

# Pioneers Perspectives

Digital Therapeutics &  
Digital Medicine Summit 2018

Feb 27<sup>th</sup>-28<sup>th</sup>, San Jose, CA

## Industry Expert Interview:



**Adam Kaufman**  
President & CEO



Permanente and Humana were key members of these early adopters. Also, when we were first demonstrating evidence 3-4 years ago, the interest from VC's was a very important moment for us, as these conversations are for all digital therapeutic and digital medicine companies.

More recently, growing acceptance from the FDA and the development of a regulatory pathway has been a critical milestone for the industry.

Also, now there is a broader acceptance of digital health across the value chain. It wasn't inevitable that digital health and digital therapeutics would become part of the ecosystem, but I think we can now clearly say that a digital solution will be accompanying medicines. We're at the stage now of working out how to scale this and impact millions of people as the industry matures into working out who delivers which pieces of it.

### Where are we seeing progress made in the industry?

One of the things I'm most excited about was that when companies first started in digital health, they used to have to do it all themselves. Whether that was building the device, managing connectivity, understanding what the consumer needed, you really had to do it all by yourself. Now, however, there is an ecosystem of

solution and service providers that are helping us make progress. The industry is maturing rapidly, and there are companies out there that can do one or two things really well, and rely on their partnerships to deliver. This means that digital therapeutic companies can do the medicine piece really well and then fit it into an ecosystem that makes it more impactful.

### How should digital therapeutic and digital medicine companies interact with payers and providers?

There is still a lot of learning going on here but there are a couple of different models that have emerged. Firstly, some interesting pioneers are going all the way of thinking of taking a digital therapeutic to market as you would do with a device and even a drug. The second is embedding a digital therapeutic into the services that a health-plan offers. We are seeing the full spectrum from risk contracts to per-member-per-month.

It's my personal belief that a lot of what we do is a technology-enabled service and where we can add incredible value is in creating a digital experience, coupled with the aspects that make health services effective. These include user support, coaching, etc., and digital therapeutic companies should embrace our position as a service

Adam Kaufman is a health pioneer, having led the building of digital behavior change programs used by dozens of healthcare organizations and tens of thousands of consumers. A health economist, engineer and company executive, Adam speaks to audiences nationwide on the accelerating trend of chronic illness, its impact on lives and costs of care and proven approaches to arresting disease trajectories.

### What have been the key moments over the last few years for digital therapeutics and digital medicine?

There have been a couple of important milestones over the last few years. Early on there were a handful of entrepreneurs who took up the mantle and were committed to demonstrating evidence of their digital interventions. They were the first to run validated studies and proved that it worked, this was the first big milestone. As without demonstrating this, the industry was never going to get off the ground. This is an on-going activity of course. The next big milestone after this was the early adopters, primarily from health plans and integrated delivery systems. The likes of Kaiser

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within a health plan, for example, and acknowledge we are part of a mix of other services as well.

## What is the ceiling of the potential of digital therapeutics and digital medicine?

I think the ceiling is very high and we've got a lot of room still to grow into. But if I had to say where I think the limit is, it's in that we all need to acknowledge that digital therapeutics cannot solve healthcare problems by themselves. I don't know a lot of people that are out there saying that digital therapeutics can do that but I think we need to have the humility to recognise that we are a layer of the ecosystem. As powerful as these tools will become, we still need clinicians, medications, devices and all the rest of the tools and services to do their jobs as well. We should be treating digital therapeutics as a supplement to help tackle healthcare's issues, not as a replacement for doctors, nurses or drugs. The ceiling is high and digital therapeutics has great power to improve outcomes and engage with users virtually but we cannot lose the human peer-to-peer element of how we treat, as these will continue to drive these outcomes.

## What are the key patient engagement challenges for digital therapeutic and digital medicine companies?

This is a really important question as engagement is probably the number one problem for digital therapeutic companies right now. If you don't get users to engage with programs and want to engage with them, you can't drive the therapeutic impact.

There are two broad challenges that encompass this. The first, which is a standard challenge across most digital industries, is to find a way to talk to users where they are and in a way that resonates with them so they understand the benefits. To some extent, this is more of a consumer marketing challenge. A more unique challenge facing digital therapeutics compared to other digital programs is that engagement is not the end result. The end result is the treatment of users through a unique user journey and changing behaviours, which is unique to this space.

## What are you most looking forward to at the Digital Therapeutics & Digital Medicine Summit?

For me, this is a moment that we can mark in the history of the industry in

that it has come of age. That's not to say we don't have a lot more work to do moving forward but it's a meaningful moment. The summit shows we're on a great trajectory and that we have impacted tens of thousands, even hundreds of thousands of lives. To some extent this is a celebration that this sector is real, meaningful and impactful. But now we need to look forward to ask, how do we scale across multiple systems and multiple countries and move from the early stage of an industry to deliver on the promise to impact millions of lives.

I think of the Summit as great moment as it shows how far we've come as an industry but now we face the opportunities, not of a start-up sector, but one that is set to begin scaling.

*Adam will be expanding on his views and highlighting Canary Health's work at the Digital Therapeutics & Digital Medicine Summit 2018 on Feb 27<sup>th</sup>-28<sup>th</sup> in San Jose, CA. His will feature on the panel session titled "Shaping the Future of Digital Therapeutics and Digital Medicine"*

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