



## **Hot Healthcare Start-ups: Dawn of a New World Order**

Healthcare and Life sciences IT  
Market Report – August 2016 – Preview Deck

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# Overview and abbreviated summary of key messages

This report provides a comprehensive assessment of the healthcare start-ups landscape. It delves deep into factors such as the ways in which the start-ups disrupt the status quo of the current healthcare business models, degree of technological involvement, and the value it brings to stakeholders across the healthcare continuum. The report also profiles leading (hot) start-ups across the five principal investment categories.

Some of the findings in this report, among others are:

## Healthcare: A market craving for innovation

- Currently healthcare suffers from systemic issues of cost, access & quality, with room for innovation
- A combination of renewed government policies, innovative care delivery, and care financing models are expected to transform the industry
- There are various elements of the healthcare value chain that need innovation and a fresh approach to problem solving, thereby proving an opportunity for start-ups

## Hot healthcare start-ups: Key players driving disruption

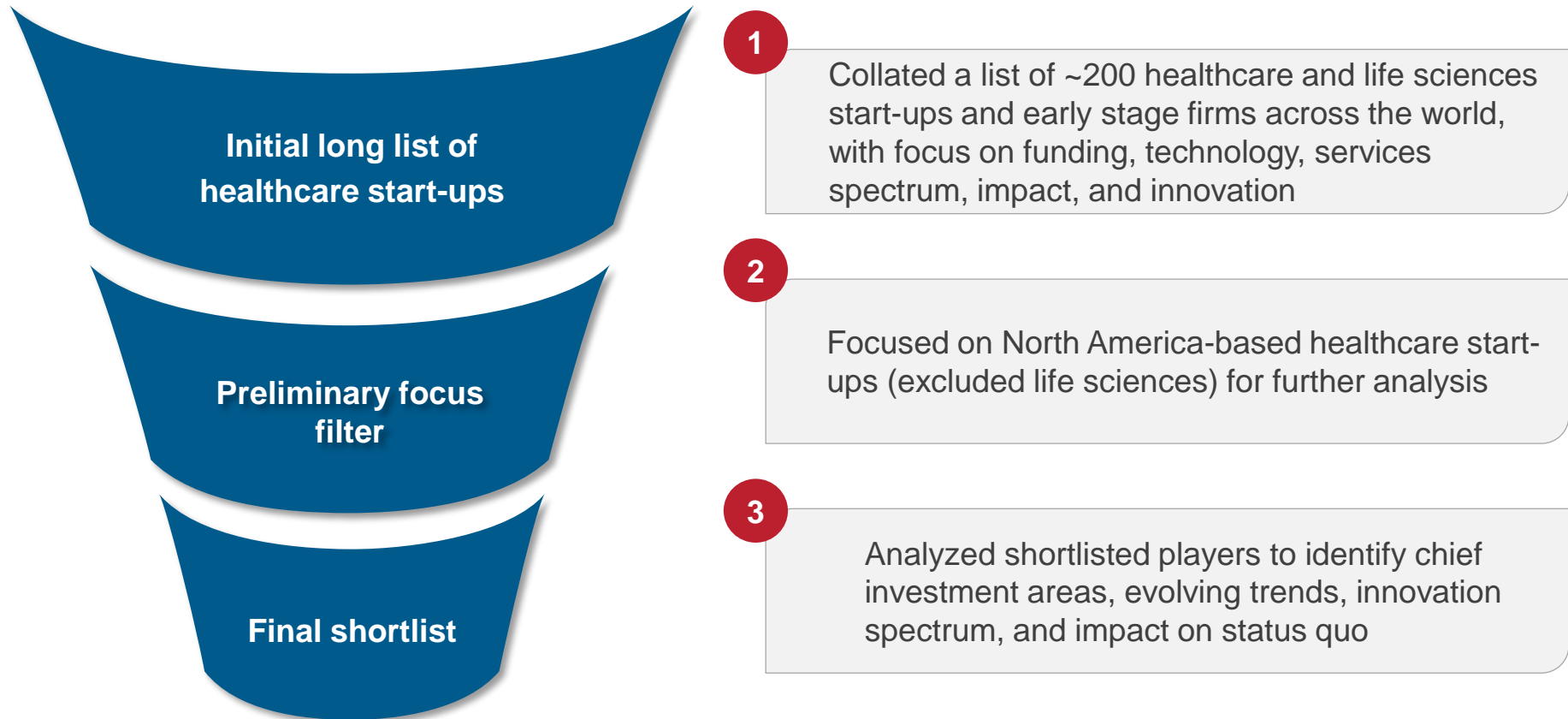
- Even though the overall funding climate has begun to show signs of correction, healthcare is witnessing a resurgence in investment activity
- Innovative care delivery and financing models form key categories in the healthcare transformation landscape. From a long list of over 200, we selected start-ups that were able to raise sufficient funds from the market, and aligned them to five categories
- Players in the start-ups space were analysed across three themes – technology disruption, business disruption, and market buzz

## Investment focus: Assessment of key investment categories

- **Care financing:** Start-ups provide technology-powered innovative business models, enable provider-payer collaboration, and deliver supreme customer experience
- **Care management:** Start-ups are reinforcing customer centricity and generating meaningful business insights for improving care quality
- **EHR:** Focus in on enabling interoperability via API-based models, developing unified view of patients, and focusing on cost optimization
- **Practice management:** Focus on improving clinical decision support, supporting seamless network management, and optimizing front-desk operations
- **Telehealth:** Attention on improving customer experience, monitoring patients & enhancing access

# Overall methodology

Everest Group deployed a multi-tiered approach to identify leading healthcare start-ups and leading investment areas



Source: CrunchBase, CB Insights, Everest Group (2016)

# Hot healthcare start-ups | Leader board

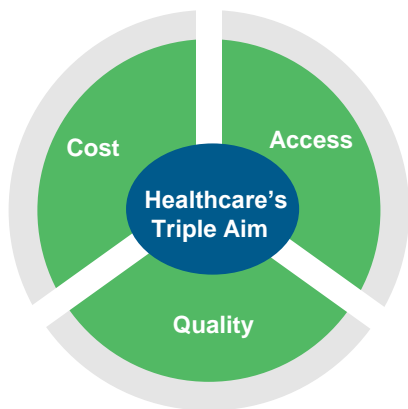
Leading healthcare start-ups meaningfully disrupting the status quo across the segments were assessed

Segments	Hot start-ups
Care financing	    
Care management	    
Electronic health records	    
Practice management	    
Telehealth	    

Source: CrunchBase, CB Insights, Everest Group (2016)

# This study provides a deep dive into healthcare start-ups landscape; below are few exhibits to illustrate the depth of the report (page 1 of 3)

## Healthcare issues



## Current Vs. expected state of healthcare market

	Current state of healthcare	Expected state of healthcare
<b>Customers</b>	 <p>Customers are the primary focus of the healthcare system, and their needs are the primary driver of the system's design and delivery. The current state of healthcare is characterized by a fragmented and inefficient system that fails to meet the needs of customers. The expected state of healthcare is a more integrated and efficient system that meets the needs of customers.</p>	 <p>Customers are the primary focus of the healthcare system, and their needs are the primary driver of the system's design and delivery. The current state of healthcare is characterized by a fragmented and inefficient system that fails to meet the needs of customers. The expected state of healthcare is a more integrated and efficient system that meets the needs of customers.</p>
<b>Providers</b>	 <p>Providers are the primary deliverers of healthcare services, and their needs are the primary driver of the system's design and delivery. The current state of healthcare is characterized by a fragmented and inefficient system that fails to meet the needs of providers. The expected state of healthcare is a more integrated and efficient system that meets the needs of providers.</p>	 <p>Providers are the primary deliverers of healthcare services, and their needs are the primary driver of the system's design and delivery. The current state of healthcare is characterized by a fragmented and inefficient system that fails to meet the needs of providers. The expected state of healthcare is a more integrated and efficient system that meets the needs of providers.</p>
<b>Payers</b>	 <p>Payers are the primary payers of healthcare services, and their needs are the primary driver of the system's design and delivery. The current state of healthcare is characterized by a fragmented and inefficient system that fails to meet the needs of payers. The expected state of healthcare is a more integrated and efficient system that meets the needs of payers.</p>	 <p>Payers are the primary payers of healthcare services, and their needs are the primary driver of the system's design and delivery. The current state of healthcare is characterized by a fragmented and inefficient system that fails to meet the needs of payers. The expected state of healthcare is a more integrated and efficient system that meets the needs of payers.</p>
<b>Government</b>	 <p>Government is the primary funder of healthcare services, and its needs are the primary driver of the system's design and delivery. The current state of healthcare is characterized by a fragmented and inefficient system that fails to meet the needs of government. The expected state of healthcare is a more integrated and efficient system that meets the needs of government.</p>	 <p>Government is the primary funder of healthcare services, and its needs are the primary driver of the system's design and delivery. The current state of healthcare is characterized by a fragmented and inefficient system that fails to meet the needs of government. The expected state of healthcare is a more integrated and efficient system that meets the needs of government.</p>

## Value chain

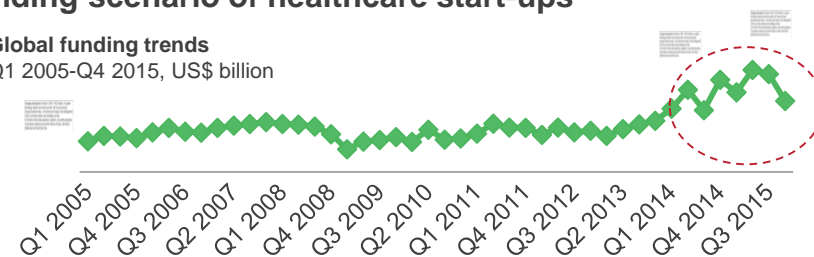


Primary areas of start-up investments on the basis of landscape assessed are

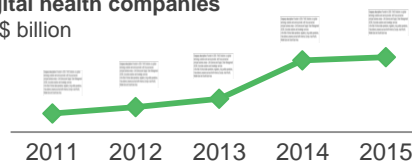
- Care financing
- Practice management
- Care management
- Telehealth
- EHR

## Funding scenario of healthcare start-ups

Global funding trends  
Q1 2005-Q4 2015, US\$ billion



Funding of digital health companies  
2011-2015, US\$ billion



Source: Everest Group (2016)

# This study provides a deep dive into healthcare start-ups landscape; below are few exhibits to illustrate the depth of the report (page 2 of 3)

Primary investment areas

NOT EXHAUSTIVE

Segments	Hot start-ups
Care financing	<div>Clover</div> <div>healthedge</div> <div>oscar</div> <div>remedy partners</div> <div>zipari</div>
Care management	<div>APIXIO</div> <div>NANTHEALTH</div> <div>REDBRICK HEALTH</div> <div>sharecare</div> <div>Welltok</div>
Electronic health records	<div>CoreCloud</div> <div>FLATIRON</div> <div>HealthCatalyst</div> <div>practicefusion</div> <div>REDOX</div>
Practice management	<div>AUGMEDIX</div> <div>cureatr</div> <div>doximity</div> <div>vitals</div> <div>ZocDoc</div>
Telehealth	<div>AMERICAN WELL</div> <div>Dr DOCTOR ON DEMAND</div> <div>HealthTap</div> <div>MDLIVE</div> <div>TELADOC</div>

Implications for service providers

Implication 1

Implication 2

Implication 3

Implication 4

Implications for enterprises

Implication 1

Implication 2

Implication 3

Implication 4

Care financing issues and innovation trends

Pricing and risk profiling

Product development

Analytics

Claims management

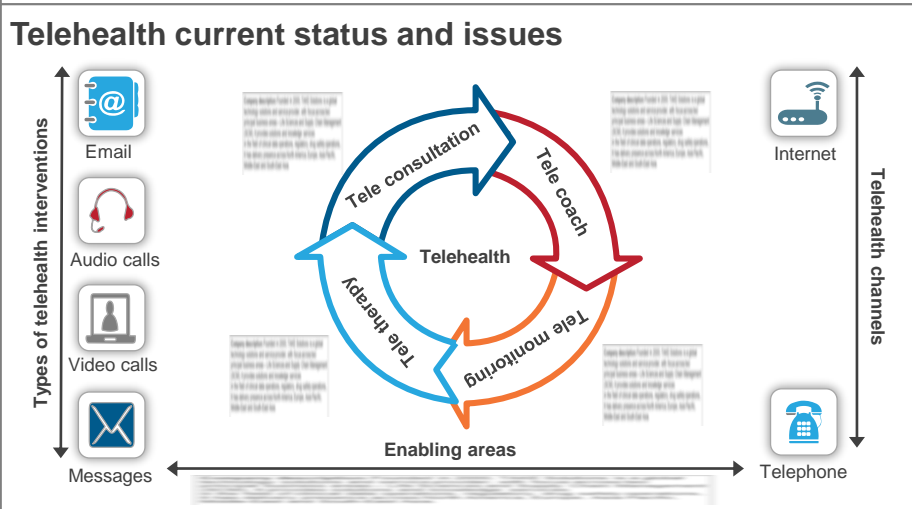
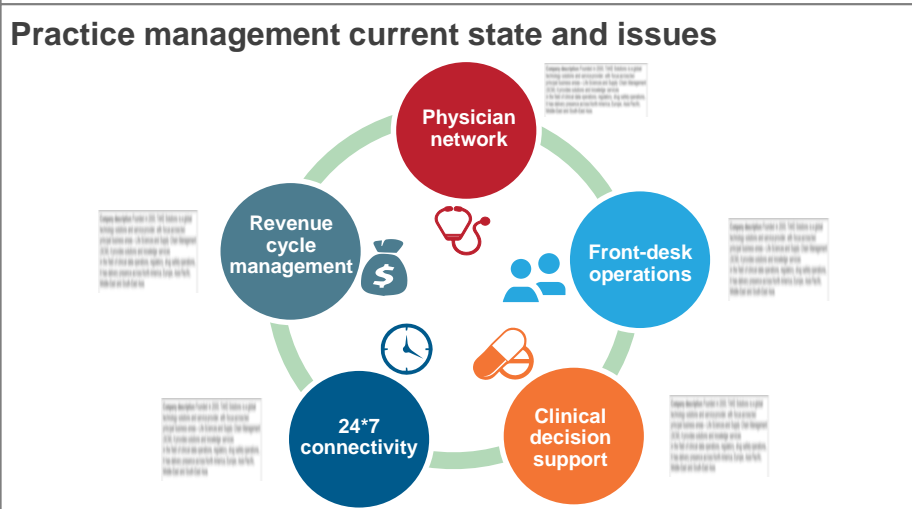
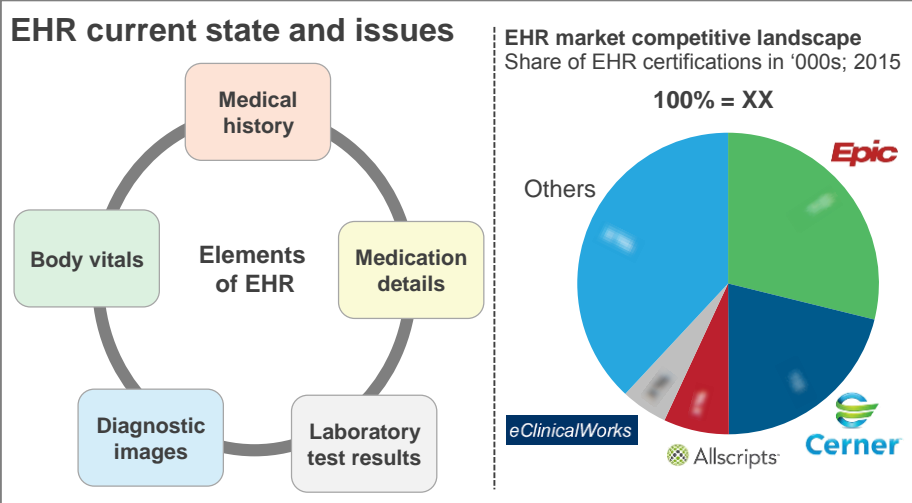
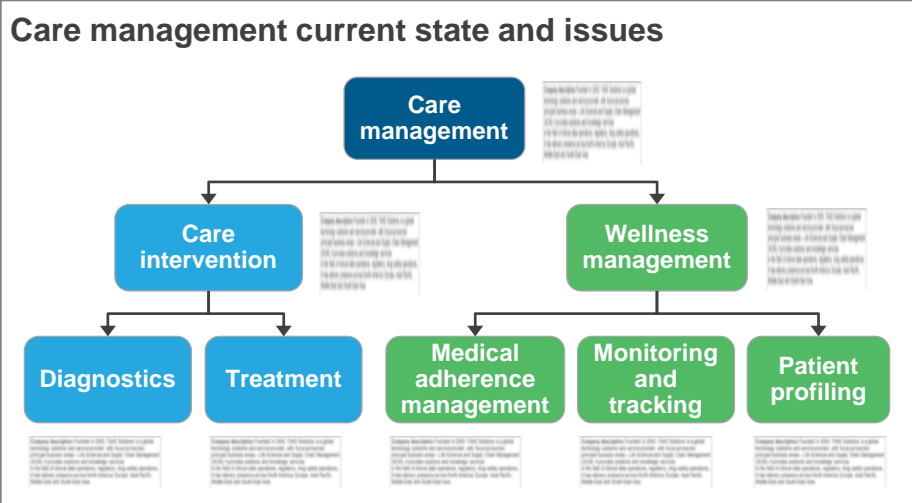
Customer engagement

Network management

Source: Everest Group (2016)



# This study provides a deep dive into healthcare start-ups landscape; below are few exhibits to illustrate the depth of the report (page 3 of 3)



Source: Everest Group (2016)

# Profile Sample: Start-up A

## An integrated clinical platform for care management

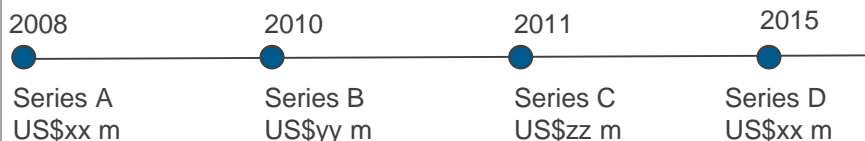
### Overview

**Business description:** Start-up A is an online platform to find and book medical appointments. The application is free and available across the United States via web and mobile platforms.

### Fact sheet

Year of incorporation	2007
Key executives	<ul style="list-style-type: none"><li>• XX</li><li>• YY</li><li>• ZZ</li></ul>

### Funding trail – Total funding US\$XYZ million



There are eleven investors invested through four rounds of funding. Major investors are Khosla Ventures, Goldman Sachs, Jeff Bezos, SV Angel, and DST Global.

### Technology disruption

- The company banks on mobility platform to offer its solutions
- The services are offered in iOS and Android mobile platforms

### Business disruption

- Services include find in-network neighborhood doctors, book appointments online, get patient reviews and ratings, get reminders for upcoming appointments and preventive check-ups, and fill-out paper work online
- Major health systems have partnered to provide services to patients. Some of them are Presence Medical Group, MedStar Health, University Hospitals, Tenet Health, and Mount Sinai

### Market buzz

- Received a total funding of US\$XYZ million
- The company is valued at US\$XXX billion in 2016 and was listed at #xx in the Fortune Unicorn list
- The company has achieved strong tie-ups with major insurance companies such as Aetna, Anthem, Blue Cross Blue Shield, Cigna, and United Healthcare

# Healthcare & Life sciences IT services research calendar

Published Current

## Topic

## Release date

IT Outsourcing in Healthcare Payer Industry – Service Provider Landscape with PEAK Matrix™ Assessment 2015 .....	November 2015
IT Outsourcing in the Healthcare Payer Industry – Annual Report 2015 .....	November 2015
IT Outsourcing in Healthcare Payer Industry: Big Data and Analytics – Service Provider Landscape with PEAK Matrix™ Assessment 2015 .....	November 2015
IT Outsourcing in the Healthcare Provider Industry – Service Provider Landscape with PEAK Matrix™ Assessment 2015 .....	November 2015
IT Outsourcing in Healthcare Payer Industry: Digital – Service Provider Landscape with PEAK Matrix™ Assessment 2015 .....	November 2015
IT Outsourcing in Healthcare Provider Industry – Annual Report 2015 .....	January 2016
State of the Healthcare and Life Sciences IT Market: 2016 .....	March 2016
IT Outsourcing in the Life Sciences Industry – Service Provider Profile Compendium 2015 .....	March 2016
Healthcare & Life Sciences Digital Adoption Trends – Digital Adoption Driven by Consumerization of Healthcare .....	April 2016
Pre-competitive Collaboration Platforms in the Biopharmaceutical Industry .....	May 2016
IT Outsourcing in Healthcare Payer Industry – Service Provider Profile Compendium 2015 .....	June 2016
Life Sciences IT Infrastructure Services – Service Provider Landscape with PEAK Matrix™ Assessment 2016 .....	July 2016
Hot Healthcare Start-ups: Dawn of a New World Order .....	August 2016
Life Sciences IT Application Services – Service Provider Landscape with PEAK Matrix™ Assessment 2016 .....	Q3 2016
Life Sciences Digital IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2016 .....	Q3 2016
Global Payer IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2016 .....	Q3 2016
Global Healthcare Provider IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2016 .....	Q3 2016
Healthcare Provider EMR/EHR Implementation Services – Service Provider Landscape with PEAK Matrix™ Assessment 2016 .....	Q3 2016

# Additional Healthcare & Life Sciences research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **Pre-competitive Collaboration Platforms in the Biopharmaceutical Industry** ([EGR-2016-12-V-1766](#)); May 2016. Pre-competitive collaboration is a novel research model in biopharmaceuticals, with the intention of accelerating collaboration and productivity, ultimately leading to more new medicines and therapies for patients. The research model exists in multiple forms including public-private partnerships. It aims to aggregate research prowess in the biopharmaceutical industry, establish an open culture of shared innovation & expertise and ultimately incentivize collaboration. In light of recent heightened activity in this space, this viewpoint explores the theme along R&D crisis in biopharma, clinical and R&D trends, existing collaborative platforms/alliances, successful implementation and use-case, challenges to adoption, and best practices
2. **Healthcare & Life Sciences Digital Adoption Trends – Digital Adoption Driven by Consumerization of Healthcare** ([EGR-2016-4-R-1748](#)); April 2016. This report focuses on digital adoption by Healthcare and Life Sciences (HLS) enterprises across North America and Europe. It establishes a definitional framework for digital adoption and assesses the extent of digital technology adoption amongst HLS enterprises. The research identifies drivers for adoption, adoption maturity of digital technologies by HLS enterprises, optimism levels based on existing investments, and key priorities for the future. The report also identifies key implications for HLS enterprises and service providers.
3. **State of the Healthcare and Life Sciences (HLS) Market; March 2016** ([EGR-2016-12-V-1719](#)); 2016. In the midst of an evolving healthcare and life sciences (HLS) landscape (both from the demand and supply side) as well as a services landscape in transition, this report looks at identifying the opportunities, quantifying the market size, comprehending the competitive dynamics, and analyzing the key themes for 2016

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