Philips Healthcare Informatics improves peoples’ lives throughout the patient care cycle by enabling more effective and efficient care — resulting in improved outcomes.

Oran Muduroglu
CEO of Healthcare Informatics
Agenda

• Healthcare Informatics
• Enterprise Informatics
• Radiology Informatics
• Cardiology Informatics
• Clinical Applications
Healthcare IT Market

IT in Healthcare = Infrastructure IT + Healthcare IT
Healthcare IT = Enterprise IT + Clinical IT

Healthcare IT is:
- very fragmented (1200+ companies)
- ~ € 24 Bln market (USA 70%)
- average growth 11%/year 2004-2006
- 2006 – 2011 ~7% growth estimate

Clinical IT: PACS, Workstations, Clinical Applications, Decision Support, Monitoring related IT products:
Many Philips Medical Systems products

Enterprise IT: Clinical Data Repository, CPOE, EMR and
Departmental IT: RIS, CVIS, etc.: Philips Xtenity
powered by Epic

Infrastructure IT: IT Hardware, Op. Systems,
Networks, Office Desktop. Outsourced infrastructure:
Reseller agreements

Source: CapGemini U.S., DeLoitte, Gartner

Total IT in Healthcare ~ €58 Bln (USA 50%) in 2005
IT Priorities Around Patient Safety, Cost Reduction and Quality

CIO Survey: Most important applications in next two years

- Computerized practitioner order entry (CPOE): 52% (2006) vs 50% (2005)
- Clinical Data Repository: 45% (2006) vs 42% (2005)
- Point-of-care decision support: 37% (2006) vs 41% (2005)

Source: 2005 Annual HIMSS Leadership Survey
Philips Healthcare Informatics Vision

Key Goals
• Improve outcomes
• Increase access and lower cost of delivering care

Taking the complexity out of healthcare
The evolution of Philips Healthcare Informatics

Demonstrate clear differentiation in the market
• Improved outcomes
• Better asset utilization
• Improved operational efficiency

Provide the common IT infrastructure for our modalities
• Extended workflow
• Back-up, preferences, database
• User infrastructure
• Support infrastructure

Become a leading business in PMS
Healthcare IT is becoming more complex

- Pharmacy/Medication Safety
- Physician Clinical Practice
- Clinical Documentation
- Departmental
- Core Information Management
- Enterprise Patient Access
- Care Management
- Clinical Decision Support
- Health Information Management

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Philips Informatics is taking the complexity out of healthcare

- Operating room
  - iSite
  - #1 Monitoring IntelliVue

- Intensive Care unit
  - iSite
  - #1 Monitoring IntelliVue

- Decision Support
  - iSite Enterprise
  - Xtenity EMR

- Diagnostics
  - #1 in Radiology - iSite
  - #1 in Cardiology – Witt & Xcelera

- Emergency Room
  - #1 in Radiology – iSite
  - #1 in Cardiology – Witt & Xcelera

- Pre-Hospital
  - #1 Ambulance
  - Monitoring Resuscitation & iSite

- Step down facility
  - #1 Monitoring Lifeline

- Home
  - Telemonitoring
  - Motiva Lifeline

**Information & Decision support**

- Creating an integrated fabric wrapping around modalities
- Providing the right medical context via decision support and evidence-based medicine
- Extending critical care and monitoring out of the hospital into the home
Philips offers a consistent and integrated experience
Strengths of current organization

Best in KLAS products and services
• Radiology (iSite)
• Cardiology (Xcelera/Witt)
• Enterprise (Xtenity/Epic)

Philips culture
• Commitment to do the right thing for the customer

Technical leadership
• Leading edge
• Partnered with strong modalities
Enterprise Informatics

- Pharmacy/Medication Safety
- Physician Clinical Practice
- Clinical Documentation
- Departmental
- Core Information Management
- Enterprise Patient Access
- Care Management
- Clinical Decision Support
- Health Information Management
Philips Xtenity Enterprise Informatics

A #1 in KLAS comprehensive Healthcare Information System supported by a world-class implementation and training organization

Patient Care Cycle demonstrated at HIMSS 2006
  • Tight integration with iSite PACS, iSite Enterprise

Metro Health Grand Rapids implementation in progress

Sales Force certification and training

Qualified Philips implementation team

Comprehensive, Integrated and proven!
Radiology

- Pharmacy/Medication Safety
- Physician Clinical Practice
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August 2005: Philips announced acquisition of #1 Rated PACS vendor, Stentor, Inc.

**Stentor History:**

- Founded in 1998
- Based in Brisbane, CA, US
- 160 Employees
- #1 ranking in KLAS last three years in a row
- #2 in NA order intake in 2005
- Growth approximately 50% per year
- Unique Service Delivery Model
- Over 500 customers
Philips PACS Market Share

- GE 25%
- Philips 18% (North America)
- Siemens 10%
- Fuji 9%
- Agfa 9%
- ALI / McKesson 8%
- Others 7%
- Emageon 6%
- Amicas 8%

Source: Frost & Sullivan 2005

- 2003, 2004, 2005 Best in KLAS PACS
- #2 in MD Buyline
- Microsoft MS HUG Technology Leadership Award HIMSS 2006
iSite Efficient Sales Cycle

**Approach**

- Enterprise First

**Pricing**

- Pay-per Study for Maximum Budget Flexibility

**Model**

- Proliferation Through IDN Strategy

**Infrastructure**

- Direct Sales Force, leveraging Philips Account Management
iSite PACS proliferates across a national Integrated Delivery Network

18 Hospitals in Northern California
11 Hospitals in Southern California
National Enterprise Distribution

170 Radiologists
5,000 Clinicians
3.2M Members
Predictable, Growth Oriented Model

**Traditional Software**
*Lumpy, Front-End Loaded*

Growth Driven by New Deal Flow

$ Millions

Year 1 Year 2 Year 3 Year 4 Year 5

- Blue: Software
- Orange: Hardware
- Green: Services
- Yellow: Maintenance
- Purple: Upgrades

**iSite Fee per Study**
*Predictable Volume and Revenue*

Growth Driven by Volume Increases

$ Millions

Year 1 Year 2 Year 3 Year 4 Year 5
iSite Service Contracts in Place vs. Revenue Forecast

% of revenue forecast identified

- 2006: 97%
- 2007: 71%
- 2008: 51%
- 2009: 41%
Cardiology

- Pharmacy/Medication Safety
- Physician Clinical Practice
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U.S. Market Share of Major Cardiology PACS Providers

- GE Healthcare: 32.2% (WITT BIOMEDICAL: 8.3%)
- Siemens Medical Solutions: 7.6%
- Heartlab, Inc.: 17.8%
- Philips Medical Systems: 27.1%
- Camtronics Medical Systems: 5.2%
- Others: 10.1%

Source: Frost & Sullivan
Cardiovascular Care Cycle

*Healthcare Informatics*

Informatics is the thread that ties everything together
Complex Workflow in Cardiac Care

*Healthcare Informatics*

**Early Diagnosis and monitoring**

**Pre-Procedure Planning**

**Interventional Procedure**

**Follow-up and monitoring**
Clinical Applications
Workstations and Clinical Applications

Clinical Applications in the workflow

- Market trend towards advanced and seamless integration of Hospital Information Systems with PACS and advanced (3D/4D) viewing and clinical applications
- Clinical advanced use of data requires portability from modality to PACS to workstation: Philips Medical Systems can provide the whole image acquisition, distribution and advanced applications chain
Philips ViewForum Clinical Workstations

- Truly integrated 3D capabilities in support of the reading process
- Wide range of clinical applications to help investigate and quantify pathology
- Speeds-up the reading process for large and complex CT and MR cases, helping to manage the data explosion
- Unique 2D / 3D volume inspection integration capability
- Supporting decision support and CAD
Taking the complexity out of healthcare

Thank you