



## Creating a Disruptive Business Model for Cardiac Care in India

Heart disease is the number one killer in India, with millions dying due to lack of access to treatments. Medtronic, the world's largest maker of medical devices, called on Innosight to create a new business model to expand access to technologies such as implantable pacemakers.

### IDENTIFYING BARRIERS TO CARDIAC CARE

Across India, heart disease has been rising, with some studies estimating that this nation of 1 billion accounts for 60% of the world's heart disease. Since most people don't have health insurance, only a tiny percentage can afford proper cardiac care. As the world's leading company dedicated to medical devices, Medtronic established a presence in India thirty years ago. But to reach the masses of people who are unable to obtain pacemakers and other cardiac products, the company needed a breakthrough not in technology but in a new business model.

The Innosight engagement began with several months of field research into the patient treatment cycle. The team visited hospitals and clinics, interviewing physicians, nurses, administrators and patients, with the research turning up four key barriers to cardiac care: 1) Lack of patient awareness of health and medical needs, 2) Lack of proper diagnostics, 3) Inability of patients to navigate the care pathway, and 4) Affordability.



## DESIGNING A DISRUPTIVE BUSINESS MODEL

To blueprint a business model for cardiac care in India, the team needed to create an entirely new ecosystem from scratch. Innosight helped Medtronic build a model based on four building blocks:

**Go direct-to-patient:** reach out through a toll-free hotline posted on billboards, ads on trucks, in social media and text messaging, inviting patients to free diagnostic events.

**Engage the ecosystem:** work with industry stakeholders to raise awareness and drive participation in the program.

**Manage the pipeline:** set up screening camps with telemedicine technologies such as wireless relay of ECG results and other tools that directly identify patients.

**Ensure affordability:** create the first-ever consumer financing plan for pacemakers.

The business model became the basis for the “Healthy Heart for All” initiative. The service was introduced through a pilot program at The Mission Hospital in Durgapur, with the first implant in September 2010. A 44-year-old mother and widow named Angurbala was suffering from blackouts and other symptoms of acute heart disease. Her family income was about \$65 per month, and so a monthly payment was set to fit her budget. After her procedure, she said, “If it weren’t for this program, I would not be alive today.”

## DRIVING RESULTS IN THE MARKET

An 18-month market test across a wider range of hospitals demonstrated the promise of the Healthy Heart for All model. “These pilots have been incredibly successful,” said Medtronic CEO Omar Ishrak, who said the model was proving sustainable for partner hospitals. Medtronic expanded the venture to hundreds of additional sites across India and then to other emerging economies. “We’re scaling it up very rapidly,” Ishrak said in early 2013, “to the point where this becomes the default business model, the standard of how we deploy cardiac therapies in India.”

Over its first four years, the Healthy Heart for All venture screened more than 167,000 patients and implanted pacemakers in about 15,000 of them, Medtronic reported in 2015. Emerging markets has become one of the fastest growing parts of the company, expanding at double digit rates. Now, Medtronic plans to introduce the model for lower-income patients in the U.S. At the same time, the business model innovation methods developed in partnership with Innosight have now become a corporate-wide capability.

***“Innosight has developed a methodology that enabled us to think through these problems and develop new business models in a systematic way.”***

– Omar Ishrak, CEO of Medtronic