



# FOR HEALTHCARE START-UPS, THE FUTURE IS ROSY

Many Indian technology start-ups focused on medical care are battling some of the same problems that are besetting tech start-ups in general. Valuations are down and fresh funding is hard to come by. This is unfortunate because medical care is an area in which the use of technology could make an immense difference to most Indian citizens.

Only about 20% of India's population has medical insurance. We have about one doctor for every 2,000 people. Medical costs, while still low when compared to many other countries, can be prohibitive for most Indians. Given low insurance penetration, more than 60% of total medical costs are met out of pocket. The uninsured have to depend on funds from extended families, or on treatment at a few charitable or government hospitals where medical care is affordable, but may be of suspect quality.

Medical care in India has changed. As before, the providers have all the power, but their ethos is very different from the one I grew up in. My parents were both doctors, and while successful, practised medicine more for the non-pecuniary benefits that being a doctor could bring. They would often treat their patients for free, sometimes even paying for their medicines. The non-pecuniary pay-off was beyond measure. Apart from treating them like demi-gods wherever they went, grateful patients would always take the time to send food or such gifts as they could afford to our home. We once received a live chicken, presumably for a curry, which turned out to be an egg-laying hen, from a woman called Khatoom Bibi, who was something of a legend in our household. She would show up often, sometimes even with just a couple of bananas, as a token of her gratitude for the medical care that she had received gratis.

That ethos among doctors is long gone. Movies are now being made on medical malpractices. A recent movie clip I saw on WhatsApp had a Hindi movie star turn the tables on a set of doctors whom he was incensed with. In this cameo, the doctors—and hospital management—were refusing to release a dead patient's body before the bills were paid, angering the hero. In a convenient coincidence, which can only happen in Hindi movies, the hero finds another body just outside the hospital, which he proceeds to rush into the hospital as an emergency case, baiting the crooked doctors into performing several medical procedures on what they know is a corpse before claiming that all their efforts had been in vain and that the patient had passed away—along with a huge bill for their services, of course. The hero then whips out the death certificate for the man he had rushed in, stunning the doctors and throwing the hospital's machinery out of gear.

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But all hope is not lost. Today's technology-based start-ups that are focused on the medical field have plenty to offer. They are still primarily focused on enabling the physical process through the browser or through smartphone access in a process called 'discovery' which firms such as Practo for primary care appointments or HealthKhoj for surgeries are trying to enable. This is a first and necessary step in throwing light upon what has increasingly become a shadowy market, and promises to turn the balance of power over to the patient (or the payer) from the provider. This has already happened in Western markets since insurance or state coverage for healthcare is widespread, but technology can shorten the expensive—and probably impossible—process of healthcare coverage for all Indians.

We have begun to trust our browsers more than we do our neighbours. It's as if the convenience of a JustDial has been delivered to our browsers for a variety of specialized procurement, healthcare included. However, the discovery model is still in its infancy, and

even the biggest player—Practo—has low revenue. My trusty browser says the revenue is still shy of ₹30 crore.

But discovery is just a beginning. In a second step, in a vast country like India, with a very low density of doctors, cheaper medical devices at outlying primary medical centres that can communicate over the Internet cloud with specialists in big cities can be used with great efficacy in an “Internet of Medical Things”. Some companies like BioSense are already trying to make inroads into this market. While many products are still confined to devices that patients can manage themselves, there is no reason why products can’t be built for use by primary-care physicians to manage larger practices without always having to physically see every patient.

Third, the information and data exhaust from the discovery process can produce significant analytics that will help both for-profit providers as well as policymakers in deciding on investments in medical specialization through education or setting up specialist hospitals. If hospital chains decide to come together to share patient data on an anonymized basis, we could see an additional filip given to data-based medical decisions or indigenous research on problems that seem to be largely Indian, such as diabetes, without having to depend on Western data or institutions. I see no reason why the next blockbuster diabetes drug couldn’t come out of India. I’m off now to search for a good start-up candidate to invest in.

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