

Written testimony to the
United States Senate
Special Committee on Aging

by

Rajesh Rao
CEO, IndUShealth, Inc.

June 26, 2006

GLOBAL HEALTHCARE OPTIONS



Written testimony to the U.S. Senate Special Committee on Aging
by Rajesh Rao, CEO, IndUShealth, Inc.

INTRODUCTION

IndUShealth is a global health care service based in Raleigh, North Carolina, that links North American patients to affordable, high-quality medical care in India. We offer seamless medical treatment and travel programs for U.S. patients desiring care in world-class Indian hospitals as an alternative to what has become unaffordably expensive care in the U.S. These inclusive programs begin with an initial physician referral and continue through treatment, recuperation, and return to the United States.

Rajesh Rao, Co-Founder and Chief Executive Officer of IndUShealth, offers testimony to the Senate Special Committee on Aging at June 27, 2006 at 10:00 a.m., regarding IndUShealth's experience helping Americans receive healthcare in India.

ORAL TESTIMONY

[BACKGROUND]

The U.S. health care crisis has spiraled out of control. Although we have the most advanced medical technology and lead the world in medical breakthroughs, our health care system ranks 37th in the world in terms of being accessible and providing care as and when required by our citizens.

There is also a major imbalance in spending with over half the U.S. health care expenditure being attributed to the wealthiest 5% of the population. And with our health care costs rising faster than any other developed country, we remain behind others in our life expectancy and infant mortality rates.

Our per capita expenditures are double the average of other developed nations and our health care spending represents a disproportionately large percentage of our GDP when compared to others, expected to reach an alarming 20% in the next five years. This will result in a growing competitive disadvantage for U.S.-based companies as they vie for economic growth opportunities in a global marketplace.

In this new era of globalization described so well in his book titled "The World is Flat" by New York Times journalist Tom Friedman, we are poised take advantage of the benefits of the shrinking-world phenomenon and to leverage the global marketplace to help reduce our health care expenditures while introducing elements of competitive pressures into the system.

With the introduction of its Global Healthcare Options, IndUShealth provides the opportunity for our citizens to avail of affordable, high-quality care overseas. With the firm belief that a healthy and productive society remains our best hope for America's continued leadership in the world marketplace, we are pleased to be able to offer high-

Written testimony to the U.S. Senate Special Committee on Aging
by Rajesh Rao, CEO, IndUShealth, Inc.

quality, low-cost viable alternatives to self-pay patients who may choose to otherwise remain unhealthy because they cannot afford a major medical procedure, and to employers who are self-insured and are forced to otherwise consider downsizing or reducing benefits to their employees.

[WHAT IS THE PROBLEM AND WHO DOES IT AFFECT?]

What problem does IndUShealth solve?

The rising costs of health care in the U.S. have resulted in several challenges.

There are now over 45 million uninsured American, over 12 million of who have annual family incomes of \$75,000 or more. When faced with the need for expensive medical treatments, they often have to make the undesirable choice between certain bankruptcy and putting their life at risk. Many choose to take their chances until they face eventual admission to the Emergency Room and are obligated to be taken care of by the hospital. This in turn increases the burden on our hospital system that ultimately translates to even higher costs.

There is a marked reduction in the number of new physicians entering into our system. This shortage in supply will lead to longer wait times and increased costs for domestic medical treatment.

The size of our aging population is growing due to medical advances that have increased our life span. The number of centenarians is expected to grow from around 50,000 today to over a million by the year 2050. Drastic changes are being made to pension plans and retiree benefits to accommodate for the increased longevity. With shortages in supply and increasing costs, a growing number of elderly citizens will be forced to consider other suitable alternatives.

U.S. employers are squeezed between pricing pressures due to global competition and the increased costs of maintaining a healthy workforce. Many small-to-medium size employers can no longer afford to pay annual insurance costs of almost \$10,000 per family. They are forced to reduce health benefits, downsize or consolidate their operations. Some are even driven to insolvency.

Federal and state governments are challenged with widening financial shortfalls associated with their obligations to fund Medicare and Medicaid programs.

Consumer Driven Health Plans and Health Savings Accounts are being rapidly deployed by employers as a way to contain costs and make patients more responsible for their health care decisions. However, these instruments will not be able to adequately fund each individual's eventual major medical expenses if the options available to them remain strictly within our borders.

Written testimony to the U.S. Senate Special Committee on Aging
by Rajesh Rao, CEO, IndUShealth, Inc.

[HEALTHCARE IN A FLAT WORLD]

If other business can effectively tap knowledge workers in other countries, why not health care?

India is rapidly emerging as the world leader in global medicine with over 150,000 foreign patients having visited India for medical procedures last year.

Super-specialty hospitals in India have made significant investments in recent years to build and staff state-of-the-art facilities with the latest equipment and consumables, many of which are sourced by American manufacturers. They have also introduced several amenities to cater to the unique needs of international patients. Several U.S. and U.K.-trained physicians are returning to India to practice medicine at these hospitals. With over 37,000 physicians of Indian origin practicing in the U.S., many Americans are already comfortable with the talent and expertise of Indian physicians.

The quality of care available at these leading hospitals is comparable to the best institutions in the U.S. With a focus on advanced research and having implemented processes that have helped them get accredited by the U.S. Joint Commission, these hospitals boast outcomes that are amongst the best in the world.

Top flight one-one-one nursing care is made available to patients around the clock. Their fluency in English allows Indian doctors, nurses and administrators to communicate well with American patients.

Above all, India is able to offer a wide, sustainable cost advantage. By bundling unique services geared to their international patients, the Indian hospitals are able to command premium pricing which still remain surprisingly low and a mere a fraction of corresponding costs at U.S. hospitals.

<i>PROCEDURE</i>	<i>TYPICAL U.S. COST</i>	<i>COST IN INDIA</i>
Heart Bypass Surgery	\$55,000 - \$86,000	\$6,000
Angioplasty with Stent	\$33,000 - \$49,000	\$6,000
Hip Replacement	\$31,000 - \$44,000	\$5,000
Spinal Fusion	\$42,000 - \$76,000	\$8,000

Written testimony to the U.S. Senate Special Committee on Aging
by Rajesh Rao, CEO, IndUShealth, Inc.

[THE INDUSHEALTH ADVANTAGE]

Recognizing the opportunity to provide a meaningful solution to a growing problem, IndUShealth has formulated a well-structured offering that connects individuals and companies to affordable, high-quality health care overseas,

We have established key partnerships with India's premier hospitals and physicians that help us offer an integrated process while assuring with the highest levels of service to our patients.

We provide personalized case management and handle the complexities of dealing with health care providers on the other side of the globe. We work with local physicians to assist with pre- and post-operative care in the U.S. We take care of exchange of medical records and make the necessary travel arrangements.

Making sure that each patient is well-informed and is assured of the highest standards of care at the lowest cost possible is an important part of IndUShealth's offering.

We have helped several patients receive treatment in India for a wide range of treatments. They are always delighted with the level of care and attention that they receive all through the process. Their collective experiences have proven that it is indeed possible to overcome the perceived difficulties and emotional barriers that many Americans face when first exposed to this new concept.

Our elderly patients are thrilled to have an option that avoids them having to wait for Medicare benefits which may often be too little, too late. Often, taking care of their ailment helps them improve their quality of life and allows them to lead self-sufficient, independent lives.

We coordinate with self-insured employers seeking to lower expenses by offering our services as an option to their employees. Statistically, since a relatively small number of cases result in their biggest expenditures, employers are able to save up to 20% of their medical costs even if a relatively small subset of their plan participants elect to go overseas for treatment. This helps them avoid the less attractive alternatives of reducing headcount or reducing profitability.

By paving the path for individuals and employers to access low-cost, high-quality health care in India, IndUShealth is proud to play a key role in providing access to health care for a growing number of our citizens and to help them lead healthy, independent, and productive lives.