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GOES DIGITAL HEALTH



Mrs. Michal Geva
Co-Founder and CEO of Triventures

The Digital Health Revolution is Here to Stay

By Israel Export Institute | 27.02.19

According to Mrs. Michal Geva, co-founder and CEO of Triventures, innovative technologies in digital health have brought upon the healthcare revolution we are currently witnessing. However, she cautions, technology alone is not enough to succeed.

"No matter how good and efficient a new technology may be, entrepreneurs and start-ups need a valid and clear business model," says Mrs. Michal Geva, co-founder and CEO of Triventures, a venture capital fund focused on medtech and digital health, referring to the current healthcare revolution.

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Follow the Money

According to Mrs. Geva, digital health accelerates innovative technological developments that can greatly improve the quality of medical care. This includes improving preventive medicine, providing more and better access to health services, expanding services, using smartphones for diagnosis and improving clinical, administrative and research work-flow efficiency. However, health costs are on the rise and every new technology is subject to stringent cost-benefit analysis run by buyers (health care providers and/or insurance companies). As a result, entrepreneurs should ask themselves two important questions:

1. Is the technology suitable for the current world?
2. What is our business model and how will we get paid?

"I always recommend that entrepreneurs follow the money," Mrs. Geva stresses. "Entrepreneurs should carefully examine who pays, what kind of evidence they will need in order to get paid, and understand what regulations need to be complied with in order to bring the product to market. Many times, integration into the market is harder than developing the technology itself. If you look carefully into the market, you will notice that hospitals, that probably need the new technology, find it difficult to pay. On the other hand, insurance companies, that have the means and interest to pay, require strong market validation and proof that the technology works before they are willing to write a check."

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At what stage is digital health and what promise does it hope to fulfill?

"It is worth remembering that until about seven years ago, no one talked about digital health. Currently, we are witnessing an industry that is already generating over \$14 billion in the U.S. alone. The market is continuing to grow significantly with the entry of new entrepreneurs competing to develop new technologies. At the same time, we are seeing impressive new technologies enter the field; these include: Big Data, Machine Learning (ML) and Artificial Intelligence (AI). In the healthcare business space, health analytics platforms are being powered by these new technologies and are already improving medical decisions and clinical workflow. There is an increase in the number of companies specializing in this field, and today there are more than 500 companies in Israel.

"Following the introduction of digital health technologies, innovative services and new business models are emerging, mostly in the U.S.," Mrs. Geva adds. "Patients can now conduct medical tests at pharmacy and retail chains such as Walmart, Walgreens, CVS etc. It makes life much easier. Instead of running around with your child to the doctor, you can check them with a camera and an ear gauge at home, send the data to a doctor and receive a treatment recommendation. This saves the valuable time of parents, doctors, and the healthcare system at large. It also leads to the entry of more care providers, with tens of thousands points of sale.

"Reimbursement for telemedicine services that were approved only in the last two years, also increase interest in the field and open more business opportunities. More and more medical-service technologies for self-consumption are in hand and these no longer need to be provided by a doctor in a white coat. The revolution of using smart mobile applications and advanced wearable and sensor technologies empower patients by providing them with highly efficient and accessible health management tools. Healthcare professionals, together with the patients themselves, can monitor, predict, diagnose and treat a broad range of health conditions.

"For example, we at Triventures invested in 6over6, a technology that enables wearers of prescription eyeglasses to receive their prescription through their smartphone and in GlassesUSA, an e-commerce platform that sells and delivers prescription eyeglasses to customers at half price. Consider the combination of these two services and you can estimate the vast business potential in the field.

"We are also witnessing the entry of new players into the sector, such as the tech giant companies. Last year, Amazon acquired an online pharmacy called PillPack for \$1 billion; Google and others hired hundreds of healthcare data scientists; and tech giants are heavily investing in digital health technologies and making mergers and acquisitions. This is just another indication that the field of digital health is booming."

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What about the current players – the various pharma companies?

"Since many digital health technologies are developing data-driven solutions to make medication use more personal and accurate, help enhance patient medication adherence and accelerate the research of new indications of already approved drugs, pharma companies are highly interested in such technologies and are investing heavily and acquiring companies in this domain. An example of one such acquisition is Flatiron by Roche, which paid almost \$2B for their oncology data."

What is the relative advantage of the Israeli health system in this new era of digital health?

Israel enjoys a unique set of capabilities in the fields of information, communication, mobile, and cyber technologies, all of which make Israel a leading player in the field of digital health. Furthermore, Israel was the first country in the world to digitize its health care system. This happened about 20 years ago while the rest of the world only started this process in recent years. Therefore, Israel as a nation has accumulated significant amounts of medical data, which can reveal the long-term disease and illness trends of its citizens, offering a huge data set for researchers and innovators. This information yields valuable medical insights that can improve medical treatment, increase preventive medicine and improve the efficiency of the medical system.

"In short, Israel is becoming a major force in the field of digital healthcare, with over 500 start-ups specializing in data-driven technologies."

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Tell us more about the venture capital fund you run

"Triventures invests in companies in the field of medical devices and digital health, and operates from its offices in Herzliya Pituah and Silicon Valley. We usually invest in early stages – seed, first and second rounds – and sometimes even later. We invest in visionary people and in products that are transforming healthcare. We believe in working closely with the industry. Our investors include giants like Medtronic, Phillips, Boston Scientific, Abbott, Intermountain Healthcare, Cardinal Health and Johnson & Johnson, as well as Samsong and Nikon.

"I am happy to announce that we are about to open two new funds, one of which will invest in seed-stage digital health in cooperation with the Sheba Medical Center at Tel Hashomer in Israel. Sheba is the largest hospital in the country, and one of the largest in the world with 2,000 beds. This partnership will allow our portfolio companies to enjoy rapid access to Sheba's medical data and accelerate development cycles significantly. The second fund will invest in post-seed stage opportunities."



Triventures is a global multi-stage venture capital fund investing in transformational health, the convergence of big data, healthcare and technology. With \$130M under management, we invest in early and mid-to-late start-ups that offer data-driven innovations. Located in Israel and Silicon Valley, Triventures' team is comprised of key opinion leaders in healthcare, entrepreneurship, venturing and corporate business development and is proud to name top tier healthcare organizations as our strategic partners.

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