

Healthcare in China and in US - opportunities

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Business opportunities in China healthcare

- The central and powerful (and still dictating) role of the government in China. \$123 billion for the first stage healthcare reformation; 90% coverage;
- China announced last year that it now encourages foreign investment in healthcare, allowing foreign majority ownership (70%);
- US's capital/management expertise is what China needs;
- China needs to improve its healthcare, to keep its populous happy and society STABLE, anger over the rising polarization of the rich and poor, and massive urbanization (30% in 1995, will be 55% in 2020) may destabilize the society which is growing rapidly (economically) but stagnant and confused (morally) ;
- This dynamic has fostered an openness by the government to public-private co-existing models in many industries including healthcare.

Business opportunities in China healthcare

- Understand the status of China's healthcare and governmental policies;
- Opportunities by partnering with Chinese, infusing management expertise into China;
- Opportunities to participate in *US healthcare* reform with capitals from China.

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Healthcare in China

Among 18,703 hospitals, there are
2027 private hospitals (10/8%)

China hospital types

- Based on specialty: comprehensive, specialty (e.g., children's, dentistry, OB, psychiatry, etc), rehab, traditional Chinese medicine, East-West, occupational;
- Based on specialized task designation: Military, civilian, factory, affiliated with medical school.

Advantage and disadvantage of public and private hospitals

- Public:

A: Facility complete, experienced doctors, ability to deal with complications;

D: Crowded, long wait, poor service;

- Private:

A: Good service, safe, doctors work beyond 5pm;

D: Charges are higher, less public confidence;

Problems with private hospitals

- Small scale, lack of collaboration between hospitals;
- Lack of high tech facility and personnel;
- Too specialized, commercialized medicine;
- Myopic in business planning;
- Faced with tough competition from public hospitals in the same locale;

Three major mistakes made by China's private hospitals

- Heavy investment;
- Market position not clear;
- Management not systemized.

Problems with public hospitals in the wake of rising private hospitals: draining of manpower from public to private

- Higher salaries at private hospitals (RMB 200K-400K);
- Kickbacks more prevalent in private hospitals;
- Bureaucracy at public hospitals;

Chinese government and private enterprise

- Love-and-hate relationship

Insurance coverage in China

- 1 in 4 has insurance among city-dwellers (400 millions);
- 1 in 10 have insurance in the country side (900 millions);

Business opportunities in China healthcare

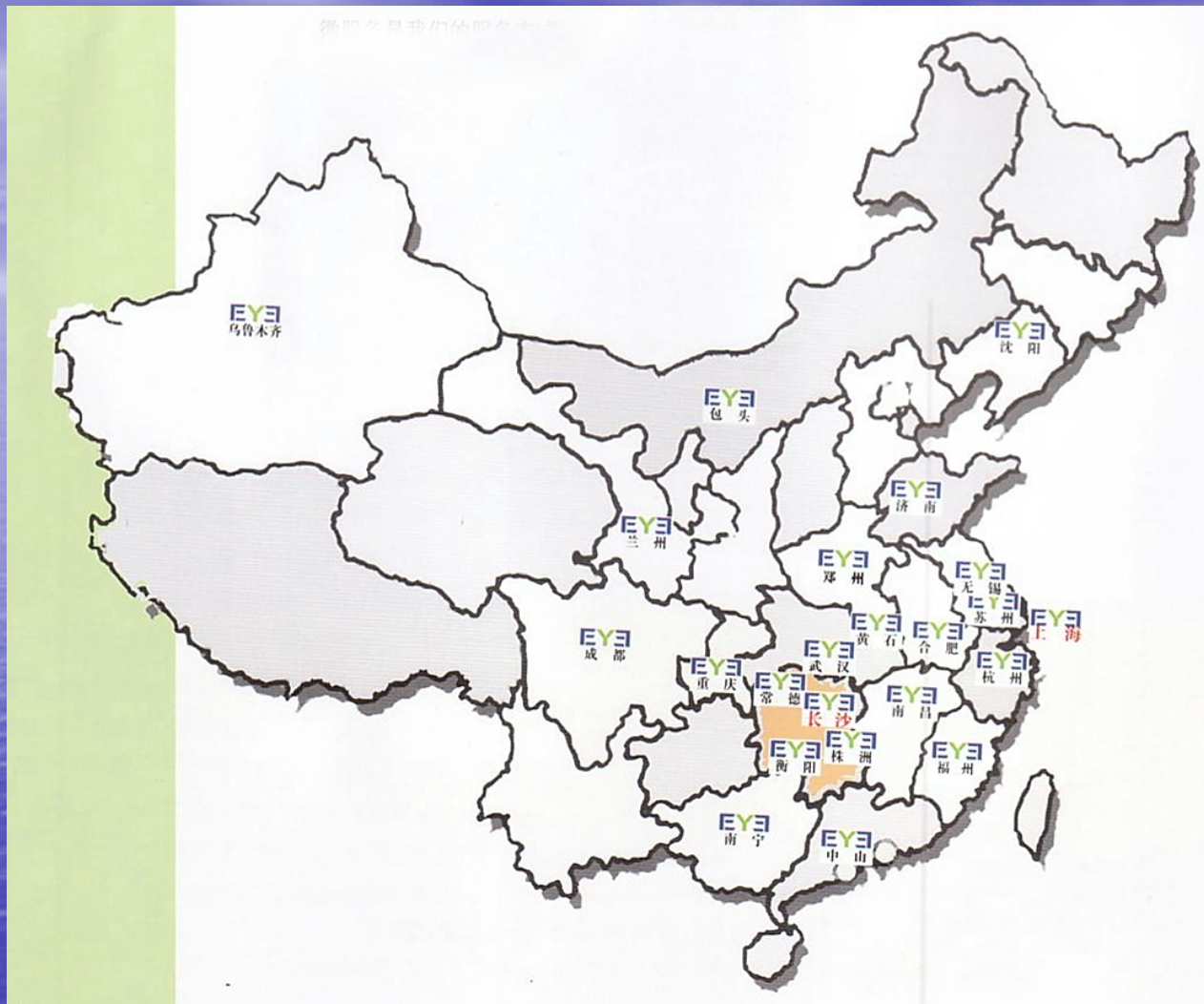
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China eyecare

- Cataract and degenerative myopia are the most important causes of visual disability;
- Cataract accounts for 36.7% of cases of visual impairment;
- Degenerative myopia: 32.7%;
- Glaucoma: 14.3%;
- Corneal opacities: 6.1%;
- Lower incidence of retinal disease than in the West (1.4% for early AMD, and 0.1% for late AMD);
- Strong association between myopia and glaucoma;
- **3,000 pts cataract surgeries per million in US, but China only has 300 (10% of US' level of eyecare in cataract).** In China, 700,000 cataract surgery each year, with 5,000,000 cases waiting, even if not a single new cataract is formed tomorrow, it will take 7 years for China to take care of its current cataracts; even for 20/200 or worse severe cataract, it will take 3 years;

Aier Eye Hospital – the largest private eye hospital group in China (the “HCA of China”)

- Currently the largest private eye hospital system in China;
- 20 free-standing full service private eye hospitals (80,000 LASIKs, 10% of the entire China’s volume, which has surpassed US for the first time in history in 2009);
- Went IPO in October 2009.



Aier Eye Hospital Group – the HCA of China



上海爱尔眼科医院



长沙爱尔眼科医院



成都爱尔眼科医院



沈阳爱尔眼科医院



武汉爱尔眼科医院



衡阳爱尔眼科医院



沈阳爱尔眼视光医院



常德爱尔眼科医院



济南爱尔眼科医院



重庆爱尔眼科医院

Aier Eye Hospital Group – the largest private eye hosp group in China



Shanghai Aier Eye Hospital



Healthcare business opportunity with China

- Training and education;
- Importing technologies into China;
- Systemization of its medical record system, and management structure;
- Establishing medical legal infra structure;
- Real estate development and hospital management;
- Investment and joint partnership;
- Public education of eye diseases, prevention and treatment, charity mission work, spectacles, cataracts.



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Shanghai Aier Eye Hospital - China

bladeless LASIK training center:

- **INTRALASE**
 - Femtosecond laser surgical skill training center
- **B & L**
 - Excimer laser surgical skill training center
- **NIDEK**
 - NIDEK excimer laser surgical skill training center
- **ZEISS**
 - Zeiss refractive surgical skill training center
- **VISX**
 - VISX excimer laser surgical skill training center;
- **Wavelight lasers in Aier Eye Hospital locations in China;**
- **Donghua University**
 - Donghua University Education Hospital & Optometry Education center

Refractive Surgery In China, mailed to 6,000 Chinese ophthalmologists.

China's first bladeless LASIK (8/05)
TN's first (11/02)

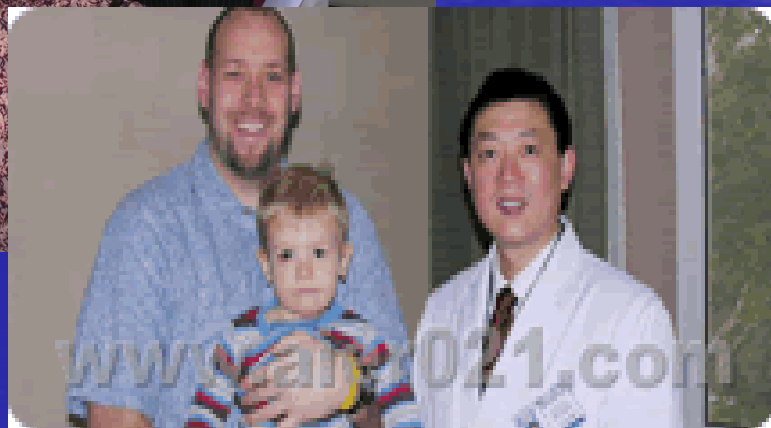


First bladeless LASIK in China (1.4 billion people), 8/22/05 **Shanghai Aier Eye Hospital;**









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Shanghai Aier Eye Hospital

Preoperative area



Shanghai Aier Eye Hospital

Optical dispensary



Shanghai Aier Eye Hospital Preop area



Shanghai Aier Eye Hospital

Reception area



Shanghai Aier Eye Hospital Entrance to teaching center and auditorium



Shanghai Aier Eye Hospital Hallway



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Charity eye care - Shanghai Aier Eye Hosp



International charity medical care

40 states in US and 55 countries

All physicians donate their services



Wang Foundation for Sight Restoration

The Wang Foundation for Sight Restoration Presents...
the 6th Annual

Eye Ball

From Darkness to Sight



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Participation in *US healthcare* reform

- **Capital** infusion from China;
- \$250 billion annual trade surplus;
- \$123 billion universal healthcare initiative;
- Over a trillion debt US owes to China (#1 creditor of US, surpassing)

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