

## **Potential Cost Savings for India Healthcare: ODM's Platform Case Study** **(Focusing on the State of Bihar)**

### **Introduction**

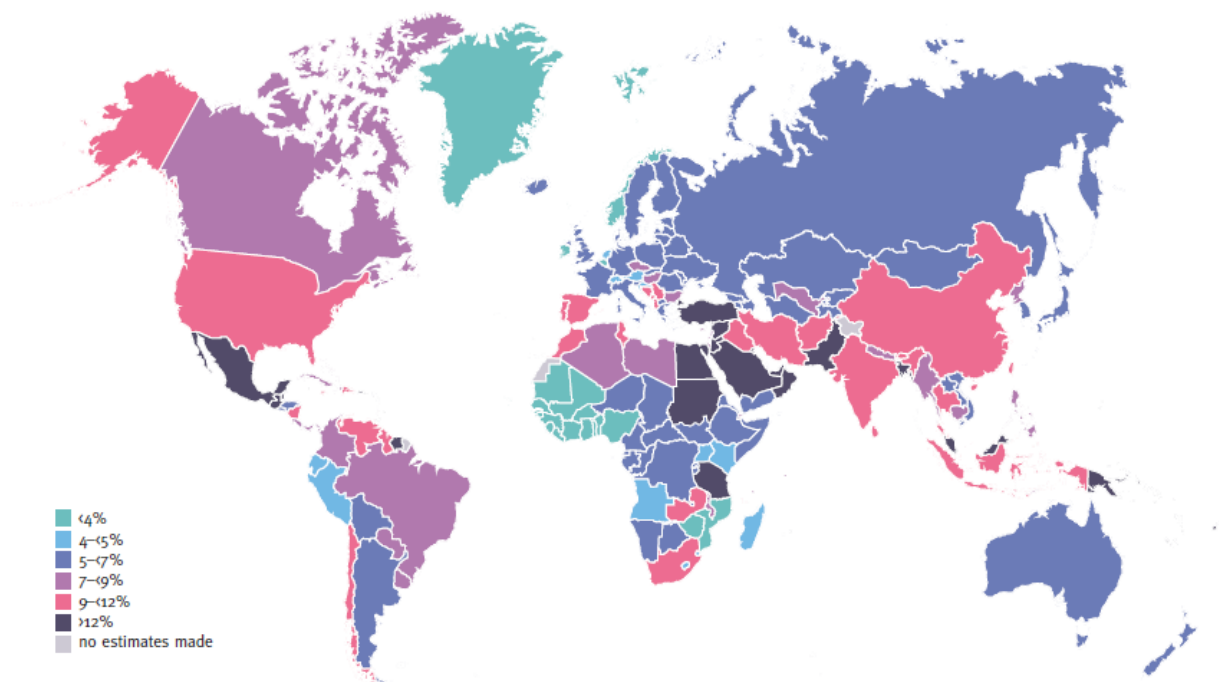
Further to the information provided and the discussions held to date concerning the implementation of ODM's Healthcare Platform, we are pleased to present the following case study. This study focuses on the State of Bihar and highlights the potential cost savings to the Indian healthcare system through the application of ODM's platform for the early prevention, detection, and management of diabetes mellitus.

It serves as a critical example of one specific aspect of the platform's significance. The broader potential of ODM's Healthcare Platform will be fully realized through its comprehensive implementation, yielding across-the-board cost reductions and efficiencies, along with an overall enhancement in public health.

### **Overview**

Similar to many developed countries, India is confronting an epidemic of one of the most costly chronic diseases - type 2 diabetes mellitus (T2DM). Unfortunately, it has the second-largest number of diagnosed diabetics worldwide<sup>1</sup>.

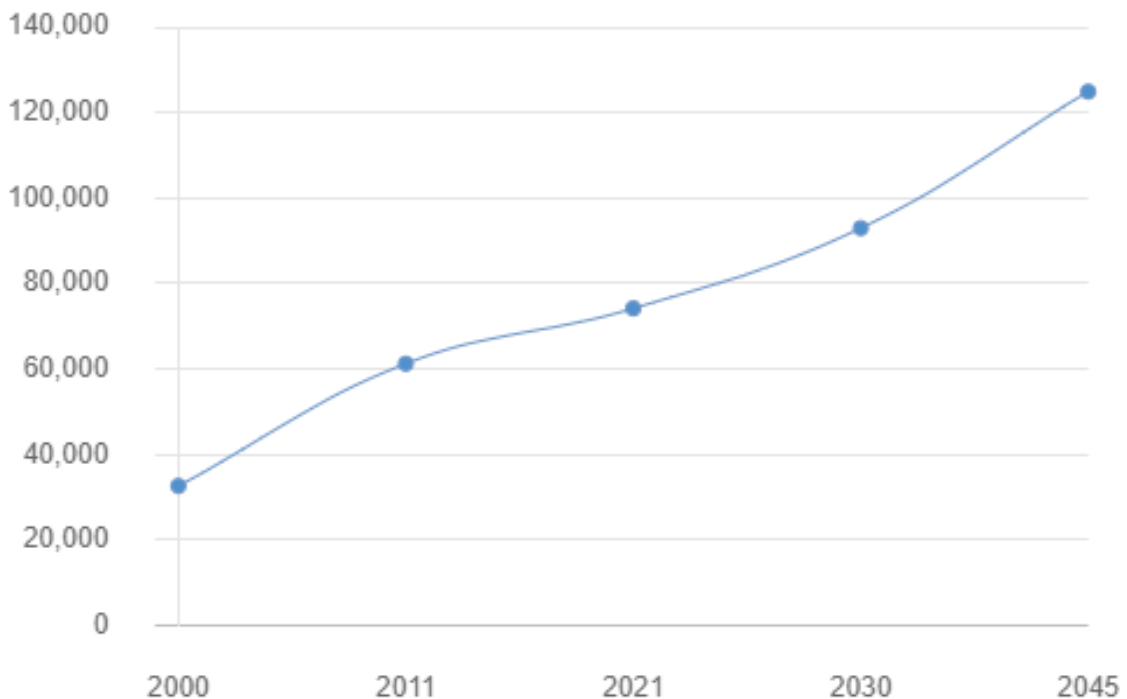
**Map 3.2** Estimated age-adjusted comparative prevalence of diabetes in adults (20–79 years) in 2021



## T2DM in India, with a Focus on Bihar

Current IDF (International Diabetes Federation) data indicates that in 2021 there were 74 million adult diabetes patients in India (9.6% of the total adult population of 894 million aged 20 and 79)<sup>2</sup>. Additionally, there were 39 million more adults with undiagnosed diabetes. According to an estimate, the number of diagnosed diabetics is expected to rise to over 124 million by 2045<sup>1</sup>.

### People with diabetes, in 1,000s

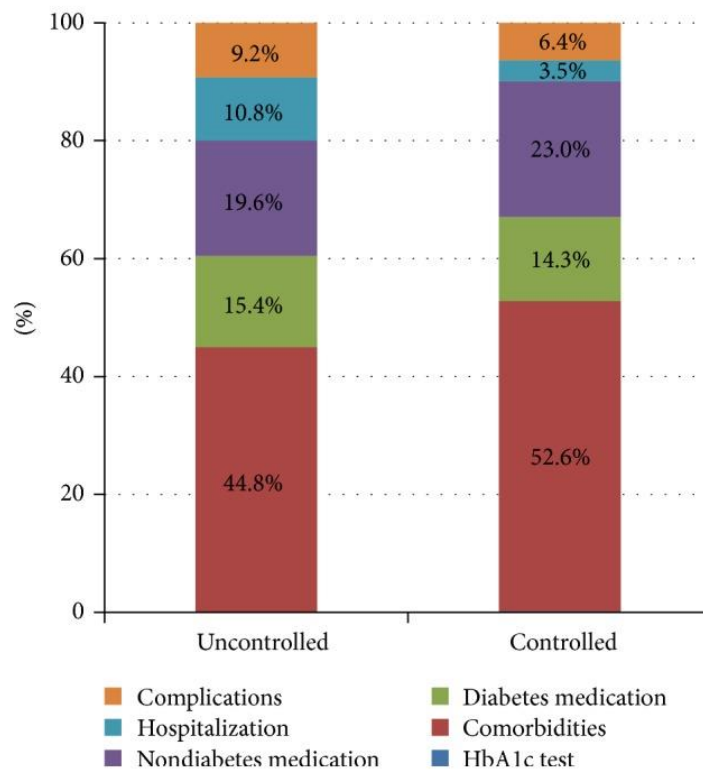


In Bihar, a state with approximately 77.5 million adults, there are 9.14 million adults living with diabetes, representing 11.8% of the adult population.

### Diabetes Management Costs

**Currently in India, only about 30% of diabetes patients achieve controlled diabetes** (defined as HbA1c  $\leq$  7%), according to studies from Indian Council of Medical Research and other healthcare research organizations.

The estimated annual cost for managing **controlled diabetes** in India is approximately ₹15,000 (USD 179) per patient, which includes regular medication, routine consultations, and monitoring. In contrast, the annual healthcare costs for **uncontrolled diabetes** are significantly higher, estimated at ₹40,000 (USD 477) per patient, primarily due to additional expenses associated with complications such as cardiovascular disease, nephropathy, and other related healthcare needs. This represents a difference of USD 298 per patient per year.



### Projected Financial Impact

ODM’s platform can help improve T2DM management by building a dynamic registry for the entire population and reporting periodic comparative quality indicators to healthcare providers regarding their performance.

In 2006, the proportion of controlled diabetes patients Israel was lower than 50%. However, by using a dynamic national reporting platform, the Israeli Ministry of Health, in collaboration with the health maintenance organizations (HMO), was able to increase the proportion of controlled T2DM patients to over 70% within a few years (73% in 2024 for the entire population). In Israel these registries were managed by the HMOs, and the public received annual reports on the comparative performance of the healthcare providers in aggregate form. Notably, no financial incentives were provided to the healthcare providers. The significant improvement was attributed to the enhanced timely feedback given to providers rather than any change in GP knowledge, which had been consistently high throughout the period.

If a national diabetes registry were implemented in India using ODM's platform, equipped with a set of specific quality indicators, the financial implications could be substantial. It is reasonable to expect that the proportion of controlled T2DM patients could rise from ~30% today to ~50% within five years, with the potential to increase to ~70% in the years following that.

**For the healthcare system Bihar, this process could generating savings of up to USD 550 million annually within a five-year period, representing a saving of 15.5% on the current total costs.**

## Enhancing Healthcare Efficiency

As noted above, this study focuses on one common chronic condition, but similar — or even proportionally greater — savings could be achieved for other conditions, such as cardiovascular diseases.

National disease registries that are dynamic and population-based, rather than sporadic and cross-sectional, have contributed to Israel becoming one of the most cost-efficient healthcare systems in the OECD <sup>(3,4)</sup>. Additionally, they have helped reduce regional variation in care provision and disparities between ethnic groups.

While India demonstrates solid key health metrics, there remains significant potential for further improvement through the implementation of ODM's platform.

Figure 1.7. Life expectancy and health expenditure

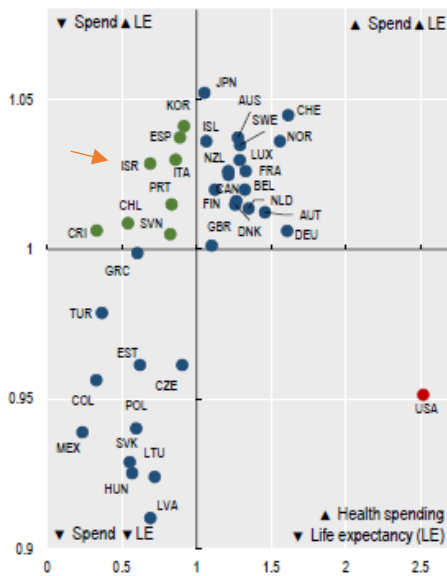
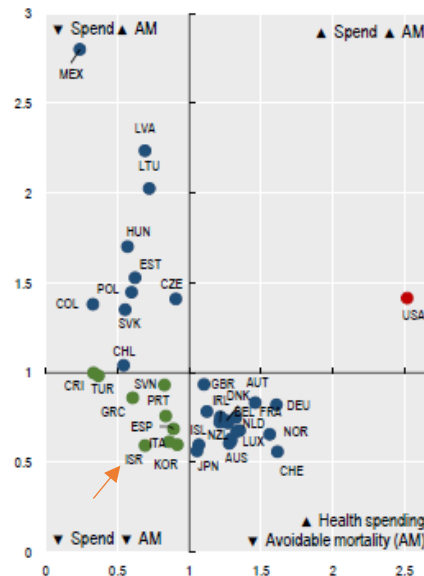


Figure 1.8. Avoidable mortality (preventable and treatable) and health expenditure



There is a clear positive association between health spending per capita and life expectancy at birth (Figure 1.7). Among the 38 OECD countries, 18 spend more and have higher life expectancy than the OECD average (top right quadrant). A further 11 countries spend less and have lower life expectancy than the OECD average (bottom left quadrant).

## Concluding Remarks

Sincere appreciation is extended for the engagement and insights shared during the deliberations regarding ODM's Healthcare Platform. This interest in exploring innovative solutions for the Indian healthcare system is greatly valued.

As a next step, it is recommended to convene a meeting to discuss the findings of this study and its broader implications in detail, as well as to outline a potential implementation strategy. Feedback and further collaboration will be welcomed to advance shared goals for enhancing public health in India.

Thank you once again for the attention given to this vital initiative.

**Respectfully submitted,**

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References:

1. Diabetes in India - Statistics & Facts. Statista Research Department, Dec 19, 2023.
2. IDF Diabetes Atlas 2021. 10<sup>th</sup> edition.
3. OECD reviews of health care quality: ISRAEL © OECD 2012
4. OECD (2023), Health at a Glance 2023: OECD Indicators, OECD Publishing, Paris.