

The big industry players in digital health

This field guide displays the role of key health care stakeholders in the digital health market and their predominant archetypes: buyer, backer, builder, and user.

Buyer: Acquire to own digital health capabilities as a tool to grow market share.

Backer: Fund to control the direction of innovation, advance interests, and grow wealth.

Builder: Build to monetize technical or health care expertise and diversify revenue streams in health care.

User: Benefit from being the target purchaser or largest user digital health companies build and design for.

1. Vertically assembled organizations refer to companies who are assembling diverse assets across the health care ecosystem, are in various stages of integration, and seek dominance beyond their stakeholder group. Examples include Amazon, UnitedHealth Group, and CVS.

Buyer/Backer/Builder/User
Vertically assembled organizations¹

Buyer/Backer/User
Health plans

Buyer/Backer/User
Big retail

Backer/Builder
Big tech

Why digital health	Generate revenue	Substitute/reduce costs	Improve core operating functions	Generate revenue
Use of digital today	<ul style="list-style-type: none"> Use digital to strengthen and integrate assets (e.g., hybrid care, pharmacy, home-based care, insurance) Invest in digital health companies 	<ul style="list-style-type: none"> Partner, acquire, and/or invest in digital health companies 	<ul style="list-style-type: none"> Use digital to expand into hybrid care delivery, pharmacy, scientific research Invest in or acquire digital health companies 	<ul style="list-style-type: none"> Build software solutions for health care organizations and/or direct-to-consumer digital health products Invest in digital health companies
Ambition	<ul style="list-style-type: none"> Embed, retain customers in their ecosystem Realize organizational synergies Use digital to tie capabilities into differentiated offerings Elevate brand identity by demonstrating industry leadership in digital health 	<ul style="list-style-type: none"> Expand member touchpoints and influence patient decision-making Improve member experience, satisfaction, and engagement Reduce unnecessary member spend 	<ul style="list-style-type: none"> Expand the customer relationship into an ongoing patient relationship Build patient engagement outside of in-person stores Be the one-stop shop for customers 	<ul style="list-style-type: none"> Use digital health as an entry point into health care Align existing capabilities with digital health technologies Add to data ecosystem
Strengths	<ul style="list-style-type: none"> Outsized capital Diversified portfolios allow for longer time horizon to iterate, less pressure to create short-term revenue Experience acquiring disparate businesses 	<ul style="list-style-type: none"> Negotiating power and preexisting relationships with most players in health care Offer quick access to large member base to test products, prove ROI 	<ul style="list-style-type: none"> National physical footprint in urban, rural, and traditionally underserved communities Customer convenience Brand recognition 	<ul style="list-style-type: none"> Capital allows for ability to pilot, fail, and pivot Customer loyalty and brand recognition Experience in digital journeys, use of consumer data, and commercial strategy
Challenges	<ul style="list-style-type: none"> Inability to generate proof of concept to attract customers and partners Size and scale prevents quick pivots, allowing competitors to rise Market shifts and/or government regulation impede vision 	<ul style="list-style-type: none"> Struggle to sift through influx of digital health companies and make the right bets Lack of expertise in digital leaves them at the whim of the market, prevents foresight 	<ul style="list-style-type: none"> Limited experience in health care requires significant iteration, preventing necessary growth to compete Focus on cross-selling services limits focus on quality outcomes and data generation 	<ul style="list-style-type: none"> Siloed focus on gathering consumer data and delivering on consumer-experience limits focus on quality and cost Tendency to build and/or fund for the already healthy, wealthy, or engaged patients with few exceptions

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	Builder Technology vendors	Builder Health care “startups”	Backer Venture capital	Backer Corporate venture capital
Why digital health	Generate revenue	Generate revenue	Generate revenue	Generate revenue
Use of digital today	Build hardware and software to improve existing care pathways	Start new digital health companies	Provide early- to late-stage funding for digital health startups	Provide early to late-stage funding of digital health startups
Ambition	<ul style="list-style-type: none"> Grow market share Continue to monetize existing client relationships Horizontally integrate digital health as part of brand identity 	<ul style="list-style-type: none"> Build a unicorn Become profit generating, amass enough users, or show early outcomes to develop robust partnerships or get acquired 	<ul style="list-style-type: none"> Uncover a unicorn, at best Outsized return on investment for partners Support startups to scale and get acquired 	<ul style="list-style-type: none"> Build reputation in the industry Control product innovation or commercialize own products/research Diversify portfolios and investments in alignment with existing lines of business
Strengths	<ul style="list-style-type: none"> Already embedded in many health care workflows Benefit from existing market penetration Experience in commercialization 	<ul style="list-style-type: none"> Support from venture capital and other funding entities Freedom to initially build outside of legacy health care paradigm 	<ul style="list-style-type: none"> Capital not tied to immediate returns Ability to take significant risk Create variety/spread of their portfolio companies, agnostic of existing business lines Experience scaling and commercializing 	<ul style="list-style-type: none"> Deep understanding of the health care landscape and patient behaviors Offer a potential end game for digital health startups through parent company
Challenges	<ul style="list-style-type: none"> Keep pace with products that compete with digital health companies and Big Tech to retain customers May view digital health as a threat to existing business model versus an opportunity 	<ul style="list-style-type: none"> Remain tethered to venture capital funding Struggle to attach to larger entities to effectively scale Inability to attract the right partners and/or bridge out of direct-to-consumer 	<ul style="list-style-type: none"> See consumers as vehicle for disruption, but today’s patients are not truly consumers View health care data as money based on experience with consumer data 	<ul style="list-style-type: none"> Less risk appetite than traditional venture capital Limit ventures to support investment thesis View venture capital as a “side hustle”

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	Backer/User Provider organizations	Backer/User Life science manufacturers	User Employer
Why digital health	Improve core operating functions	Improve core operating functions	Substitute/reduce costs
Use of digital today	<ul style="list-style-type: none"> Buy digital health products Build innovation or venture arms 	Partner with and invest in digital health companies	Purchase digital health products and solutions
Ambition	<ul style="list-style-type: none"> Improve efficiency and patient outcomes, retain providers, and/or maximize payment Appear innovative compared to peers, not broader industry Diversify, rather than disrupt business portfolio If heavily engaged in value-based care, use digital health as a tool to advance population health strategy 	<ul style="list-style-type: none"> Use digital health to advance and scale business operations (e.g., decentralized trials, value analysis frameworks, real-world evidence generation, embedding products into customer journeys) Lessen the gap between life sciences companies and patients Collaborate with digital health to jointly appeal to payers, providers, regulators (e.g., generate new-in-kind end points outside quality, safety, efficacy) 	<ul style="list-style-type: none"> Increase the affordability of their health care offering by reducing employee health costs Improve the accessibility, experience, and timely use of health care benefits Leverage a holistic health and wellness benefits offering to attract and retain employees
Strengths	<ul style="list-style-type: none"> Own the care delivery function of the health care ecosystem Access to patients and clinicians Greatest visibility into existing clinical workflows 	<ul style="list-style-type: none"> Large sector with money to spend Willingness to engage in bidirectional relationships to mutually validate products (e.g., data collaboration) 	<ul style="list-style-type: none"> Channel to a large group of consumers, a testing ground for digital health products More willing to collaborate and experiment with digital health point solutions than other stakeholders (e.g., payers)
Challenges	<ul style="list-style-type: none"> Inability to develop the right partnerships in a world where partners are also competitors Financial incentives and pressure limit ability to adopt digital health View digital health as point solutions versus part of a digital strategy Lack of experience in commercialization strategies 	<ul style="list-style-type: none"> Lack of foresight/planning for how to integrate products within a digital consumer journey Struggle to influence digital health to compete in a world of digital therapeutics and other digital health solutions Lack of comparators and evidence to justify costs and investment 	<ul style="list-style-type: none"> Vendor management fatigue Inability to educate and guide employees to the right digital health solutions at the right time Lack of point solution integration across the benefits package (e.g., solutions that don't account for multiple conditions or connect to a provider for actionable next steps)