

GERMAN DIGITAL CARE ACT: INDUSTRY EXPERTS EXAMINE THE NEW LAW'S IMPACT IN 13TH MEDTECH RADAR

Berlin/Bonn, 13th November 2019 – With the new Digital Care Act ("Digitale-Versorgung-Gesetz", DVG), the German digital health scene is gaining momentum. However, what potential does it offer for healthcare in Germany, and where do companies still see a need for improvement? These topics will be covered in the joint publication "MedTech Radar" of the German Medical Technology Association (BVMed), Earlybird Venture Capital, the High-Tech Gründerfonds (HTGF) and the magazine medtech zwo.

The DVG brings great hope of speeding up adoption of digital health tools in Germany. For the first time, public health insurance funds will now be able to reimburse digital health tools such as digital therapeutics and telehealth video consultation hours. Most of the medtech industry representatives welcome the law but believe that there is room for improvement in terms of the details and its implementation. The current issue of MedTech Radar covers the perspective of the medtech industry and start-ups in this space. Gottfried Ludewig, Head of Digitalization at the German Federal Ministry of Health, provides insights on the main motivation behind the new law.

"The lower barrier to entry and the patient-friendly approach make it possible for novel solutions to actually find their way into healthcare," says BVMed Managing Director Dr. Marc-Pierre Möll. However, the Medtech Association criticizes the fact that the new regulations initially only apply to medical product classes I and IIa. "From BVMed's point of view, it is necessary to broaden the scope of application to medical products in classes IIb and III. If this does not happen, the possibilities offered by digital health applications for the improvement of care will be very limited," says Natalie Gladkov, BVMed's expert for digital medical devices.

For Anke Caßing, investment manager at High-Tech Gründerfonds, the DVG is an innovation driver with high potential: "The law may not yet regulate everything perfectly, but it offers a unique opportunity for start-ups to obtain access to digital solutions and to broadly improve patient care. I am sure that founders, investors and other players will seize this opportunity, exchange experiences and make constructive suggestions for improvement."

Thom Rasche, partner at Earlybird, also emphasizes the positive impact of the new law: "The law will pave the way for transferring digital care to standard clinical practice. It will encourage the health insurers to try out innovations, and also increase their engagement through investments into venture capital funds. The decisive success factor of the law, however, will be its interpretation and the implementation of the text in practice. All parties involved in the healthcare system, including the regulators, should see it as an opportunity."

Sandra Wirsching, Editor-in-chief of the medtech zwo magazine, comments: "With the DVG, Germany will finally gain access to a growing global market. For too long, digital health start-ups in Germany struggled with market entry barriers. This should now change, providing a strong innovation boost in the long-term."

The current MedTech Radar is available for download in German and English at: www.earlybird.com/press

About the publishers:

The High-Tech Gründerfonds invests risk capital in young technology companies that implement promising research results into business strategies. In 2018, the third fund was launched. Alongside the German Ministry of Economy and Energy and KfW Capital a total of 33 companies are participating as investors, among them Bayer, B.Braun, Boehringer Ingelheim and Dräger.

Earlybird is a venture capital investor focused on European technology companies. Founded in 1997, Earlybird invests in all growth and development phases of a company. Amongst the most experienced venture investors in Europe, Earlybird manages different funds with focuses on digital technologies in Eastern and Western Europe as well as a healthcare focused fund.

The German Medical Technology Association (BVMed) is an industry association that represents over 230 industrial and commercial companies in the medical technology sector.

The medtech zwo magazine is published by BIOCOM AG. It provides information about topics such as financing, technologies, manufacturing and regulation relevant for the medical device industry in Germany, Switzerland and Austria.

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