
Supporting Innovation with New Business Models



On 1 December, several experts are convening to discuss the need to reshape healthcare incentives with new business models in order to support the development and growth of new digital health technologies. The discussion is taking place during the EIT Health Summit Series' [New Business Models – Meet consumer demands and remain competitive](#) session. HealthManagement.org talked to one of the panellists, Prof. Ariel Stern of Harvard Business School, about challenges and prospects in digital health and her expectations for healthcare sector in 2021.

What is the main idea of your upcoming talk on the business landscape in Europe at the Summit?

Our session is about new business models for health technology companies. We will discuss the key issues for young companies to consider and use a Swedish health technology company as a brief case study. We will then hear about the exciting work of the German Ministry of Health, which has been working on a set of policies that are already paving the way for the digital transformation of the German health care sector.

What would be the highlight of the Summit for you personally?

I am looking forward to a set of diverse conversations with an international group of thought leaders; I always learn so much when hearing from experts from different parts of the health care ecosystem.

The pandemic has seen an explosion in digital health to which many systems were not ready. What are the regulatory challenges here and how should they be addressed?

There is still plenty of work to be done, but many health care systems responded to the pandemic with remarkable dynamism.

For example, we've seen this in the dramatic take-up of telemedicine by both clinicians and patients as well as the regulatory reforms that facilitated telemedicine as a way to keep patients safe. Regulators have also responded creatively – for example, in late March, the U.S. FDA issued new guidance for clinical trials to encourage the use of remote data collection and virtual patient consultations.

We have also heard a lot about remote patient monitoring programmes and I expect these to really take off. Looking forward, it will be important to learn about which programmes and tools are the most effective and focus on making new regulations that support those with a strong evidence base.

Do we need more or less regulation in healthcare? Why?

For me, it's not a question of quantity, but one of quality: I think we need *smarter* regulation in health care. A great example of regulatory innovation is Germany's Digital Healthcare Act, which passed late last year. It's already leading to meaningful changes that I expect to benefit both start-ups and patients. I'm really excited that we will have Gottfried Ludewig in our session at the Summit because he is going to be talking about exactly this, with a view from the inside.

Being part of HIH, what are Germany's advantages in the health innovation field? What best practices can other countries, in Europe and globally, adopt?

As I mentioned, the Digital Healthcare Act represents a major step forward for Germany and it is already creating a number of exciting opportunities for health innovation. In the context of digital health, Germany's current advantage is its public policy environment. But just getting public policy right is only the start. Something I'm looking forward to seeing is how clinicians and patients learn about how to effectively use new digital health tools once they are available. I hope that as new products come to market, we can start to articulate best practices around their use and that countries and practitioners can learn from one another.

For 2021, what do you see as the main challenges in healthcare at the global level? What can leaders do to be prepared for those?

The first big challenge – and I really must emphasise how humongous this challenge is – will be to get as many individuals vaccinated as possible as new SARS-CoV-2 vaccines (against the virus that causes COVID-19) begin to be approved by international regulators. There will be supply chain and logistics components, as well as important educational components, in particular educating the public about the value and safety of the vaccines that become available.

As we move beyond the pandemic, healthcare leaders will need to grapple with the longer-term implications of many of its side effects. These include the consequences of postponed or missed healthcare visits and procedures as well as the ongoing mental health burden of the pandemic.

We will also need to take a step back and re-evaluate how some of the operational changes to health care delivery should be maintained (or reversed) moving forward. I talked about telemedicine earlier and I think this is a great example. In 2020, an enormous number of patients and physicians who had never used telemedicine became users – and in many cases, these users have identified settings where telemedicine is truly efficient. For health care leaders, it will be vital to be thoughtful about retaining telemedicine in those settings where it works really well. On the other hand, we should be identifying the cases where alternative care modalities are poor substitutes and take steps to ensure patients receive the care they need in person.

Prof. Stern is Associate Professor of Business Administration in the Technology and Operations Management Unit at Harvard Business School, where she teaches the MBA course 'Transforming Health Care Delivery'. Her research focusses on technology management and innovation in healthcare and how new medical technologies are adopted and used in practice. Since September 2020, Prof. Stern also serves as the Director for International Health Care Economics at the Health Innovation Hub, the independent think tank of the German Federal Ministry of Health.

Today's session, moderated by Kurt Höller, Director of Business Creation at EIT Health, will look at the business landscape and discuss new business models across the EU and US with case study examples, followed by a look at digitalisation and innovation from an EU perspective.

Prof. Stern will be joined by Gottfried Ludewig, Director General, Digitalisation and Innovation, German Federal Ministry of Health and Kristina Lagerstedt, CEO, 1928 Diagnostics.

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