

e-vision

8846 SW 72 St , Ap h 352 , Miami FL 33173

Phone (305) 4128628

bernardotavera@aol.com

EXECUTIVE SUMMARY

Latin American nations have a health care coverage problem. An estimated 65% of the population living in cities with a population under one million are served by only 30% of the specialized human resources available. In the specific cases of Mexico, Brazil, Colombia and Argentina, nations which are of interest to our proposal, 66% of the population is dispersed over more than 9,5 million square miles (15.2 million Km²).

The region of interest has a consolidated population of 334 million people, of which 214 million have some form of health care coverage and 100 million are completely unprotected. There is a manifest interest on the part of governments in expanding health care coverage, with 3.84 % of the GDP invested in health care in 1984, 6.5 % in 1995 and a consolidated estimate of 10 % for the year 2005, reaching an estimated 80% of the population. This means the health care business sector invests approximately US \$100 billion annually, with a growth rate of approximately 15%.

The health coverage problem is particularly reflected in the attention of medical specialists by two factors that have a great impact in the efficiency and cost of use of the actual medical coverage system: *first*, the high concentration of specialists (70%) located in the largest cities, derives in inappropriate attention of the demand in 65% of the population. This concentration generates cost overruns and inefficiency worth approximately US \$ 11.2 billions annually. ; *second*, due to the only way of offering medical attention to patients with “catastrophic” illness is physically moving them to the specialists, a large volume of economical resources must be dedicated to non-medical charges for doing so. It is estimated that the 25 % of the investment is oriented to the attention of the 0.5 % of the population (Patients with “catastrophic” illness)

For the above, the ability to increase the coverage of medical specialists generates the opportunity for satisfying an existent unattended demand and for reducing significantly the cost of attention to patients with so called “catastrophic” illness. The strategy is to offer to the local hospitals of the small-medium cities the access to the specialists, based in the large cities, through a ***virtual network of medical specialists***. The technological link between the immediate need of coverage and the access to the knowledge is solved by the combination of technology of the health industry known as *telemedicine* and the technology of the communication industry known as *Internet*.

The permanent use given to this *virtual network of medical specialists* by the patients and hospitals generates a second opportunity by the creation of a information and control management system, based on a real updated medical file of each user and the optimization of the supply chain of all hospital members of the virtual network. The cost of usage of the virtual network offers the mechanism to supply consummables to the hospitals through the implementation of a B2B model, eliminating the need for the patients or the hospitals to increase their actual cost of medical attention or to invest in technology.

Our proposal is to develop a Internet-based solution that gives life to this virtual network by offering three services: a) increase the coverage of medical specialists, b) creation of a digital medical record file and c) optimization of the supply chain for the hospital members, generating a unique and consistent strategy :

Transaction = Attention of Medical Specialist + Digital Medical Record File + Supplies

eHealth = Telemedicine + eCommerce (B2B+ B2C)

Transactions on the *virtual specialists network* are expected to produce the following consolidated results in Mexico, Argentina and Colombia, the initial target territory, by the third year of operations: Approximately US \$ 18.45 per transaction, at a cost of approximately US \$12.04 per transaction. Annual sales of approximately US \$25.1 million, with a gross margin of 40 % and a net margin of 20 %, and a cash flow by the end of the third year of US \$8.6 million, equal to 172 % of the investment requested. Connected to the virtual network through the unique "*Click & Mortar*" regional model strategy, there will be 240 hospitals, 210 specialists working under the concept whereby "*the image follows the specialist,*" a digital archive storing 1,900,000 medical records and a traffic volume of 1,350,000 patients/year. Expected income per transaction does not include advertising nor consumer sales.

By the end of the third year, if conditions are favorable, a second round of financing will be obtained to service the Brazilian market and to expand the Mexican market. Consolidated annual income estimates for the end of the fifth year for the entire region of interest reach US \$65 million, with a net profitability of approximately 20 %, with 640 hospitals and 540 specialists connected and with the digital archives of 8,000,000 clinical histories gathered and standardized in the region.

The investment required for the first round of financing for this business model, which has operated in Colombia with the company *Vision Technology Group S.A.*, is US \$ 5,000,000, with a 40% participation for venture capitalists and a 300 % internal rate of return in three years.