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Prevention & HealthTech Study

Analysis of Belgium, Sweden and Germany

EXECUTIVE SUMMARY

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Introduction

The goal of the study is to better understand the market conditions and opportunities that offer the greatest potential for preventive health care solutions to succeed in the long term

Context and objectives

- Deloitte has **supported lifetech.brussels** in conducting a market study on preventive health care
- The goal of the study is to better understand the **market conditions and opportunities that offer the greatest potential for preventive health care solutions** to succeed in the long term, by:
  - Improving the **understanding of market opportunities and trends** in preventive health care in Belgium and abroad
  - Identifying and **analyzing successful business models** in the preventive health care sector in Belgium and abroad
- This will **provide Brussels-based companies with advice** on strategy and business models, considering the market conditions in Belgium and abroad

Setting the scene

- While there is broad **consensus that preventive health care is the right way forward from a patient value and cost perspective,** benchmarks show that public expenditure on **preventive health care is limited**
- Even in **more established markets, public spending in preventive health care covers only a fraction of total spending**
- The challenge for governments is **to invest in preventive health care** (which is an investment in the future health of your population), while balancing the actual needs of curing people on a day-to-day basis
- Preventive health care requires **significant spending upfront before you reap some of its benefits** (mostly a healthier population) and the outcomes of preventive care always **come with a delay** and **are at times difficult to measure and prove**
- Governments and especially research institutions, but also private sector players can help to accelerate this trend thanks to targeted research
- Preventive health care is a **very broad domain with different types of prevention each impacting the patient differently, and showing high potential in many different therapeutic areas** (Oncology, Cardiology, Neurology, Rehabilitation,…)
- For governments to be impactful, **clearly defining the type of prevention and/or the therapeutic areas to focus on and raising awareness** can help to generate more impact in the short term

This study consists of **two sub-studies** (market benchmark and company analysis) which are **available online/on demand at lifetech.brussels**

What is prevention

Preventive health care is a very broad domain with different types of prevention each impacting the patient differently

Healthy **Sick**

Primary Prevention

Intervening **before health effects occur**, through measures such as vaccinations, altering risky behaviors (poor eating habits, sedentarity, substance use), and banning substances known to be associated with a disease or health condition

Secondary Prevention

Screening to **identify diseases and disabilities in the earliest stages**, before the onset of signs and symptoms, through measures such as mammography, regular blood pressure testing

Tertiary Prevention

Managing diseases and disabilities **post diagnosis** to **slow or stop contamination or disease/disability progression** through measures such as chemotherapy, rehabilitation, screening for complications, chronic disease management

Value of prevention

Prevention will be key for countries to achieve long-term population health, as the focus shifts from reactive care to preventive care and wellbeing

Patients

- **Access to more innovative solutions** to enable earlier intervention and diagnosis
- **Better patient outcomes** as prevention is a key step towards long-term sustainable population health
- Digital health enables therapies and clinical trials that are more representative and tailored to the needs of the population and **more patient-centric**

Government / payers

- **Keep health care costs under control** through better access, evidence, guidelines and population health thanks to earlier intervention
- **Ensure position of Belgium** as innovative health care and medical device hotspot when other EU countries are also investing in prevention and digital health

Industry

- Digital health solutions facilitate **access to patient and clinical data** to unlock unmet medical needs and innovative therapies
- Increased and more accurate monitoring of patients will generate data to **improve and innovate therapies and preventive solutions**

Hospitals & researchers

- **Digital health solutions to access to patient and clinical data** to unlock new research topics and unmet medical needs
- **Unburden hospitals** by **preventing hospitalizations** and monitoring & treating patients from home through innovative digital health solutions

Employers

- Enable companies/ employers to offer (innovative) preventive solutions to **support and strengthen their employees' physical and mental health** (B2B2C market)

Prevention Toolbox

There are numerous types of solutions in the preventive market which can be divided in 10 categories; this study focused on preventive HealthTech solutions as they pose the greatest opportunity for the Brussels region with the highest growth potential

VACCINES

Appliance
- Vaccines (e.g. attenuated viruses, viral vectors, mAbs, mRNA), programs

Purpose
- Develop simple, safe, and effective ways of protecting the population against diseases ahead of time

SENSIBILIZATION

Appliance
- Programs

Purpose
- Provide the population with correct information about health and wellbeing through campaigns, symposia etc.

SCREENING PROGRAMS

Appliance
- Programs

Purpose
- Follow-up on their own health (e.g. through regular/annual follow-ups at the doctor's) to detect potential disease indicators (genetic screening)

FOOD, DIETARY SUPPLEMENTS & OTHER OTC PRODUCTS

Appliance
- Food, vitamins or other ingestible preparation

Purpose
- Consume/add elements to the diet to benefit health

HealthTech solutions

LIFE & HEALTH DEVICES

Appliance
- Devices (other than applications)

Purpose
- Provide information on performance and health monitoring, advice (e.g. on lifestyle and nutrition), store data and evolution, etc.

ADVANCED MEDICAL DIGITAL APPLICATIONS

Appliance
- Digital applications

Purpose
- Provide information on disease-specific health monitoring
- Measure, track and evaluate the health condition and indicate risks linked to specific diseases

ADVANCED MEDICAL DEVICES

Appliance
- Medical devices

Purpose
- Provide information on disease-specific health monitoring
- Measure, track and evaluate the health condition and indicate risks linked to specific diseases

DIAGNOSTICS

Appliance
- Diagnostics

Purpose
- Follow-up on their own health to establish presence/absence of disease

LIFE & HEALTH DIGITAL APPLICATIONS

Appliance
- Digital applications

Purpose
- Provide information on performance and health monitoring, advice (e.g., on lifestyle and nutrition), store data and evolution, etc.

DIGITAL CARE

Appliance
- Visual technology, AI, digital app.

Purpose
- Provide remote care (e.g, teleconsultation, chatbot)
- Support care (e.g. e-prescription, formulation and dispensing, clinical decision-making software)

Prevention market

In general, health care systems remain conservative when it comes to spending on prevention, with Belgium slightly lagging, whilst consumers are showing great willingness to adopt digital health solutions

1 Health care systems are conservative, with underspending on prevention

- Across health care systems, **public health authorities** play an **imperative role in the funding of prevention**
- **Public expenditure** on **preventive health care is limited**, especially compared to the total public spending on health care

2 Prevention remains a trade-off with a long-term impact

- Challenge for governments to invest in preventive health care (which is an **investment in the future health of your population**), while balancing the actual needs of curing people on a day-to-day basis
- The **outcomes** of preventive care always **come with a delay** and are at times **difficult to measure and prove**

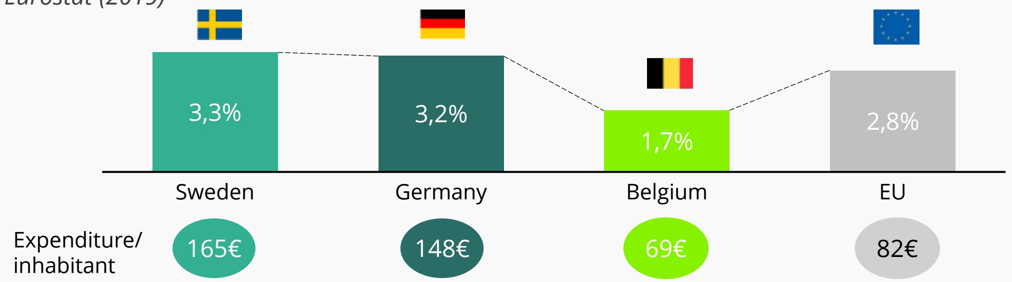
3 Digital health technologies are growing, with rising consumer spending

- **Digital health revenues have grown steadily** in recent years and are expected to continue to do so in the future, driven by the **consumers' growing empowerment** regarding health
- There is a **strong adoption** in digital health and mostly in **digital health devices**

Market analysis

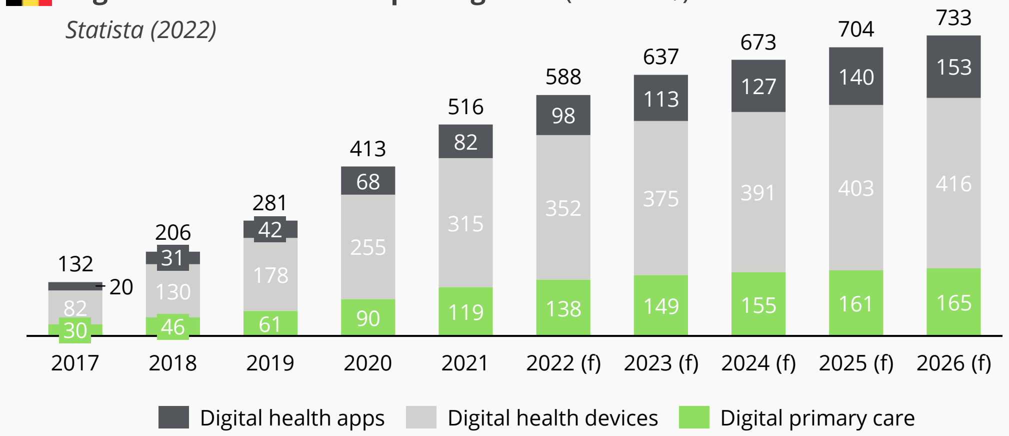
Public spending on preventive health (% of total health spending)

Eurostat (2019)



Digital health - Revenue per segment (in M US$)

Statista (2022)



	Belgium	Germany	Sweden
Compound annual growth rate (CAGR) 2017-2026	**21%**	17%	17%

Less favorable	Favorable	Very favorable

Prevention market

Sweden shows high maturity in terms of preventive care driven by a high level of digitalization and digital adoption in health care, while Belgium and Germany have room for improvement, especially on data usage and access to data

	GERMANY	BELGIUM	SWEDEN
PREVENTION STRATEGY	• Strengthening Health Promotion and Prevention Act at national level since 2015 to promote prevention • Higher preventive care expenditure than EU average but remains limited (3,2% vs 2,8%)	• Need for further strengthening of prevention policies and initiatives (today mainly vaccination and some cancer screening) • Lower proportion of preventive care expenditure than EU average (1,7% vs 2,8%)	• Greater focus on health and prevention as a priority in the national life sciences strategy, still being developed (e.g. limited sensibilization) • Higher preventive care expenditure than EU average but remains limited (3,3% vs 2,8%)
REGULATORY FRAMEWORK	• Decentralized and self-governing conservative system, which makes it complex for new solutions to get reimbursed, e.g. digital health applications must comply with strict criteria	• Conservative and complex health care system, with competences shared between federal state and federated entities	• Decentralized system, making it complex to develop new product/service due to the approval required from 1) the national reimbursement scheme and 2) the different regional committees
REIMBURSEMENT SCHEME	• Standardized process for digital health apps reimbursement through the Digital Healthcare Act (DiGA) • Service-based system	• mHealth Validation Pyramid to assess the quality and effectiveness of digital health applications for reimbursement, but limited for other digital health solutions (e.g. teleconsultation) • Service-based system	• No standardized process existing for reimbursement of digital health apps but in development, and no other public incentives • Value-based pricing & reimbursement system
DIGITAL ADOPTION & INCLUSION	• Less tech savvy population and slower in digital adoption compared to its EU peers • Digital health revenue/capita (2026): $52	• Tech savvy population open to new technologies & digital solutions • Digital health revenue/capita (2026): $63	• Tech savvy population with early adopters of new technologies & digital solutions • Digital health revenue/capita (2026): $53
ACCESS TO DATA AND INTEROPERABILITY	• No national database • Electronic patient record initiative under development • Reluctancy to share personal data as barrier to the development of digital health solutions	• Fragmentation of data sources/ lack of national databases • Access to electronic health records but still in a limited/non-exhaustive way • Relative openness to share personal data	• National Health Information Exchange (HIE) platform to enable interoperability between regional systems and centralized access to electronic health records • Openness to share personal data, allowing personalization of services
CONSUMER MARKET FOR PREVENTIVE HEALTH CARE	• Strong growth potential in digital health with a CAGR of 17% expected over the period 2017-2026 (market of 3,3bn US$ in 2022)	• Strong growth potential in digital health with a CAGR of 21% expected over the period 2017-2026 (market of 588m US$ in 2022)	• Strong growth potential in digital health with a CAGR of 17% expected over the period 2017-2026 (market of 417m US$ in 2022)
	LAGGER	**EMERGING**	**MATURE**

Note: CAGR = Compound annual growth rate

Challenges along the company journey

The most pressing challenges preventive HealthTech companies face are related to reimbursement, pricing and talent

Research & Development

Funding
- Finding **investors** with (preventive) HealthTech or **MedTech knowledge**
- **Limited number** of both public support and private **investors** in Belgium (compared to e.g., the US)

Talent
- Access to **skilled talent and dual profiles** (e.g., profiles with biomedical & technological experience)

Go-to-market

Pricing
- **Mismatch** between existing type of **financing** in health care sector (fee-for-service) and in prevention (value-based)
- Hard to identify the **right pricing point** (across countries) and validate value of preventive solutions

Adoption
- Health care **financing does not promote adoption** of preventive solutions

Network partners
- Finding the right **suppliers** (with required volume, expertise…)

Review & approval

Reimbursement & access
- **Fragmentation** of prevention across different **regulatory bodies** and levels in Europe, complicating access to health authorities and institutions
- **Limited reimbursement** existing for hardware and more advanced products (e.g., only covers low and medium risk of MDR classification)

Launch & Post-launch

User experience
- **Lack of awareness** on good health and preventive solutions that can keep you in good health (need for behavioral change)
- Limited and **varying health literacy** in preventive solutions to keep a healthy lifestyle

Key opinion leader buy-in
- Ability to easily **demonstrate the added value** of the solutions to KOLs
- **Resistance** of KOLs

Health care facilities and practitioners
- **Lack of digitalization** in health care facilities and limited interoperability of solutions with the toolset used by health care practitioners
- **Conservative health care practitioners** and hospital managers towards HealthTech solutions

Success factors along the company journey

Success is achieved when companies are part of a performant network with complementary skills and expertise, prioritizing the customer experience and value

Research & Development

Funding
- Easy access to **public project funding, grants**
- Access to **investors and accelerators** who understand health and tech
- Innovation in health is **prioritized by the government** and health authorities

Go-to-market

Pricing
- Establish a **value-based pricing model**

Adoption
- Health authorities are actively **promoting innovation** (e.g., NHS)

Network partners
- Find **commercial partners with a network** in the field
- Work in **proximity of R&D partners** that enable fast implementation
- **Dedicated accelerator programs** for preventive HealthTech
- Explore **data partnerships** for R&D

Talent (Research & Development and Go-to-market)
- Hire **multidisciplinary talent** with the right expertise

Review & approval

Reimbursement & access
- Simple and quick **reimbursement framework** (e.g., DiGA)
- Easy **access** to regulatory information
- **Simple and comprehensive** regulatory frameworks

Launch & Post-launch

User experience
- Promote a minimum level of **digital literacy** and health literacy among patients

Key opinion leader buy-in
- **KOLs** who **adopt and promote** the solution

Health care facilities and practitioners
- Focus on establishing **adoption and awareness amongst health care practitioners**

Recommendations for companies

HealthTech companies active in the preventive care market can respond to the growing market by leveraging the right partners and investors

Expand your network

- **Connect to commercial partners** with a distributor network and strong expertise in the field to act as an accelerator for go-to-market
- Beyond providers and payers, partner with **private insurers and companies (B2B)** to gain access to a larger pool of users
- Look for **investors and partners** who know both **technology and health care**
- **Collaborate with health care practitioners** through 'champions' to demonstrate the impact and benefits of solutions

Raise awareness

- **Raise awareness** on preventive solutions through:
  - **Local public partners** who promote prevention and its long-term benefits
  - **Transparency** about the company's use of (personal) **data** in your consent management
- Create **reward mechanisms** to foster adoption by motivating users with **short feedback, insights and gamification**

Prioritize the user experience and value

- Develop an **agile solution** with a radical focus on **user-friendliness** to improve digital inclusion
- Focus on **interoperability** for your solution to work with or be integrated as-a-service into other HealthTech platforms and solutions
- **Avoid lowering your price-point to 'buy the market'** as it will reflect on consumer perception of quality and value
- **Value your solutions based on alternatives** it replaces, within an acceptable range

Seek regulatory accelerators

- Find specific high-quality **accelerator programs** (e.g., with proven track record) and **dedicated to your field**
- Public or private partners can bring **complementary expertise** and guidance to successfully go through the regulatory process

Recommendations for public authorities

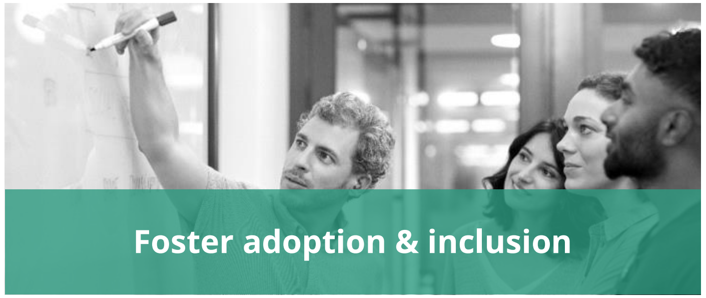
Public authorities, including lifetech.brussels, can play an important role in the development of the preventive care market and success of HealthTech companies

Connect the ecosystem

- Create a platform that **connects start-ups and ecosystem stakeholders** (health care industry, payers, authorities) to foster public-private collaboration (e.g., social impact bonds initiatives)
- Develop a (MedTech) network for **early-stage start-ups** and scale-ups for knowledge sharing
- Connect with **investors** that have (preventive) HealthTech **experience**
- Setup **incubation programs** that provide access to other international programs
- Access **corporate partners** for development projects or commercialization
- Develop **talent agency** connecting students and young professionals to start-ups

Provide end-to-end support

- Provide guidance in funding and **grant application processes** (including reporting, follow-up)
- Provide a **platform**/initiative to effectively and efficiently **run trials** in Brussels
- Provide guidance on specificities in entering **different European countries**
- Provide guidance on **reimbursement frameworks** for preventive HealthTech (also on access management)
- Provide guidance on **regulatory and legal** aspects (market analysis, market access, roadmap)
- Develop or give access to **centers of excellence** (e.g., MDR)



Foster adoption & inclusion

- Raise **awareness across the population** and encourage adoption of new preventive solutions amongst **health care practitioners**
- Improve **digital inclusion and health literacy** for health care (i.e., elderly)
- Leverage the **diversity** of Brussels (e.g., access to minority groups)

Opportunities for Brussels

Preventive HealthTech solutions pose the greatest opportunity for the Brussels region with the highest growth potential

Brussels has the potential to become a **technology hub** and serve as a **sand box** for preventive **HealthTech solutions**

- Preventive solutions have been assessed on their **market accessibility** and **growth potential**
- There is a **complexity** to consider in terms of **implementation**, as Brussels does not have authority over federal and regional prevention matters (e.g., vaccination)
- Brussels and its **digital ecosystem** show great potential to grow **HealthTech solutions and revenues**
- Brussels can act as a sandbox for HealthTech innovation (i.e., as an environment to test solutions and make them grow in Brussels) if it **collaborates with private and public stakeholders**

Methodology

Desk research, qualitative/quantitative analysis and interviews with companies and patients have been combined to build a clear understanding of the success factors and challenges in the market, across three main steps

1

SUB-STUDY 1: INSPIRE

- Give overview of **market trends and opportunities** of the preventive health care market in Belgium, Sweden & Germany
  - **Sweden** is a similar market to Belgium and interesting to derive insights for policy makers
  - **Germany**, thanks to its size and proximity, provides an interesting export opportunity for Belgian companies active in preventive health care
- Identify **levers for a mature preventive care market**
- Provide a **comparison between the selected countries** to assess the maturity of their preventive care market

Note: desk research and interviews with Belgian, Swedish and German companies/ entrepreneurs, Belgian political stakeholders, Deloitte experts

2

SUB-STUDY 2: IMAGINE

- Identify and detail **8 best-in-class companies** active in preventive heath care of the respective chosen markets
  - Companies were selected based on the **funding raised, estimated revenue and number of employees**
  - Ensured a **geographic spread** across the selected countries from phase 1, as well as **different therapeutic areas**
- Assess their **business model proposition**
- Describe the **key success factors of their business models**
- Identify the **funding architecture** and **investment role of public agencies**

Note: desk research, interviews with selected companies - detailed company descriptions can be found in appendix

3

FINAL REPORT

- Consolidate the insights into a **final report and executive presentation** including:
  - **Market trends and opportunities** on the preventive care market – in general and in selected countries
  - Overview of **prioritized actionable business models**
  - Summary of **funding options**

Appendix

Overview of companies investigated in the study

Different companies active in prevention have been studied across the selected markets

Belgium

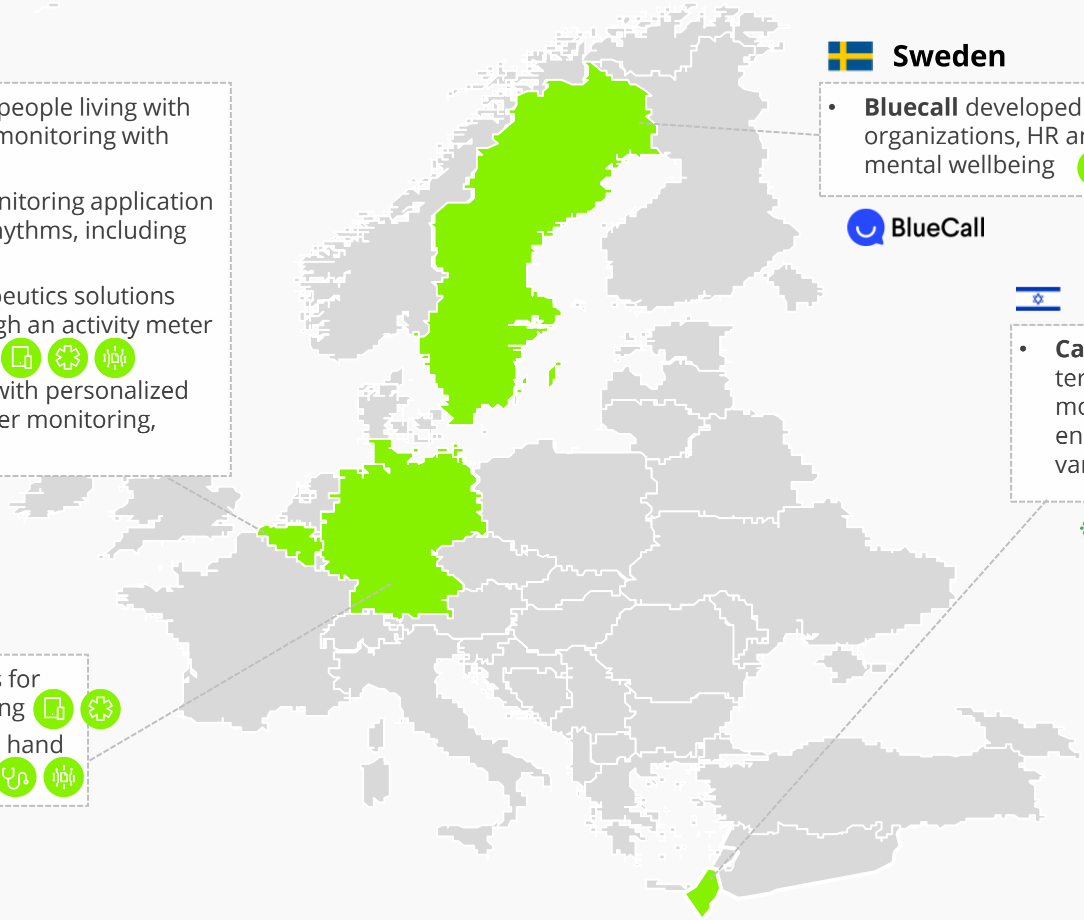
- **Indigo** develops the world's first invisible sensor for people living with diabetes to address their need for accurate glucose monitoring with improved user experience
- **Fibricheck** is a medically certified screening and monitoring application on prescription for the detection of irregular heart rhythms, including atrial fibrillation
- **MoveUP** develops and commercializes digital therapeutics solutions which offer personalized monitoring remotely through an activity meter (wearable) and an application, before/after surgery
- **Gabi SmartCare** is a patient-centric digital solution with personalized data and predictions to improve children's care (better monitoring, diagnosis, and prevention)

indigo FibriCheck moveUP gabi

Germany

- **CardioSecur** creates and sells products and services for mobile health with focus on instant cardiac monitoring
- **GWA Hygiene** is a digital assistant that monitors the hand hygiene behaviour and prevents hospital infections

CardioSecur GWA Hygiene



Sweden

- **Bluecall** developed a digital empowerment toolkit for organizations, HR and leaders to manage their employee's mental wellbeing

BlueCall

Israël

- **CardiacSense** enables continuous, long term, ambulatory and non-invasive monitoring of life critical functions which enables accurate real time diagnostics of various medical conditions

CardiacSense

- ADVANCED MEDICAL DEVICES
- ADVANCED MEDICAL DIGITAL APPLICATIONS
- DIAGNOSTICS
- LIFE & HEALTH DIGITAL APPLICATIONS
- DIGITAL CARE

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