

MEDTECH RADAR

Innovations in medical technology | Media service
14th issue | Spring Edition | Volume 7

1/2020

Interview

Thom Rasche,
Earlybird
Venture Capital

Event

MedTech Radar
LIVE 2020 in Köln

Digital therapies

How can the healthcare
system change?

A cooperation of

BVMed
Gesundheit gestalten

EARLYBIRD

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medtech
ZWO



DIGITAL THERAPIES

How can the system change?

MedTech Radar LIVE 2020 on 9th June looks at the digital change taking place in healthcare with examples from the fields of diabetology, cardiology and endoprosthetics. What should Medtech firms and start-ups do in order to stay in the game?

Medical products such as pacemakers, insulin pumps and joint implants are already playing an important role in healthcare. At the same time, continued advancements in digitalisation, miniaturisation, artificial intelligence (AI) and sensor technology indicate that the next generation of medical products is on the horizon. “Many conditions related to cardiology, endoprosthetics and diabetes require complex therapies that extend throughout an individual’s lifetime. In these cases, digital solutions can provide real improvements and offer patients more ownership over their treatment” says Anke Cassing, investment manager at the fund management company High-Tech Gründerfonds.

Individual patient needs are playing an increasingly central role – even more so if medical products are reimbursed. “Whether value-based care or

evidence-based medicine – it is all about making decisions based on real-life data. Digital solutions mean that these data are increasingly easy to collect and analyse”, explains Thom Rasche, Managing Partner at Early Venture Capital. He believes that as these developments continue, the focus will shift more towards looking at the overall clinical picture and establishing holistic cross-sector models for healthcare delivery instead of the current method focused on individual medical products or drugs. “We need to look more at the overall clinical picture”, stresses Rasche in an interview (see page 36).

Digital models of healthcare provision, certainly – but how?

How such models could look like in the future will be discussed at MedTech Radar LIVE 2020 on June 9th in Cologne. Discussions will focus on the

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challenges associated with digital medicine in the fields of cardiology, diabetes and endoprosthetics. Using specific examples, established businesses from the medical technology and pharmaceutical industries, clinicians and selected start-ups will all come together with investors and representa-

SMEs und start-ups can more easily apply locally adapted digital solutions than larger corporates.

tives from health insurance providers to discuss promising new healthcare solutions in these fields and identify the possibilities associated with digitalisation and the challenges that will arise during the practical implementation.

“Many of our member companies are global providers of medical technologies, who at the same time, have to apply digital healthcare solutions within very specific local contexts. This balancing act of global and local perspectives must be tackled – both within the companies, as well as with a view to possible funding models”, says Marc-Pierre Möll, managing director of the German medical technology association BVMed. Thom Rasche believes that this situation can result in a competitive advantage for SMEs and start-ups. According to the investor: “Wherever possible they can more easily apply solutions that are adapted to local requirements and integrate them into national reimbursement systems, which is not easily applicable with the structures of large, global organisations”.

The DVG as a driver – but there is room for improvement

The speed at which the new German Digital Care Act (“Digitale-Versorgung-Gesetz”, DVG) is being implemented has been well received. Experts expect that by mid 2020, the processes for funding digital healthcare applications will be in place. “We are, however, critical of the significant requirements and costs of demonstrating the positive effects of these solutions, as well as the lack of combination

products important to the Medtech sector”, says Möll. The association is also advocating openness towards higher-risk digital medical products. Investors such as HTGF also feel that further discussions are needed regarding specific routes to implementation. “Introducing digital solutions requires changes throughout the entire healthcare system that have so far been only partially implemented. The DVG legislation still has room for improvement”, says HTGF’s Anke Cassing. She believes that new models for cooperation between the various stakeholders are needed. “Collaboration between start-ups, Medtech firms and service providers must be strengthened to expedite the entry of useful solutions to the market. As an investor we are looking for established medical technology companies that are willing to work with start-ups.” 

MedTech Radar LIVE 2020
9th June, Cologne

**MedTech in transition -
Where is digital medicine heading?**

The event, organised by BVMed in cooperation with medtech zwo, Earlybird Venture Capital and High-Tech Gründerfonds, will discuss digital healthcare in the areas of **diabetology, cardiology and endoprosthetics** with representatives from industry, start-ups, clinical professionals, health insurance providers and investors.

How can start-ups get involved?

Start-ups offering digital solutions in diabetology, cardiology or endoprosthetics can apply to participate **until the end of April**. Five teams in each of the application areas will receive a place at the exhibition. The two best teams in each field will take part in the main event.

More info: www.medtechradar.live

INVESTOR PERSPECTIVE

„We need to look more at the overall clinical picture “

How should the sector position itself in order to implement digital therapies in practice? For Thom Rasche, Earlybird Venture Capital, one thing is clear: In the future, we must focus more on illnesses and patients rather than on products.

MEDTECH RADAR | Mr Rasche, what possibilities do digital therapies offer?

Thom Rasche | They open up the possibility for all businesses in the healthcare sector, whether medical technology firms, pharmaceutical firms or start-ups, to get much closer to patients in the future. This represents a complete paradigm shift. To date, companies have just been the suppliers who only indirectly communicate with customers and patients. This is all changing, however, with the introduction of digital solutions and possibilities

MEDTECH RADAR | Why it's important to be close to patients? Why should companies strive to do this?

Thom Rasche | I think it is important for a variety of reasons. Regulatory authorities and health insurance providers are increasingly expecting data that shows how patients are using medical products and medicines. The term “compliance” is also relevant here: What effects are my products having on the daily life of patients, what interactions are there with other medications or therapies? In the future, knowledge such as this will go into the process of deciding whether something should be funded.

The good thing here is: Digital solutions can be used to collect this type of real-life data and be used as the basis for entirely novel disease management systems, such as in diabetology for example. Imagine an artificial pancreas with integrated insulin pump that automatically measures insulin levels and injects



Thom Rasche works with the VC investor Earlybird Venture Capital since 2003. Since 2015, he is active as Managing Partner.

just the right amount of insulin as needed. Whilst this scenario is certainly not possible for all diabetic patients, it demonstrates the kinds of technological developments we can expect.

MEDTECH RADAR | This will bring about entirely new disease management systems. What other possibilities exist in other areas?

Thom Rasche | Further interesting scenarios for digital models of healthcare can be seen in cardiology.

For example, think about remotely monitoring patients with pacemakers. Real time monitoring and emergency responses are possible.

The question here is simply: Who will take on the responsibility? Should it be the patient's GP react? We might even see more reliance on external service providers that collect patient data, evaluate this data and make it available to doctors in a structured format. The central question is: Within a digitally supported infrastructure, who takes care of the patient and who is liable for what? There are no clear answers currently, and that's precisely why we need to start talking about it. The next MedTech Radar LIVE event on the 9th of June in Cologne will provide a forum for this discussion.

MEDTECH RADAR | Alongside diabetology and cardiology, what other examples of digital therapies will be discussed?

Thom Rasche | We have decided on the field of endoprosthetics. This is a field in which new sensor technologies offer new options for direct monitoring of implants and carrying out motion analysis. Entirely new models for providing care can also be developed if we make the patient central to our considerations.

MEDTECH RADAR | How could this look in practice?

Thom Rasche | It has been shown, for example, that patients having hip operations spend less time in the hospital if they are first prepared for the operation using certain physiotherapeutic procedures and receive a tailored rehabilitation programme immediately afterwards. Why then, should implant manufacturers not concern themselves with pre and post-operative treatment in the future? There is currently too much focus on the product itself. I am convinced, however, that we must start looking at the overall clinical picture and less at individual end products.

MEDTECH RADAR | What technologies and innovations are needed in this regard?

Thom Rasche | We need innovations that look at the treatment pathway and course of the disease, rather than just looking at specific parts. There are many ideas, but the main question is: How can these business models be implemented?

MEDTECH RADAR | What is the greatest challenge that needs to be tackled?

Thom Rasche | We need data that is not sourced from clinical studies, i.e. data from the day-to-day provision of healthcare, that can demonstrate these approaches. This is the only way to effectively identify the economic benefits of holistic models of healthcare provision.

The question here is: In the future, who needs to work together with whom? And how do funding systems need to be adapted so that specific service packages containing products and the provision of healthcare itself can be paid for across multiple sectors? Which business models are best for the companies involved and how can profitability be determined? How can global companies manage to integrate themselves into local healthcare structures? We still have the situation that medical products and medicines are used globally, but the actual provision of these to patients takes place at the national, regional and local levels.

MEDTECH RADAR | Do you feel that the sector is ready to face this challenge?

Thom Rasche | Some stakeholders may be ready, but most are not. That is why events like MedTech Radar LIVE are important for raising awareness of the problem. We are currently seeing plenty of dynamism within the digital sector in Germany, which is being partly driven by digital healthcare legislation. It is therefore the perfect time to talk about how things need to develop moving forward. I feel that all stakeholders within the healthcare business need to work together more: Medical technology companies, pharmaceutical companies, start-ups, insurance providers and hospitals. The boundaries are not clear. 

MEDTECH RADAR

Innovationen in der Medizintechnologie | Medienservice

The MedTech Radar is a joint information service of HTGF, Earlybird, BVMed and medtech zwo. It offers insights into current trends of medical technology sector. The publication is published twice a year in spring and autumn.

The MedTech Radar is available as PDF download in German and English at the websites of the partners. The German issue is an additional part of the medtech business journal "medtech zwo" published by BIOCOM AG twice a year in spring and autumn.



High-Tech Gründerfonds

The High-Tech Gründerfonds, an initiative of the Federal Ministry for Economic Affairs and Energy, the KfW, Fraunhofer Society and 32 companies, supports young technology companies with seed financing to advance research projects at least until a prototype status or until market entry.

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>_ EARLYBIRD

Earlybird is a European venture capital investor with an experienced team of health experts focused on investing in early European technology companies in the health tech area.

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The German Medical Technology Association (BVMed) is an industry association that represents over 230 industrial and commercial companies in the medical technology sector. Among its members are 20 of the largest medical device manufacturers worldwide in the field of consumer goods.

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