Interview: Armando Correa Lopes Jr. – Managing Director, Siemens Healthineers Brazil



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Armando Correa Lopes Jr, managing director of Siemens Healthineers Brazil, provides insights into the main trends and challenges at the core of Brazil's healthcare discussion and documents the contribution of Siemens Healthineers in shaping a more cost-efficient, value-based, and data-oriented Brazilian model of healthcare.

Leveraging your long-standing experience of Brazil's healthcare sector, what would you highlight to our international readers as the most relevant dynamics and opportunities shaping the country's healthcare model?

When it comes to a country of the size of Brazil, it is absolutely crucial to first have a look at the bigger picture. In this regard, we see that Brazil's structural specificities translate into several challenges and opportunities. First, we are talking of one of the largest countries in the world – in many aspects. Brazil is the fifth largest country in the world and – with a population of over 207 million inhabitants – it also stands as the world's fifth most populated country. Regarding critical healthcare indicators, Brazil's total health expenditure amounts to almost 10 percent of the country's GDP in 2016, while private spending accounts for around 52 percent of the total. However, only 25 percent of our population has access to the private healthcare market, which means 75 percent of our population relies on our country's public system – and this is one of the key imbalances that we have to solve as a country. In the meantime, Brazil's rapidly aging population is expected to hold 31.8 million people over the age of 60 by 2025. It makes no doubt

that the aging of our population will therefore further drive the increasing of health expenditure in the upcoming years – predictions vary, some of them point to until 25 percent of GDP in 20 years from now.

Therefore, one cannot deny that this increasing healthcare cost might soon become unsustainable for our country. In this regard, optimizing our current healthcare ecosystem to ensure it brings higher outcomes at a lower cost has become an absolutely necessity.

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In this context, we believe that Siemens Healthineers' technologies targeting both clinical and operational purposes have a significant role to play in increasing healthcare productivity, therefore bringing higher patient-oriented outcomes without generating heightened costs. By leveraging these savings and the system's heightened cost-efficiency, we will then be able to increase access for a larger number of patients.

Another way to fully exploit the game-changing potential of our technologies is to embrace more precise and targeted investment strategies. For example, investing in technology at the early stage of chronic disease development or putting a greater emphasis on high-risk groups of people would stand as promising ways to further maximizing resources allocation and avoiding healthcare costs to soar in the upcoming years.

When we met with Minister of Health Barros, he highlighted to us how accelerating the digitalization of the country's public system was one of his priorities in order to bring more cost-efficiency into the Brazilian model of healthcare. In this regard, it seems that the Ministry of Health and medtech companies are particularly well aligned…

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The industry has a great role to play in bolstering the digitalization of our country's health system, and – at Siemens Healthineers – we hold a precise and very exciting vision of how digitalization can help connect various healthcare platforms around the country and fully unlock the potential of data.

The latter could then be used to identifying inefficiencies across the system and significantly optimizing the use of our country's healthcare facilities by – for example – rationalizing surgery schedules and conducting more operations per day without lowering outcomes for the patients.

As patients and healthy people are more eager than ever to take care of their own health, these data could also enable population's health management in a significant extent. Finally, these data at the core of artificial intelligence (AI) based tools will support and accelerate the physicians' decision-making process.

What are some of the key challenges you face in triggering the dawn of this digital era in Brazil?

The main challenge we face relates to the integration of the main data sources, which will require coordinated efforts from all stakeholders involved. To generate innovation out of the huge amount of data created across the system, we need to gather together a mind blowing number of different data sources coming from all parts of our health system, including both from the private and public systems.

However, I believe that Brazil can emerge as a global frontrunner in the development of data-centered solutions and applications. Our country's large population entails that our health system can potentially generate a huge amount of data, whose use will become evermore easier as our health system steadily embraces a larger degree of digitalization.

In some of the most advanced markets in the world, we see that the healthcare discussion has been slowly moving from a pay-for-service to a pay-per-value model. Where does Brazil stand in this regard?

In Brazil as in most other countries around the world, cost containment has taken a central importance in the discussion between the payers, healthcare providers, and the industry. Moving forward, I believe that in Brazil as in other markets, Siemens Healthineers will one day sell a value proposal more than a technology or a service.

As we are steadily moving to this direction, healthcare providers are then increasingly expecting the industry to assume a part of the risk. In this regard, different models are possible, and we are currently going through an exploration phase with all the stakeholders to assess which model would be the most adapted to the Brazilian reality and bring the best benefits to all parts of the value chain.

In terms of benefits, at Siemens Healthineers we present our value promises that are equally important: expanding precision medicine, transforming care delivery, improving patient experience – all supported by digitalizing Healthcare.

How can Siemens concretely contribute to increasing access in a country that displays huge social differences and a significant gap between the quality of healthcare accessible in the public and private systems?

As a company, we bear in our minds that 75 percent of the population rely mostly on the public sector and 25 percent are able to full access the private system. We have a lot of knowledge to contribute in the ongoing discussion that aims at bridging this gap and showcase how targeted investments can allow increasing access in both sectors.

Let me give you a concrete example, based on the implementation of Siemens technology in Japan for spinal implants. This technology has allowed reducing by 50 percent the surgery times while tremendously decreasing readmission risks. As a matter of fact, out of over 5.000 operations conducted, only nine implants required a readmission. By offering solutions that can significantly reduce readmission, healthcare providers are then able to generate savings through a heightened cost-efficiency. Then, the key parameter to watch is how these savings are reinvested, as the latter are the key lever we hold to steadily increase access thanks to continuous investments.

Here in Brazil, we recently set a partnership with the municipal government of Sao Paulo, in which we provided the first mobile solution for computed tomography produced in Brazil. The solution was installed in one of the most populated regions in the city and therefore with the greatest demand for examinations. As a matter of fact, we have already done more than 4 thousand CT scans for the population. As part of this partnership, Siemens Healthineers also provided 4 thousand Glycated Hemoglobin test that monitor glycemic control. These initiatives help to increase the access to good quality healthcare and reduce lead times.

Given the size of the country and its healthcare challenges, Brazil stands as a perfect country to develop innovation that could be replicated around the world. Do you have a specific example to share with us?

Innovation is a combination of invention and execution – there is no true innovation possible if one overlooks the execution phase. In the same vein, one should not think that innovation is only about pure invention; innovation can also be gradual and process oriented.

Brazil has recently witnessed the design and development of a very interesting innovation in this regard. In a typical magnetic resonance imaging (MRI) setting, one operator per device is controlling a single MRI, and he is usually operating it from an adjacent room. As a result, we thought that it would be interesting to build a system where an operator could remotely control the MRI, which subsequently led us to design an innovative model where a single operator would

remotely control *multiple* MRIs.

We pioneered the design of this system for one of our customers in Brazil and we have now developed a unit gathering twenty operators operating remotely 60 MRIs. We are very proud to announce that this innovation developed locally is now becoming a global product available to all healthcare systems in the world.

This kind of innovation truly contributes to increase access in the country, as a single operator can control several MRs at the same time. In the meantime, it ensures that expertise is better shared across the country, as operators are now able to control MRIs in regions where the low density of patients rendered impossible to have full times specialists available. By ensure one single operator can control three MRIs at the same time, this innovation also enables productivity increasing. Overall, this innovation developed in Brazil is perfectly aligned with the priorities I just mentioned: reshaping healthcare provision through digitalization and bringing better outcomes at a lower cost.

This innovation also perfectly illustrates our two-fold value proposal: on one hand, offering the groundbreaking innovation of Siemens Healthineers' products and technologies, and – on the other – leveraging our remarkable capacity to innovate in terms of processes. Both aspects initially stems out from identified healthcare needs and inefficiencies; at Siemens Healthineers, we really believe that we can make a difference, and our objective is to be at the core of the healthcare discussion.

In this regard, we do not operate in a vacuum, and we truly strive to provide the entire ecosystem with platforms that could propel innovation. For example, we recently supported a group of students from some of Brazil's best universities in a Hackathon, where they used the Teamplay, a Siemens Healthineers' cloud-based platform that collects a large amount of data from imaging devices and allows healthcare providers to monitor and compare their equipment performance and dose levels with their peers in a protected environment. For example, these students were able to develop an innovative application crosschecking teamplay's data and examination scheduling system to further optimizing appointments. Another team developed a solution that measures radiation dose levels and optimizes the right dose for each patient. These early-stage innovations stand as concrete examples of how Siemens Healthineers can bolster innovation thanks to our platforms and close the loop between data based assessment and data based solutions.

In 2015, Siemens Healthcare became Siemens Healthineers. Beyond this new branding, how do you want the company to be perceived among the Brazilian healthcare ecosystem?

Siemens Healthineers and our dedicated Brazilian collaborators are truly enabling the improvement of healthcare. We know we can make people’s lives better, by expanding precision medicine, transforming care delivery, and improving patient experience – all supported by digitalizing Healthcare.

We want to be recognized as the company that played a relevant role in the Healthcare Transformation.

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