

Indian healthcare sector on the cusp of technology-led revolution

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By KPMG Mantra Editorial Team

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Key takeaways:

- *The digital healthcare market is on a high growth path, supported by digital transformation across the healthcare ecosystem that was triggered by the COVID-19 pandemic.*
- *Maximising the healthcare system's potential through digital technologies would require building on key areas, including supportive infrastructure, upskilled talent and robust guidelines ensuring data security protocols.*

The contagious nature of COVID-19 and its adverse ramifications necessitated a significant transformation across the global healthcare ecosystem. Precipitated by the rising demand for effective treatment, we observed a surge in digital technologies within the ambit of healthcare, leading to the evolution of an array of solutions comprising e-pharmacies, teleconsultation, e-diagnostics, among others. This is clearly reflected in the tremendous growth of the digital healthcare market. Valued at INR116.6 billion in 2018, it is expected to reach INR485.4 billion by 2024, at a CAGR of ~27.4 per cent during the 2019-2024 period.¹

While the decrease in physical interactions and mobility has enabled patients to get online services, increasing internet penetration together with the adoption of e-commerce has further accentuated the demand for digital healthcare. Unquestionably, tools facilitating affordable consultations and an easy interface connecting everyone across health systems are likely to be the new normal. This imperative transformation is gradually helping seep healthcare access to smaller towns and rural areas.

The indispensable need for healthtech and digitalisation

The transformation within the healthcare segment on account of digitalisation is helping address the gap in availability of specialist doctors while reducing the burden on tertiary-care hospitals, particularly in lower tier cities and rural areas in India. Digital technology-led e-pharmacies, on the other hand, have helped bring about greater price transparency and improved choices for end consumers along with accessibility. Understanding the pressing need for technology, healthcare providers are quickly onboarding a diverse set of tools. Here is how the sector is approaching the shift:

Moving towards internet of medical things (IoMT) and ease of home care: Healthcare industry is mirroring the concept of internet of things (IoT) with the adoption of IoMT, a connected infrastructure of smart devices and software applications to improve healthcare services. Using IoT driven technologies, industry players developed unique solutions targeting home health and remote monitoring services. These technologies can help them assess a patient's health conditions in real time and exchange information remotely.

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Artificial intelligence (AI) and machine learning (ML): Increasing drive for automation and streamlined workflows is further emphasising on the use of ML and AI in several clinical practices and diagnosis. Many aspects of patient care can be transformed using these technologies. AI, for instance, can play a significant role in enhancing the efficiency of administrative processes within healthcare service providers and pharmaceutical organisations.

Electronic health records (EHR): EHR is said to reduce the incidence of medical errors by improving the accuracy and clarity of medical records due to which it is being widely adopted and utilised. EHR will eventually facilitate the transfer of patient records from one service provider to another. The government is also giving impetus to healthtech adoption through various schemes. The rollout of the Pradhan Mantri Digital Health Mission is one example, which will create a unique digital health ID to provide a one-stop access to all health records. There is a considerable increase in health-tech startup funding, which is expected to allow Indian entrepreneurs to address the country's long-standing healthcare challenges through innovative solutions. Programmes like 'Ayushman Bharat Digital Mission' are further encouraging an integrated digital health infrastructure.

A mixed bag of opportunities and challenges

Despite numerous benefits, the health-tech segment needs to combat certain challenges.

Regulatory ambiguity: The absence of clear regulatory guidelines with respect to online pharmacies and use of e-prescriptions is a major challenge for the industry and may lead to fraudulent practices like forged prescriptions.

Infrastructure and skills: Digital upskilling of professionals is a huge requirement, as demand for digital skills across industries is expected to surge by around 20 times² as compared to projected supply by 2024. Lack of proper skilling infrastructure further creates a roadblock to digital upskilling. Physical infrastructure and cold chain logistic services are expensive and barely present in rural areas.

Data privacy and security issues: Remote patient monitors and devices are vulnerable, pose security issues, and therefore, affect patient-provider confidentiality.

Lack of standardisation: Health-tech being at a nascent stage lacks integration and standardisation, resulting in inconsistencies in patients' medical results. Thus, the standardisation in health records of patients is an important step in enabling multiple healthcare service providers to gain easy access to consistent patient records.

However, the benefits and usefulness offered by digital technologies certainly surpasses the risks. To succeed, companies should take a holistic approach with the creation of integrated health management systems and embed the right digital capabilities. Focusing on new trends like hyper-localisation of pharmacies and providing an omni-channel scope could further create an advantage.

Digital healthcare techniques coupled with other technologies are the future that would present a variety of opportunities. However, maximising the healthcare system's potential through these technologies would require building on key areas, including supportive infrastructure, upskilled talent and robust guidelines ensuring data security protocols.

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¹ Healthcare Sector Snapshot, Invest India, accessed on 21 October 2021

² There is a shortage of digital skills across sectors, Business Standard, accessed on 25 October 2021

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