

# Carlos Escobar - General Manager, Mexico, Central America, Puerto Rico and Caribbean, Baxter Kidney Care/Vantive

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*By prioritizing a robust organizational culture, we position ourselves to deliver greater value to patients in the future*

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*Carlos Escobar highlights his extensive career journey at Baxter/Vantive, emphasizing the company's commitment to enhancing patient care through innovative technologies in Mexico and Latin America. He discusses the shift towards multi-organ support, the importance of digitalization in healthcare, and the need for a strong organizational culture to drive value.*

**Can you share your career journey at Baxter/Vantive, highlighting your various roles, your return to the company, and your experience in medical technologies, particularly how it differs from other healthcare sectors?**

My journey with Baxter/Vantive began in Colombia, where I worked in a manufacturing plant. After some time, I transitioned into the business side, focusing on marketing for various kidney care products. I was also involved in the commercialization of kidney care clinics in Colombia. I spent around 13 years there before moving to Baxter/Vantive's headquarters in Chicago, where I managed one of our major platforms—home dialysis machines for patients. That role lasted for two years.

Following my time in Chicago, I moved to Miami, where I led the marketing function for kidney care across Latin America, including Brazil. After four years in Miami, I relocated to Mexico, where I have now been for ten years, primarily managing the renal care business. In 2019, I left Baxter/Vantive and joined a diagnostics company called Werfen, based in Barcelona. My time there, about three years, gave me valuable insights into the broader medical devices sector, which operates differently from other healthcare fields. I returned to Baxter/Vantive in 2021 as General Manager, overseeing a comprehensive portfolio that included everything from nutritional products to capital equipment (such as beds and medical devices) and even pharmaceutical generics sourced from India for commercialization in Mexico.

Last year, Baxter/Vantive announced the spin-off of part of its operations, and I was appointed the leader for Latin America North for the new company. Our focus will be on multi-organ support, with kidney care at the forefront, though we aim to expand our scope over time. Throughout my career, I've been driven by the goal of addressing the needs of patients requiring kidney care, ensuring they have access to necessary treatments. This involves not only introducing new products to the market but also working within regulatory frameworks to improve patient outcomes.

**What makes Baxter/Vantive's corporate culture and approach unique, and how do you incorporate this mindset into your work, especially given the differences across regions?**

One of the most significant aspects of Baxter/Vantive's culture is how deeply we live our mission to "Save and Sustain Lives." This is something I've personally experienced and observed in my colleagues—it truly shapes the way we operate. Unlike many other medical device or pharmaceutical companies, where there's often a disconnect between delivering products and interacting with patients, we are directly involved with the patients' daily care.

In Mexico, for example, we don't just send products to hospitals; we deliver them to over 34,000 homes each month. This means we are not only selling to large healthcare providers like IMSS (Instituto Mexicano del Seguro Social), but we are also responsible for the full logistics of getting these life-saving products into patients' homes. This requires a hybrid approach—B2B and B2C. While the patients themselves aren't the ones paying us, we are fully responsible for ensuring they receive their treatments. To do this, we need more than just logistics—we maintain a customer service team that communicates with patients daily, as well as a technical team that provides ongoing support for the medical devices in their homes. This close, hands-on relationship with

patients is unique to our business model, especially in kidney care.

From the moment I started at Baxter/Vantive, I could feel the weight of our responsibility: if we don't deliver the product, the patient doesn't receive their therapy, and that could have life-threatening consequences. Managing kidney disease is a daily, life-sustaining process, and our entire organization is committed to ensuring that there are no interruptions in care. This unwavering commitment to the patient is what truly sets us apart.

**What makes Mexico and Latin America key markets for Baxter/Vantive's kidney division, especially with challenges like limited healthcare funding and slower innovation adoption?**

Mexico is a vital market for several reasons. First, the high rate of diagnosed diabetes patients in the country—affecting around 10.3 (INEGI) of the population—makes it a leading cause of kidney failure, with an estimated 12 million people facing some level of renal impairment. While not all of these individuals require dialysis, the scale of potential patients is significant. Currently, about 2,000 patients per million receive dialysis, placing Mexico third globally in the use of peritoneal dialysis, after the U.S. and China.

Since the 1980s, peritoneal dialysis has been widely utilized in Mexico, and it remains a core therapy in our expertise. Despite the historically slow adoption of new healthcare technologies in this region, we've been actively introducing innovative therapies over the past few years. Our focus has been on transitioning patients from manual peritoneal dialysis, which requires multiple daily sessions, to automated peritoneal dialysis. This system allows patients to perform dialysis while they sleep, freeing them to maintain more normal routines during the day, whether that's working or studying.

This shift has required significant investment in both technology and support. We provide the necessary dialysis machines, and our technical service team ensures they function seamlessly. Logistically, it's a substantial operation: we deliver products to 34,000 patients each month, which involves handling over a ton of supplies. Alongside these logistical efforts, we're also integrating digital solutions to further enhance patient care and efficiency.

**What has been driving the shift toward advanced dialysis technologies in Mexico, and who are the key stakeholders supporting this transition and ensuring better patient**

## **care?**

The main drivers of this transition have been physicians and clinical staff, who are committed to improving patient care. They have both an ethical and professional responsibility to ensure patients receive the best treatment. However, advancing care isn't just about technology—it's also about training. We've put significant effort into educating nurses and nephrologists on how to effectively use and prescribe these new technologies, ensuring patients have the best chance of success with their therapy.

Beyond the healthcare providers, we've worked closely with regulatory bodies to establish policies that improve access to advanced dialysis treatments. For example, last year we collaborated with IMSS (Instituto Mexicano del Seguro Social), increasing the use of advanced dialysis from 30% to over 50% of patients. This year, we've begun working with ISSSTE (Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado) to further promote these treatments. The benefits extend beyond patient care—properly managed patients are less likely to require emergency or intensive care, which reduces the strain on the healthcare system.

We're also partnering with organizations like FUNSALUD (Fundación Mexicana para la Salud) to create think tanks focused on making peritoneal dialysis the standard of care, while continually improving its quality. While this therapy has been in use for decades, there is still much we can do to enhance outcomes. Our goal is to bring all stakeholders together to ensure continuous improvement in therapy and patient care.

## **How are you engaging with payers in Mexico to support the adoption of advanced dialysis technologies, and how does real-world evidence from connected devices influence their decision-making?**

Payers in Mexico are open to adopting new technologies, but it's crucial to provide a compelling case that demonstrates both economic and clinical benefits. Healthcare budgets are often constrained, and there is sometimes reluctance to invest in new solutions without clear proof of their value. To address this, we build comprehensive health economics dossiers that highlight how our technology can reduce costs—such as by lowering hospitalization rates and the need for certain medications—while improving patient outcomes. It's equally important to communicate the clinical advantages to the healthcare professionals directly treating patients, ensuring they understand how these technologies contribute to better care.

**Given the significant out-of-pocket expenses for treatments in Mexico, how are you addressing the needs of patients who aren't covered by the public healthcare system?**

This is a major challenge. While the public healthcare system generally provides coverage for those enrolled in IMSS (Instituto Mexicano del Seguro Social) or similar programs, we estimate that 20,000 to 30,000 patients currently lack access to treatment because they aren't covered. These patients often resort to buying treatments out-of-pocket, which can cost between \$3,000 and \$5,000 per month—making long-term therapy unsustainable for most.

However, with the introduction of IMSS Bienestar, the government appears committed to expanding coverage to these underserved patients. This would significantly improve access to treatments for those currently without coverage. The private market for these therapies in Mexico remains relatively small due to the high costs, which makes it difficult for patients to maintain treatment without government support.

**How do you envision collaboration between pharmaceutical and medical device companies evolving in nephrology, particularly in terms of innovation and improving the patient journey from diagnosis to transplant?**

The potential for collaboration between pharmaceutical and medical device companies in nephrology is significant, especially as we all aim to improve patient outcomes. Our ultimate goal is to prevent patients from reaching the stage where dialysis is necessary, or, if they do, to facilitate a smooth transition to transplantation. While we haven't yet formalized specific partnerships, I see two key areas where collaboration could make a real difference: diagnostics and drug therapies.

In diagnostics, companies like Roche and Siemens are making strides in early detection technologies. By working together, we could help identify kidney issues earlier, allowing for timely intervention and potentially delaying the need for dialysis. On the pharmaceutical side, while treatments are still expensive and not accessible to all, some patients will inevitably require dialysis. For those patients, we believe peritoneal dialysis offers the best option, as it helps preserve some kidney function and provides a bridge to transplant.

The challenge in Mexico, however, is that fewer than 1% of dialysis patients transition to transplantation, compared to around 20% in countries like Spain. This low rate is due to a combination of limited access to transplants, insufficient training, and a lack of policies that

encourage organ donation. We are focused on improving both the regulatory framework and education around transplants, so that more patients can benefit from this life-saving option.

**How is Baxter navigating the transition from a multi-product focus to a more specialized single-product model, and what leadership changes do you foresee as part of this transformation going into 2025?**

Our strategy is to shift from focusing solely on one organ—kidney care—to supporting multiple organs. While kidney care remains our core business, we are expanding into the acute care space, which addresses organ failure in ICU patients. This segment, known as the acute business, is growing rapidly, with increasing demand for solutions that support not just kidney function, but also the liver, lungs, and patients with sepsis. These treatments are delivered through specialized devices used in ICU settings, rather than in home care environments.

Additionally, within our chronic care division, we are developing digital products to enhance patient outcomes and simplify treatment management. These tools allow physicians, particularly nephrologists, to remotely monitor their patients' dialysis treatments in real time. For instance, through mobile or tablet platforms, nephrologists can review whether a patient's home dialysis session met expectations and make adjustments to the treatment remotely. This integration of digital solutions not only elevates the standard of care for patients but also streamlines the process for healthcare professionals, making treatments more efficient and responsive.

**How would you evaluate the current state of digitalization and technology adoption for disease management in Mexico, and what implications does this have for your workforce and innovation efforts?**

I would assess the level of digitalization in Mexico at approximately 80% to 90%. Despite some economic and social challenges, we are witnessing significant advancements. A prime example is our recent launch of \*MyPD\*, a digital health application tailored for patients undergoing peritoneal dialysis. The majority of our patients were able to access the necessary technology, indicating a growing integration of digital solutions in healthcare.

As we transition to a more digital-focused strategy, attracting a new generation of talent—particularly from Gen Z and millennials—is essential. We have established an IT support center in Guadalajara to bolster our digital capabilities, recognizing that our organization will look

markedly different in the next three to five years. While traditional medical devices will remain a cornerstone of our business, we are committed to enhancing our digital offerings.

Furthermore, we have significant flexibility to innovate locally. Initiatives such as **Innovative** promote creative thinking aimed at improving patient care, physician engagement, and internal processes. We've received endorsement from our global team to pilot various local innovations, which may be scaled if successful. For instance, we are preparing to launch a new platform in Q1 of next year to strengthen the connection between patients and their physicians. Although we must adhere to global standards, there is ample opportunity for local adaptation and innovation within our strategy.

**What key insights would you like to convey about the Mexican market, especially regarding its role in Latin America's healthcare landscape and the potential for future growth?**

One of our primary goals as a subsidiary is to establish ourselves as one of the most valuable entities within Baxter in the near future. This ambition stems from the significant demand for the technologies we offer in Mexico. There is a considerable patient population in need of our support, which emphasizes the market's importance. Additionally, Mexico ranks as the fifth-largest exporter of medical devices globally, demonstrating our capacity to produce high-quality devices locally. This factor is crucial for the industry's growth and sustainability. The Mexican market presents a compelling opportunity for investment, particularly in the adoption of innovative technologies.

Moreover, we are observing a growing openness from the government to explore how these advancements can elevate the standard of care. This environment fosters innovation and collaboration. For instance, we have the potential to conduct clinical studies and establish protocols that can effectively communicate the benefits of these technologies to various stakeholders.

To illustrate the potential impact, consider the therapy we currently provide, which has an average survival expectancy of just 1.8 years for patients. In contrast, patients in other markets can expect to live six to seven years with the same therapy before needing alternative support. Increasing this expectancy from 1.8 years to six years would not only represent a significant social impact but also highlight the economic value we can create within the healthcare system, ultimately leading to more effective use of government resources.

**What are your concluding thoughts on the role of organizational culture in enhancing value within the healthcare market?**

I believe that the foundation for adding value to the market is rooted in cultivating an organization that effectively supports this objective through a strong organizational culture. This culture is vital for fostering trust among employees, driving innovation, and ensuring accountability for our initiatives. Each of these elements is essential for sustained growth, as they not only help attract new talent but also facilitate the development of our existing workforce. By prioritizing a robust organizational culture, we position ourselves to deliver greater value to patients in the future. This is a significant challenge, but it is one that we are fully committed to embracing.

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