

Press Release

DIGITAL THERAPIES READY FOR TAKE OFF

Berlin/Bonn, November 18, 2020 – The first apps available via prescription have made it into reimbursement; the next ones are awaiting approval. Is digital medicine about to make a breakthrough in Germany? 15 months after the start of the Digital Healthcare Act, start-ups, health insurance companies, authorities and investors take stock of the situation: What are still the biggest challenges? Which business models can digital therapies offer in the long term? The current issue of the MedTech Radar publication takes a look behind the scenes and brings several perspectives to the table. The media service is jointly published by the German Medical Technology Association (BVMed), Earlybird Venture Capital, High-Tech Gründerfonds (HTGF) and the medtech two magazine.

The MedTech Radar 15 is now available to download in English and German on our website: www.earlybird.com/press.

Anxiety disorders, obesity, and sleep disorders – apps for managing these conditions are now available via prescription. Each is approved as a digital health application (DiGA) by the Federal Institute for Drugs and Medical Devices (BfArM) and reimbursed by the statutory health insurance companies. In just 15 months, a completely new group of products was brought into standard care on the basis of the Digital Healthcare Act (DVG). MedTech Radar talks to the founders behind the app companies. Meet digital health pioneers such as Selfapy (mental health) and Newsenselab (migraine therapy) who are expected to obtain the DiGA approval for their digital therapy by the end of the year. Cardiology experts at iATROS and Personal MedSystems are also preparing their applications. But how do the young entrepreneurs evaluate this new gateway into the health market? Where do they currently see the most important tasks? Together with industry experts, they discuss challenges – especially regarding pricing, sales efforts and long-term business models.

"We welcome the fact that with the DiGA, digital medical devices of lower-risk classes have an important entry point into standard care," says Anke Caßing, senior investment manager at High-Tech Gründerfonds (HTGF), which accompanies the aforementioned digital health start-ups on their way into the market. "However, DiGA approval is only the first step. It will then depend on how the companies manage to actually get their products into clinical practice to doctors and patients," says Caßing.

"The DiGA are an important step on the way to real digital health care, but as a sole business model they are a challenge. In the long term, we need approaches that think in terms of indications instead of individual product groups," says Thom Rasche, partner at Earlybird, and adds: "It will be interesting to see whether medical devices of higher risk classes will also establish themselves in digital medicine and healthcare. We are still at the beginning."

"Many of our member companies are observing the DiGA market very closely and see great potential in higher-class products in digital medicine," says Natalie Gladkov, digital health expert at BVMed. She emphasizes: "We hope that in the negotiations with representatives of the statutory health insurance, a workable compromise will be found when it comes to implementing DiGA in practice."

"We are currently in a real pioneering phase that will have a strong impact on the digital health scene. Experts expect the DiGA market to become a price-sensitive competition," says Sandra Wirsching, editor-in-chief of medtech two magazine. "It remains exciting to see whether and how new long-term cooperation models with the established pharmaceutical and medical technology industries will emerge."

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.

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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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