



Digital Health:

Business Opportunities and Winning Strategies in Asia's Telemedicine and Digital Health Industry



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Unveiling Business Opportunities and Winning Strategies in Asia's Telemedicine and Digital Health Industry

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The telemedicine and digital health industry in Asia is experiencing rapid growth and transformation, presenting enticing business opportunities for both established players and emerging startups. With the advancement of technology, changing demographics, and increasing healthcare needs, the region offers a fertile ground for innovation and expansion. In this article, we will explore the burgeoning opportunities and winning strategies in Asia's telemedicine and digital health industry.

Market Overview and Potential

Asia's telemedicine and digital health industry have gained significant traction in recent years. This growth is fuelled by factors such as the rising demand for accessible and affordable healthcare, the increasing adoption of smartphones and internet connectivity, and the need for efficient healthcare services in remote areas. The market potential is enormous, with a population of over 4.6 billion people and diverse healthcare ecosystems across the region.

In 2020, telemedicine was the biggest digital health sector in Asia, amounting to around 16.8 billion U.S. dollars in market size. All segments of the digital health industry were projected to grow further until 2025, with the telemedicine market value projected to reach more than 37 billion U.S. dollars that year.

Many players are looking at Asia as an attractive growth area with its massive and growing middle class, ageing and increasingly health-conscious populations and tech-savvy consumers open to

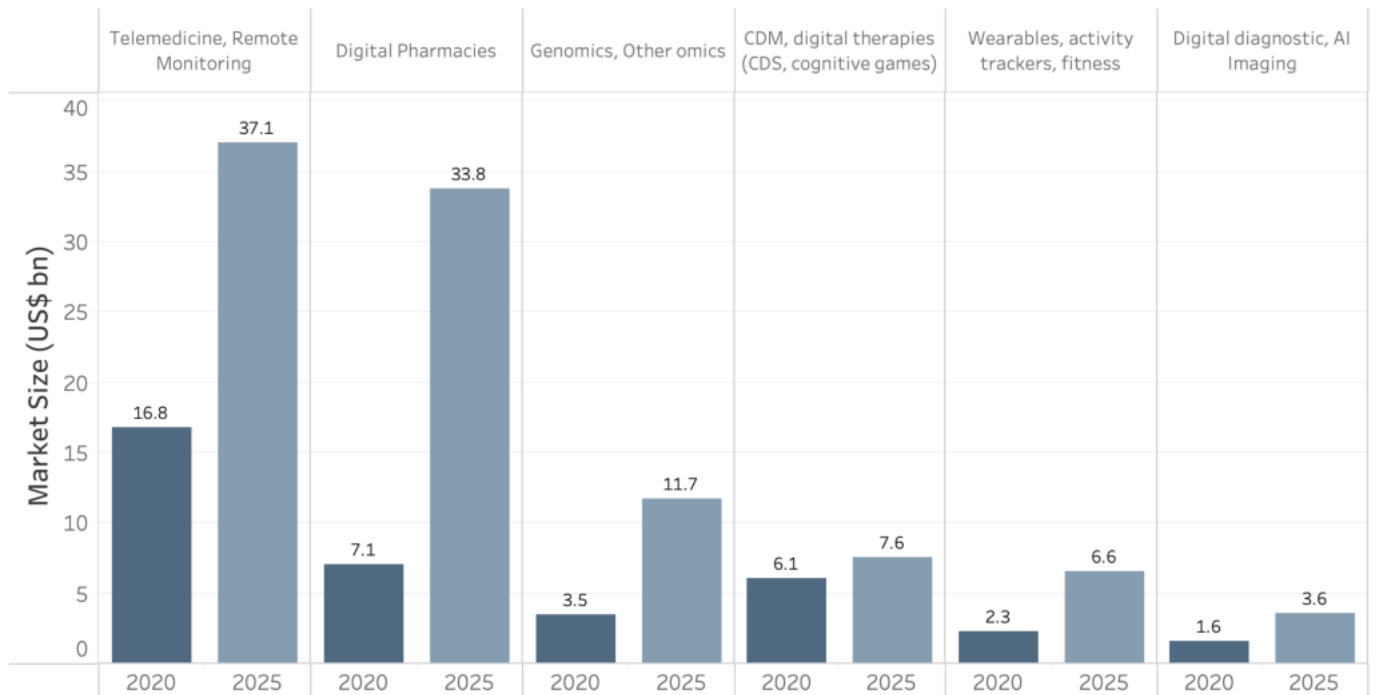


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incorporate new technology into their lives. Teladoc Health is a multinational telemedicine and virtual healthcare company from the US which services include telehealth, medical opinions, AI and analytics, telehealth devices and licensable platform services. Teladoc continues to grow and while already one of the biggest in the world, sees Asia as a growth area in the near and medium term.

Figure 1: Asia Digital Health Market Size by Segment (2020-2025)



Source: Statista, McKinsey, SCP/Asia Research & Analysis

Tailoring Solutions to Local Needs

Businesses must adapt their solutions to the unique healthcare systems across Asia

One of the key winning strategies in Asia's telemedicine and digital health industry is the localization of services. Each country in Asia has unique healthcare systems, regulatory frameworks, and cultural considerations. Businesses must understand these nuances and adapt their solutions accordingly. Localization involves tailoring telemedicine services to meet the specific needs and preferences of the target market, including language support, cultural sensitivity, and integration with existing healthcare infrastructure.

For example, Singapore's Doctor Anywhere (DA) is operating in several markets in Southeast Asia, including Thailand and Vietnam

where telehealth can significantly increase healthcare access for people living in remote areas. Patients can consult a local certified doctor on the DA app, without traveling long distances for quality medical care. Operating in different countries, DA wants to make sure that app content is relevant to the user depending on their location. Instead of writing code in the API for each country, DA uses Apigee to call the external web servers, which provides the country of visitors based on their IP addresses. That information is then integrated into the backend APIs to connect patients to the locally available doctors in the database.

Collaborations and Partnerships

Partnerships with local stakeholders are critical for successful market entry

Collaborations and partnerships play a crucial role in unlocking business opportunities in Asia's telemedicine and digital health industry. Strategic alliances with established healthcare providers, hospitals, insurance companies, and government bodies can provide the necessary infrastructure, expertise, and market access. For example, partnering with local hospitals or clinics can help build trust and credibility, ensuring a smoother entry into the market.

Zi.Care is Indonesian health-tech company focused on digitizing that provides Electronic Medical Record Level 7 technology to the healthcare stakeholders (Hospitals, Clinics, Doctors, Patients) and empowering integrations of ecosystems for better healthcare services to the Indonesian people. Last year, partnered with India's InterSystems to assist hospitals map, transform and cleanse Electronic Medical Records for routing to the government's STATUSEHAT national integrated health data platform. A premium version will include medical device connectivity, data interoperability, and improved patient engagement capabilities.

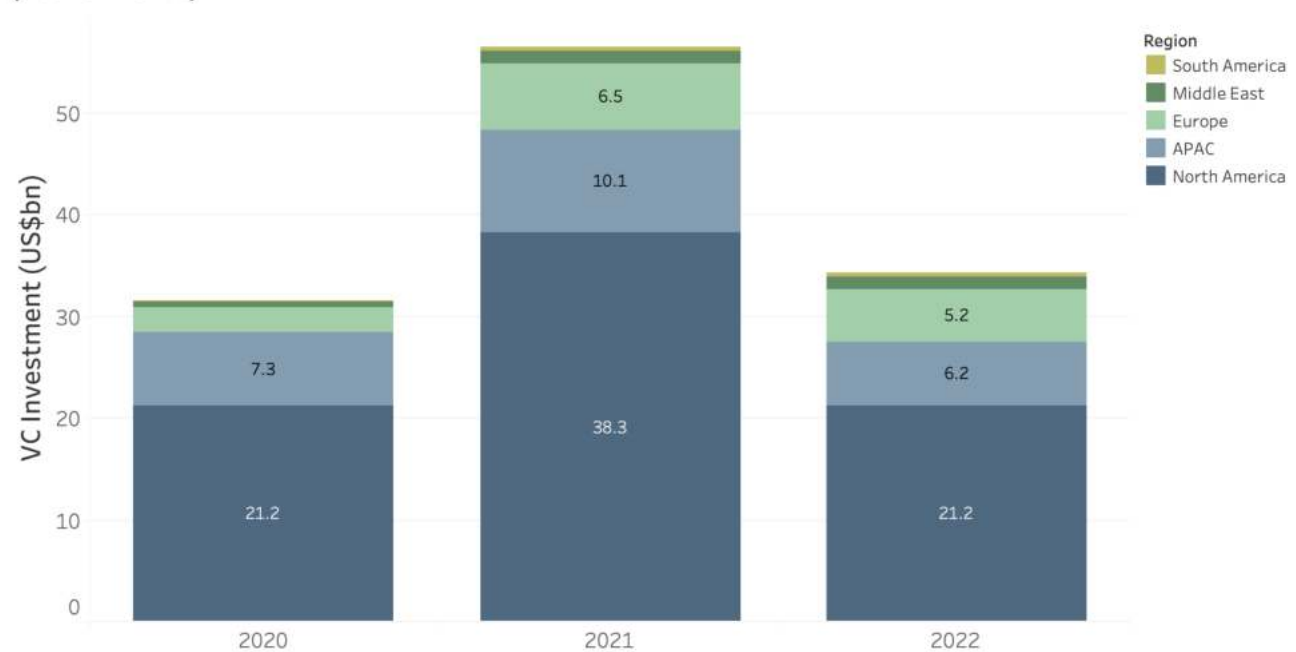
Innovative Service Offerings

To stand out in Asia's competitive telemedicine landscape, businesses should focus on innovative service offerings. Beyond basic teleconsultations, there are vast opportunities for advanced applications such as remote diagnostics, telepathology, remote monitoring of chronic conditions, and even AI-powered health analytics. By leveraging cutting-edge technologies, businesses can

provide comprehensive and personalized healthcare solutions that cater to the diverse needs of patients across the region.

In the past 5 years, Asia Pacific has witnessed strong growth as a digital health innovation hub, surpassing Europe and becoming the largest recipient of VC investment into digital health companies after the US.

Figure 2: Global VC Investment into Digital Health by Region (2020-2023)



Source: Galen Growth, SCP/Asia Research & Analysis

Embracing Regulatory Compliance

Unlike traditional therapeutic, medical device or IVD products, many digital health solutions use platforms such as mobile devices that are universal and inexpensive and are therefore available to benefit a wider population, creating unique regulatory challenges and opportunities.

Navigating the regulatory landscape is a critical aspect of succeeding in Asia's telemedicine and digital health industry. Different countries have varying regulations and compliance requirements for telemedicine services. Businesses must invest in understanding and complying with these regulations to ensure

legal and ethical operations. Engaging with local stakeholders, policymakers, and industry associations can aid in shaping favourable regulatory environments and fostering trust.

For example, software typically plays a central role in digital health solutions (from electronic health records to clinical decision support systems). Software qualification is the process by which regulators determine whether or not a software product meets the “medical device” definition and is thus regulated by health authorities. This is done differently across Asia:

Navigating the regulatory landscape is a critical aspect of succeeding in Asia's telemedicine and digital health industry.

- Australia's Therapeutic Goods Administration (TGA) has provided a comprehensive overview of software products that do not qualify as medical devices, such as software for administrative support of healthcare facilities and software that is used for transferring, storing, converting formats or displaying laboratory test or other device data and results.
- Japan's Ministry of Health and Labour Welfare addresses the concept of qualification via MHLW notification No. 1114-5. The scope of qualification aligns with international regulatory best practices and excludes, for example, software for transferring data and software for health management, from the Pharmaceutical and Medical Devices (PMD) Act.
- In Singapore, the Health Sciences Authority (HSA) has published “Regulatory Guidelines for Telehealth Products” and “Regulatory Guidelines for Software Medical Devices – A Life Cycle Approach.” Both of these guidance documents briefly discuss software qualification and clarify that software is regulated as a medical device if its intended use falls under the definition of a “medical device” as stipulated in the Health Products Act.

Investing in User Experience and Education

User experience (UX) and education are pivotal in driving adoption and long-term success. Simplifying the user journey, ensuring intuitive interfaces, and providing seamless integration with existing

healthcare systems are essential for user satisfaction. Additionally, investing in educational initiatives to raise awareness and promote digital health literacy among healthcare professionals, patients, and the general public can help overcome any resistance or skepticism towards telemedicine services.

Training and communications are pivotal in driving adoption and long-term success

In the Philippines, the adoption of telemedicine applications has been steadily increasing and a notable example has been the partnership between a major hospital in Metro Manila and a leading telemedicine platform. To initiate the adoption of telemedicine, the hospital conducted extensive research on various telemedicine platforms and third-party providers. They evaluated factors such as user-friendliness, security features, and the ability to integrate with their existing systems. After careful consideration, they selected a reputable telemedicine platform that met their requirements.

The hospital then embarked on a comprehensive implementation plan. They informed their doctors about the telemedicine initiative and provided training to ensure a smooth transition to online consultations. Specialized coordinators were appointed, particularly younger doctors who were well-versed in technology, to spearhead the telemedicine efforts and address any technical issues that may arise.

The success of the telemedicine initiative was measured through various metrics, including patient utilization of services in the hospital after using the teleconsultation system. The hospital tracked the number of patients, their conversion rates from teleconsultation to inpatient visits, and the financial impact of telemedicine on their healthcare services.

The collaboration with a telemedicine platform, integration with existing systems, and efforts to extend telemedicine services to underserved areas showcase the potential of telemedicine to revolutionize healthcare delivery in the country and in Asia more widely.

Conclusion

The telemedicine and digital health industry in Asia presents a wealth of business opportunities for organizations looking to make a meaningful impact on healthcare accessibility and delivery. By tailoring solutions to local needs, forging strategic collaborations, offering innovative services, complying with regulations, and prioritizing user experience and education, businesses can position themselves for success in this dynamic and rapidly evolving industry. With the right strategies and a commitment to improving healthcare outcomes, Asia's telemedicine and digital health industry holds immense potential for growth and transformation.

Coming Soon: As we wrap up this article on telemedicine in a coming edition of this newsletter, we will explore AI uses and advantages and disadvantages in healthcare and health insurance. Currently, much has been said about AI used to help detect fraud, waste, and abuse. There are tools, some more rules based, and some pure AI logic based using anomaly detection techniques. But AI can also be used to help sales grow and managing provider networks. More to come in our next feature.

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