



ASIA-PACIFIC REGION SPECIAL REPORT 2023

Hospital Priorities: Unpacking the Medtech Conversation



Key Insights

- Investment into new technologies is a priority across the APAC region - SEA (74%), South Korea (72%), China (67%), India (71%) and Japan (60%).
- [Procurement standardization](#) continues to remain a priority, a trend reflected in the 2019 report. This is only set to increase in a bid to manage costs and efficiencies going forward.
- Hospitals in the APAC region want to work with MedTech companies as strategic partners.
- Digital engagement is high - 63% of hospitals in SEA cite it as an acceptable method of engagement, 71% in India, and 82% in South Korea.
- [Compared with the 2022 report](#), hospitals continue to remain resilient and on a path to recovery post-pandemic.
- There has been a steady rise in elective surgeries [compared with previous years](#) since the pandemic, and this is positively affecting hospital revenues.

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About L.E.K. Consulting

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Executive summary

This is the fourth L.E.K. Consulting survey of healthcare decision-makers across key hospitals in the APAC region that includes South Korea, China, Japan, India and Southeast Asia. The goal is to gain a broader, deeper understanding of their strategic priorities and purchasing behaviors within a complex and challenging environment, specifically with regard to investment in medical technologies that allow for better outcomes, more capacity, improved resilience, data management, medical management and more.

The past three years have placed exceptional pressures on the healthcare sector. The global pandemic has had a long-term and severe impact on healthcare provision, resource management, healthcare worker well-being and overall system capabilities. The intense pressures of 2020 and 2021 exposed vulnerabilities and gaps within healthcare systems globally. [As a recent analysis](#) undertaken by the World Economic Forum in collaboration with L.E.K. stated: "Unprecedented disruptions caused by the COVID-19 pandemic, followed by social, economic, geopolitical and environmental challenges, continue to place complex and interconnected threats on population health, especially impacting vulnerable populations, and increased strains on healthcare systems, particularly healthcare workers and supply of essential health products. It is important to ensure stakeholders, industries, countries, and sectors strive to achieve common health and healthcare goals and work collaboratively to do so."

The L.E.K. Consulting Hospital Priorities: Unpacking the Medtech Conversation found that healthcare leaders are paying attention to how digitalization can affect operating environments and how they can leverage digital channels to enhance their service offerings, improve their engagement models, optimize operations and spend, manage patient and data privacy, and understand the implications around the implementation and use of artificial intelligence (AI).

There are concerns about limited digital health adoption, patient privacy and the administrative burden. Healthcare companies are dealing with similar pre-pandemic patient volumes within an infrastructure that has, in many countries, been more intensely regulated since the pandemic. In Japan, for example, the Ministry of Health, Labour and Welfare (MHLW) has revised the medical fee system to increase the adoption of AI-based solutions, while the Ministry of Health and Welfare (MoHW) in South Korea is developing policies to enhance the quality of medical services provided to hospitals and to drive greater innovation in bio-health.

Across all five areas studied for this report, there are clear shifts toward digitalization and the use of technology to optimize systems, data and patient care. In SEA, hospitals are expected to prioritize offering new medical technologies or cutting-edge treatments, and this is a trend reflected across all the regions to date.

Healthcare leaders recognize the value of Medtech solutions, technology in general and digitalization for strengthening their capabilities and remaining resilient throughout tough times and within increasingly challenging market, social and geopolitical conditions.

“Hospitals and their clinicians are turning to digital health solutions in increasing numbers and for an increasing range of use-cases, from patient acquisition to post-op care.”

Stephen Sunderland, Partner, L.E.K. Consulting

Healthcare and medtech: four key themes

The research across more than 600 healthcare decision-makers provided significant insights into how healthcare institutions are approaching and prioritizing technology. Throughout, four key themes emerged on how hospitals are evolving their workflows and operations: their need for meeting customer priorities and preferences; optimizing procurement and administrative tasks; meeting local regulatory and market-based demands; and digitalization and innovation.

1: Customer priorities and preferences

- Investing in offering clinician access to new medical technologies and cutting-edge treatments is a priority across all regions
- Improving labor efficiency and workflow optimization is particularly emphasized in China and India
- Leveraging technology to increase revenue stream generation through workflow, operational and patient care optimization is also seen across all regions
- Investing in new IT infrastructure is highlighted as a strategic priority in Japan, India and South Korea

2: Optimization of procurement

- The standardization of purchasing across multiple medical devices and platforms as well as in Medtech product usage is becoming increasingly important, particularly in India, Japan and South Korea
- Procurement remains a priority across most of the region, particularly in China, with a focus on VBP set to be more extensively implemented going forward.
- Digitilization of suppliers and procurement channels is gaining acceptance across most hospitals
- In China, import-only Medtechs are facing growing challenges with market access due to the widespread implementation of Order 551 across public and private hospitals
- Local regulations such as Order 551 in China and amendments to the medical fee system in Japan are influencing how hospitals approach technology investment

3: Customer priorities and preferences

- There have been some interesting shifts in decision-making stakeholders in hospitals across the APAC region since the pandemic
- When purchasing from MedTech companies, hospitals in SEA are prioritizing accurate diagnostic tools and cost-efficient products
- Hospitals want to further develop their relationships with MedTechs with potential for more services and solutions, but hospitals in Japan are more skeptical that MedTech partners are currently well suited to their objectives

4: Digitalization and Innovation

- Hospitals are increasingly recognizing the value of healthcare digitalization solutions with the SEA region showing a higher adoption rate than the APAC average
- Data and patient privacy remain a leading concern across the APAC region. Funding and talent are secondary issues
- Optimized patient care such as online bookings, healthcare devices and digital tools remain a priority alongside more advanced forms of digitalization.
- Hospitals are recognizing the value of digitalization with Japan highlighting its importance in delivering quality care and enhancing business development opportunities
- AI is a consistently evolving dynamic that is rapidly becoming a priority within the region

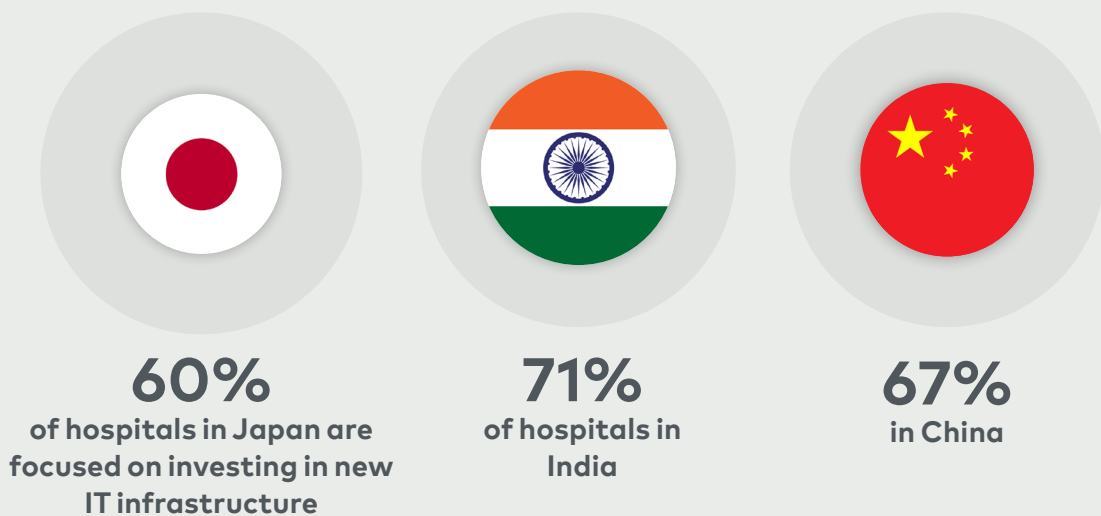
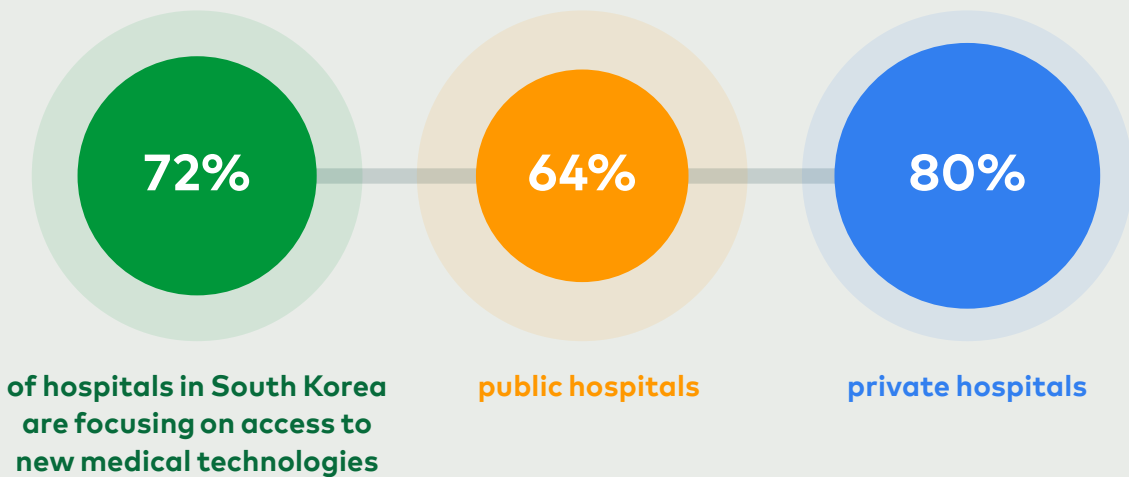
Customer priorities and preferences

Investing in new technologies

Investing in new technologies is a priority for hospitals across the APAC region. Offering clinicians access to new medical technologies was one of the top selections for hospitals in SEA (74%); in South Korea it was 72%, China was 67%, India was 71%, and Japan the lowest at 60%. Hospital leaders recognize the value of technology in supporting clinicians and enhancing patient care (see Figure 1).

Figure 1
Investing in new technologies is a priority for hospitals across the APAC region

Technology as a priority



SEA region is more focused on staff safety and standardizing clinical care protocols

Workflow optimization

All five areas of the APAC region highlighted the value of technology in helping them increase revenue stream generation through the optimization of workflows, operations and patient care. In China, workflow optimization is a top priority for all hospitals; 73% of India's hospitals expect to place a considerable emphasis on operational workflows over the next three years. Similarly, 64% of hospitals in South Korea and 60% in Japan are committed to workflow optimization.

The value of digital technology

The research points to a sector that understands how digital technology can empower and enable the business across multiple touchpoints. From improving overall infrastructure to workflow management, revenue generation and medical innovation, technology is considered a strategic enabler for hospitals in APAC. Throughout the region, chief goal of technology implementation is efficiency.

Elective procedures volume recovery and growth prospects

Throughout the APAC region, elective procedures have seen measurable growth and recovery post-pandemic. In India, hospitals saw an increase from 14% elective procedures in 2021 to 38% in 2023; in South Korea, that figure rose from 16% in 2021 to 40% in 2023; and in Japan, from 6% to 34%. Meanwhile, in both China and SEA, elective procedures have shown robust growth across the board. This strong growth in procedure volumes is converting to positive economic outlooks.

For medtech companies, this growth is significant as the dip in elective surgeries had a negative impact on revenues. With this procedure category set to return to normal, medtech companies can leverage their relationships with hospitals within the region to bolster sales and revenues with demand, providing the sector with a much-needed tailwind to overcome the impact of the past two years.

Implications

Across the region, medtech companies can benefit from increases in elective procedures by leveraging relationships to provide hospitals with valuable support and expertise that will help them drive growth in the future.

Optimization of procurement

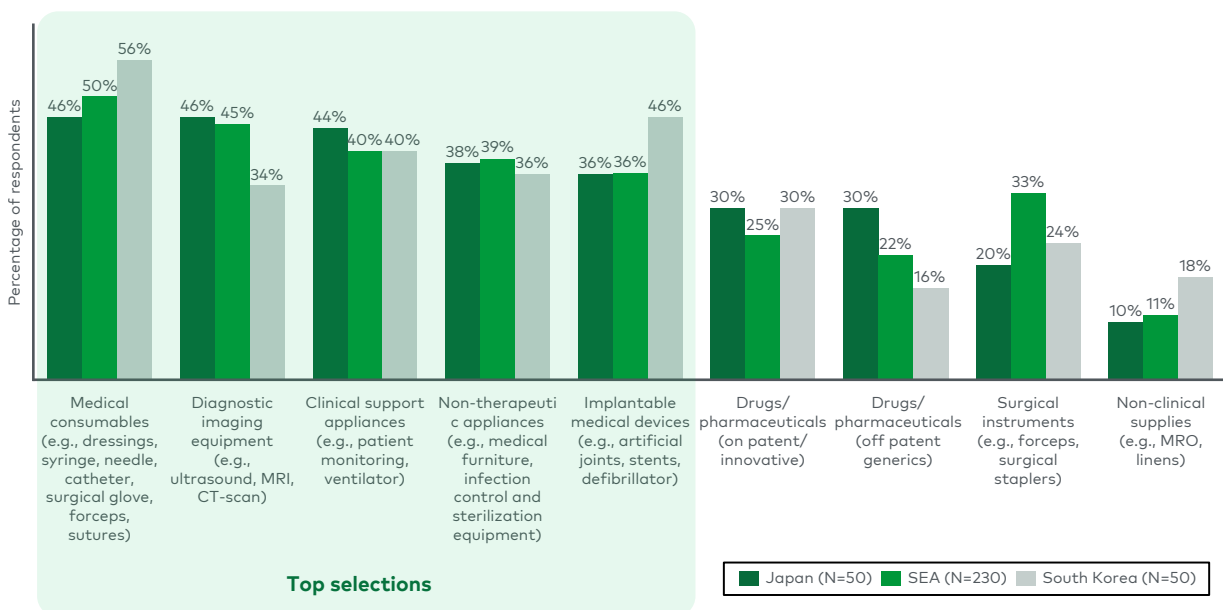
Procurement and the administrative burden remain challenges for hospitals. Most hospitals highlighted the importance of reducing the time spent on managing complex and time-consuming procurement and administrative tasks. This brought one trend into sharp focus: standardization.

Standardized procurement a critical prioritization

As hospitals prioritize offering new medical technologies or cutting-edge treatments, they are also expected to manage a complex economic outlook and increasingly rigorous internal and external controls. Across the APAC region, this has led to hospitals prioritizing the standardization of purchasing across medical consumables, diagnostic imaging equipment and clinical support appliances (see Figure 2).

Looking at the three highest product categories for Japan, diagnostic imaging (46%), medical consumables (46%) and clinical support appliances (44%) are all a standardization priority for this country. Japan is consolidating spend with a preferred supplier at the scale of the department rather than the product or procedures categories.

Figure 2 Medical supplies/equipment that hospital is looking to standardize purchasing* in Japan and SEA



Note: *Question: Please select top 3 medical supplies/equipment that your hospital is looking to standardize the purchasing
 Source: L.E.K. 2023 APAC Hospital Priorities Survey

In the SEA region, standardization is primarily through choosing a preferred supplier for specific procedures or products, and aligns with SEA's goal of increasing investment and capacity across multiple healthcare touchpoints. Compared with the rankings from 2022, hospitals in SEA prioritize standardizing purchasing more in 2023.

India is following a similar trajectory (see Figure 3), with a focus on the standardization of consumables, surgical instruments and medtech product usage. Public hospitals in India are standardizing purchases by selecting a preferred supplier for a given product or procedure, while private hospitals are consolidating spend within a clinical department with one preferred partner. The emergence of technology platforms such as Medikabazaar and Aknamed is in line with purchasing standardization and distributor consolidation efforts by healthcare providers in India.

South Korea reports 74% of hospitals are looking to standardize medtech product purchasing within and across hospitals by selecting a preferred supplier. Public hospitals show a dual focus, at a 72% response rate, on this and also reducing the number of product SKUs. Private hospitals, meanwhile, are more interested in the standardization of medical consumables by consolidating departmental spend with one supplier.

In Japan, purchasing standardization is mostly for medical consumables and clinical support appliances, as well as diagnostic imaging equipment in private institutions. The main approach to purchasing standardization is through consolidation with a preferred supplier at the scale of the department, rather than by product or procedure.

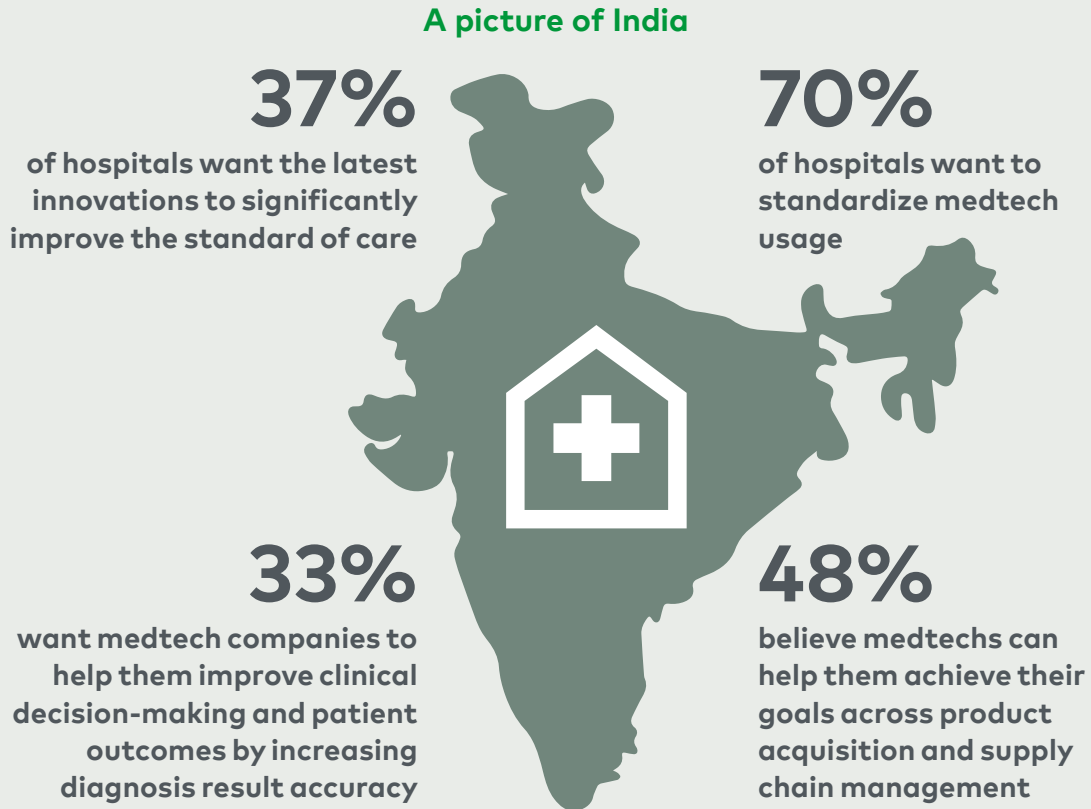
This implies that throughout the APAC region, standardization remains a consistent priority for most hospitals, be they public or private.

Procurement also a prioritization

Procurement is a key priority across the entire APAC region, but particularly in China, with the anticipated implementation of VBP nationally and regionally. Both private and public hospital management expect widespread provincial tenders throughout the year ahead, with 45% of respondents envisioning more products going through national tenders in 2023.

China has a complex medtech environment, as import-only medtechs are facing growing market access challenges in public hospitals due to the now-widespread implementation of Order 551 which places quotas on the proportion of imported medical equipment that can be procured, and extends beyond the 180 types of equipment listed in the order. While not directly regulated under the order, private hospitals (which deliver in the range of 20% of acute care) are also following along, although to a lesser degree, which makes the market even more challenging for importers. Medtechs critically need to reassess their supply chain strategies to reflect the impact of this order (see Figure 3).

Figure 3
A picture of India



Go-to-market strategic considerations

Defining the decision-makers

There have been some interesting shifts in decision-making stakeholders in hospitals. There have been some interesting shifts in decision-making stakeholders in hospitals across the APAC region since the pandemic. Medtech marketing and commercial function leaders should pay attention to how they can best leverage these evolving hierarchies to improve relationships and service delivery by engaging with relevant stakeholders and focusing on the right people.

In South Korean hospitals, procurement teams are becoming less influential in purchasing decisions across all product categories, while clinical department heads and clinical staff are gaining influence.

In Japan, clinical department heads are the most influential stakeholders in purchasing decisions, followed by management in public hospitals, and by the procurement department in private institutions.

Hospital management has gained traction with procurement decision-making power in the SEA region, surpassing the exclusive involvement of clinical staff. Hospital management is the key stakeholder in capital equipment, while clinical department heads are secondary decision-makers to ensure their specific needs are met.

In both public (41%) and private (36%) hospitals in the SEA region, management has taken the lead in purchasing capital equipment and appliances. SEA hospitals are also increasingly prioritizing working with companies that offer valuable services in addition to products, as this will help them achieve their goals and form deeper relationships with service providers.

Procurement departments and senior physicians are often the key decision-makers in China, but hospital management holds more influence over expensive purchases, especially capital equipment.

In India, clinical stakeholders (clinical department heads and clinical staff) have the most influence over purchasing decisions, with a fairly even split across both public

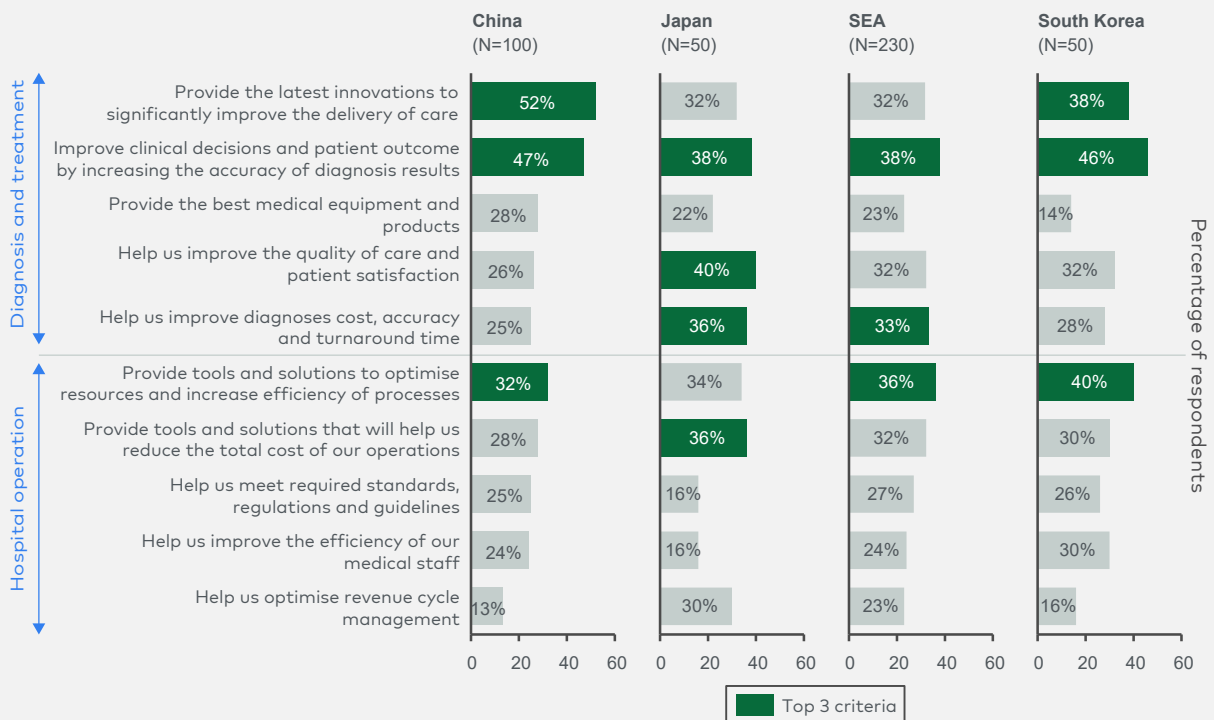
(60%) and private (58%) hospitals. Hospital management and the procurement departments are critical for select medical devices.

Medtech can leverage these insights to more efficiently build more effective relationships with hospitals through engagement with the right stakeholders and decision-makers. With this granular level of visibility into key hospital priorities and expectations, companies within this space can better tailor their offerings and approaches to address pain points of key stakeholders and enhance perceptions of their delivery and responsiveness.

Understanding hospital purchasing priorities

When purchasing from medtech companies, hospitals in APAC are seeking superior solutions to improve the quality of care provided, with efficiency improvements for the hospital often a secondary issue (see Figure 4).

Figure 4
Top three most important criteria when purchasing from a MedTech company*



Note: *Question: Please rank the top 3 most important criteria for procuring from a medical equipment supplier
Source: L.E.K. 2023 APAC Hospital Priorities Survey

Hospitals in SEA are prioritizing accurate diagnostic tools and cost-efficient products: 38% of hospitals cited improvements in clinical decisions and patient outcomes by increasing accuracy of diagnosis results, and 33% cited improvements in diagnostic cost, accuracy and turnaround time as one of the top three service offerings from medtech companies in the SEA region. An impressive 36% believe that the provision of tools and solutions designed to optimize resources and increase efficiency, alongside tools and solutions that reduce total cost of operations (32%), are the most important criteria when purchasing from a medtech company.

In India, purchase criteria and value derived from medtech differ between the public and private sectors. Private hospitals prioritize innovation in delivery as the top criterion when purchasing medical devices, whereas public hospitals value solutions that improve the efficiency of medical staff. Hospitals in India believe that supply chain management, population health service offerings and operational improvement support are top areas where medtechs can help hospitals achieve their goals.

Medtech companies can add value by ensuring products are compatible and come with analytics capable of providing hospitals with insights into how their products impact different patient populations and care settings. Medtechs can assist in generating evidence to support the need for cost-effective solutions that deliver long-term value. In addition, medtech companies can help hospitals implement systemwide initiatives that address the entire patient journey, from preventive to curative care. This can include connecting the value proposition of individual product lines into a coherent proposition for full treatment pathways—for example, from knee braces (preventive) to knee implants (curative).

According to hospitals in South Korea, the top service offerings from medtech companies include operational management and efficiency for public hospitals, and population health services on the private side. Hospitals in South Korea prioritize a medtech company's ability to provide tools and solutions to increase efficiency of processes, along with improving diagnostic accuracy and patient outcomes and provision of the latest innovations to significantly improve delivery of care.

Finally, in Japan, improving quality of care and patient satisfaction is important for public hospitals, whereas maximizing resources and reducing total cost of operations are important for private institutions. Interestingly, most hospitals want to further develop their relationships with medtechs with potential for more services and solutions; however, they believe that medtech partners may not

currently be well suited to their objectives. Despite this, most hospitals in Japan would like to work with medtechs as strategic partners, not just as providers of products.

When it comes to working with medtechs, 77% of hospitals in Japan want partners that can help them achieve their goals, not just provide them with products.

Engagement models evolving as hospital access restrictions tighten

In Japan, it is anticipated that 36% of hospitals will increase access restrictions in 2024 (up from 18%) as physicians opt in to digital communication solutions instead. This move is reflected in the shift toward broader acceptance of digital engagement tools—50% of Japanese public hospitals and 63% of private hospitals find digital engagement completely acceptable.

For hospitals in South Korea, sales representative restrictions have normalized to pre-pandemic levels, but this is expected to change from 12% in 2023 to 64% in 2024 as hospitals focus on optimizing clinical staff time. This radical shift in restrictions is matched by an equally radical rise in digital engagement acceptance, from 28% in 2022 to 82% in 2023. The shift highlights the need for healthcare service providers to focus their communication efforts on digital channels to streamline engagement in the future.

The proportion of Indian hospitals with sales representative restrictions is expected to increase from 11% in 2023 to 40% in 2024, while digital engagement remains relatively the same - 70% in 2022 and 71% in 2023. India already had a solid digital engagement foundation, which makes it easier for healthcare services to leverage digital channels in the future.

A similar picture is found in the SEA region, where sales representatives have encountered a steady increase in significant sales representative restrictions over the past two years, moving from 19% of hospitals in 2023 to 35% in 2024. Digital engagement in SEA is high, with 63% of hospitals citing it as a completely acceptable method of engagement with service providers.

Digitalization and innovation

Data and patient privacy priority considerations across the region

Managing data and patient privacy is a primary concern for hospitals across the APAC regions when considering the long-term impact of digitalization.

Hospital respondents in Japan feel that digital health adoption introduces concerns around patient privacy and an increase in administrative load. As of 2020, the MHLW promoted the standardized use of electronic medical records, and private hospitals were quick to incorporate EMR solutions for efficient patient data management. Although overall EMR adoption has risen to more than 60%, this is expected to plateau due to a long history of paper medical record usage and a lack of dedicated IT staff. However, 75% of public hospitals and 47% of private hospitals believe that there are increased concerns around patient privacy as the proper management of private data has become a prevalent issue.

South Korea's adoption of EHR systems is at 96%, higher than the OECD global average of 81%. Public hospitals have the highest implementation rate with regard to post-discharge monitoring. Private hospitals have the highest rate in patient information and personal data solutions. Public hospitals are more concerned about patient privacy (68%) than private hospitals are (60%).

Adoption of EHRs has increased throughout hospitals in India as the government has mandated for the digitalization of healthcare. In China, data privacy remains a leading concern—one that is largely unresolved for most hospitals as they undertake digital transformation.

Interestingly, the SEA region is concerned with the shortage of talent needed to develop and implement digital health, alongside patient privacy concerns

Benefits of digitalization recognized by the sector

Digitalization remains a priority across the APAC region, as reflected through ongoing investment in IT and medtech solutions (see Figure 5).

In China, digital solutions are gaining acceptance across all types of hospitals, and online booking is currently the most widely used tool in Chinese healthcare. Digital tools that were widely used in response to the COVID-19 pandemic are still heavily used by hospitals, including patient-accessible health records, personalized information and remote consultations.

Chinese hospital respondents believe digital health solutions can expand the hospital's natural catchment area (62%), provide better patient care (59%), increase staff satisfaction (53%) and reduce medical errors (53%).

South Korean hospitals are partnering with telehealth solution providers to increase patient access for disease diagnosis and treatment, and the adoption of digital solutions for diagnosis and consultation has accelerated post-pandemic due to the amendment of the National Healthcare Reimbursement Act.

In Japan, hospitals see the benefit of digitalization, specifically to support provision of quality care and expand business development opportunities. Public hospitals see the benefit of digitalization, specifically around the delivery of quality care, while private institutions are more focused on how digitalization can provide benefits across the business. Remote consultations with general practitioners (GPs), pushing personalized information to patients and digital therapeutics (DTx) are the most widespread solutions in private hospitals. In public hospitals, remote consultations with specialists, online registration and patient-accessible health records are most widely used.

Hospitals in India have different views around the value of digital solutions; however, use and trial rates are consistent. Public hospitals see the benefit from new revenue streams, while private hospitals see digital solutions as a tool to enhance staff efficiency and drive expansion. Propelled by the pandemic, India legalized and issued guidelines on telemedicine practice in 2020. Today, public hospitals have the highest implementation rate across digital consultation solutions, while private hospitals have the highest rate of digital health treatment solutions.

Finally, digital engagement is widely accepted across most hospitals in SEA, with the highest levels of acceptance seen in Singapore and Indonesia. SEA hospitals are at the forefront of digitalization implementation within APAC, and this leadership will continue alongside increased recognition of the diverse value provided by digital health solutions. SEA hospitals generally exhibit a higher rate of digital solution implementation, particularly around patient administration, patient information management and personal data handling. SEA leads when it comes to implementing remote consultations when compared with China and India, but lags on patient information and data.

Artificial Intelligence

Localization unpacks the various priorities and unique regulatory or functional challenges hospitals face within their respective parts of the region. These priorities and challenges influence how hospitals approach technology investment and medtech as a whole, and how different technologies may gain traction across these regions based on the influence of these regulations. Based on the L.E.K.-Galen Growth Digital Health Index Survey 2022, there is a striking gap between the high perception of the level of digital policy support and the comparatively low maturity of the local digital health environment in Japan and South Korea. Select APAC markets have already implemented measures to ensure data privacy and the protection of trade secrets, but others lag in enforcing these.

A study released by the MHLW in Japan in 2019 found that the overall adoption of digital health solutions within the country was stubbornly low, which resulted in the revision of the medical fee system in 2022 to increase the adoption of AI-based solutions. Certain AI applications have been covered by insurance as a result. These include applications for nursing and dementia care, surgery support, and image diagnosis support. In 2022, the MHLW also amended the telemedicine guideline to permanently allow remote initial consultations.

In South Korea, the MoHW is planning to continue the incorporation of HIT solutions in hospitals that can enable real-time monitoring, diagnosis and treatment of patients. The self-management of chronic conditions is promoted by the Korea Ministry of Health and Welfare as part of its health management plan to reduce the burden on traditional healthcare institutions. This may have a role to play in the high rates of smartphone and app usage, with mobile health rapidly gaining attention. South Korean public hospitals have a higher adoption rate of AI-based diagnosis tools, while private hospitals are more advanced in the implementation of closed-loop medication management systems. AI use in South Korea is anticipated to increase due to heightened demand for digital health technologies to assist the elderly in an aging society.

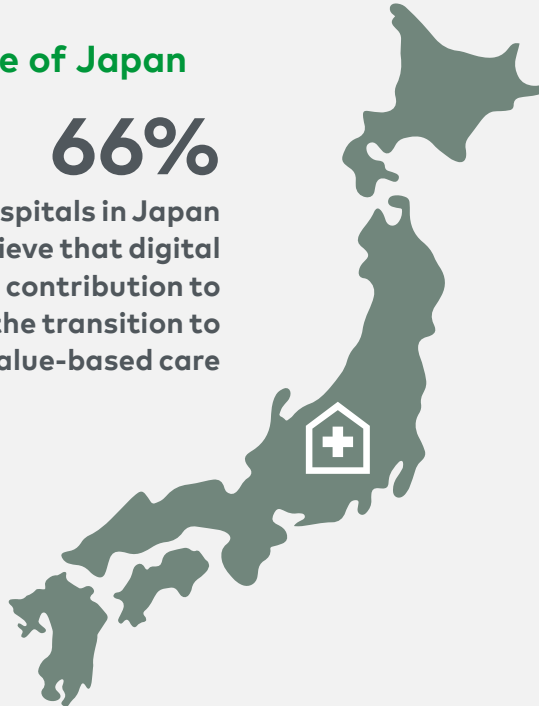
[The L.E.K.-APACMed Digital Health Reimbursement](#) study found that there is a lack of regulatory frameworks tailored to digital health, with unclear reimbursement pathways, poor stakeholder familiarity with new solutions, and difficulty integrating solutions into existing care paradigms. It underscored the importance of finding alternative funding paths for digital health products, as digital health reimbursement is critical to unlocking greater access and driving accelerated adoption of digital health solutions across APAC.

Figure 5
Value from digital health solution adoption

A picture of Japan

66%

of hospitals in Japan believe that digital solutions contribution to the transition to value-based care



62%

cite digitalization as key to expanding the hospital's natural catchment area

62%

say digitalization increases patient satisfaction

62%

say it reduces medical errors

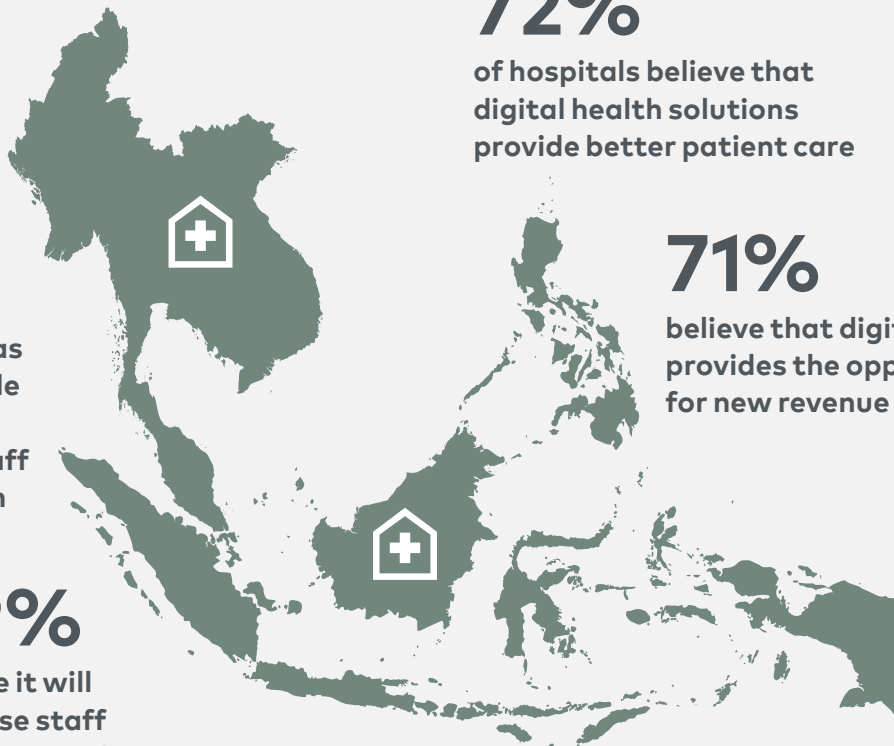
A picture of South East Asia

72%

of hospitals believe that digital health solutions provide better patient care

71%

cite digital as an invaluable tool to increase staff satisfaction



71%

believe that digital provides the opportunity for new revenue streams

69%

believe it will increase staff efficiency and capacity

Conclusion

The insights captured by these in-depth surveys across the APAC region enable medtech players to make informed decisions around how best to engage with stakeholders, and how to customize product and service value propositions to ensure they meet these evolving hospital priorities.

This is particularly relevant considering how hospitals across the region are focusing their attention on the value of technology. It is a priority in all parts of the region—particularly across workflow optimization, revenue generation, the standardization of clinical care and access to cutting-edge medical technologies. This is an opportunity for medtech companies to tailor their own approaches and strategies, providing hospitals with digital solutions that can sustainably meet their needs.

When it comes to procurement and optimizing the supply chain, medtechs can help hospitals achieve their goals with operational improvement support, supply chain management and refining digital engagement channels. The analysis found that by providing the latest innovations, tools, resource optimization capabilities and solutions to refine staff efficiencies, medtech companies can become invaluable partners and allies to the hospitals and regions they serve.

Overall, most hospitals felt that medtech companies are uniquely placed to help them achieve their goals, despite the tightening of sales representative restrictions across the region. This is largely due to the fact that most hospitals have recognized technology as a core enabler and driver of innovation, revenue and patient care. Despite some differences in terms of how the various countries in the region view technology and its applications across healthcare, procurement, patient care and business optimization, all have recognized that it remains a strategic priority, and have highlighted that relationships are what drive their reliance on, and continued engagement with, medtech companies.

Medtech collaboration

Hospitals throughout the APAC region want their relationships with MedTech companies to become more strategic and collaborative, providing additional services and support that can help hospitals gain ground across key pain points. MedTech companies do face some challenges in countries such as China, where Order 551 is set to impact engagement with hospitals, however they have an opportunity to build richer and more engaging relationships that deliver value across the board.

Glossary of terms

AI	Artificial intelligence
APAC	Asia-Pacific
DRG	Diagnosis-related Groups
DTx	Digital therapeutics
EHR	Electronic health record
EMR	Electronic medical record
GP	General practitioner
HIT	Health information technologies
L.E.K.	L.E.K. Consulting
Medtech	Medical technologies
MHLW	Ministry of Health, Labour and Welfare (Japan)
MoHW	Ministry of Health and Welfare (South Korea)
OECD	Organization for Economic Cooperation and Development
SEA	Southeast Asia
VBP	Volume-based procurement

Research premise

This is an extensive study comprising input from 600 healthcare leaders, analyzing their priorities, challenges and concerns with regards to investment, innovation, collaboration and strategy.

The L.E.K. Consulting **Hospital Priorities: Unpacking the Medtech Conversation** report is based on proprietary research conducted across China, Japan, South Korea, Southeast Asia and India.

This specialized report focuses exclusively on how healthcare institutions are approaching investment in medical technologies, their core challenges, their overarching strategies, and how they are managing key healthcare changes to their environment such as local preference, VBP and DRGs.

L.E.K. believes in a data-driven and highly analytical approach that leverages world-class market insights to gain a deep understanding of the healthcare market and its requirements. This ensures our clients get the visibility they require to invest in solutions that have value and that allow for them to develop actionable, relevant and realistic strategies.

The objective of this report is to provide healthcare organizations with grounded strategic insights that inform investment and planning for the future.

Research methodology

Research Services surveyed 600 healthcare leaders who are final decision makers in purchasing for their institutions in March 2023.

Responses from more than



600

healthcare executives

➔

In



12

countries

Countries:



Job titles:

PRESIDENT				
DIRECTOR OF OPERATIONS		DEPARTMENT HEAD		DIRECTOR OF PURCHASING DEPARTMENT
ADMINISTRATIVE STAFF (IT TECHNICIAN, BILLING OR CODING SPECIALISTS, ETC.)		CEO		CFO (FINANCE)
DIRECTOR/VP OF HOSPITAL OPERATIONS OR COO (CHIEF OPERATIONS OFFICER)	CMO (CHIEF MEDICAL OFFICER)	DIRECTOR/VP OF MEDICAL (CLINICAL) SERVICES		DIRECTOR/VP OF NURSING OR CNO (CHIEF NURSING OFFICER)
CHIEF OF STRATEGY		DIRECTOR/VP OF PURCHASING/PROCUREMENT		CLINICAL DEPARTMENT HEAD (HEAD/DIRECTOR OF GENERAL SURGERY, HEAD/DIRECTOR OF ONCOLOGY, ETC.)
VP OF FINANCE	VP OF HOSPITAL OPERATIONS	VP OF MEDICAL	VP OF NURSING AND CARE	VP (OTHER AFFAIRS)
DIRECTOR/VP OF PURCHASING/PROCUREMENT			HEAD OF PHARMACY/HEAD OF EQUIPMENT	

Types of hospital

HOSPITAL SIZE – 100+ BEDS

PRIVATE

- Stand-alone private hospital/Stand-alone private hospital (except for university hospital)
- Private hospital of a hospital group with 3+ sites
- Private hospital group with less than 3 sites
- Stand-alone private university hospital
- Private hospital of a hospital group
- Private university hospital of a hospital group
- Tertiary private hospital
- Private hospital of a hospital group
- Specialized Private Hospital Group hospital/clinic/treatment centre (i.e., eye centre, dialysis centre)
- Stand-alone Class A/Class B private hospital
- Class A/Class B private hospital of a hospital group
- Stand-alone private general hospital
- Specialty hospital/clinic/centre (e.g., mental health, eye centre, dialysis clinic)
- Other private hospital

PUBLIC

- Public Level 3 hospital
- Public Level 2 hospital
- Regional/provincial public hospital
- National public hospital (except for university hospital)
- Tertiary public hospital
- Public hospital
- Public general hospital
- Regional/provincial public hospital
- General public hospital
- Public Class A/Class B hospital
- Public Class C hospital
- Public general hospital
- SEHA public hospital
- DHA public hospital
- MOH public hospitals
- Other public hospital (e.g., Armed Forces, National Guard, etc.)
- Prefectural/municipal public hospital (except for university hospital)

OTHER

- University/teaching hospital
- Community hospital
- Specialized hospital/clinic/treatment centre (i.e., eye centre, dialysis centre)
- Specialty hospital/clinic/centre (e.g., mental health, eye centre, dialysis clinic)
- Other (e.g., Level 1 hospital, CHC/THC, specialty clinic - dialysis, homecare provider)
- National university hospital (National Hospital Organization, KKR, etc.)
- Prefectural/municipal university hospital

About the authors



Stephen Sunderland

PARTNER, SINGAPORE

Stephen Sunderland is a Partner and member of L.E.K.'s Board of Directors and serves as Head of L.E.K.'s Asia-Pacific Region. He has more than 20 years of experience spanning Asia and Europe working with multinational corporations, midsize companies, social enterprises and nonprofits, financial investors, and governments. Based in Singapore, Stephen leads L.E.K.'s Healthcare and Life Science practice in Southeast Asia and is the Executive Director of L.E.K.'s Asia-Pacific Life Sciences Centre of Excellence. Stephen has experience leading a wide range of engagement types focused on delivering profitable growth, including assessment and prioritization of opportunities, major tender bidding, testing and definition of new-to-market products and services, and go-to-market approaches. His experience covers both organic investment and inorganic growth approaches, such as partnering models, partner and supplier screening prioritization, as well as commercial and vendor due diligence.



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Grace Wang is a Partner based in L.E.K. Consulting's Shanghai office. She joined the firm in 2012, and has supported international and Chinese clients in medical device, pharmaceutical, life science tools and broader healthcare sectors on a wide range of engagements including growth strategy, pricing and market access, China localization and transaction support. Grace holds a bachelor's in management science from Fudan University in China, and a double master's in international management from Fudan University and Bocconi University in Milan.



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Saleem Butt is a principal in L.E.K. Consulting's APAC Healthcare practice, where he specializes in advising Asian and multinational companies on opportunities across the APAC region. Prior to joining L.E.K., Saleem worked for a European consulting firm, supporting multinational companies and private equity firms in their growth strategy and business development efforts across Europe. Saleem earned a Medicinal Chemistry master's degree from Imperial College London and also spent time in Hermen Overkleeft's biosyn research group at Leiden University, developing novel treatments for orphan indications such as Gaucher's disease. Saleem has also spent time as a researcher at BASF, Singapore.



Ashwin Goel

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Ashwin Goel, based in the Mumbai office, is a Partner at L.E.K. Consulting. Ashwin co- leads the Healthcare and Life Sciences practice in India. Within the healthcare sector, Ashwin advises biopharmaceutical and manufacturing services clients over a range of topics, such as growth strategy, new market entry, international expansion, and buy- and sell-side commercial due diligence.



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