

PROJECT SUMMARY
CLÍNICAS DEL AZÚCAR: TECHNOLOGY AND CUSTOMIZED SERVICES TO COMBAT
DIABETES AND ITS COMPLICATIONS
(ME-L1286)

Mexico ranks 6th in the list of countries worldwide with the greatest number of adults with diabetes, which has become the leading cause of death (80,000 per year). Currently, 11.5 million Mexicans suffer the disease, and Mexico has the highest prevalence of diabetes among OECD member countries, with a rate of 14.7% in adults between 20-79 years of age. If current trends continue unabated, 30 million people in Mexico will be affected by diabetes by 2030.

Clínicas del Azúcar, S.A.P.I. de C.V. (CdA) based in Monterrey, Nuevo Leon, Mexico, was founded in 2011 by experts from MIT and Harvard School of Public Health, and currently manages 14 clinics in the northeast of Mexico. It is the first company in all of Latin American and the Caribbean to establish and operate a business model based on data-driven “one-stop-shop” retail clinics focused on patient-centered specialized diabetes care, both for treatment and the prevention of its complications. Its disruptive model, that combines state-of-the-art technologies with convenience, affordable prices and a pay-as-you-go membership arrangement, has allowed it to become the largest private provider of specialized diabetes care in Northern Mexico. The solution developed by CdA addresses the problems faced by middle and low-income populations suffering from diabetes and hypertension, who cannot afford the high cost of specialized services in other private clinics, or who find it too burdensome to access the saturated and often-incomplete services offered by many of the public-sector clinics. The CdA model results in annual treatment prices that are 70% lower than other private clinics (at around US\$ 300 per year per patient at CdA vs. US\$ 1,000 average price in private clinics), with access to the full range of required medical and laboratory services in strategically-located clinics.

CdA has diagnosed over 60 thousand people with free diabetes diagnostic exams, and has treated over 25 thousand patients, 73% of which are middle to low income and who were able to access specialized care for the first time. The Company currently has over ten thousand active paid memberships (patients) in active treatment and has been showing promising results such as reducing patients’ blood glucose levels from an average of 9.3% at the start of treatment to 7.6% after six months in the so called “A1c hemoglobin level test” (a test for diagnosing the severity of the disease). In general, CdA has been able to reduce the glucose levels back to the non-risky range (lower than 7.5%) for 63% of its patients as compared to only 24% of patients in public sector treatment clinics, and even superior to the results of leading private clinics (60%). It has a huge amount of data with over 16,000 electronic health records, each of which contains more than 1,200 variables per patient. CdA will use its database to create algorithms and use behavioral science to customize treatment to its patients through a digital application.

The proposed US\$ 2 million senior MIF loan will finance the implementation of at least 10 new clinics, that will benefit more than 75,000 new patients served by these clinics in the next 5 years, and an estimated 200,000 people who suffer from diabetes who will benefit from the use of the digital services to be provided on-line and through applications to be developed with MIF support. MIF’s loan is part of a general expansion plan that expects to reach a total of 120 clinics, that will have reached over 500,000 people in five years. The annual expected financial return for the MIF is 7.5%.

The implementation of the project is expected to achieve the following development results by the end of year 5: (i) patients treated for diabetes and hypertension increase from 79,700 to at least 500,000; (ii) an increase in the number of active diabetes control memberships from 9,773 to 60,000; (iii) at least 60% of CdA patients have an A1C blood level of below 7.5% after six months of starting services with CdA; (iv) at least 70% of CdA patients are from socio-economic levels C, D and E; and (v) CdA reaches profitability and expands to at least two additional states in Mexico.