

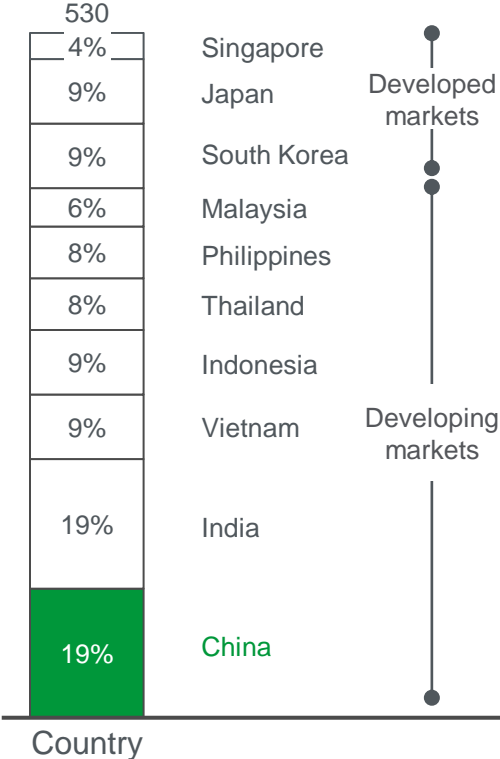
## Hospital Priorities 2023

### China Edition: Strategic Implications for Pharma Companies

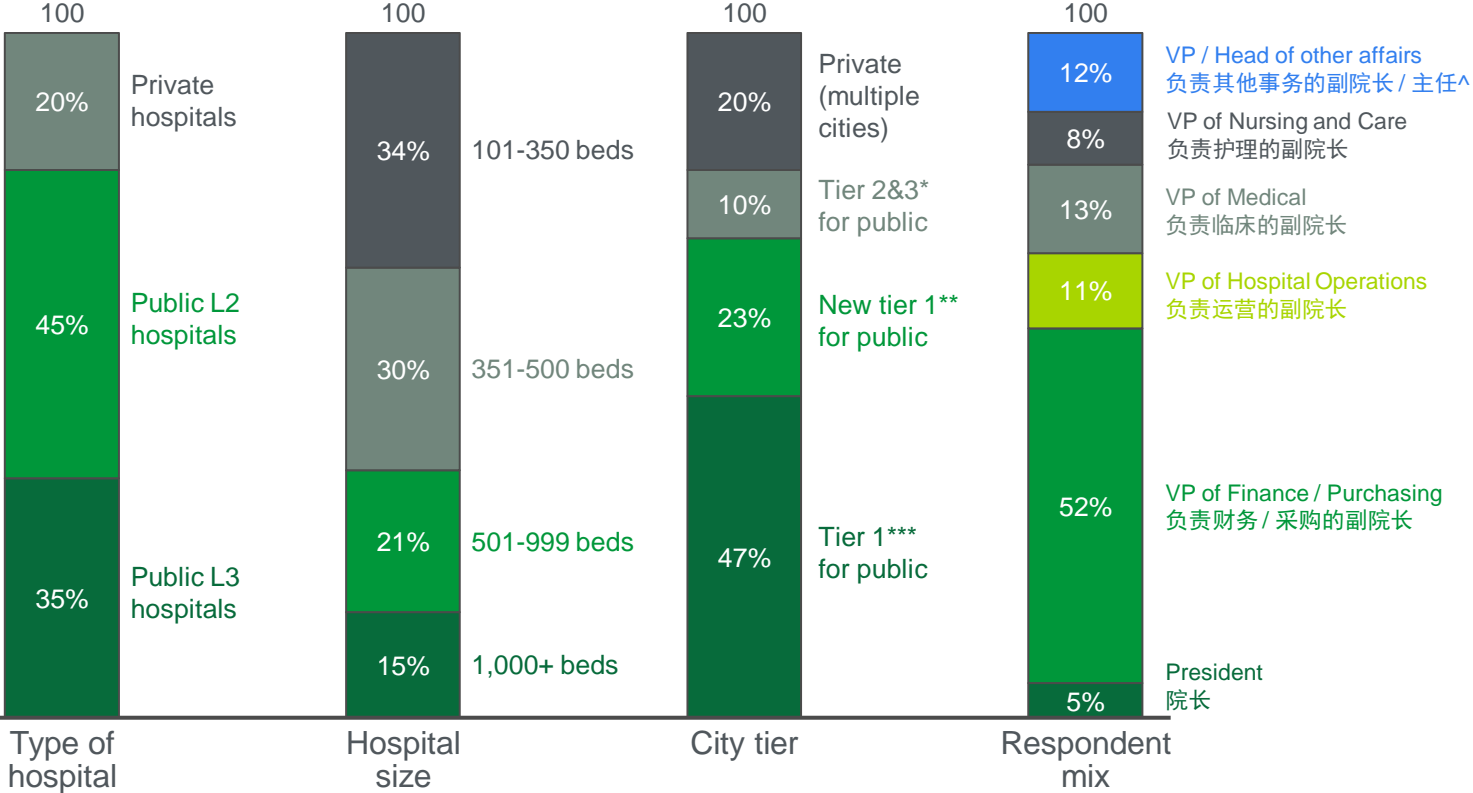


# L.E.K. sponsors a unique analysis of hospital priorities in APAC; the 2023 study engaged 100 hospital executives in China across public and private providers

L.E.K. APAC Hospital Priorities Survey respondent mix  
L.E.K. 亚太地区医院调研参与者组成  
Percent of respondents



China respondent mix  
中国调研参与者组成  
Percent of respondents



\*Dalian, Zhangzhou, Baoding, Hefei, Kunming, Zhengzhou, Shenyang, Harbin, Xuzhou, Shijiazhuang, Jining, Luoyang, Yichang, Zhuzhou;  
\*\*Wuhan, Chengdu, Hangzhou, Nanjing, Changsha, Tianjin, Chongqing, Shenyang, Xi'an  
\*\*\*Beijing, Shanghai, Guangzhou; ^Head of Pharmacy / Head of Equipment 药剂科主任 / 设备科主任, and VP of Other Affairs 负责其他事务的副院长  
Source: L.E.K. 2023 APAC Hospital Priorities Survey conducted in April-May 2023 and data collected in June-July 2023

# We explored four themes: hospital priorities and preferences on spending, NRDL and VBP impact, digitalization trends, and hospital financials

## Headlines from the 2023 Hospital Priorities Survey

- 1 Hospital priorities and preferences on spending:** The pandemic response is still one of hospitals' priorities this year; in addition, long-term capability improvement including workflow efficiency and care management are also identified as key future strategic themes
- 2 NRDL and VBP impact:** Improving market access environment for NRDL-listed products is a continued trend; Increasing shift in prescription flow to retail pharmacies is also observed
- 3 Digitalization trends:** Online registration, online consultation, and various health & testing record digitalization are most widely adopted; However, top concerns on digital such as data privacy and talent constraints remain unsolved
- 4 Hospital financials:** Public hospital financials in 2023 is similar as that in 2020 but worse than 2021; hospitals are optimistic about future post COVID; private hospital situation remains unchanged since 2020

Note: NRDL=National Reimbursement Drug List; VBP=volume-based procurement

# Hospitals indicate increasing and greater interest in spending to improve physician capabilities and operation efficiency

## 1 Hospital priorities and preferences

### Spending priorities over the next 3 years\* – overall

#### 未来3年的医院支出重点 – 总体

Percent of respondents that chose 6 and 7 (1-7 scale, 1=reduce, 7=increase)

Total rank (2023)	Spending priorities	优先支出	2023 (N=100)	PPT change from 2022
#1	Physician education tools and programs**	医生教育工具和计划	64%	N.A.
#2	Physician support systems (e.g., clinical decision support, medication management, clinical workflow management, etc.)	医生支持系统 (例如临床决策支持、药物管理、临床工作流程管理等)	62%	+8 ppt
#3	Expanding physician pool	扩大医生人才库	62%	+17 ppt
#4	Expansion/improvement of existing facilities	扩建或改善现有设施	61%	+8 ppt
#5	Patient-facing digital solutions (e.g., information, booking, teleconsultations, remote monitoring, etc.)	面向患者的数字化解决方案 (例如信息、预约、远程咨询、远程监控等)	60%	+13 ppt
#6	Clinical support appliances (e.g., patient monitoring, ventilator)	临床支持设备 (例如患者监护仪、呼吸机)	60%	+20 ppt
#7	Development of new facilities	开发新设施	60%	+15 ppt
#8	Medical consumables (e.g., dressings, syringes, needles, catheters, surgical gloves, forceps, sutures)	医疗耗材 (例如敷料、注射器、针头、导管、手术手套、镊子、缝合线)	58%	+13 ppt
<b>Avg. for all spending options</b>			<b>57%</b>	<b>+11 ppt</b>



### Key implications

- Great spending interest in improving:

Physician capability

Operation efficiency

- Investment willingness increase across all spendings (+11ppt avg. compared to 2022)

\*Question: How do you expect your hospital's spending priorities on the following categories to change over the next 3 years? 在未来3年内, 您预计您的医院在以下类别的支出优先级会有什么变化?

\*\*Listed as "New and/or existing facilities" in 2022

Source: L.E.K. 2022 and 2023 APAC Hospital Priorities Survey

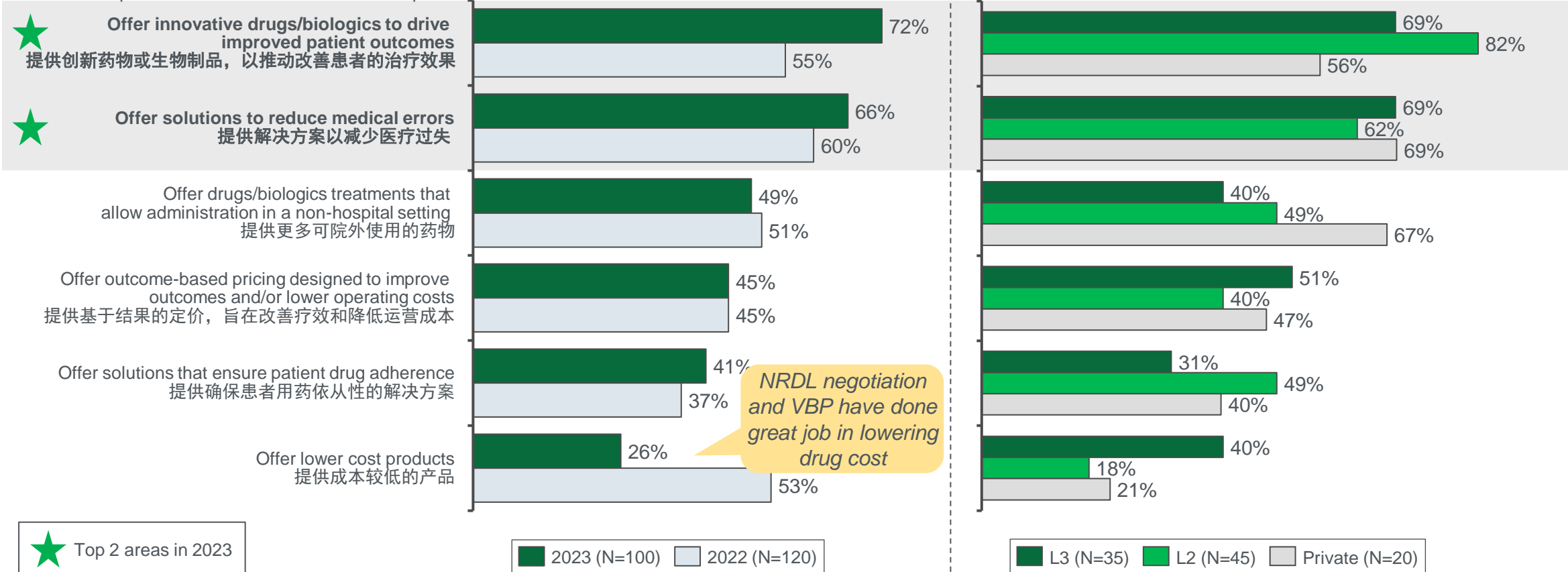
# Pharmas could potentially support hospitals to achieve their goals through offering solutions to offer treatments to improve patient outcomes and reduce medical errors

## 1 Hospital priorities and preferences

### Focus areas where hospitals would like Pharma companies to help\*

被访医院希望药企支持的重点领域

Percent of respondents that ranked the criteria in top three



★ Top 2 areas in 2023

\*Question: Please rank the top 3 focus areas where you would like Pharma companies to help you in achieving your hospital goals. 请对您希望制药公司帮助您实现医院目标的前三个重点领域进行排名

Note: NRDL=National Reimbursement Drug List

Source: L.E.K. 2022 and 2023 APAC Hospital Priorities Survey

# Key criteria to add a drug to the formulary list are inclusion in the treatment guideline and reimbursement list, and being a cutting-edge treatment

## 1 Hospital priorities and preferences

Most important criteria for **adding a drug onto the formulary list**\*

被访医院**药品列名**首要考虑因素  
(2023)

Rank (2023)	Criteria	2023 (N=100)
#1	<b>Drug is included in national/international treatment guidelines</b> 药物被列入国家或国际治疗指南	<b>60%</b>
#2	<b>Drug is the most advanced / cutting-edge treatment available</b> 药品是目前最先进或最尖端的治疗方法	<b>46%</b>
#3	<b>Drug is in the reimbursement list</b> 药品在医保目录中	<b>44%</b>
#4	Drug is produced by an internationally well-known company 药品是由一家国际知名公司生产的	38%
#5	Drug is procured through volume base procurement 药品经过带量采购中标	31%
#6	Drug is locally produced 药品是国产的	28%
#7	Drug is from preferred supplier 药品来自首选供应商	27%
#8	Drug is procured through GPO / centralized procurement 药品经过集团采购组织采购中标	n/a

\*Question: Please choose the top 3 most important criteria for adding a drug onto the formulary list. 请选择将药品加入医院药品清单的3个最重要的标准

Note: NRDL=National Reimbursement Drug List

Source: L.E.K. 2023 APAC Hospital Priorities Survey

 Top 3 rank



### Key implications

- Top criteria for adding a drug to the formulary list have been its **inclusion in the treatment guideline** or **most advanced treatment**, indicating hospitals are still valuing innovation
- In recent years, the **inclusion of a drug in the reimbursement list** has become a more significant factor, posing more market access challenges to drugs that are not NRDL-included

# Negotiated NRDL drugs are increasingly automatically listed in public hospitals, due to NHSA's strong endorsement on hospital listing acceleration

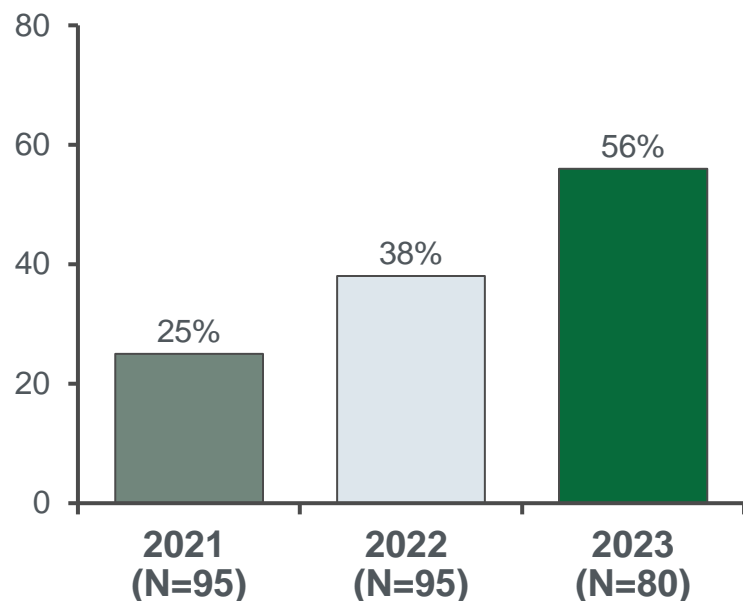
## 2 NRDL and VBP impact

### 56% NRDL products are automatically listed

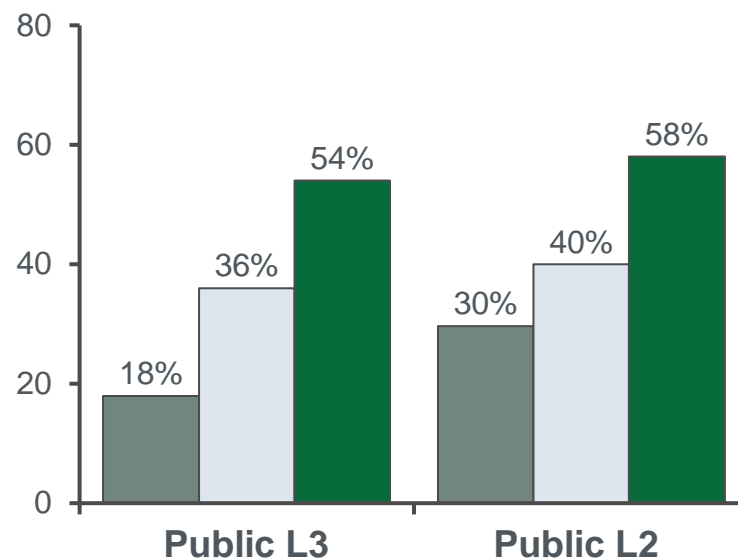
Percent of NRDL drugs (through negotiation) automatically listed in public hospitals\*

自动列名医保谈判药品在公立医院中的占比

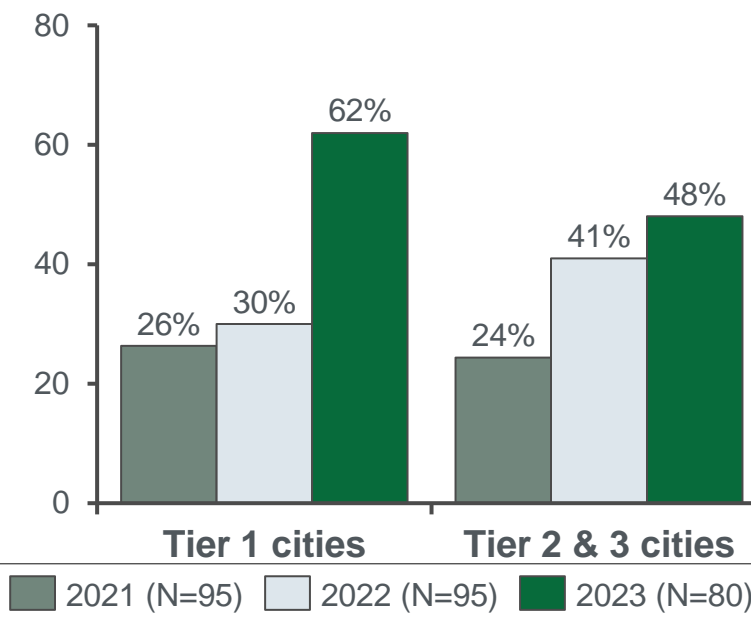
Percent of respondents



### Similar situation in Public L3 and Public L2...



### ... and a decrease in listing difficulty in Tier 1 cities



\*Question: What are the considerations for drugs negotiated to get on the National Reimbursement Drug List (NRDL) to get onto the hospital formulary, if they are not on the formulary before negotiation?

对于通过谈判进入国家医保报销目录 (NRDL) 的药品, 若此前该药尚未被纳入医院药品清单, 医院一般会如何决定是否将其加入医院药品清单?

Responses with "Most negotiated drugs are automatically, immediately included onto the hospital formulary as soon as it is included in the NRDL" 大多数谈判药品一旦被纳入国家医保, 就会自动被纳入医院药品清单

Note: NRDL=National Reimbursement Drug List; NHSA=National Healthcare Security Administration

Source: L.E.K. 2021, 2022 and 2023 APAC Hospital Priorities Survey

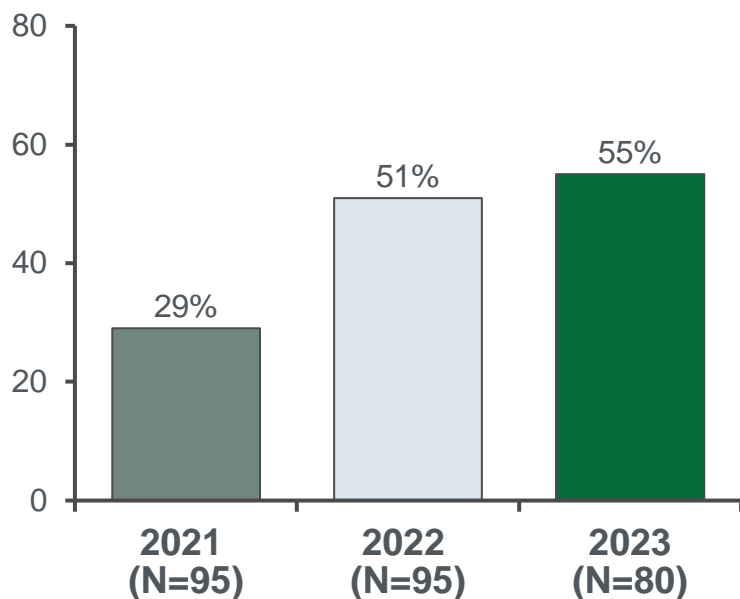


# Half of the hospitals continue to face prescription limit for NRDL negotiated drugs, no fundamental change compared to last year

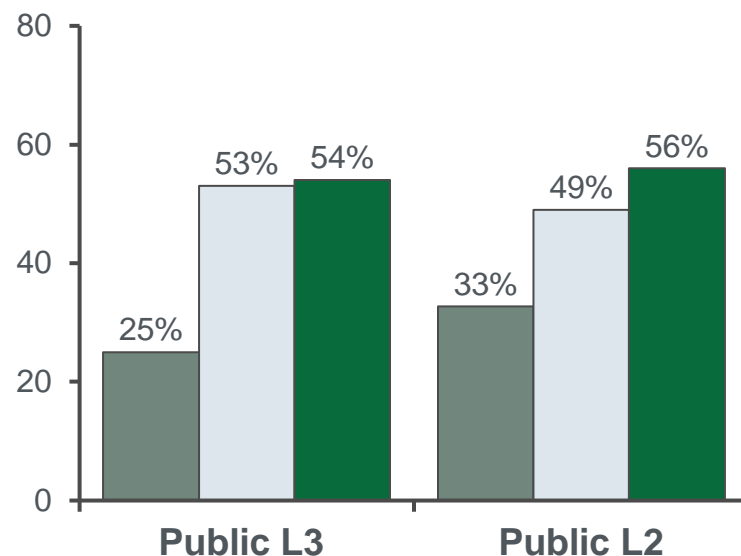
## 2 NRDL and VBP impact

### 55% NRDL products face some level of prescription restriction

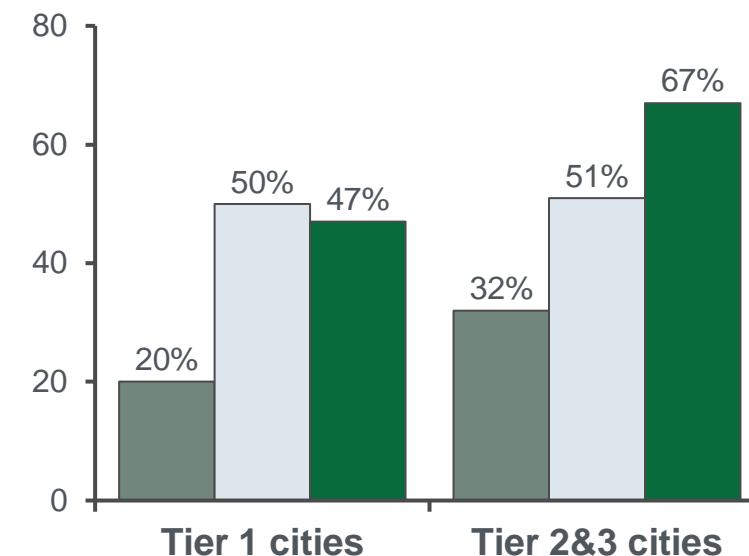
Percent of NRDL drugs (through negotiation) face no prescription limit in public hospitals\*  
 医保谈判药品无处方限制的公立医院占比  
 Percent of respondents



### Prescription barrier is largely on par between L3 and L2 hospitals ...



### ... and lower-tiered cities have less of a prescription barrier



\*Question: Once NRDL-negotiation drugs are on the hospital formulary, are there any barriers to prescribing the drug?  
 一旦国家医保谈判药品进入医院药品清单，在处方该药品时是否有任何限制？  
 Responses with "No. NRDL-negotiated drugs can be prescribed without any limits" 没有，国家医保谈判的药品可以不受任何限制地处方  
 Note: NRDL=National Reimbursement Drug List  
 Source: L.E.K. 2021, 2022 and 2023 APAC Hospital Priorities Survey

Legend: 2021 (N=95) 2022 (N=95) 2023 (N=80)



# The increasing prescription outflow trend can be attributed to the consequent outflow for VBP lost drug and roll-out of dual channel policy for expensive drugs, calling for pharma adjusted GTM approaches

## 2 NRDL and VBP impact

### Trend of prescription flow to retail pharmacies

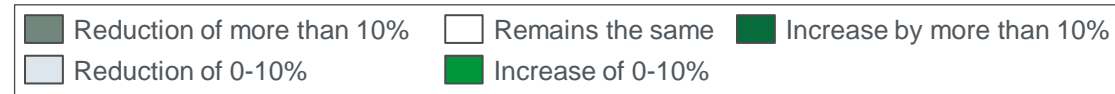
医院处方向零售药房的流动趋势  
Percent of respondents



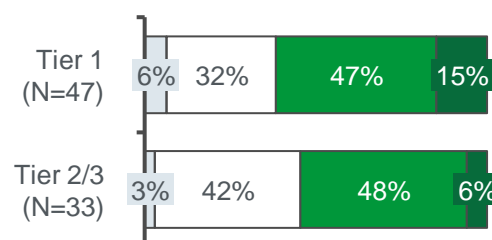
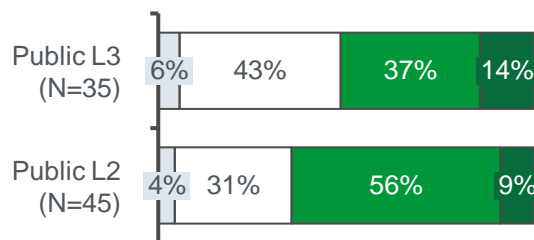
#### By hospital tier



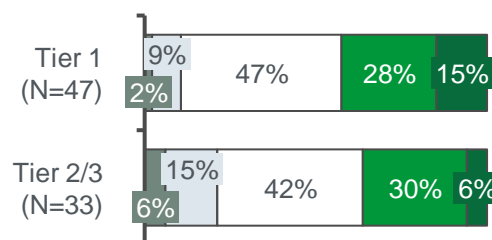
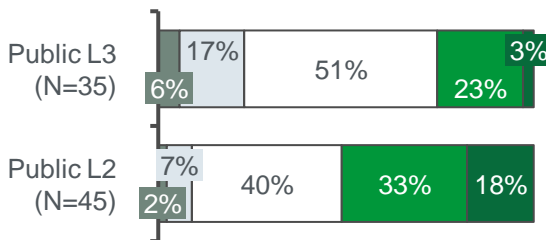
#### By city tier



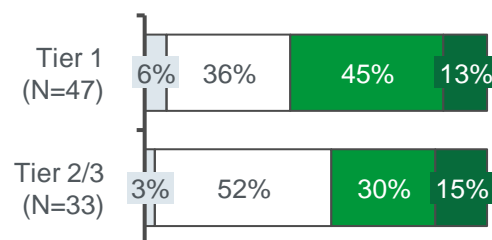
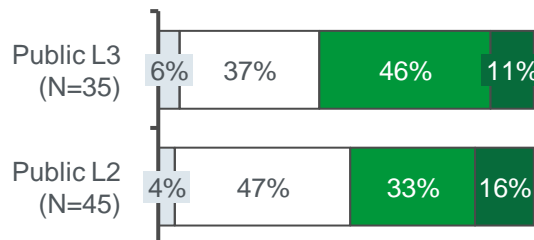
**NRDL negotiated drugs**  
(not VBP-ed yet)  
国家医保目录谈判药品  
(未纳入集采)



**VBP drugs that didn't win tender**  
纳入带量采购但未中标的药品



**Commonly used drugs for chronic diseases**  
(diabetes, hypertension, COPD, etc.)  
慢性疾病(例如糖尿病、高血压、慢阻肺)的常用药品



#### Key implications

- The cap on drug spending share in hospitals and the dual-channel policy are key reasons for the increase in prescription flow to retail pharmacies
  - The dual-channel policy, published in May 2021, encourages reimbursement coverage of retail pharmacies and **leverage of retail pharmacies as an additional prescription fulfillment channel**, without changing current drug spending control
- NRDL drugs are not always automatically listed in hospitals; some drugs are **exclusively available through designated retail channels**; patients need prescriptions from hospitals to purchase drugs in pharmacies
- Pharmas that have lost in the VBP tender may resort to increasing their sales efforts in the retail pharmacy channel to mitigate the loss. However, the strategy is **more replicable and effective for originator drug manufacturer** than generics manufacturer
- Pharma companies should adjust the direction of sales and marketing by the type of drug – for **NRDL drugs**, **increase DTP coverage** under dual-channel policy; **originator drugs**, whose drug class went through VBP tenders, should focus on **retail or OOP channels**

\*Question: How much prescription of each drug type are now shifted to retail pharmacies? 对于以下每类药品, 有多少处方外流到了零售渠道(线上和线下)?

Note: VBP=volume-based procurement; GTM=go-to-market; NRDL=National Reimbursement Drug List; DTP=direct-to-patient; OOP=out-of-pocket

Source: L.E.K. 2023 APAC Hospital Priorities Survey

# Digital engagement with suppliers is gaining acceptance in various forms across all types of hospitals; L3 hospitals show a particularly high level of acceptance

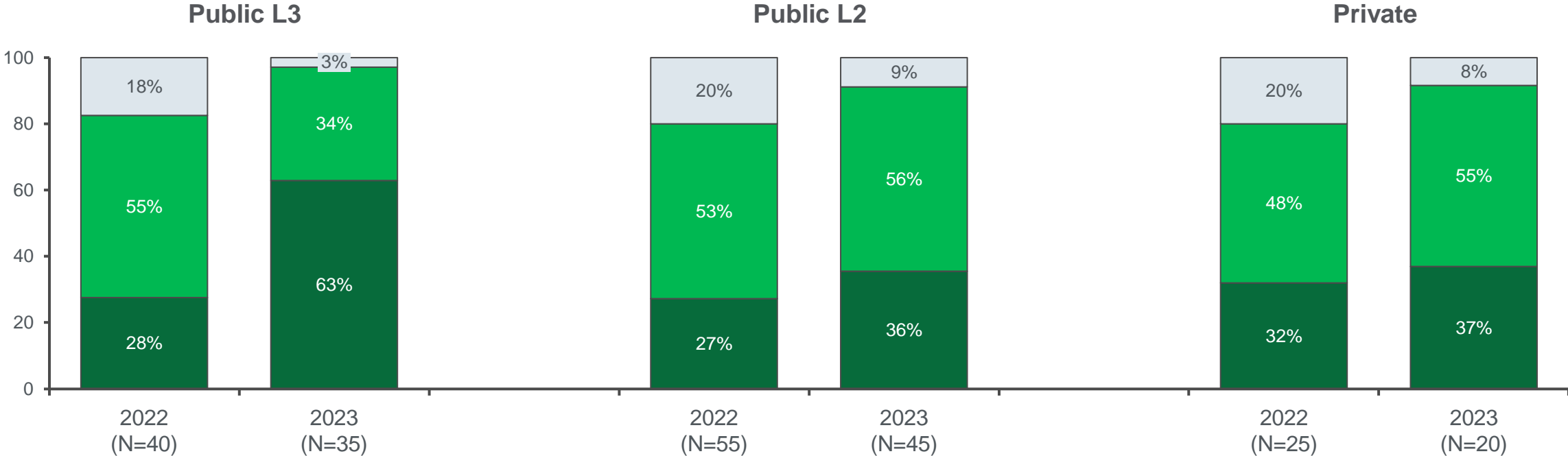
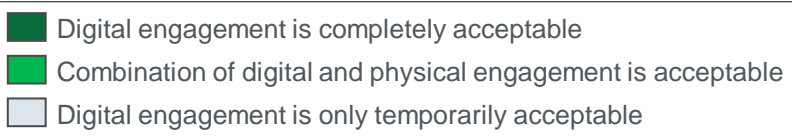
## 3 Digitalisation trends

### Digital engagement with suppliers is well accepted across different hospital types

Acceptability of digital engagement with suppliers\*

被访医院对供应商远程数字化交互的接受度

Percent of respondents



\*Question: How acceptable do you find digital engagement from suppliers vs. traditional physical interactions?您认为与供应商线上交流比起传统线下交流可接受程度如何?

Source: L.E.K. 2022 and 2023 APAC Hospital Priorities Survey

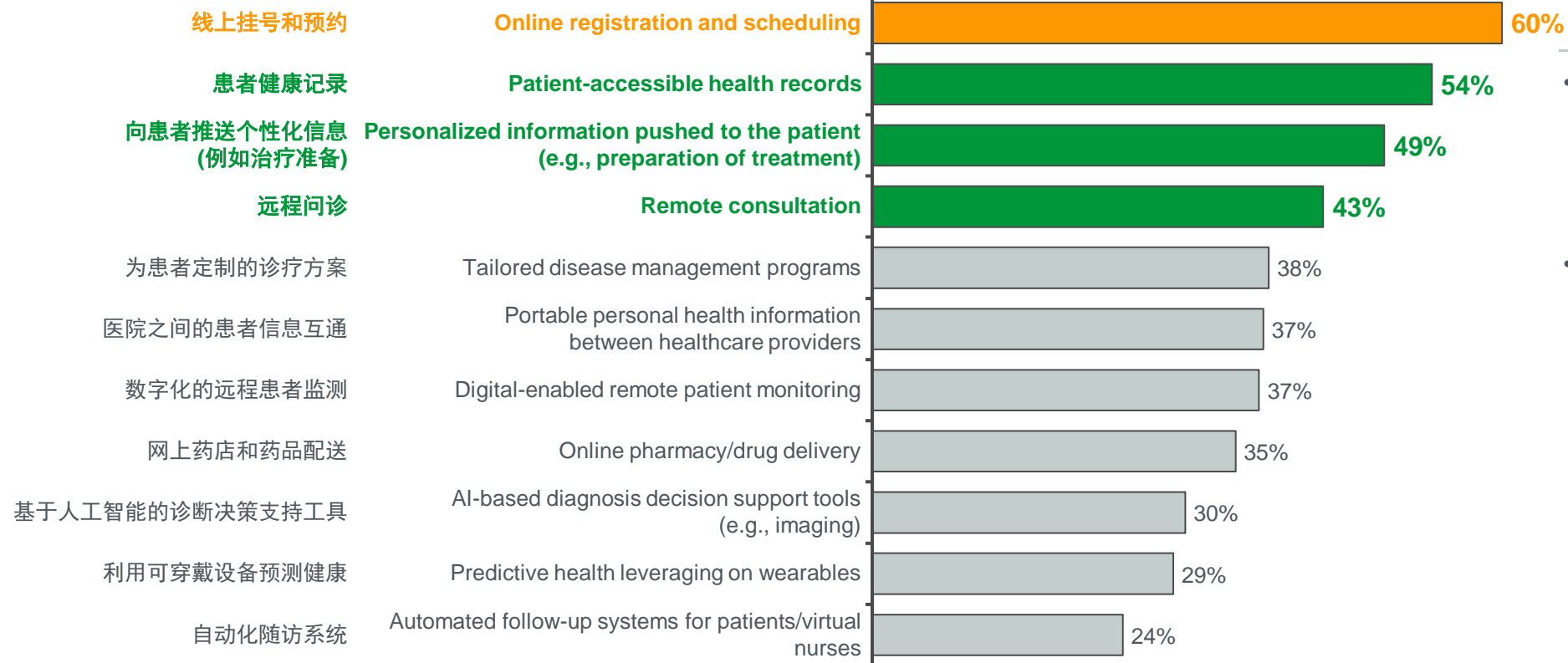
# Online registration is the most widely used digital tool in China healthcare; the pandemic has also permanently shaped the habit of using digital tools to facilitate health service

## 3 Digitalisation trends

### Adoption of digital solutions\*

#### 数字化方案的应用情况

Percent of respondents "currently using" digital solutions



### Key implications

- Started from 2010s, online appointment booking has now been well-penetrated in all types of hospitals (60%)
- Digital tools that were widely used in response to the pandemic are now still heavily used by hospitals, such as patient-accessible health records (e.g., WeChat miniAPP to check test results), personalized information, remote consultation (54-43%)

\*Question: Digitalisation of hospitals is gaining traction in many countries. What digital health solutions have you adopted/would you like to adopt?

医院的数字化在许多国家都得到了发展。您已经采用或者希望采用哪些数字医疗解决方案？

Respondents who answered that the hospital is "currently using" each digital solution

Source: L.E.K. 2023 APAC Hospital Priorities Survey

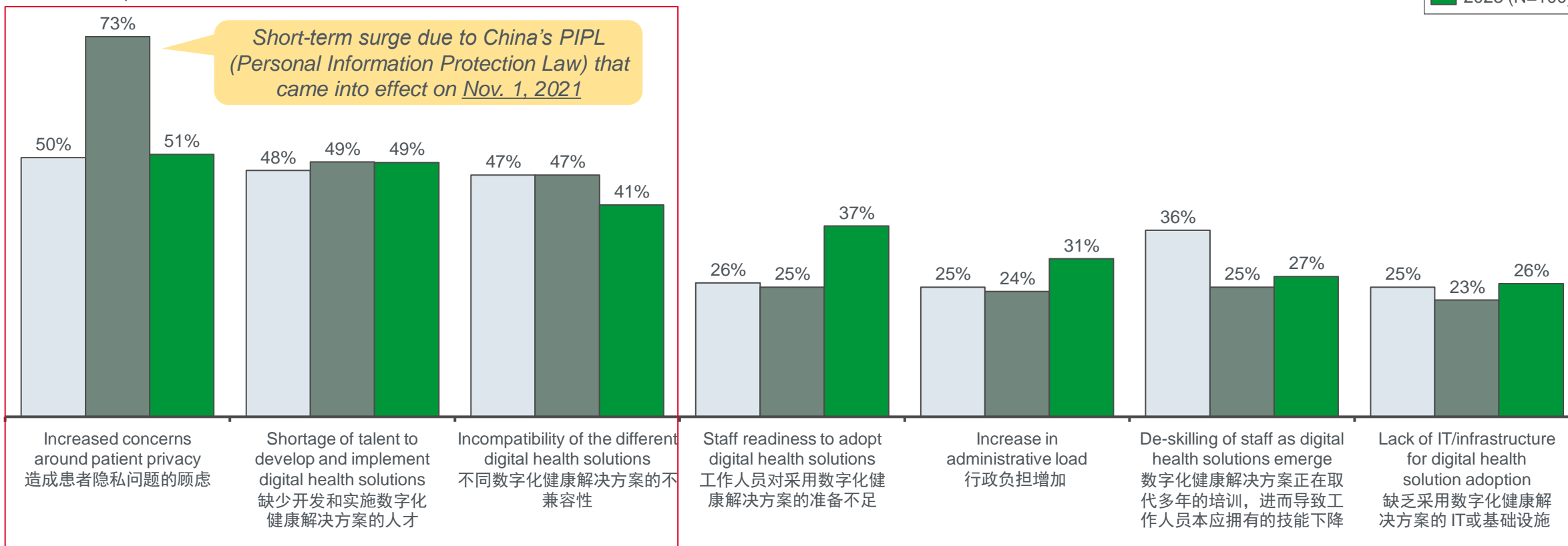
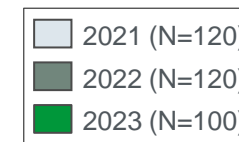
# Leading concerns in previous years remain unresolved for most hospitals in their digital transformation

## 3 Digitalisation trends

### Top concerns for digital health adoption\*

数字化解决方案应用的主要顾虑

Percent of respondents



\*Question: What are your concerns for digital health adoption?

您对采用数字化医疗有哪些担忧?

Source: The National People's Congress of the People's Republic of China, L.E.K. 2021, 2022 and 2023 APAC Hospital Priorities Survey

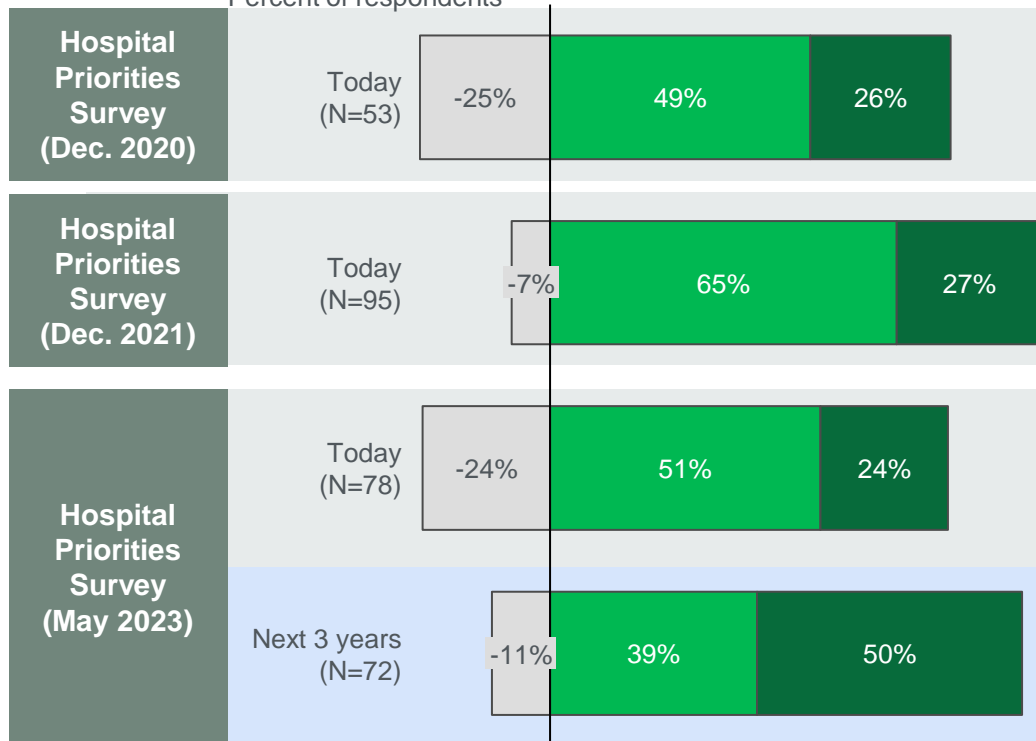
# Public hospital financials in 2023 are similar to 2020 and worse than 2021, but hospitals are optimistic about the future post-COVID; private hospital financials remain unchanged since 2020

## 4 Hospital financials

### Public hospital budget outlook – China\*

#### 公立医院预算展望 – 中国

Percent of respondents

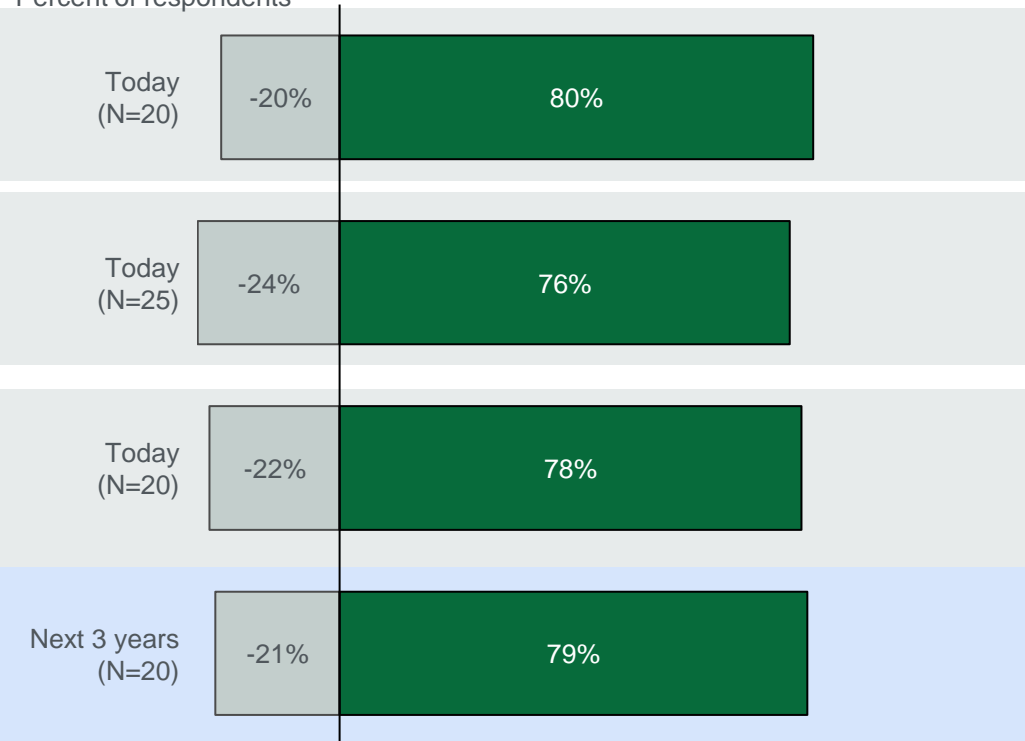


Legend: Budget deficit (grey), Balanced budget (green), Budget surplus (dark green)

### Private hospital profitability/EBITDA - China\*\*

#### 私立医院盈利能力 – 中国

Percent of respondents



Legend: Negative profitability/EBITDA (grey), Positive profitability/EBITDA (dark green)

\*Question: What is the level of budget surplus/deficit incurred by your hospital today? 在以下时间段您所在医院的预算盈余/赤字是多少? Responses with "I do not know/prefer not to disclose" have been excluded

\*\*Question: What is the EBITDA margin/profitability level of your hospital? 您所在的医院现在的息税前利润 (EBITDA) 水平 (不计利息、税项、折旧及摊销) 如何? Responses with "I do not know/prefer not to disclose" have been excluded

Note: EBITDA=earnings before interest, tax, depreciation and amortization

Source: L.E.K. 2021, 2022 and 2023 APAC Hospital Priorities Survey

## How can pharmas interact more productively with hospital customers?

- 1 What **innovation therapies** can pharmas provide to answer the hospital needs of **therapeutic treatment** and **care management**?
- 2 How should pharmas refine **go-to-market access strategies**, considering new NRDL/VBP dynamics?
- 3 How should pharmas redefine **sales, medical, and marketing activities** considering cost management pressure and anti-corruption environment?
- 4 What **digital interaction tools** will be accepted by physicians, and how should pharmas leverage such tools?
- 5 How should pharmas position **competitive advantages** over peer companies in new market environment post-Covid?



**Additional findings**



# Other than the pandemic response, hospitals' focus for the next 3 years is on long-term capability improvement such as workflow efficiency and care management

## 1 Customer priorities and preferences

### Strategic priorities over the next 3 years\* – overall

#### 未来3年的战略重点 – 总体

Percent of respondents that chose 6 and 7 (1-7 scale, 1=least, 7=most)

Total rank (2023)	Rank change from 2022	Strategic priorities	战略重点	2023 (N=100)
#1	↑9	Improving labor efficiency/workflow optimization	提高工作效率及工作流程优化	77%
#2	↑8	Recovering from financial impact of COVID-19	从新冠造成的财务影响中恢复过来	70%
#3	→	Improving healthcare staff safety	提高医护人员的安全防护	68%
#4	↑12	Emergency preparedness (i.e., for another wave of COVID or other pandemics)	应急准备 (即应对另一波新冠疫情或其他大流行病)	67%
#5	↑4	Offering clinicians access to new medical technologies/ Offer cutting edge treatments	为临床医生提供获得新医疗技术或者尖端疗法	66%
#5	→	Investing in new IT infrastructure (e.g., HER/EMR, clinical solutions)	投资于新的 IT 基础设施 (例如电子病历和健康档案, 临床解决方案)	66%
#7	↓2	Investing in digital health capabilities (e.g., Telehealth, AI-assisted image analysis)	投资数字化医疗相关的能力 (如远程医疗、人工智能辅助进行图像分析)	64%
#8	↑5	Reducing length of stay, enabling patient discharge	缩短住院时间, 使患者能够更快出院	64%
#9	↑3	Working with other sites of alternative care to ensure patient receives the best care or lower costs	与其他可选择的诊疗场所合作, 以确保患者得到最佳诊疗或降低费用	63%
#10	↓6	Standardization of MedTech product usage with and across hospitals	院内或同一集团医院之间的医疗器械产品使用标准化	63%



### Key implications

- Keep focus on **pandemic response**
- Also, prioritize capability-building strategies, including

**Workflow efficiency**

**Care management capability**

\*Question: How important are the following strategic priorities for your hospital over the next 3 years? 未来3年, 以下战略重点对您的医院有多重要? Only top 10 rankings in 2022 are shown here

Note: HER=electronic health record; EMR=electronic medical record

Source: L.E.K. 2022 and 2023 APAC Hospital Priorities Survey

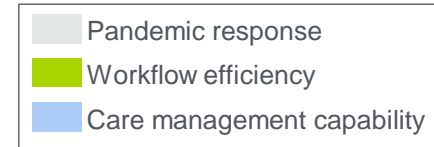
# Workflow optimization is a top priority for all hospitals

## 1 Customer priorities and preferences

### Strategic priorities over the next 3 years\* – by hospital types

#### 未来3年的战略重点 – 分医院类型

Percent of respondents that chose 6 and 7 (1-7 scale, 1=least, 7=most)



### Key implications

Total rank (2023)	Strategic priorities	战略重点	Public L3 (N=35)	Public L2 (N=45)	Private (N=20)
#1	Improving labor efficiency/workflow optimization	提高工作效率及工作流程优化	74%	78%	81%
#2	Recovering from financial impact of COVID-19	从新冠造成的财务影响中恢复过来	60%	73%	79%
#3	Improving healthcare staff safety	提高医护人员的安全防护	66%	67%	75%
#4	Emergency preparedness (i.e., for another wave of COVID or other pandemics)	应急准备 (即应对另一波新冠疫情或其他大流行病)	69%	60%	79%
#5	Offering clinicians access to new medical technologies/Offer cutting-edge treatments	为临床医生提供获得新医疗技术或者尖端疗法	57%	71%	68%
#5	Investing in new IT infrastructure (e.g., HER/EMR, clinical solutions)	投资于新的 IT 基础设施 (例如电子病历和健康档案, 临床解决方案)	66%	67%	63%
#7	Investing in digital health capabilities (e.g., Telehealth, AI-assisted image analysis)	投资数字化医疗相关的能力 (如远程医疗、人工智能辅助进行图像分析)	63%	69%	56%
#8	Reducing length of stay, enabling patient discharge	缩短住院时间, 使患者能够更快出院	69%	60%	63%
#9	Working with other sites of alternative care to ensure patient receives the best care or lower costs	与其他可选择的诊疗场所合作, 以确保患者得到最佳诊疗或降低费用	63%	62%	67%
#10	Standardization of MedTech product usage with and across hospitals	院内或同一集团医院之间的医疗器械产品使用标准化	63%	64%	58%

All emphasize improving labor efficacy and optimizing workflow as No.1 priority (74-81%)

Private hospitals are still sensitive to the pandemic impact for this year (75%-79%)

L2 hospitals focus more on enabling more advanced care management capabilities (69-71%)

L3 hospitals also place emphasis on measures to benefit more patients, including reducing the length of stay (69%) and investing in new IT tech (66%)

\*Question: How important are the following strategic priorities for your hospital over the next 3 years? 未来3年, 以下战略重点对您的医院有多重要? Only top 10 rankings in 2022 are shown here

Note: HER=electronic health record; EMR=electronic medical record

Source: L.E.K. 2022 and 2023 APAC Hospital Priorities Survey

# Public L3 hospitals prefer improving treatment capability based on existing infrastructure; public L2 hospitals are more willing invest in healthcare capability and facility building

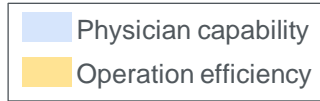
## 1 Customer priorities and preferences

### Spending priorities over the next 3 years\* – by hospital types

#### 未来3年的医院支出重点 – 分医院类别

Percent of respondents that chose 6 and 7 (1-7 scale, 1=reduce, 7=increase)

Total rank (2023)	Spending priorities	优先支出	Public L3 (N=35)	Public L2 (N=45)	Private (N=20)
#1	Physician education tools and programs	医生教育工具和计划	60%	64%	70%
#2	Physician support systems (e.g., clinical decision support, medication management, clinical workflow management, etc.)	医生支持系统 (例如临床决策支持、药物管理、临床工作流程管理等)	57%	67%	60%
#3	Expanding physician pool	扩大医生人才库	57%	64%	65%
#4	Expansion/improvement of existing facilities**	扩建或改善现有设施	54%	62%	70%
#5	Patient-facing digital solutions (e.g., information, booking, teleconsultations, remote monitoring, etc.)	面向患者的数字化解决方案 (例如信息、预约、远程咨询、远程监控等)	60%	56%	72%
#6	Clinical support appliances (e.g., patient monitoring, ventilator)	临床支持设备 (例如患者监护仪、呼吸机)	49%	64%	68%
#7	Development of new facilities	开发新设施	51%	62%	68%
#8	Medical consumables (e.g., dressings, syringes, needles, catheters, surgical gloves, forceps, sutures)	医疗耗材 (例如敷料、注射器、针头、导管、手术手套、镊子、缝合线)	66%	51%	62%
<b>Avg. for Top 8 spending options</b>			<b>57%</b>	<b>61%</b>	<b>67%</b>



### Key implications

Public L2 hospitals are willing to invest in healthcare capabilities (64-67%), which might be the result of government's encouragement to upgrade from L2 to L3 (e.g., the 'A Thousand County hospital' 千县计划 plan)

Public L3 hospitals indicate greater enthusiasm in increasing treatment capability (e.g., digital solutions 60% and consumables 66%), which can be based on existing infrastructure, with less willingness for additional large-scale investment (49-54%)

Overall, L3 hospitals have a lower willingness to invest than L2 and private (~57% vs. 61-67%), partially due to L3 hospitals' already well-established facilities and capability

\*Question: How do you expect your hospital's spending priorities on the following categories to change over the next 3 years? 在未来3年内, 您预计您的医院在以下类别的支出优先级会有什么变化?

\*\*Listed as "New and/or existing facilities" in 2022

Source: L.E.K. 2022 and 2023 APAC Hospital Priorities Survey

# Public L3, public L2, and private have different preferences for specialty expansion

## 1 Customer priorities and preferences

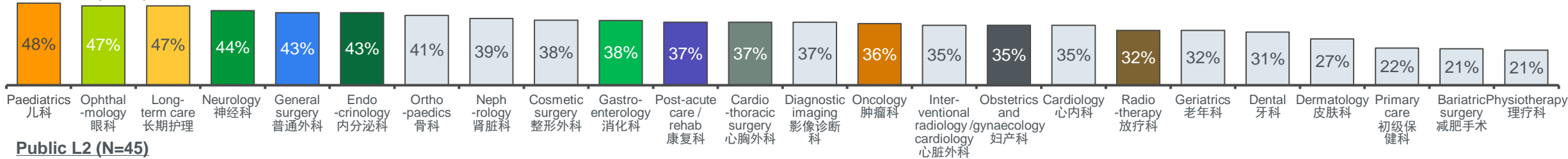
TOP 5 FOR EACH ARE COLORED FOR EASIER CROSS-COMPARISON

### Specialties that hospitals are looking to expand\*

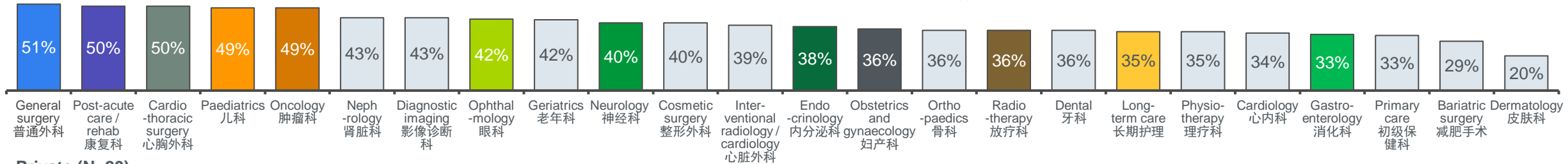
#### 医院寻求拓展的专科

Percent of respondents who selected "Expand offering" in the next 3 years

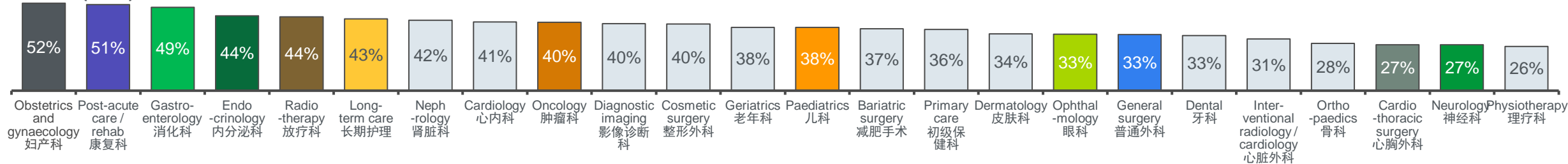
#### Public L3 (N=35)



#### Public L2 (N=45)



#### Private (N=20)



\*Question: Which clinical specialty is being offered in your hospital, what are the expected changes in offering in the next three years? 您所在医院中以下每个临床专科的开设情况如何, 未来三年的预期变化是什么?

Source: L.E.K. 2023 APAC Hospital Priorities Survey

# All types of hospitals in China perceive digital health solutions as aids to improve staff efficiency and capacity, and to provide better patient care as well as increasing satisfaction

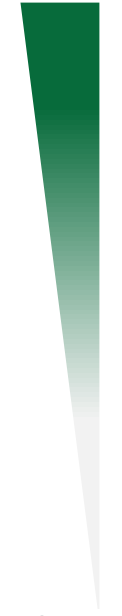
## 3 Digitalisation and customer engagement

### Value from digital health solution adoption\*

#### 数字化医疗解决方案带来的价值

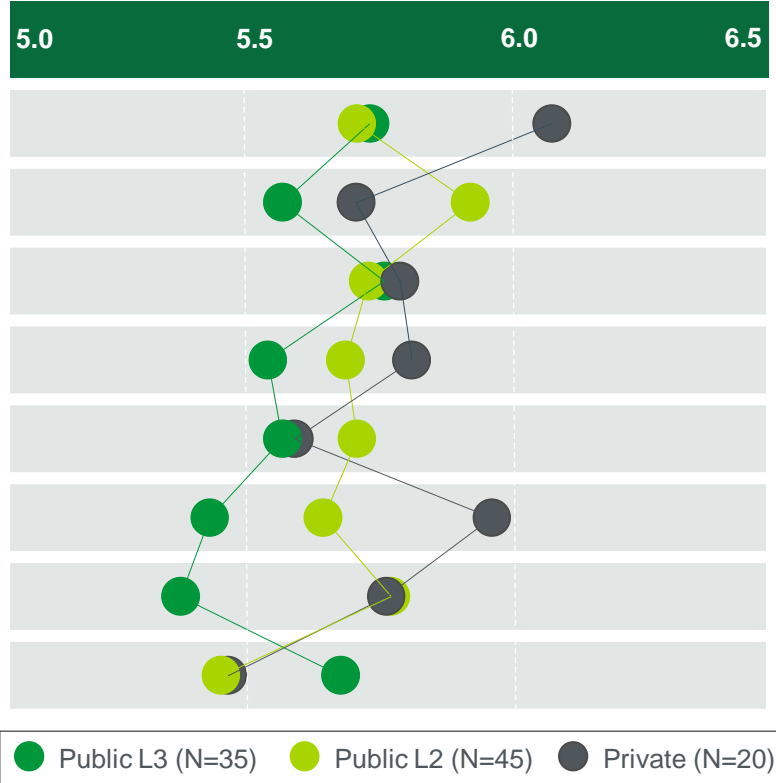
Weighted average ("1" – not likely, "7" – very likely)

More important



Less important

- Increase staff efficiency and capacity  
提高工作人员的效率和能力
- Provide better patient care  
提供更好的患者诊疗
- Increase patient satisfaction  
提高患者的满意度
- Contribute to the transition to value-based care  
促进向衡量医疗价值过渡
- Increase staff satisfaction  
提高医务工作者的满意度
- Expand the hospital natural catchment area  
扩大医院服务的覆盖范围
- Provide new revenue stream for hospital  
为医院提供新的收入来源
- Reduce medical errors  
减少医疗过失



### Key implications

- The priority of "increasing staff efficiency and capacity" has **risen from the 5th position last year to become the top priority this year**. This aligns with hospitals' intentions to prioritize spending on digitalization tools to achieve their strategic goals
- Respondents have shown universally positive perspectives toward digital health solution adoption
- Public L3 hospitals have slightly lower ratings across most segments because **L3 hospitals are typically more established** in staff efficiency, patient acquisition, quality of care, financials, and so on, thus have **less urgent pain points and needs** as compared to public L2 and private hospitals

\*Question: What value do you think digital health solutions will likely bring about for your hospital? 您认为数字化医疗解决方案可能为您的医院带来什么价值?  
Source: L.E.K. 2023 APAC Hospital Priorities Survey

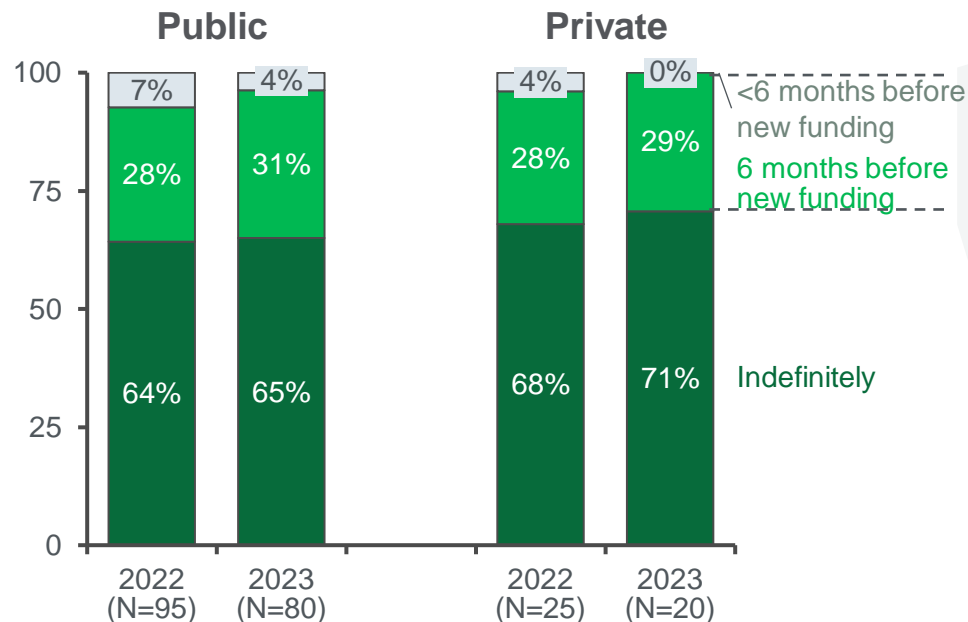
# Financials: 65-70% hospitals see their business as sustainable long-term, while the rest believe post-COVID patient confidence, cost reduction, and alleviation of COVID constraints will improve sustainability

## 65-70% hospitals run sustainable business models, on par with 2022 situation

Business sustainability outlook (2022-23)\*

业务可持续发展前景 (2022-23)

Percent of respondents

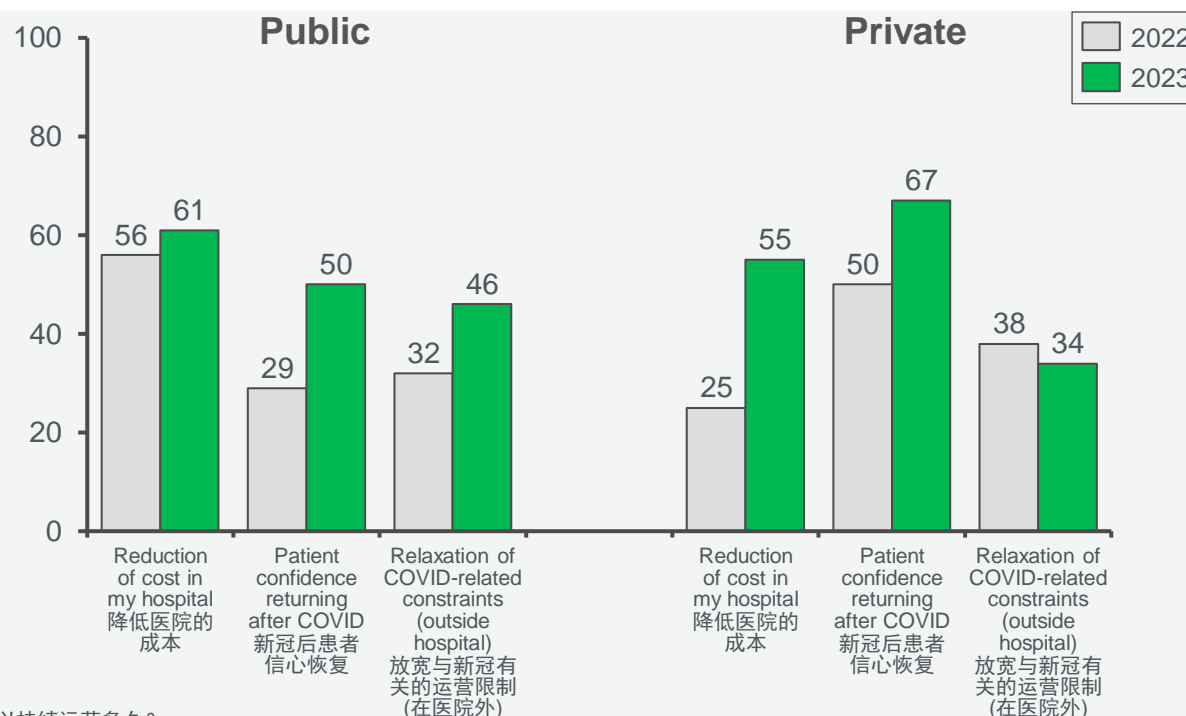


## Cost reduction, improving patient confidence, and COVID situation alleviation act as key factors

Top 3 changes that will positively impact business sustainability (2023)\*\*

对业务可持续发展有利的主要改变 (2023)

Percent of respondents



\*Question: At current rates of profitability, how long is the business sustainable for? 在目前的盈利水平状况下, 您的医院可以持续运营多久?

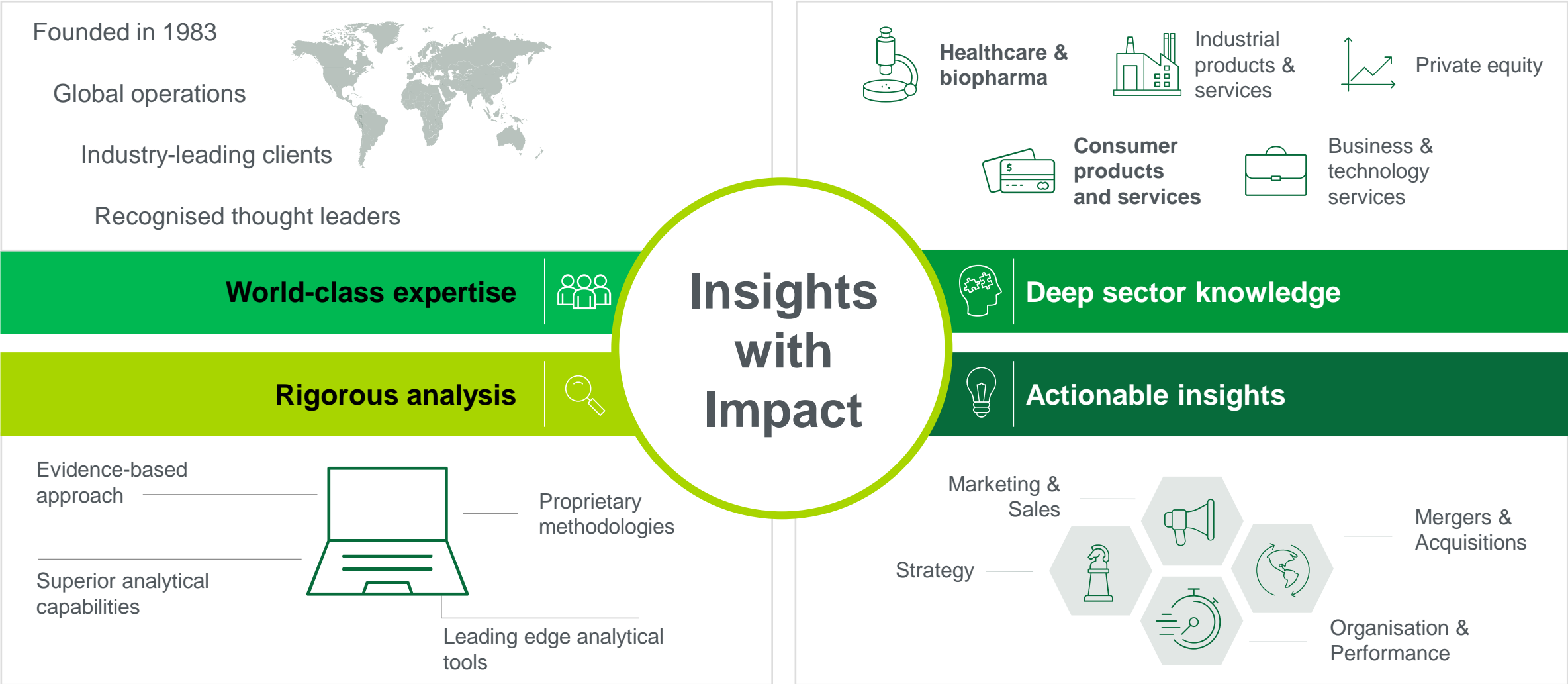
\*\*Question: What changes would have a positive impact on business sustainability? (Question only for respondents who indicated a need for funding to sustain business moving forward).

您认为哪些变化会对企业的可持续性产生积极影响?

Source: L.E.K. 2022 and 2023 APAC Hospital Priorities Survey



# L.E.K. Consulting is a leading strategy consulting firm with global expertise and deep sector knowledge

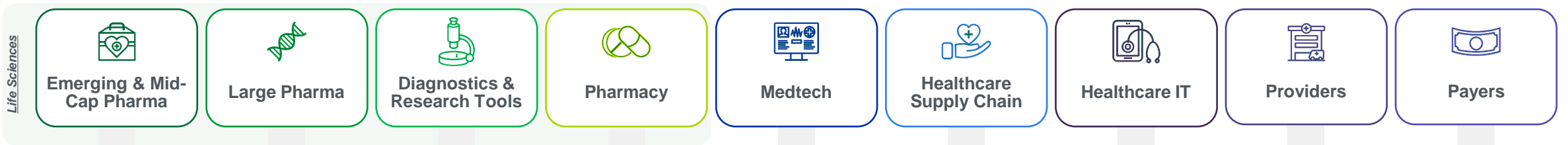




# L.E.K. covers all parts of the healthcare ecosystem with deep expertise across all major practice areas

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### L.E.K. Horizontal Practices



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- **Hundreds of projects** per year with a diverse range of large-cap, mid-cap and PE-backed clients
- Industry-leading **thought leadership and Intellectual Property** (e.g., best-in-class methodologies, benchmarks, market fact-bases, industry surveys)
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