



Health tech investment trends and how legislation can facilitate innovation

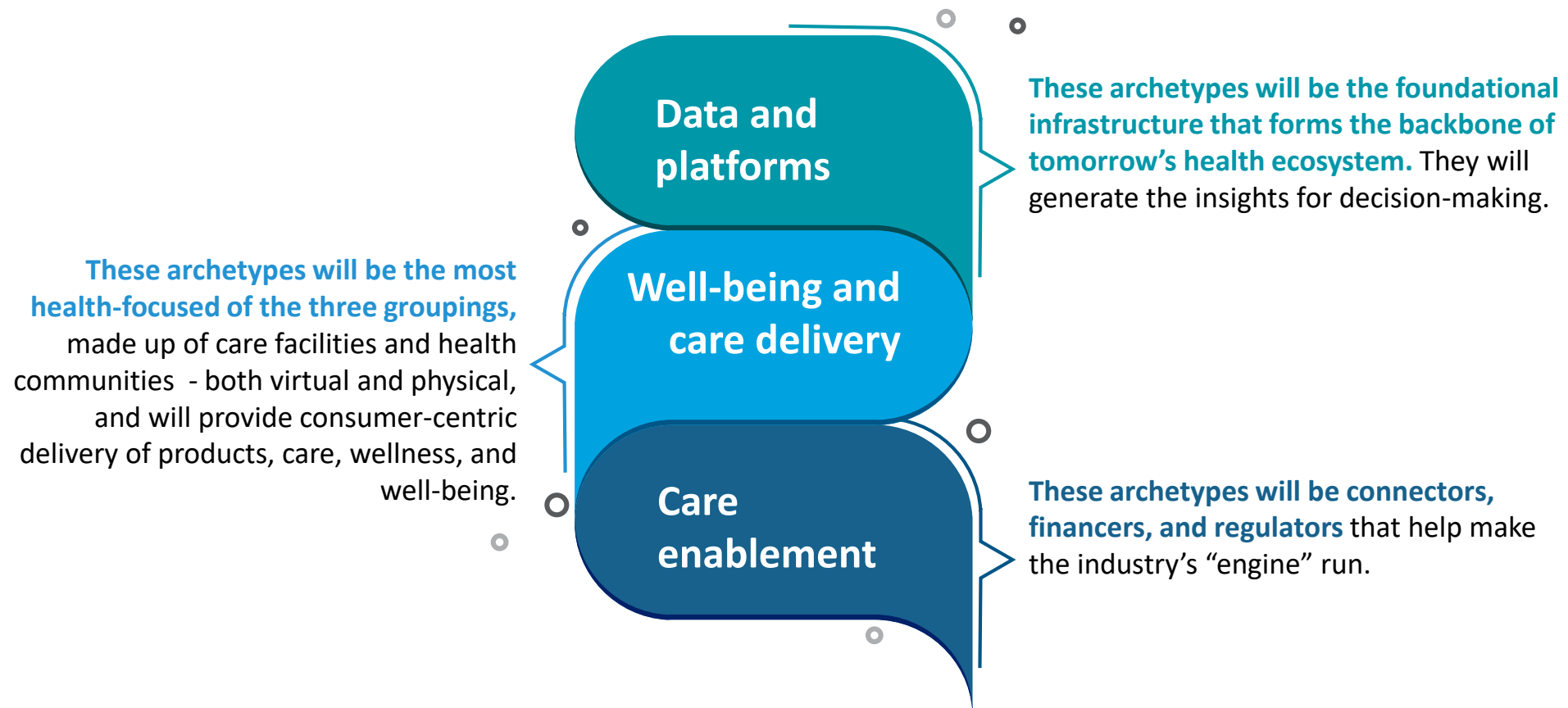
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Innovation Week – HealthTech in the Nordics – October 2020

**Investors are focused on the fundamental issues
facing the health care industry**

By 2040, health care as we know it today will no longer exist

“Health care” will have shifted to “health” and new archetypes will have emerged

The archetypes will likely fall into three distinct, but interconnected, categories:



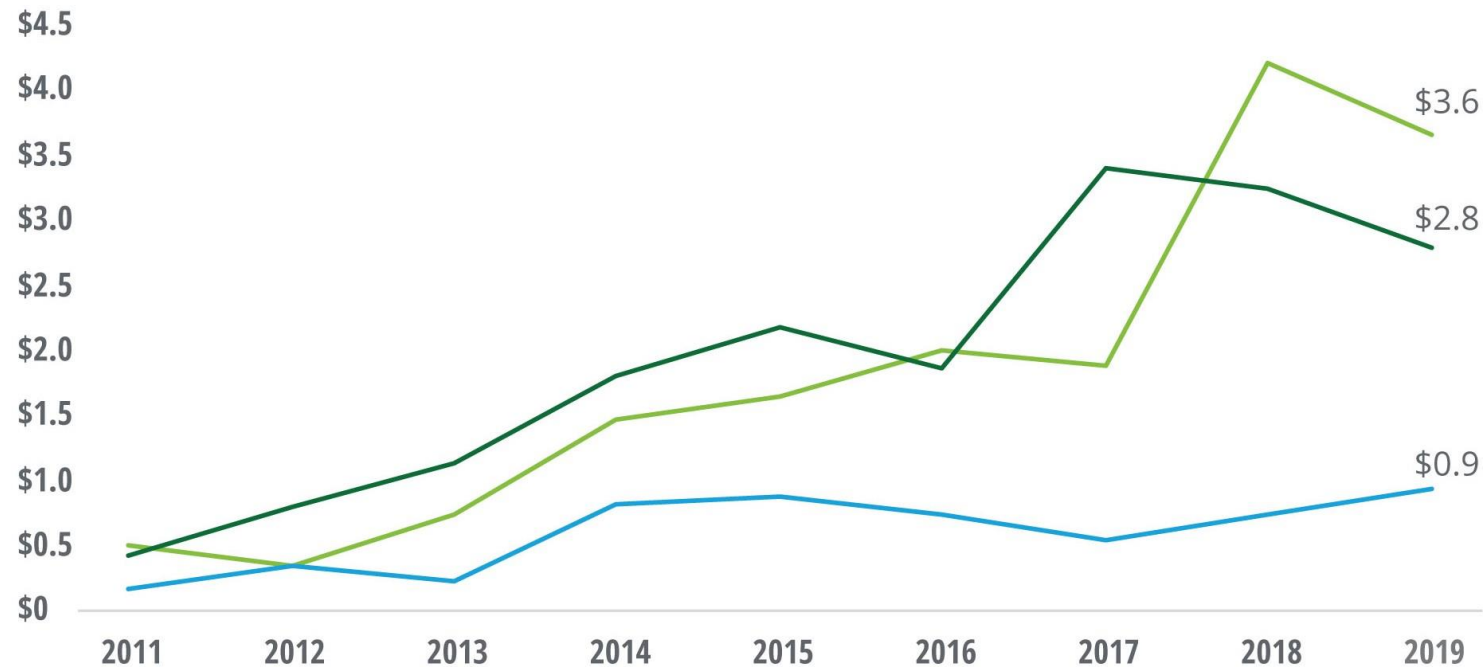
Well-being and care delivery innovators surpassed data and platform innovators to receive the most funding in recent years

We took Rock Health data on digital health funding from 2011 through 2019 and mapped each company's value proposition to the three categories of future of health archetypes

Venture funding, by value proposition, 2011–19

Well-being and care delivery Data and platform Care enablement

US\$ billion



Source: Rock Health Digital Health Funding Database and Deloitte analysis.

Investors are backing innovators that align their value propositions to the present and future of health, with technology being the bedrock

Investors repeatedly emphasized that these organizations should enhance care quality, reduce costs, and improve access to care

Enhance care quality

Key topics included connecting social determinants to health care, increasing patient engagement and driving behavior change, improving patient experience, enhancing adoption of remote patient monitoring, and promoting medication adherence.

Improve access to care

Virtual care delivery and telemedicine were two solutions that people often mentioned.

Reduce costs

Improving clinical and operational workflows inside health care, creating point solutions to areas of friction in the system, taking waste out of the system, integrating real-world evidence into solutions using technology, and enhancing clinical trial recruitment and monitoring.

Data and platforms will be the foundational infrastructure that form the backbone of tomorrow's health ecosystem

They will generate the insights for decision making. Everything else will build off of the data and platforms that underpin consumer-driven health.



Data convener

Will have an economic model built around aggregating and storing individual, data. Will also promote interoperability and help ensure privacy/security.



Science and insights engine

Will have an economic model driven by their ability to derive insights and define the algorithms that power the future of health.



Infrastructure builder

Will develop and manage site-less health infrastructure to link consumers and health stakeholders and set standards for platform components.

Yet the majority of CEOs indicate that the “basic plumbing” of integrating, curating, and leveraging interoperable data is yet to be done, and this work is essential for preparing for the future.

Data is still fragmented and siloed across the delivery system and among health systems, health plans, pharmacies, social services agencies, and other players.

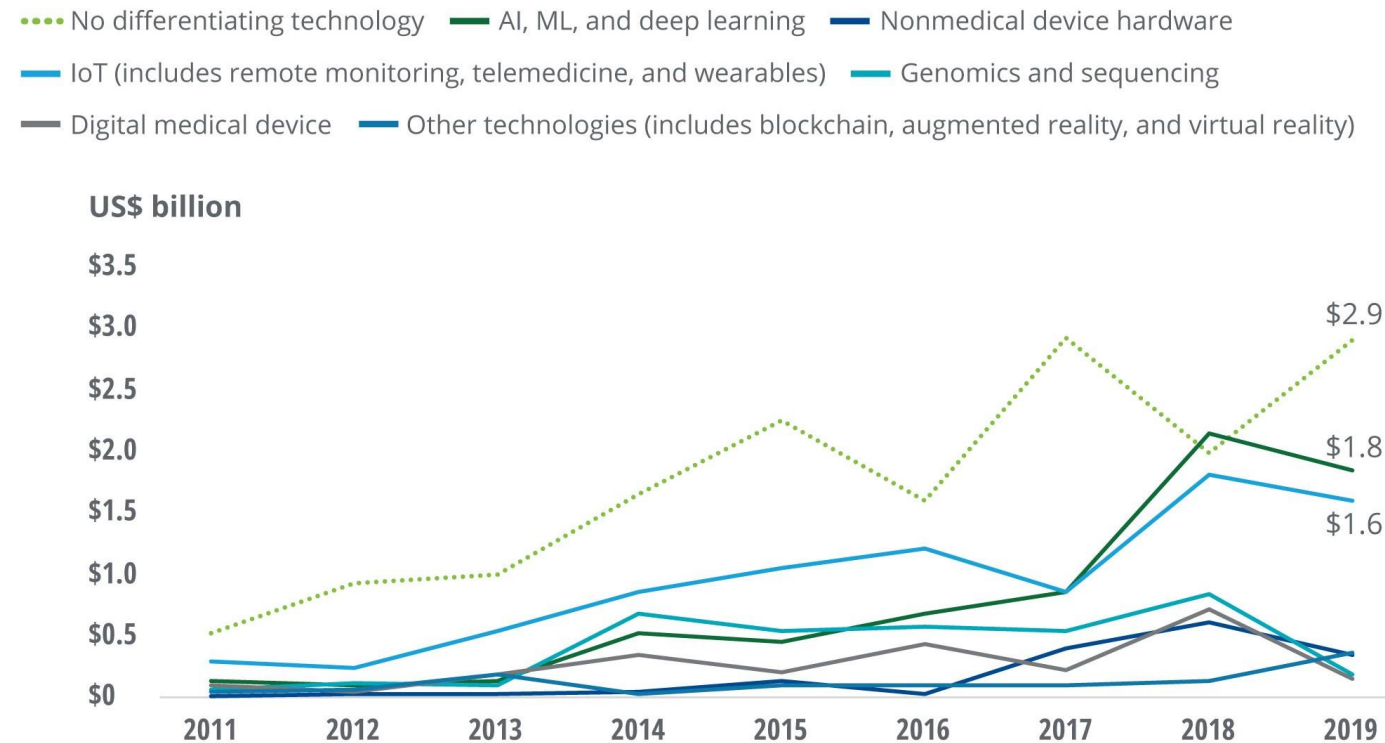
Findings from the Deloitte 2019 Health Care CEO Perspectives Study

Several investors we interviewed said that technology will be a critical enabler in the future of health

However, success for health tech innovators may hinge on their ability to pair a differentiated technology with the right value proposition to create a sustainable business model

Of innovators that are using differentiating technologies, those leveraging AI, ML, and deep learning received the most funding in recent years

Venture funding, by differentiating technology, 2011–19



“Technology is an enabler of existing workflows and process that haven’t been able to scale historically.” - *Health tech investment expert*

Source: Rock Health Digital Health Funding Database and Deloitte analysis.

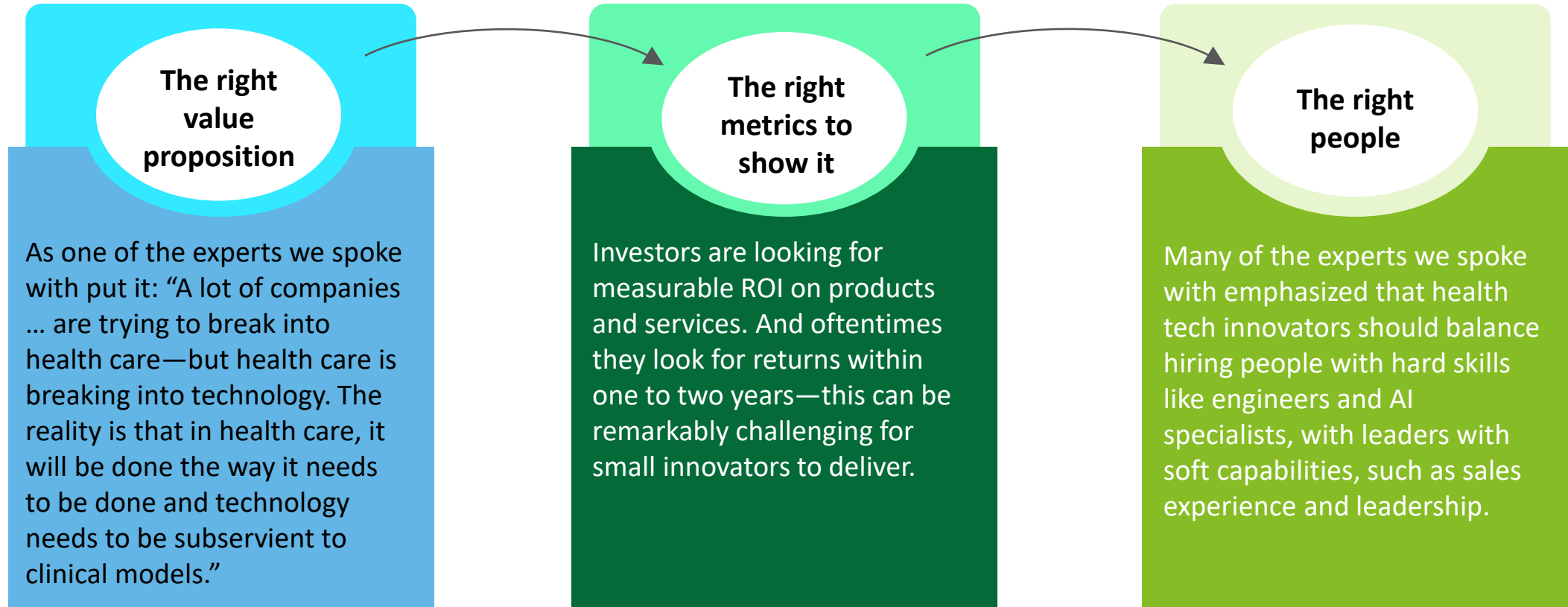
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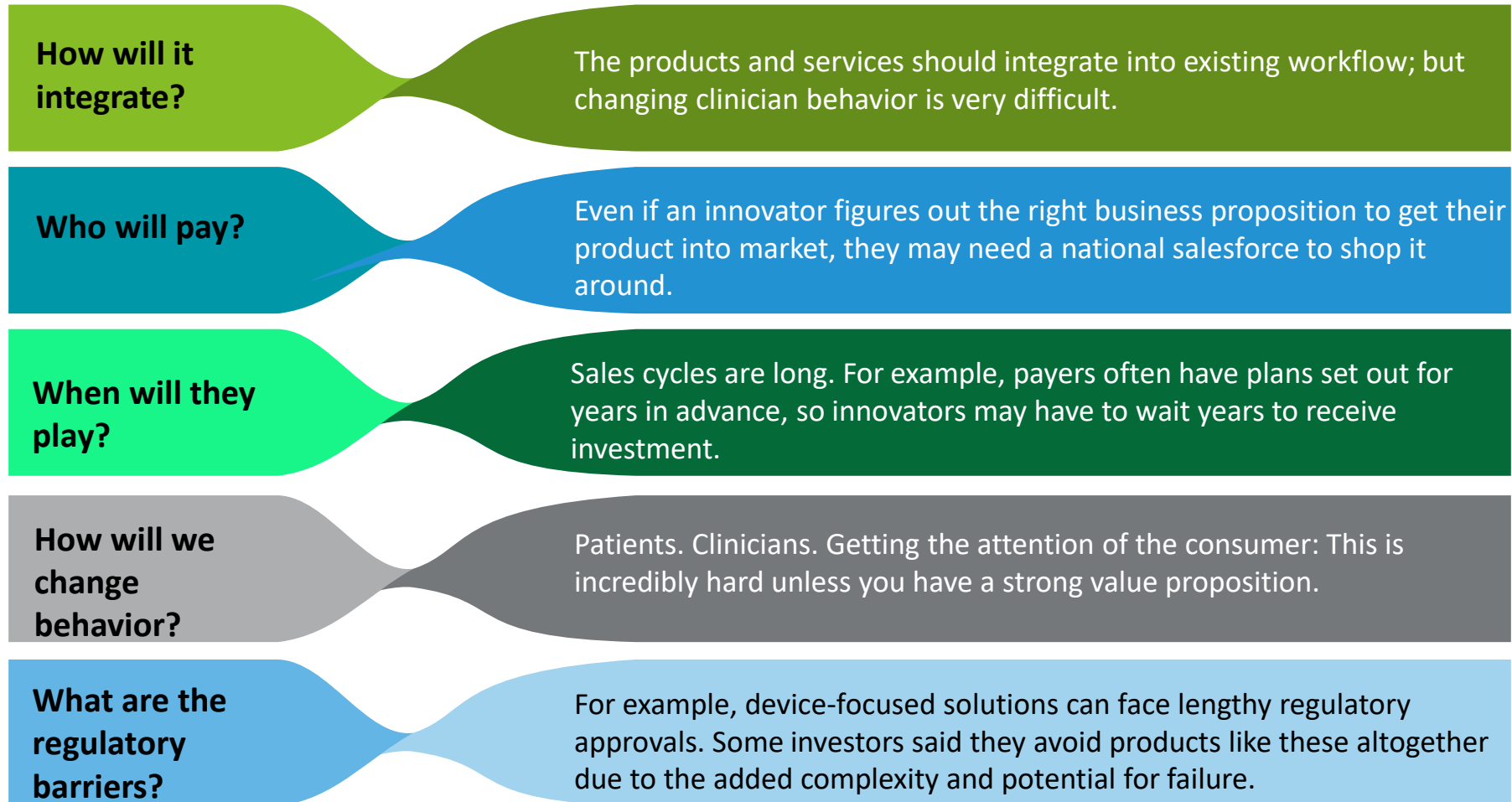
What capabilities do health tech innovators need to succeed in the future of health?

Health tech innovators face a crowded market that is getting more challenging every year

While investment in this space continues to hold steady, health tech innovators should consider the following capabilities as they take their products and services to market



There are several key questions innovators should consider when building their products and solutions



**What can the Nordics do today to facilitate Health
Tech innovation?**

Nordic Innovation's vision is that by 2030, the Nordics will be the most sustainable and integrated health region in the world

Health data can be used to improve quality of life in the Nordic region and develop new solutions

**Nordic Innovation - Health, Demography and
Quality of Life program**

Help the Nordic region become a global test region and role model for sharing health data.

Establish collaboration platforms and connections between local ecosystems in the Nordics and potentially interesting global markets to increase Nordic export and competitiveness.

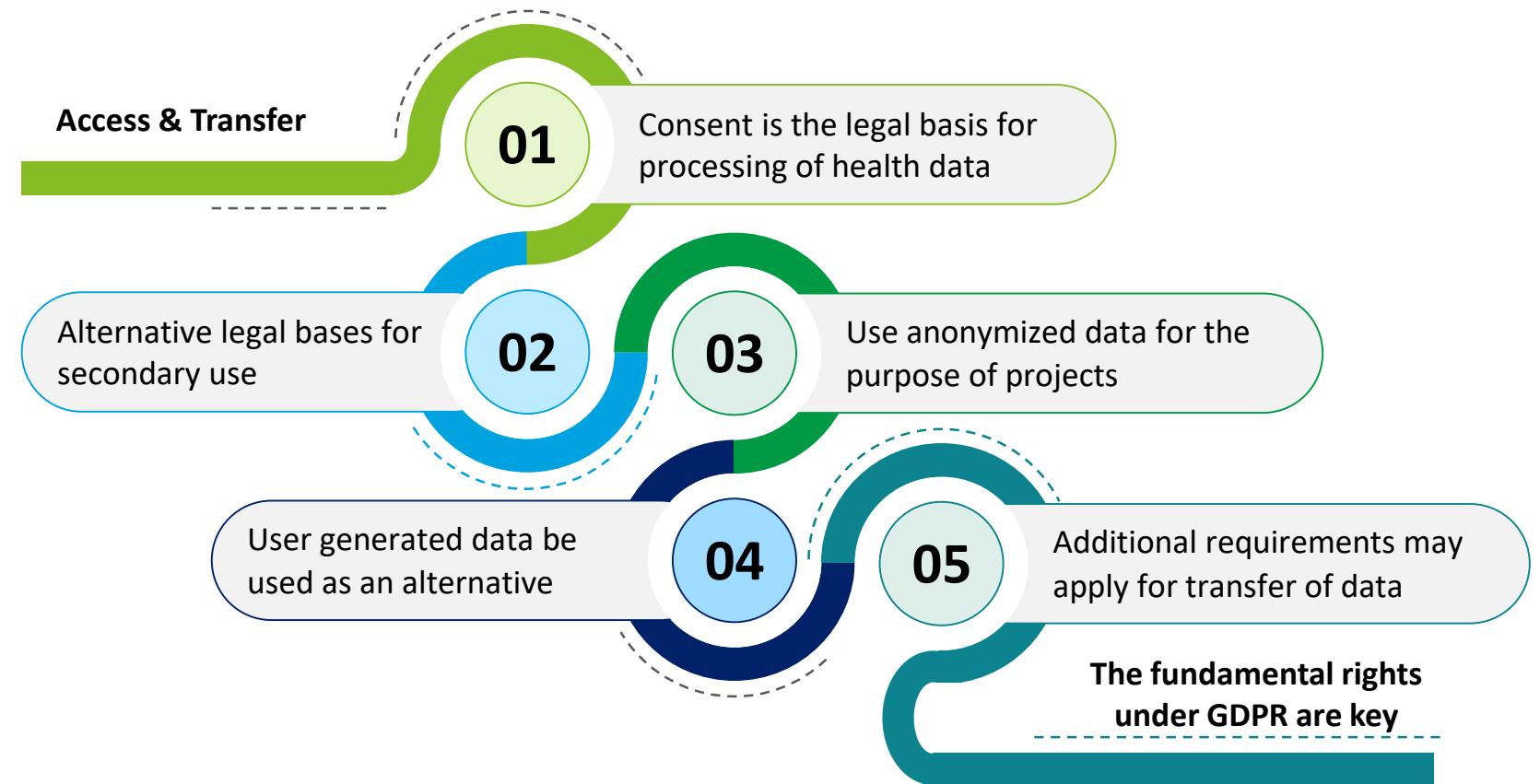
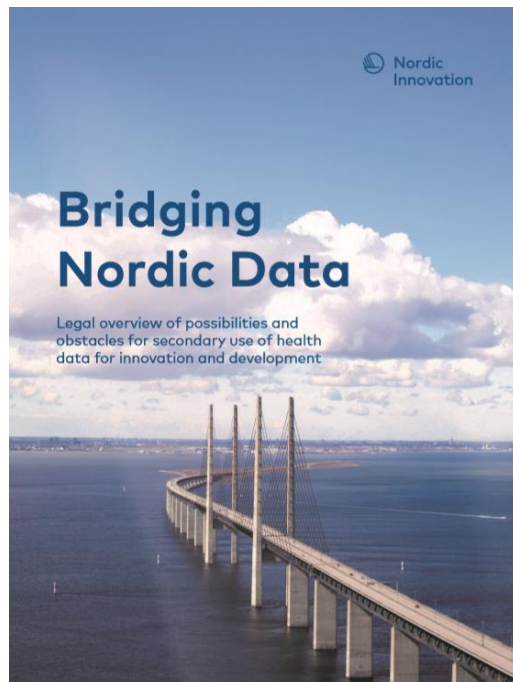
Contribute to develop better and more efficient health systems and increase health and welfare in the Nordic region.



**Nordic
Innovation**

Access to health data is a prerequisite for the success of innovation and development projects in health tech

With similar legislative framework, shared values and long tradition for governmental co-operation the Nordics are well set to facilitate innovation



As the future of health is data driven, the Nordic countries can and should co-operate to lift innovation barriers

Thereby help making the Nordics the most sustainable and integrated health region in the world

Briding Nordic Data

Key Innovation barriers



Lack of innovation specific regulation

Apart from in Finland, there are no innovation and development specific legislation in the Nordic region, which constitutes a clear obstacle for innovation.



Decentralized information structure

Across the Nordics, health data is kept in multiple information sources which is often managed by different data controllers, and supervised by different authorities.



Additional permit requirements

Often apply for specific purposes of use, e.g. additional permit for access for scientific research purposes. Often many data controllers need to be contacted instead of a single point of access.



Lack of standardization and interoperability

Within the health sector, standard deviations, different record solutions, and lack of interoperability occur, limiting internal and external communication.

Finland is the only Nordic country where innovation and development explicitly is addressed as a lawful purpose for access to health data

This is done through a newly introduced Finnish Act, setting Finland apart in many aspects

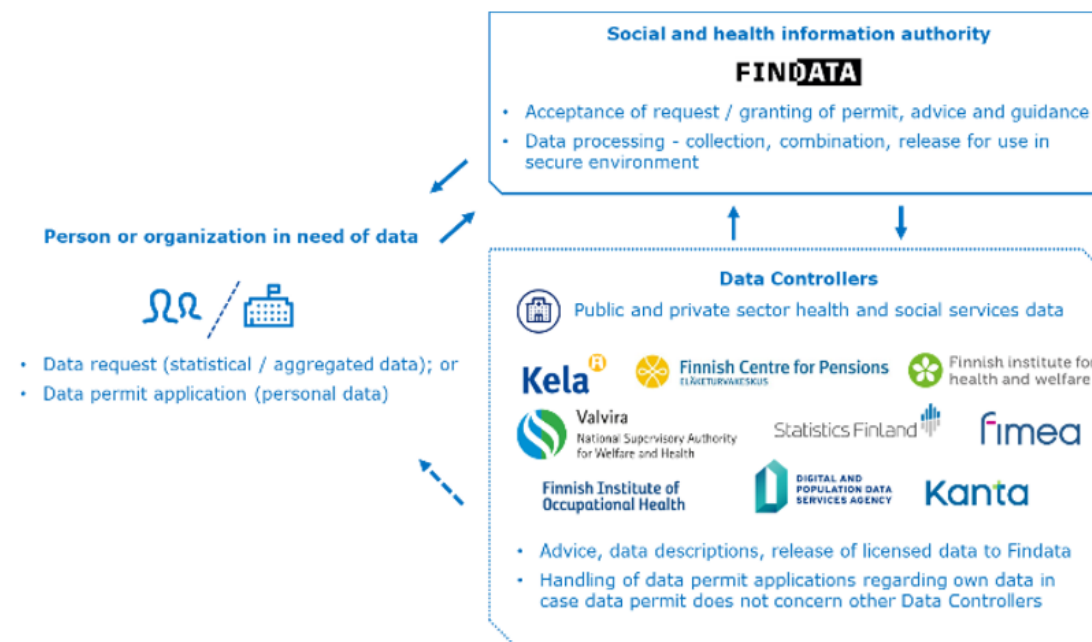
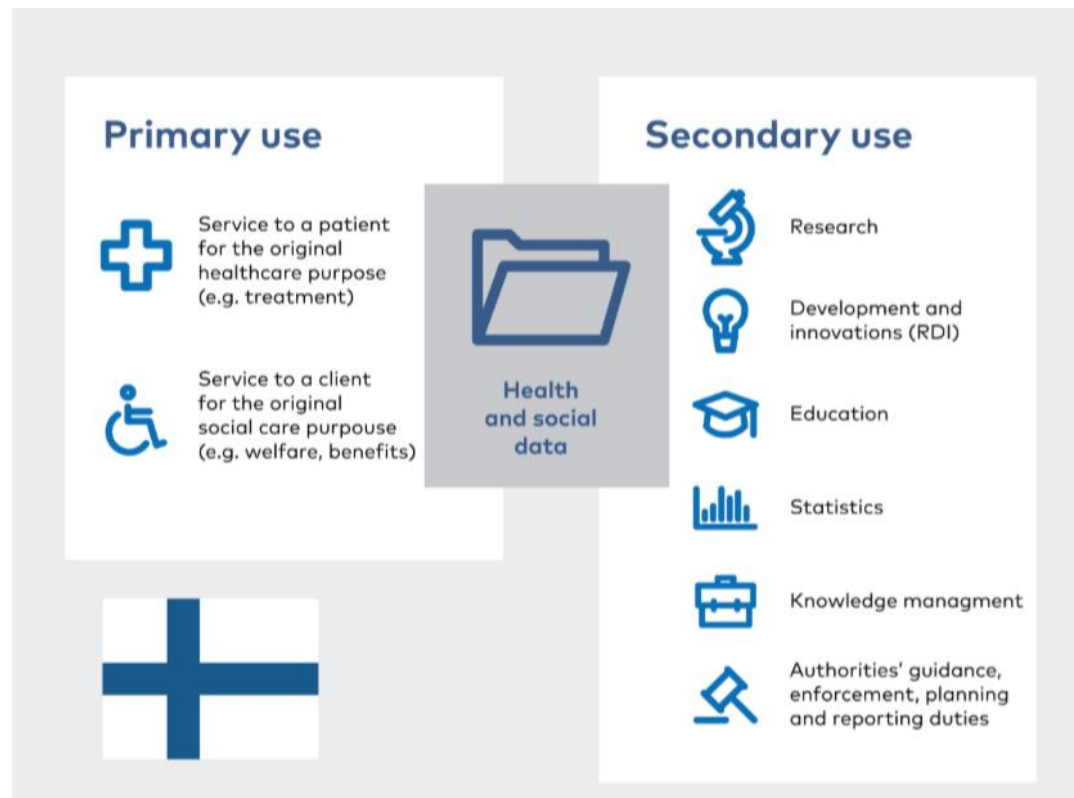


Figure 7 - The Finnish process for acquiring health and social data for secondary use



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