Southeast Asia Hospital Survey — Insights for Healthcare Operators

Summary Materials

June 2025

L.E.K. Consulting annually surveys several hundred hospitals across the SEA region to understand their strategic priorities and support hospital leaders and investors in making key decisions

SURVEY

L.E.K. conducts an annual survey of **several hundred decision-makers** at key hospitals in the SEA and APAC regions to better understand how strategic priorities and purchasing behaviors are shifting.

Surveyed countries in this edition include:

Singapore | Malaysia | Thailand | Philippines | Indonesia | Vietnam

TOPICS

The survey addresses issues relating to:

- Financials
- Operations
- Strategic priorities
- Purchasing process
- Localization
- Digitalization

For this edition tailored for an audience interested in provider topics, L.E.K. highlights key themes in private care delivery — such as the bifurcation of the private healthcare landscape, strategies for payer negotiations, and emerging dynamics and trends in bed occupancy rates

INSIGHTS

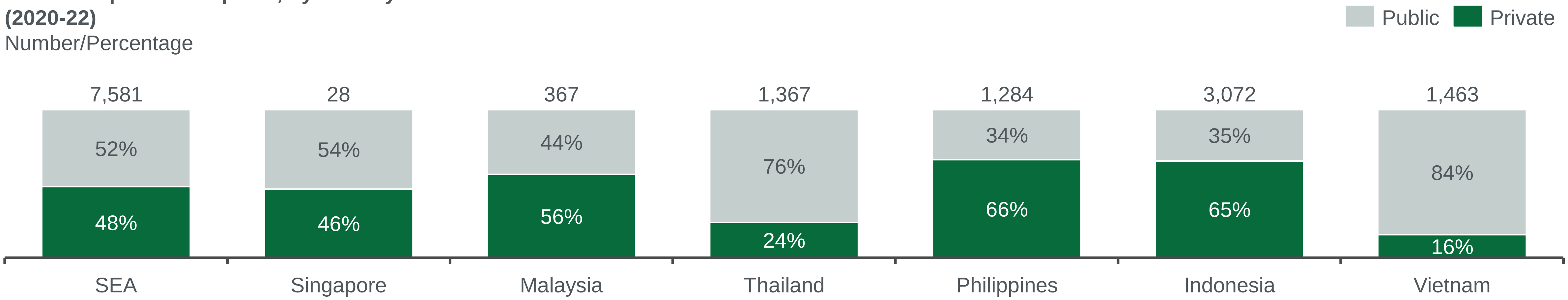
The insights enable healthcare companies (e.g., provider groups, medtech, healthcare IT) to make informed decisions, including:

- What cost drivers are expected to be and payer strategies to adopt
- Understanding the evolution of hospital models and trends operators should keep on top of
- How to leverage digital channels and enhance their service offerings/engagement models
- Key actions/priorities for leading operators in the region

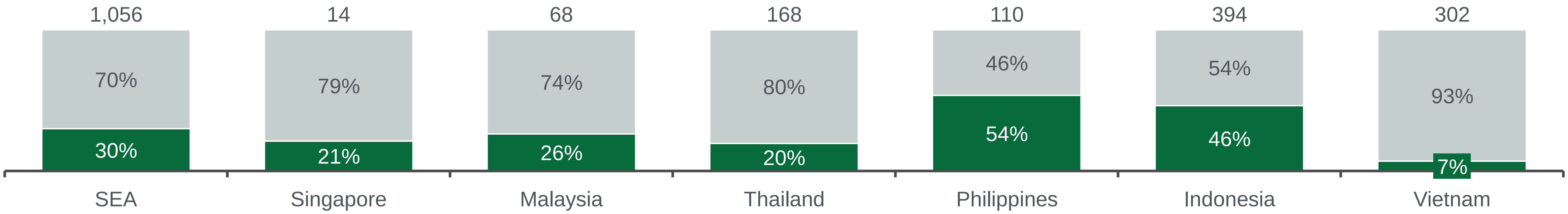
Note: SEA=Southeast Asia; APAC=Asia-Pacific; IT=Information technology
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Private hospitals make up just under half of all hospitals in SEA and account for about 30% of hospital beds, and are the focus of the surveyed population

Public vs. private hospitals, by country (2020-22)
Number/Percentage



Public vs. private hospital beds, by country (2020-22)
Number (k)/Percentage

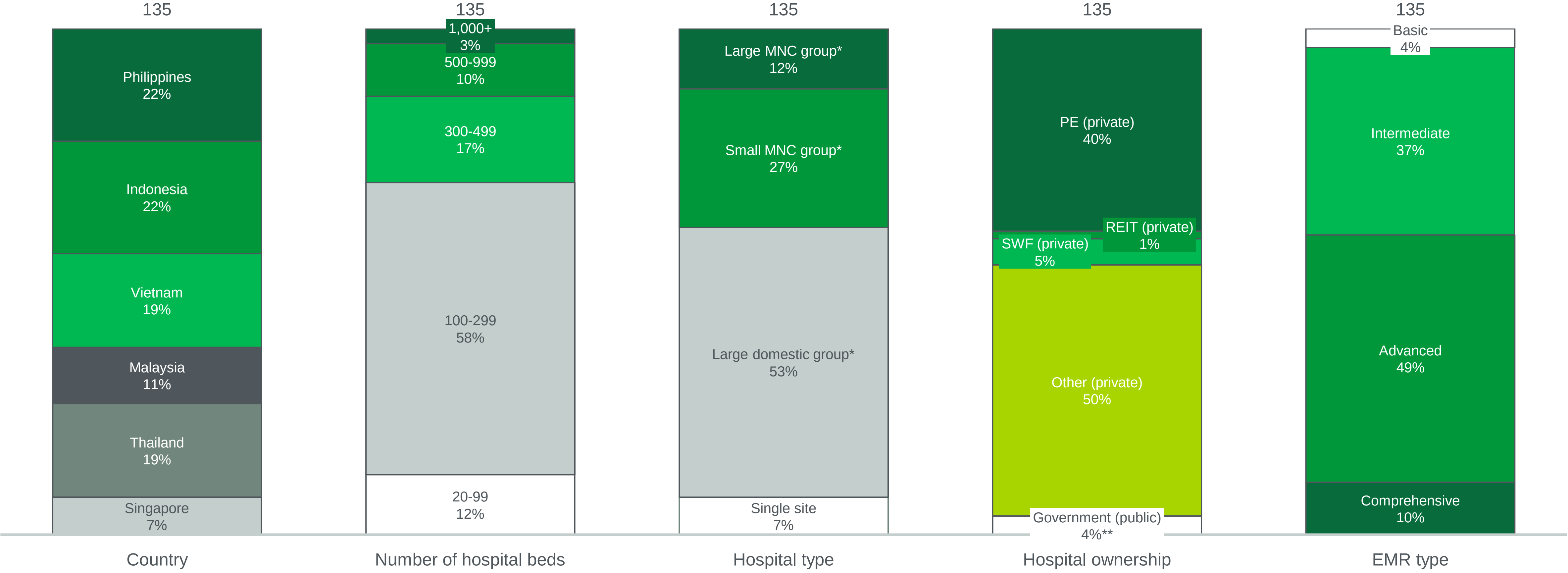


Note: SEA=Southeast Asia
Source: L.E.K. research and analysis

L.E.K.'s flagship Hospital Priorities Survey includes 135 respondents from across SEA, covering various institution types, sizes and ownership structures

L.E.K. Hospital Priorities total survey respondent mix — All respondents belong to private hospitals**

Percentage of respondents (N=135)



*Large group is >5 hospitals, small group is ≤5 hospitals, MNC=in more than one country, domestic=in only one country

**Singapore respondents include public and private hospitals due to low N

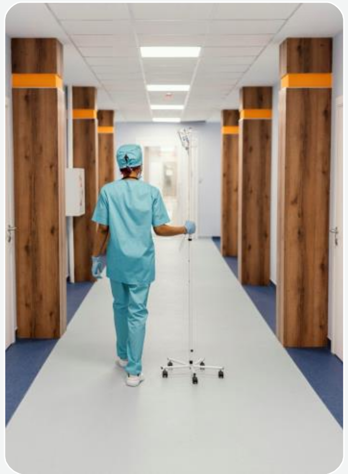
Note: MNC=multinational corporation; PE=private equity; REIT=real estate investment trust; SWF=sovereign wealth fund; EMR=electronic medical record

Source: L.E.K. 2025 APAC Hospital Priorities Survey

Southeast Asian healthcare providers face external pressures and internal constraints offering opportunities to drive differentiation

Shifting patients' preferences
Consumerism of healthcare
Patients looking to "own" their journey
Higher appetite for digital engagement
Seeking greater convenience and experience

Shifting payer landscape
Increasing penetration of private medical insurance, including for medical tourism
Downward pressure on reimbursement rates
Inpatient to outpatient shift pressure



Hospitals in SEA
Talent shortage
Constrained capital allocation
Inflation of medical device costs and salaries

Structurally rising demand
Aging population
Higher prevalence of NCDs
Improved access to care

Changing regulator expectations
Critical specialties now expected to be owned by the private sector
Community healthcare agenda
Emphasis on prevention and long-term condition management
Increasing sustainability expectations

Ballooning investors' expectations
High entry multiples leading to the need for fast expansion while maintaining high margins

Note: SEA=Southeast Asia; NCDs=noncommunicable diseases
Source: L.E.K. research and analysis

The insights over the following pages cover four broad healthcare services themes

1. **Financial outlook**

2. **Private care models**

3. **Operational priorities**

4. **Digitalization**

Source: L.E.K. research and analysis

Only private hospitals in Singapore and the Philippines have meaningful revenue from public sources

Private hospital funding source, by country (TTM)*
Percentage

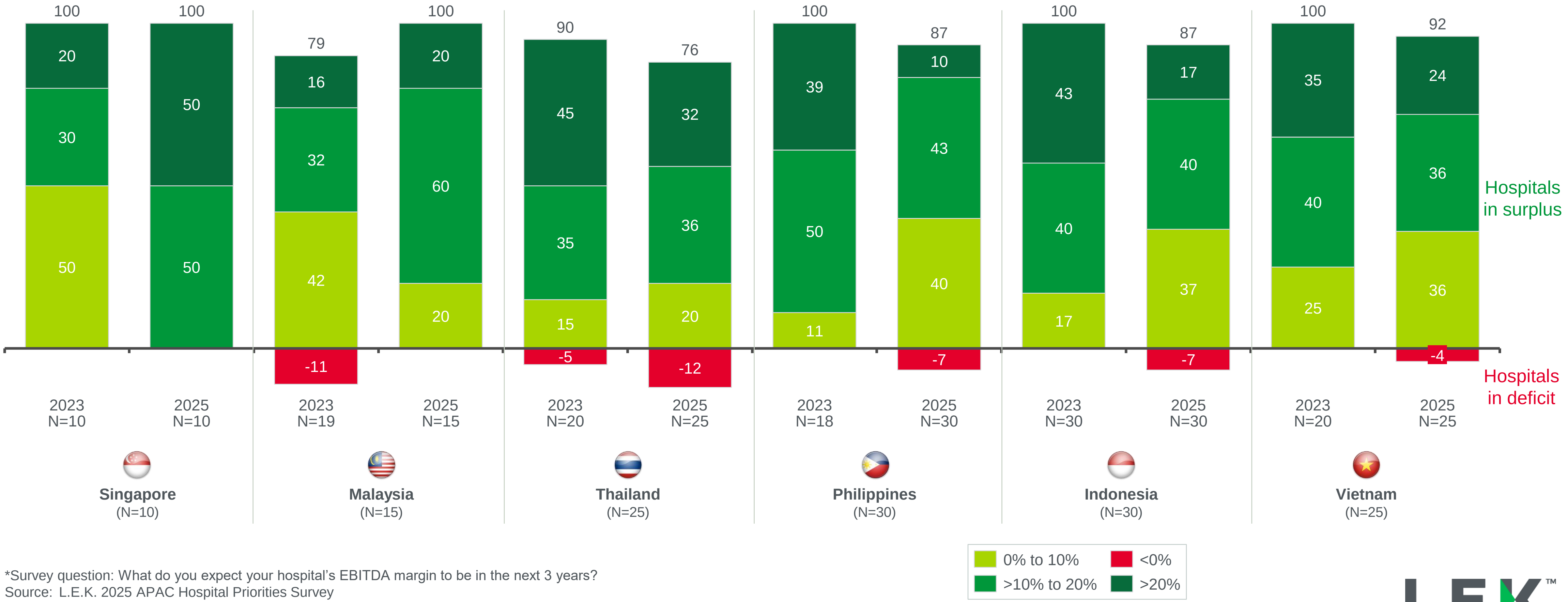
Funding contribution (Percentage of total): 0%-9% | 10%-29% | 30%-50% | >50%

	Government funding	Private funding	Out-of-pocket payments
	Funding from national or regional health programs	Reimbursement from private insurance (e.g., HMOs), individual and corporate	Direct payments from patients for HC services received
Singapore (N=10)**	30%	42%	28%
Malaysia (N=15)	—	49%	51%
Thailand (N=25)	—	53%	46%
Philippines (N=30)	14%	43%	43%
Indonesia (N=30)	3%	45%	52%
Vietnam (N=25)	—	47%	53%
Example programs	PhilHealth (Philippines), National Healthcare Group (Singapore)	Bupa, AXA, Allianz — individual insurance	N/A

*Survey question: Please estimate the percentage of your hospital's total funding over the last 12 months from each of the following sources. Ensure the total adds up to 100%
**Includes both private and publicly owned hospitals; underrepresentation of government funding due to survey respondents being from private hospitals in all countries except in Singapore
Note: TTM=trailing twelve months; HMO=health maintenance organization; HC=healthcare; N/A=not applicable
Source: L.E.K. 2025 APAC Hospital Priorities Survey

The financial outlook for private hospitals has improved in Singapore and Malaysia; however, Thailand, Vietnam, Indonesia and the Philippines are slightly less optimistic

Private hospital EBITDA margin outlook, by region (next three years)*
Percentage of respondents



*Survey question: What do you expect your hospital's EBITDA margin to be in the next 3 years?
Source: L.E.K. 2025 APAC Hospital Priorities Survey

LEK™

Clinical staff expenditures are expected to increase across all of Southeast Asia in the next twelve months; the Philippines and Vietnam expect the least expenditure increases of surveyed countries

Private hospital expenditure outlook, by region (FY26)*
Percentage

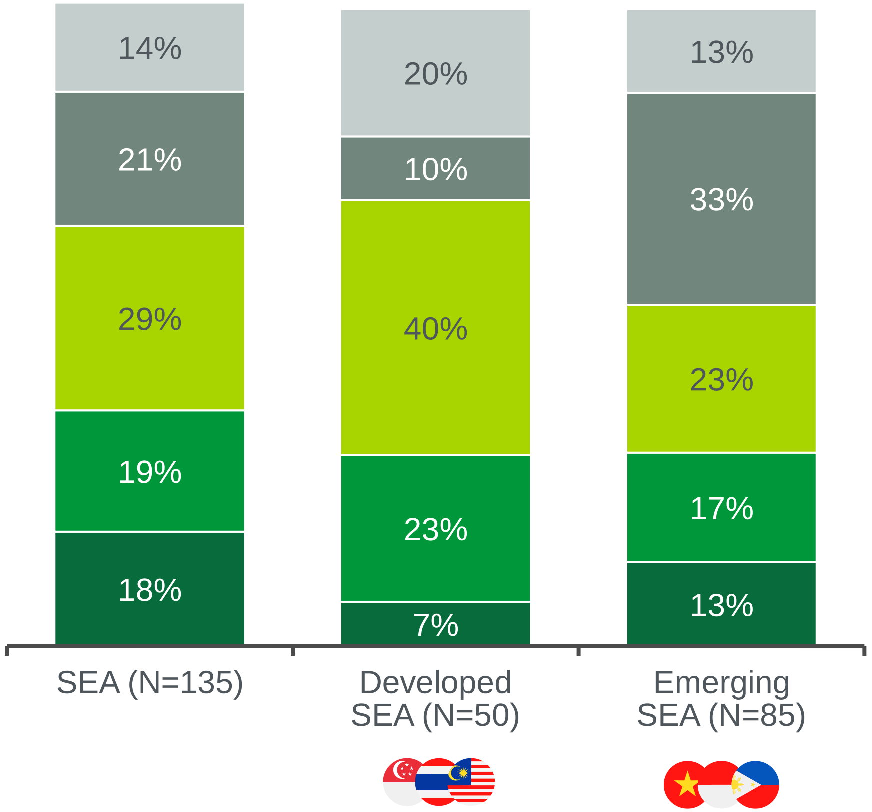
	Singapore** (N=10)	Malaysia (N=15)	Thailand (N=25)	Philippines (N=30)	Indonesia (N=30)	Vietnam (N=25)
Capex	Significant increase	Moderate increase	Moderate increase	No change	Moderate increase	No change
Clinical staff	Moderate increase	Moderate increase	Significant increase	Moderate increase	Moderate increase	Moderate increase
Nonclinical staff	Moderate increase	Moderate increase	Moderate increase	No change	Moderate increase	Moderate increase
Facilities and maintenance	Moderate increase	Moderate increase	Moderate increase	Moderate increase	Significant increase	No change
Medical supplies	Moderate increase	Moderate increase	Significant increase	No change	Moderate increase	No change
Other^	Moderate increase	Moderate increase	Moderate increase	No change	Moderate increase	No change

Significant decrease (>5%) | Moderate decrease (2% to 5%) | No change (±0% to 2%) | Moderate increase (>2% to 5%) | Significant increase (>5%)

*Survey question: How do you anticipate your hospital's expenditure to change in the next 12 months?
**Includes both private and publicly owned hospitals
^Includes marketing, community programs, etc.
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Hospitals in Singapore, Thailand and Malaysia are looking to strengthen value-based care contracts, while those in the Philippines, Indonesia and Vietnam are focused on reducing administrative costs

Private hospital strategy for payer negotiations, by country*
Percentage



- Focus on negotiating higher reimbursement rates
- Prioritize increasing the volume of payer contracts
- Strengthen value-based care agreements
- Focus on reducing administrative costs associated with claims processing
- Develop partnerships with payers to offer bundled payment or risk-sharing models

Examples of value-based care in SEA include:

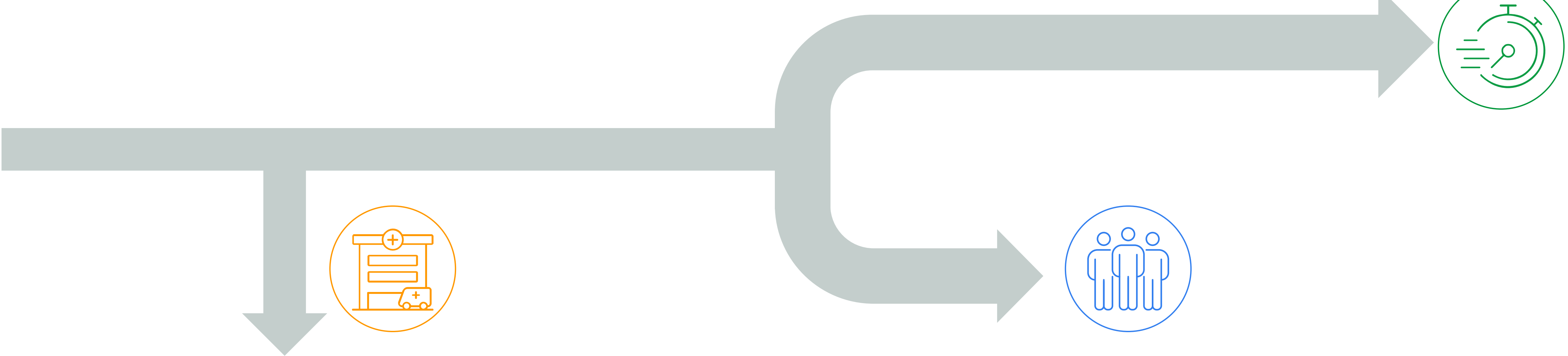
- A Malaysian/Singaporean healthcare group is expanding value-based care initiatives by focusing on value-driven outcomes frameworks (e.g., introduction of reporting systems for preventive care procedures/tests such as colonoscopies) and systems to improve clinical outcomes without raising costs
- Provider group and government initiatives are encouraging outcomes-based and/or capitated payments in Singapore, Malaysia and Thailand

*Survey question: What is your hospital's primary strategy for managing relationships with payers (e.g., insurance companies, government health programs, private medical insurance companies)?
Note: SEA=Southeast Asia
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Public reimbursement pressure on hospital systems is leading to ‘two-speed’ private healthcare systems

Two-speed private healthcare systems

Premium private providers focusing on PMI/OOP with the higher profitability and ability to invest in future specialties



Public healthcare
Saturated, overcrowded, budget deficits, payer strain more prevalent in emerging SEA

Mass-market private providers are more reliant on government funding sources, and mass market consistently needs to reinvent its model and streamline

Note: PMI=private medical insurance; OOP=out-of-pocket; SEA=Southeast Asia
Source: L.E.K. research and analysis

Two archetypes of private hospitals are emerging: Premium private hospitals are often smaller/higher EBITDA and lower occupancy, while mass-market private are larger, higher occupancy with lower EBITDA

Two-speed private healthcare systems: hospital archetypes within the SEA private sector (1/2)*

48% owned/invested in by PE/REITs/SWFs

Typically, smaller in size	Lower occupancy	Higher
<300 beds	<60%	20%+ EBITDA

More use of advanced systems

56% owned/invested in by private families/individuals

Typically, larger in size	Higher occupancy	Lower
>300 beds	70%+	10%-20% EBITDA

Typically, more basic, lower adoption of advanced

*Survey questions: What do you expect your hospital's EBITDA margin to be in the next 3 years?; What is your hospital's average bed occupancy rate over the past 12 months (as a percentage of total licensed beds)?; What type of EMR system does your hospital currently deploy?; Is your hospital independently owned, or is it part of a healthcare group ultimately owned by or invested in an institutional investor, private equity (PE) fund, or sovereign wealth fund (SWF)?
Note: EMR=electronic medical record; SEA=Southeast Asia; REIT=real estate investment trust; OOP=out-of-pocket; PMI=private medical insurance
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Both archetypes are expanding beyond the border of traditional hospitals, particularly in outpatient departments/ambulatory

Two-speed private healthcare systems: hospital archetypes within the SEA private sector (2/2)*

Premium private (N=85)
SEA private hospitals focusing on OOP/PMI

- Interventional cardiology **(62%)**
- Orthopedics **(49%)**
- IVF **(46%)**

- Outpatient and ambulatory care services **(53%)**
- Inpatient and bed-related services **(52%)**
- Surgical and procedural services **(51%)**
- Emergency and critical care services **(48%)**

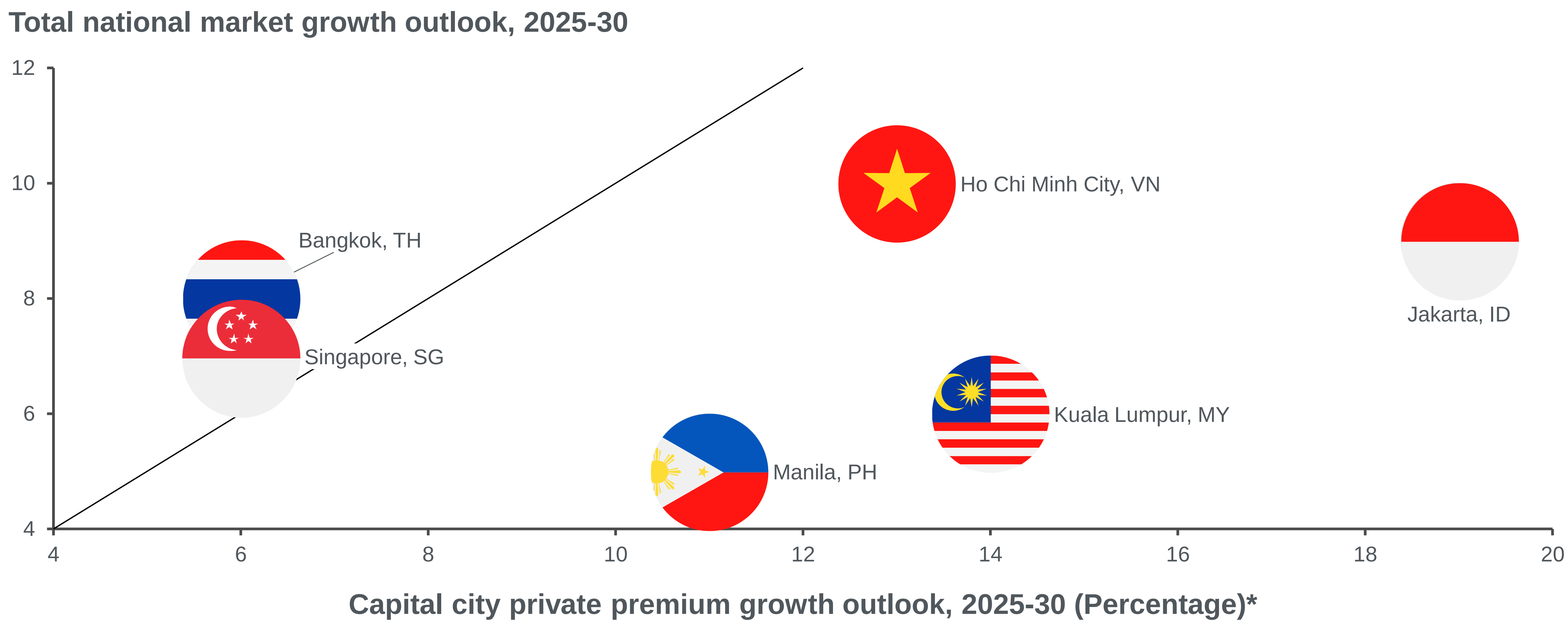
Mass-market private (N=50)
SEA private hospitals higher government sources

- OBGYN **(65%)**
- Geriatrics **(46%)**
- Pediatrics **(35%)**

- Surgical and procedural services **(57%)**
- Outpatient and ambulatory care services **(47%)**
- Emergency and critical care services **(44%)**
- Inpatient and bed-related services **(42%)**

*Survey questions: Which clinical specialty is being offered in your hospital, what are the expected changes in offering in the next three years?; Which clinical service is being offered in your hospital, what are the expected changes in offering in the next three years?
Note: SEA=Southeast Asia; OOP=out-of-pocket; PMI=private medical insurance; IVF=in vitro fertilization; OBGYN=obstetrics and gynecology
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Except in Singapore and Thailand, premium private healthcare is expected to outperform overall healthcare market growth



*Estimated based on share of bed capacity in city
Source: EMIS; L.E.K. research and analysis

Private equity-owned hospitals, whether premium private or mass-market focused, are typically more efficient and able to drive higher BOR

Private hospital bed occupancy rate, by country (TTM)*

Percentage of respondents

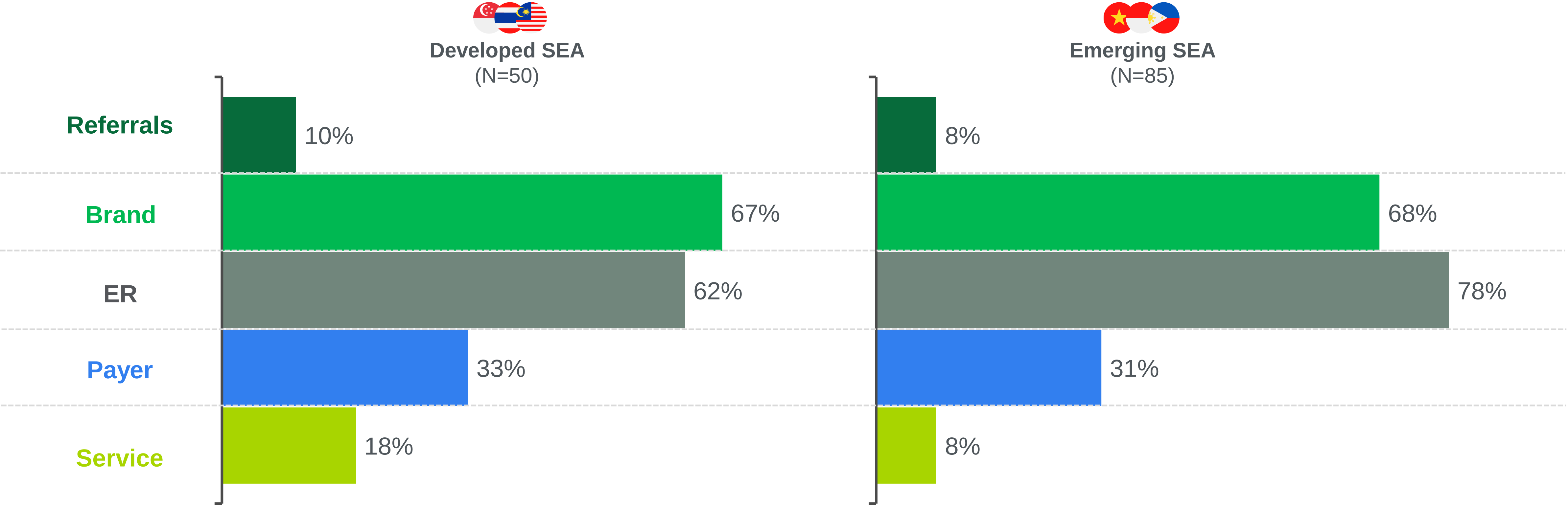
		Developed SEA			Emerging SEA		
	SEA-6	Singapore N=10	Malaysia N=15	Thailand N=25	Philippines N=30	Indonesia N=30	Vietnam N=25
Total	**68%-73%****	**70%-75%****	**70%-75%**	**65%-70%**	**60%-65%**	**65%-70%**	**60%-65%**
PE-owned	65%-70%	N/A	70%-75%	68%-73%	55%-60%	68%-73%	65%-70%
Other private	65%-70%	N/A	70%-75%	65%-70%	63%-68%	65%-70%	55%-60%

Both archetypes (private premium and mass market) are spread across ownership models — refer to slide 13 for definitions

*Survey question: What is your hospital's average bed occupancy rate over the past 12 months (as a percentage of total licensed beds)?
**Total includes Singapore public hospitals
Note: TTM = trailing twelve months; SEA=Southeast Asia; BOR=bed occupancy rate; PE=private equity
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Developed SEA markets have slightly more mature referral ecosystems; however, ER capabilities are more critical in emerging SEA

Largest drivers of inpatient admissions at private hospitals (TTM)***
Percentage of responders



*Survey question: What are your three largest drivers of inpatient admissions? (Select two)
**The following categories are averages of two response options: Referrals includes outpatient referrals from within your network and outpatient referrals from outside your network, brand includes physicians' personal brand/reputation and hospital brand, payer includes private insurance/health maintenance organizations' networks and government subsidized care (e.g., national health insurance); developed SEA includes Singapore, Thailand and Malaysia; emerging SEA includes Vietnam, Indonesia and the Philippines
Note: TTM = trailing twelve months; SEA=Southeast Asia; ER=emergency room
Source: L.E.K. 2025 APAC Hospital Priorities Survey

Specialty growth is driven by country-specific public health needs (e.g., aging population, diabetes) and medical tourism (e.g., bariatric)

Top three specialties expected to expand, by country*

Percentage of respondents that selected "expand offering" in the next three years

	Developed SEA			Emerging SEA		
Rank (2025)	**Singapore** (N=10)	**Malaysia** (N=15)	**Thailand** (N=25)	**Philippines** (N=30)	**Indonesia** (N=30)	**Vietnam** (N=25)
1	Pediatrics (90%)	Cardiology (67%)	Endocrinology (60%)	Ophthalmology (63%)	OBGYN (57%)	Cardiology (60%)
2	Dermatology (80%)	Nephrology (67%)	Geriatrics (60%)	Oncology (60%)	Cardiology (57%)	Nephrology (60%)
3	Aesthetics (80%)	General surgery (67%)	Bariatric surgery (56%)	OBGYN (60%)	Cosmetic surgery (57%)	Pediatrics (60%)

*Survey question: Which clinical specialty is being offered in your hospital (e.g., offering dedicated beds, specialists, clinics, subspecialties, specialty-specific technologies), what are the expected changes in offering in the next three years?
Note: SEA=Southeast Asia; OBGYN=obstetrics and gynecology
Source: L.E.K. 2025 APAC Hospital Priorities Survey

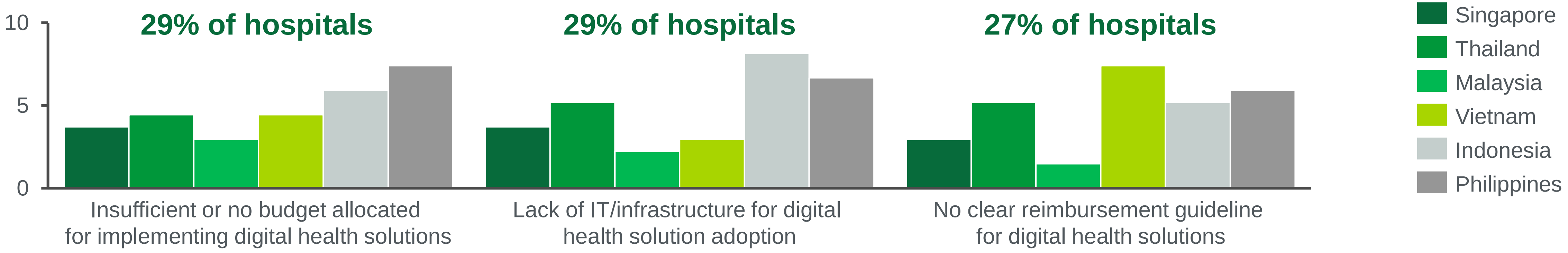
When it comes to digital, there is a clear gap between reality and ambition

Digital health adoption — reality vs. aspiration

- Reimbursement pathways haven't kept up with innovation
- Digital literacy remains a silent bottleneck
- Tech adoption is patchy and siloed
- Budget constraints are biting harder than ambition admits
- Lack of interoperability is fragmenting care and data
- Ambition outpaces execution capacity

Top concerns for digital health adoption*

Percentage of respondents (N=135)



*Survey question: What are your concerns for digital health adoption? (Choose top three that apply)
Note: IT=information technology
Source: L.E.K. 2025 APAC Hospital Priorities Survey

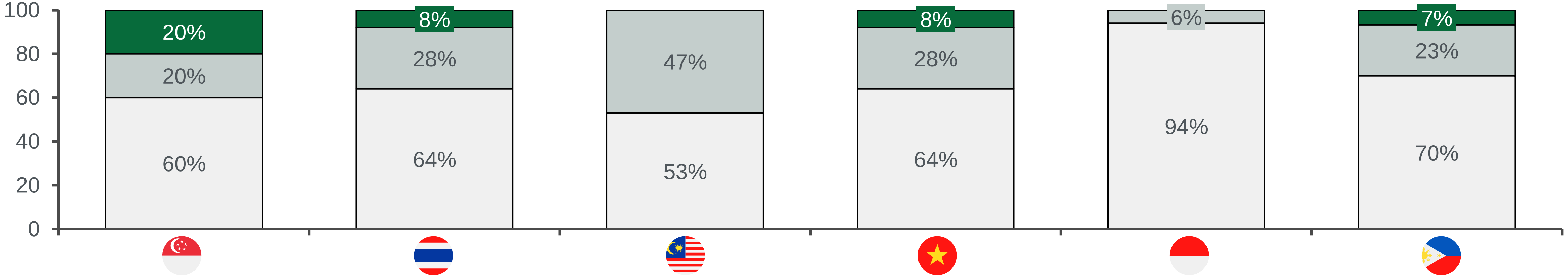
Data commercialization is an illustrative example of where SEA providers are missing an opportunity to harness a rich pool of information at their doorsteps

Data monetization — the hidden asset

- Demand for healthcare data is already here — and it's massive
- Buyers are willing to pay premium prices for curated clinical data
- SEA hospitals are missing strategic partnerships that are already shaping Europe's data economy
- There is strong global interest in data from outside North America
- Early movers in SEA will shape the region's data economy

SEA hospital data commercialization activity*

Percentage of respondents (N=135)



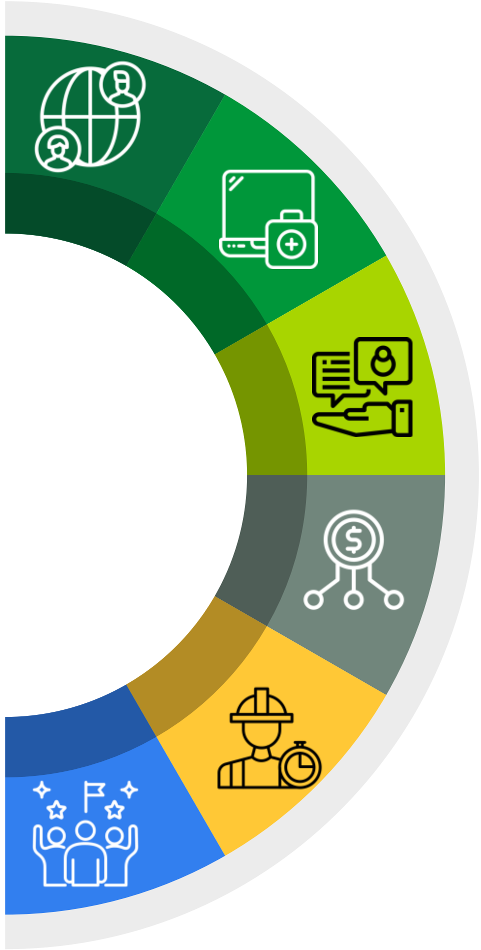
None/sporadic | Some | Active

*Survey question: Has your hospital considered commercializing clinical data (with patient consent or appropriately anonymized) available to pharmaceutical or medtech companies for research, clinical trials, or other approved purposes?

Note: SEA=Southeast Asia

Source: L.E.K. 2025 APAC Hospital Priorities Survey

Leading operators will shape the future of healthcare and …



What leading operators will do differently

- Learn fast from global peers; adapt models, not just technology
- Build digitally enabled outpatient/ambulatory platforms, with a focus on specialty care
- Anticipate and engage in value-based payer relationships
- Diversify revenue streams: payer mix, new sources of income (e.g., data monetization)
- Drive labor efficiency while investing in staff well-being
- Build regional leadership with focused models adapted to each country and drawing on cross-country patient flows

Source: L.E.K. research and analysis

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