DIGITAL CARE – ONE YEAR INTO COVID AND HERE TO STAY

Alan Hughes, Principal, LIT Healthcare

Webinar

Wednesday, 09 June 2021, 15:00 BST

A Word From Today's Chairman

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Today's Agenda

- 15:00 – 15:05 Chairman's Introduction
- 15:05 – 15:25 Keynote Presentation – Alan Hughes
- 15:25 – 15:45 Question & Answer

Today's Speaker

Alan Hughes

Principal

LIT Healthcare

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Digital Care – One Year Into Covid And Here To Stay

9th June 2021

Your presenter – Alan Hughes, LIT Healthcare, a new boutique firm

International Healthcare Specialist – Alan Hughes

Alan Hughes
Healthcare &
Policy Specialist

Overview:
Alan brings over 20 years of international healthcare advisory, working alongside providers and policymakers on the latest international trends. He is a panelist and healthcare commentator at summits across the UK, Ireland and the Gulf.

Key themes he has worked on recently:

- *payment reform, NHSE policy and organisational development*
- *digital care, residential and acute care strategy*
- *special project and business case support to NHS leadership teams*

For 12 years he worked as a healthcare management consultant and policy strategist at KPMG. Prior to this he was in Investment Banking on Wall St and the City of London working on 30 M&A healthcare transactions and five IPOs across Life Sciences, nursing and acute care. He also worked on a Global Strategy project for Novartis in Switzerland.

LIT Healthcare Ltd
In 2020 Alan launched an independent consultancy, LIT Healthcare Ltd, 'bringing insights and interim support to the healthcare market'. *www.lithcadvisory.com*

Healthcare governance and voluntary board experience
Alan served for four years on the National Children's Hospital Board in Dublin (Tallaght) and is a Board nominee for one of the Royal Colleges. In late 2020 he joined Ireland's National Immunisation Advisory Committee as a voluntary lay member.

Our agenda for today

1 – One year on from our Z/Yen webinar June 12th 2020

2 – Following the money and answering today's key questions

3 – Digital care trends and Artificial intelligence application, globally

4 – Artificial intelligence… to the rescue?

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Foreword

What are we covering?

What are we not covering?

Aims:

- *Reflect on the last 12 months…*
- *The role of AI and how it can help globally*
- *The Digital care outlook…*

Artificial Intelligence: *Policy-makers in healthcare refer to AI "as the capability of a computer program to perform tasks or reasoning processes that we usually associate with intelligence in a human being." e.g. subject to appropriate processes, AI enables text, images and patient data analysis.*

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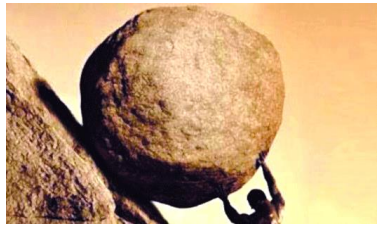
Reference sources: Healthcare Business International 2020 and McKinsey EIT '2020 Transforming Healthcare with AI'.

1. One year on: Why did Digital Care accelerate? *(June 12th 2020 edits?)*

…Achieving economic resilience



…Acceptance of complementary tools

…Adoption accelerates AI and personalised medicine ambitions

A healthy economy is a more resilient and successful economy

Reference sources: Z/Yen and LIT Healthcare June 12th 2020

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1. One year on: "Why did Digital Care accelerate? *(June 12th 2020 edits?)*

Care provision ~~will~~ involves more virtual and online care solutions to:

1. *address significant ~~and in many cases~~ unprecedented elective care waiting lists*
2. *enable a care workforce ~~already under pressure~~ e.g. accessing; scheduling; rostering…*
3. *support greater collaboration as policy-makers blend and regulate older structures with innovation*

…and attract significant capital flows

Following the money from a public healthcare funding perspective and….

Reference sources: Z/Yen and LIT Healthcare June 12th 2020

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2. …Following the money from a private investor perspective

Q1 2019-Q1 2020: Valuations when a 10x+ sales multiple was impressive…

- Teladoc (US) MC: $12bn
- Babylon (UK) $2bn (Series D)
- Ada (Ger) $50m Series A

…June 2021: 10x+ is now the norm...

- Teladoc (US) MC: $25bn (12MonHigh Q420)
- Babylon (UK) $4bn (SPAC)
- Ada (Ger) $100m Series B (Pharma)

Key messages:

Many investors have seen 2x valuation increases

Consolidation and cross-border M&A is well underway with larger players well-funded and on M&A trails…

Next chapter of Digital care innovation has begun enabled by AI…

Local, regional and Global players emerging - a selection to monitor for the next three years:

Dr Care Anywhere (UK); KRY (Swe); Doctrin (Swe); *Webdoctor (Irl); SilverCloud (Irl); Xenzone (UK); C2-AI (UK);* Oviva (UK); QuitGenius (UK); My COPD (UK); My IBD (UK); Careology (UK); 11 Health (US); Doctolib (Fra); Locum's Nest (UK); DocPlanner (Poland); ImproveWell (UK); *Fibricheck (UK); xWave (Irl); HealthBeacon (Irl-US); LetsGetChecked (irl); Medica (UK)*

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Reference sources: Healthcare Business International, FT. Note: Ada series A is pre 2019.

2. Following the money… and answering today's key questions:

Key questions	Answers	Commentary
Has AI in healthcare arrived?	↑	*AI is essential for addressing unprecedented elective waiting lists globally*
From Big data to Real data – are we there?	→	*The quality of data in Electronic Health Records and Patient Admin systems is better but more alignment, integration and cyber-security required*
NB: Has the workforce challenge been solved?	↓	*AI is enabling, empowering and accelerating our workforce but the demand for care will be relentless for the next three years to catchup post Covid*
Regulatory and policy moves underway	→	*Many governments embracing Digital Care and we will see much closer alignment of policy-making with care budgeting in every health economy*

Digital care aligned with the power of Artificial Intelligence, is transforming healthcare

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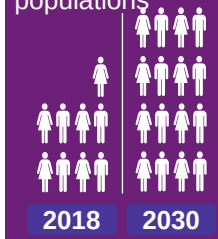
3. Digital care trends and AI application – context:

2018: Ageing and growing populations



By **2030**, the number of people in the world aged 60 years will have grown to 1.4 billion (+50%)

2018: Workforce shortages

The world will be short

over 10m

Healthcare workers by 2035.

Demand + Covid surges + Pre-Covid waiting lists + 2020 Care postponed due to Covid = **Unprecedented demand: 5 million NHSE**

Supply + Capacity used to address surges + Public supply of capacity already under pressure + Some close to burnout; new ways of working required = **Shortfall**

Reference sources: HSJ; media; LaingBuisson; Arab Health 2019.

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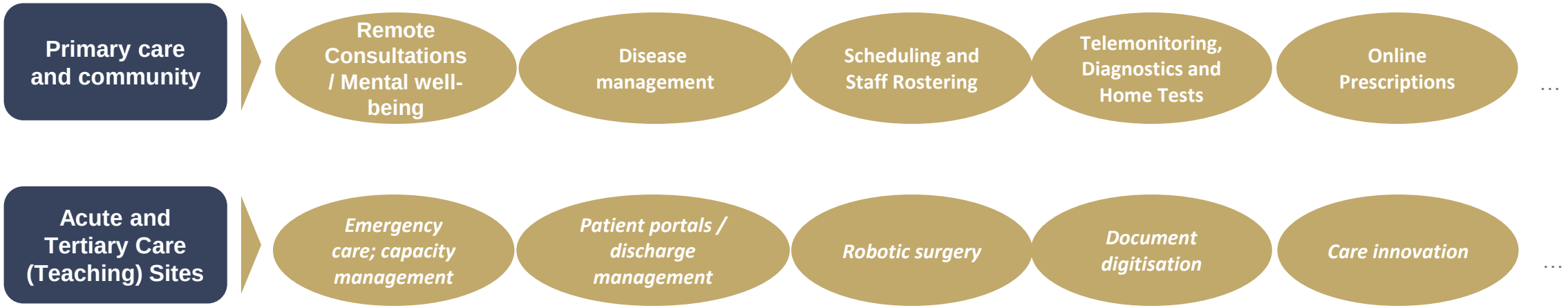
3. Digital care trends and AI – accelerating and expanding:



Digital care aligned with the power of Artificial Intelligence, is transforming healthcare

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4. Artificial Intelligence…to the rescue?

Digital solutions using AI is enabling care capacity in:

	Impact
1 – Clinical decisions, diagnostics	✓ ✓ ✓
2 – Self-care and wellness	✓ ✓ ✓
3 – Triage and monitoring	✓ ✓ ✓
4 – After care	✓ ✓ ✓
5 – Pathology	✓ ✓
6 – Education/Pharma trials/research	✓ ✓
7 – Care delivery (inpatient/surgical)	✓ ✓
8 – Data & operational management	✓ ✓

Each segment embracing AI and pathway integration is next

Care access and efficacy can be enabled with the appropriate application of digital care and AI

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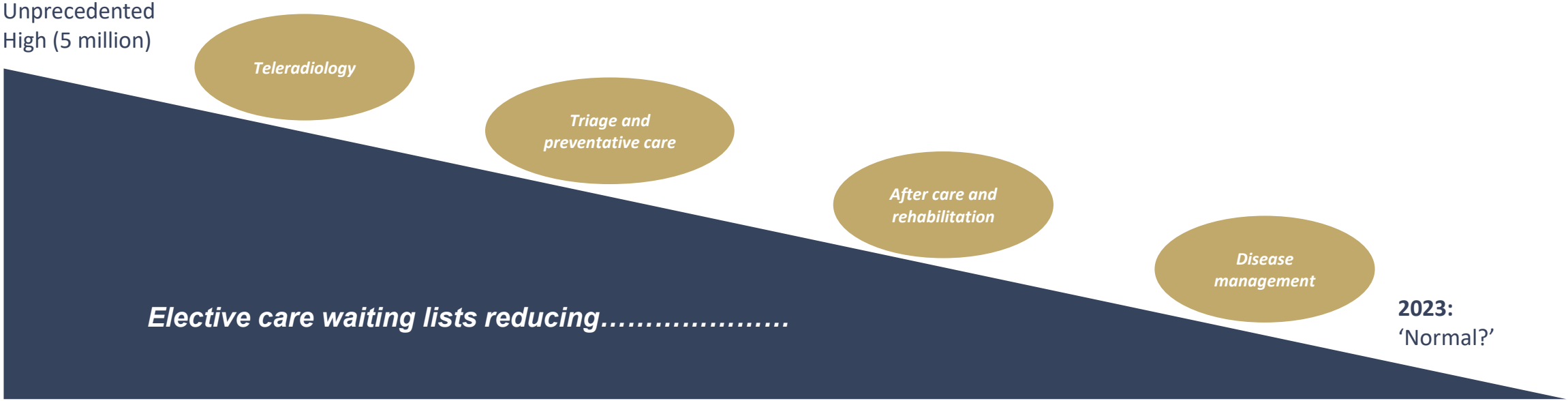
Reference sources: Healthcare Business International 2020 and McKinsey EIT '2020 Transforming Healthcare with AI'.

4. Artificial Intelligence…to the rescue? How:

June 2021:
Unprecedented
High (5 million)



Care access and efficacy can be enabled with the appropriate application of digital care and AI

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Reference sources: Healthcare Business International 2020 and McKinsey EIT '2020 Transforming Healthcare with AI'.

4. Digital care players – survival and innovation

Operating models: From ‘Back office’ to ‘Clinical support’ to ‘Front office’. The growing Tech Stack..

Characteristics of success: Product breath; connectivity and integration; aligning with traditional payors (Govt/PMI…)

Cybersecurity: Traditional Care Providers Requirements And Digital Care Company Requirements – ‘security by design’

Digital care – evolving market propositions: 1) Enabling digital health companies 2) Competing with legacy care providers and 3) Enabling legacy providers of care

See you in 12 months?

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Reference sources: VC Tech news websites and digital care news flow.

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Thank you

Alan Hughes, Principal, LIT Healthcare
info@lithcadvisory.com
00353 87 4622662
www.lithcadvisory.com

Comments, Questions & Answers

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Thank You For Listening

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Forthcoming Events

- Thu, 10 Jun (16:00-16:45) Changing The World One Mistake At A Time: The Work Of The Library Of Mistakes
- Mon, 14 Jun (15:00-15:45) Post-Pandemic: The Importance Of Corporate Reorganisation, Turnaround & Insolvency In The Economic Recovery
- Tue, 15 Jun (15:30-16:15) The Usefulness Of Useful Knowledge
- Fri, 18 Jun (11:00-11:45) Co-operation Between European & Chinese Capital Markets: Current Status, Prospects & Challenges

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