

# The dawn of medical cities

By [John Raspin](#)

26 Mar 2015

Within our lifetime, the global population is set to grow and change demographics at a rate unseen by previous generations. This puts enormous pressures on all industries, but specifically health care. Hospitals are already at capacity with a huge strain on resources and expertise, but there is an opportunity to adapt in order to deal with this change in a sustainable and affordable way.



John Raspin

The health and wellness of a community is a collective social responsibility and a cause for which medical technology and Business-to-Society (B2S) business models have a huge role to play. At Frost & Sullivan, we expect that global health care expenditure will grow to \$12.7 trillion by 2020 while investment in prevention, diagnosis and monitoring will increase from 30% of total spending in 2014 to reach almost 45% by 2020, signalling a paradigm shift from focusing on cure to prevention and diagnostics.

Various innovations in the healthcare industry are expected to revolutionise the medicine arena, with spending on healthcare segments, such as medical imaging, pharmaceuticals, medical devices, and life sciences to grow at 6.4%, reaching \$2.10 trillion in 2020. At the same time, nanobots, combination devices, electroceuticals, and genome sequencing are poised to transform the global patient-care arena by enabling complex tasks on a microscopic scale and providing tailored treatments to patients' needs.

## The rise of medical cities

With smarter drugs, virtual hospitals and cyber documents, the health care industry could undergo radical change. While patients in the developed world grow increasingly impatient with slow-moving regulatory and health care provision environments, the developing regions will drive new business models tailored to meeting specific patient needs in novel and cost-effective ways. This change is rolling out across the globe, for example with 'super-hospitals' being created in Denmark in order to increase efficiency and promote the use of e-health systems in partnership with companies like Hitachi.

In developing regions, such as in the Middle East, India and many parts of Asia, we have also seen the emergence of 'medical cities' where medical facilities are centred in an urban area and provide world-class health care facilities. Several countries, including Poland and Brazil, have seen the development of specialised facilities as a result of medical tourism. In addition, high-value services are also being created for patients who are seeking convenience as they have limited time and are willing to pay out of pocket. These facilities need to look to new innovations to enhance and streamline these trends so that the services are efficient and accessible to all.

But the mere possibility of medical tourism is starting to change health care in unexpected ways. The biggest gains have gone not to patients, insurers or governments, but to hospitals, which have calculated that they could win more business by reversing the trend and going abroad to find patients. America's Cleveland Clinic will open a branch in Abu Dhabi next year. It already manages Sheikh Khalifa Medical City, a 750-bed hospital in Abu Dhabi. Singapore's Parkway Health has set up hospitals across Asia. India's Apollo Hospitals, a chain of private hospitals, has a branch in Mauritius.

The health concerns of local citizens can vary drastically across regions and borders; there is a need for innovative diagnostic solutions tailored to local circumstances to deliver convenient, rapid, accurate, user-friendly and cost-effective solutions.

## **The business opportunity**

In a recent report we conducted with Hitachi, we defined social innovation as "the deployment of technology and new business models to bring about real positive change to the lives of individuals and societies, creating shared value". Sectors that were once separated in the past are converging into new products and services to provide innovations that will help provide breakthrough changes for the benefit of society, improving quality of life. Where more can this make a difference than health care? When it comes to health care innovation, Hitachi deploys a huge range of technologies, systems and data management solutions to support a healthier and safer society. Innovations can be seen from proton beam cancer treatment solutions to automated analysis systems and nursing care business solutions, from diagnostic imaging in Brazil and Egypt to using microscopy to advance STEM education in the US and IT solutions to increase hospital efficiency in Denmark.

With the huge health care challenges society is facing due to population boom and shift, it is no longer solely down to governments and health care professionals to innovate in order to tackle the problems. Social innovation will see companies providing their expertise and collaborating with the public sector to tackle these challenges. It is only through embracing these new models of business and thinking that the huge opportunities of health care innovation can be realised.

## **ABOUT THE AUTHOR**

John Raspin is a Partner of Frost & Sullivan

For more, visit: <https://www.bizcommunity.com>