ANDREESSEN HOROWITZ

The New Tech Stack for **Virtual-First Care**





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Digital Health-Now a Large and Growing Market

Many mature digital health companies now operate at the same level of scale as well-established provider groups





DevotedHealth

lyra

omada

1,000+

Full-stack digital health companies have been started in last ~3 yrs



oscar



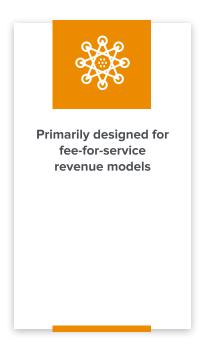
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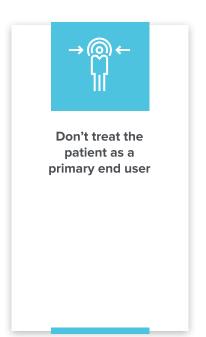
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The Old Tech Systems Don't Work

Off-the-shelf solutions fall short







Majority of digital health companies have built their core tech stack from scratch; the rest are using off-the-shelf systems (EHR, CRM, etc) but spending tons of time customizing them.

These platforms eventually break when they get to a certain level of scale.

The End Game

True promise of digital healthcare



High-quality care

At a fraction of the cost

At dramatically higher scale than incumbents



How?

Using tech and AI to do
what historically has
been done through
human labor or
overpriced and poorly
functioning IT products



Risk

Each digital health company invests all of its cost savings into building the same operating system components over and over again from scratch across separate walled gardens

Selling to Digital Health Companies is the New GTM Motion

Enable digital health companies

Sell tech to next-generation virtual-first providers and payors

Compete with legacy players

Go full-stack and deliver care +/- sell insurance coverage directly to patients

Enable legacy players

Sell tech / managed services to traditional providers and payors

2008

2015

2020

GTM Motions for Healthtech Companies

Selling to virtual-first digital health companies is the new GTM motion for healthtech startups.

The New Tech Stack for Virtual-First Care

There is now an emerging ecosystem of healthtech startups providing world-class tech-enabled services to the digital health market across front office, back office, and clinical operations.

Back Office

Financial Systems

ERP (Workforce,
Supply Chain)

Privacy, Security,
Compliance

Clinical Operations

Patient Data Interoperability, Care Coordination

Pharmacy, Labs, Home Monitoring/Services

Virtual Provider Networks

Front Office

Communications, Triage, CRM

Scheduling & Payments

Digital Marketing/Patient Acquisition

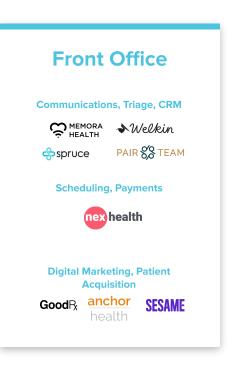
Overtime we expect these categories to consolidate, and that the best-in-class platform players will take on more workflow surface area across all three areas.

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Characteristics for Success

Stickiness & ROI

Product breadth, developer experience, focus on high volume areas of transactions **Network effects**

Connects stakeholders where integrations are non-trivially challenging **Transferability**

Has a path to selling to traditional payors/ providers over time

Upping the Game on Healthcare Product Quality

We all lament about the tragedy that is healthcare IT products. Digital health founders are setting a new bar for its tech solutions that will raise the bar for the whole market over time.

Traditional Providers' Requirements for "Healthcare IT" Systems

Compliance / security

Internal system integration capability

Workflow compatibility

Cost & ROI

Digital Health Company Requirements (Inclusive of Prior List)

High-scale performance and reliability

Quality of technology

User experience

Availability of API / trade partner

Interoperability

