

## What Role will Tech Play in 2020 Healthcare?



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While quality and cost of care have remained key areas of focus, industry analysts say the coming year will be a reality check for long-pending national healthcare policies and regulatory reforms that should enliven future strategies. They also see China continuing its drive to perform better in regard to important health metrics, with an eye to becoming the “world’s best and cheapest health system.”

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Looking beyond quality and affordability, the analysts say for 2020 there will be a shift towards predictive, preventive, and outcome-based care models that promote social and financial inclusion.

These are the trends and technologies predicted to become major disruptors in healthcare for the next 12 to 18 months:

### 1) Increasing use of SDOH analytics platform

Medical care accounts for only 10%-20% of health outcomes while the other 80%-90% are attributed to social determinants of health (SDOH) – including demographics, environment and socioeconomic factors, according to Frost & Sullivan. By the end of 2020, 40% of the U.S. health systems and commercial payers will use SDOH data of some type in making risk assessments, patient outreach, and business decisions.

### 2) AI develops more use cases and faces more ethical challenges

AI applications in the medical imaging market are projected to cross \$400 million in 2020, while AI investment in the pharma sector will continue to rise especially for drug discovery applications. Despite AI tools' improving performance, a question still remains: What happens if something goes wrong? The perceived safest way for physicians to use AI, from a liability perspective, is more as a “confirmatory tool” for existing best practices, rather than as a way to improve care with new insights.

### 3) Annuity-based model to catapult gene therapy commercialisation

High cost and low demand have hindered the widespread use of gene therapy. The sustainability of the annuity-based reimbursement model will unlock commercialisation potential of gene therapies and achieve revenue of \$2 billion by end-2020.

### 4) 2020 a banner year for digital health unicorns' IPO exits

38 VC-backed healthcare unicorns had a combined valuation of over \$70 billion as of mid-2019, and their total valuation in 2019 continues to grow as a result of continued funding mega-rounds to existing unicorns, such as Doctolib, Ottobock and BenevolentAI. As later-stage VC funding deal share increases and matures, along with the uptick in IPO activity during 2019, analysts anticipate five digital health unicorns will exit via IPOs by the end of 2020.

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## 5) Higher demand for interoperability solutions

Interoperability is seen making progress in terms of government policies, vendor acceptance and strategic focus by healthcare IT buyers. Solutions that stand alone and do not enable data mobility will lose significant ground or won't be purchased. The U.S. government will take further steps to force the industry to enable interoperability in patient medical records. In Europe, interoperability will be key as progressive health systems in the EU plan to achieve EU eHealth Action Plan 2012-2020 (EHAP) milestones, including cross-border exchanges of patients' health data.

## 6) Telehealth will gain mainstream adoption

It is projected that by the end of 2020, progressive health systems will start to view telehealth as a standard of care option for primary care virtual consultation. In the next 2-3 years, telehealth will have full regulatory approval and clinician support. Also, the opening of the reimbursement door for telehealth services in major countries bodes well for the growth in this area.

## 7) Move towards precision medicine-based cognitive insight platform

The precision medicine informatics service market is estimated to cross the \$5 billion mark by end-2020. Companies offering cognitive analytic platforms – capable of leveraging genomic, clinical, and lifestyle data available to deliver actionable clinical insights – will see high growth potential in 2020 and beyond.

## 8) 'Retailisation' of the healthcare industry

"Healthcare consumerism," where patients/consumers demand a retail-like buying experience for availing healthcare services and products, is gaining more momentum. This kind of "retailisation" is largely driven by empowered patients in an era where digitisation of products, services, and commerce models is democratising healthcare systems.

Source: Forbes.com  
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