UK, Sweden or Netherlands you will be pushed out of hospital quickly and will then be dependent on physiotherapist visits to regain mobility. Not so in Germany where someone with a hip replacement could spend a month somewhere obscure with the word Bad in it somewhere. Actually it is surprisingly cheap and likely to produce better results.

Telehealth and eHealth – At its most basic level telehealth is simply talking to a medical person on the phone. This and videoconferencing are growing fast, particularly in Emerging Markets. The big Indian chains have hundreds of basic centres across Africa and rural India doing just this.

Also includes teleradiology which is the remote interpretation of images. Again this is big business in Emerging Markets less so in Europe where radiologists have managed to stop the export of images to their lower paid colleagues in India.

Wellness/Spas – These terms are again culturally determined. Central Europe and France traditionally love spas where you can take the waters if you are feeling down.

Wellness is a horribly general term. In the USA it tends to mean programmes designed to stop the workforce becoming a drain on their employers healthcare insurance policies. But it could mean anything from Tai Chi to aromatherapy. You could even include gyms and certainly the gym market is being consolidated. Nuffield Health, a big not-for-profit hospital chain in the UK, has built up its own gym network.

Demand for wellness is clearly growing fast but it is dominated by a host of one man practitioners. Perhaps what is needed is an outfit who can knit together diagnostics and wellness into a single package. Bupa is trying to do this.