

New Report Sees Digital Therapeutics as “Reshaping the Landscape” of Certain Aspects of Healthcare

“Top health industry issues of 2019: The New Health Economy comes of age” is the title of the recently released report by consulting firm PwC’s Health Research Institute. The publication highlights key issues relevant to the healthcare industry as a whole, including tax reform, the Affordable Care Act, and digital health.

PwC’s researchers predict that the coming year will usher in new digital therapies that, among other benefits, can provide healthcare practitioners with real-time data, assist patients in making health-positive changes, and improve employers’ and insurers’ management protocol when it comes to the health of their beneficiaries.

Change is afoot: data sharing and payment collections

“The arrival of digital therapeutics – an emerging health discipline that uses technology to augment or even replace active drug disease treatment – is reshaping the landscape for new medicines, product reimbursement and regulatory oversight,” the report reads. “This means that new data sharing processes and payment models will be established to integrate these products into broader treatment arsenal and regulatory structure for drug and device approvals.”

PwC noted that 2017 and 2018 saw a hefty \$12.5 billion directed to digital health ventures by investors. When held up alongside the year 2013, that more recent investment total is an upswing of 230%. And the size of the average investment deal increased 67% from 2013 to 2017-18.

“Unlike branded companion apps and online portals, digital therapeutics and connected devices are clinically validated by the end user and target specific health outcomes,” PwC said. “The FDA already has approved some new digital therapies, such as Boston-based Pear Therapeutics’ Reset mobile application for the treatment of substance abuse, and Stockholm, Sweden-based Natural Cycles’ birth control app.”

Digital devices often work alongside drugs, not instead of drugs

Another prediction contained within the report: the emergence of digital devices intended to treat chronic medical conditions such as diabetes and disorders of the central nervous system, and some of those connected devices, rather than supplanting the need for pharmaceuticals, will complement them.

And when it comes to digital devices and how they can work within connected care in the life sciences field, the PwC offered three pieces of advice for life sciences organizations: concentrate on outcomes more than endpoints; assess how digital therapeutics within connected care affect providers’ practices; and seek out partnership prototypes that home in on demonstrable results.

“To succeed in the digital therapeutics era, pharmaceutical and life sciences companies must venture more deeply into care delivery,” PwC stated. “Organizations that can become an integral part of giving patients positive health outcomes – using real-world data and enhancing the connection between patients and providers – also will be able to design new payment and contracting models.”

The report’s authors opined that patients may experience visits to their physicians as more efficient and more useful when new patient data is successfully integrated into healthcare practices, rather than detract from patient-doctor consultation time.

“New health data streams coming in from patients’ devices and mobile phones may disrupt provider practices even as they help



improve care delivery,” PwC said. “Evaluate workflow processes for new data streams, including integration in electronic medical health records.”

Efficiency: one of the top goals in new partnership model

An example of the results-driven partnership model is Innovation Health, an insurer developed by insurance giant Aetna and Virginia-based Inova Health System. Innovation Health is currently putting digital therapeutics and financial models to the test to determine the efficacy of new products.

“Digital therapeutics and connected devices may make it easier to construct value-based contracts and other outcomes-based financial models with payers and providers to drive adoption,” PwC stated. “Subscription pricing for digital therapeutics or connected device solutions, for example, could make pharmacy spending more predictable and efficient.”

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