



# Trends in Life Science Deals Through the Covid-19 Pandemic

Association for Corporate Counsel San Francisco Bay Area

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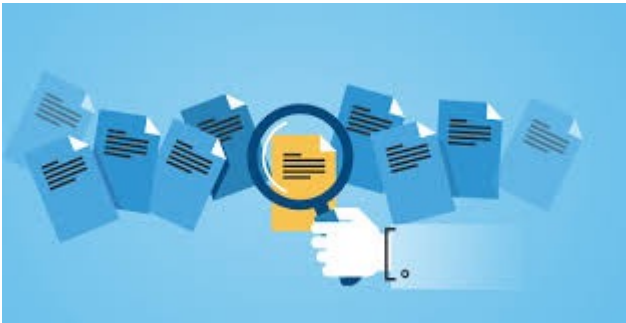
*May 13, 2021*

**ReedSmith**  
Driving progress  
through partnership

## Assess clinical, regulatory and quality compliance with requisite standards

### High level questions:

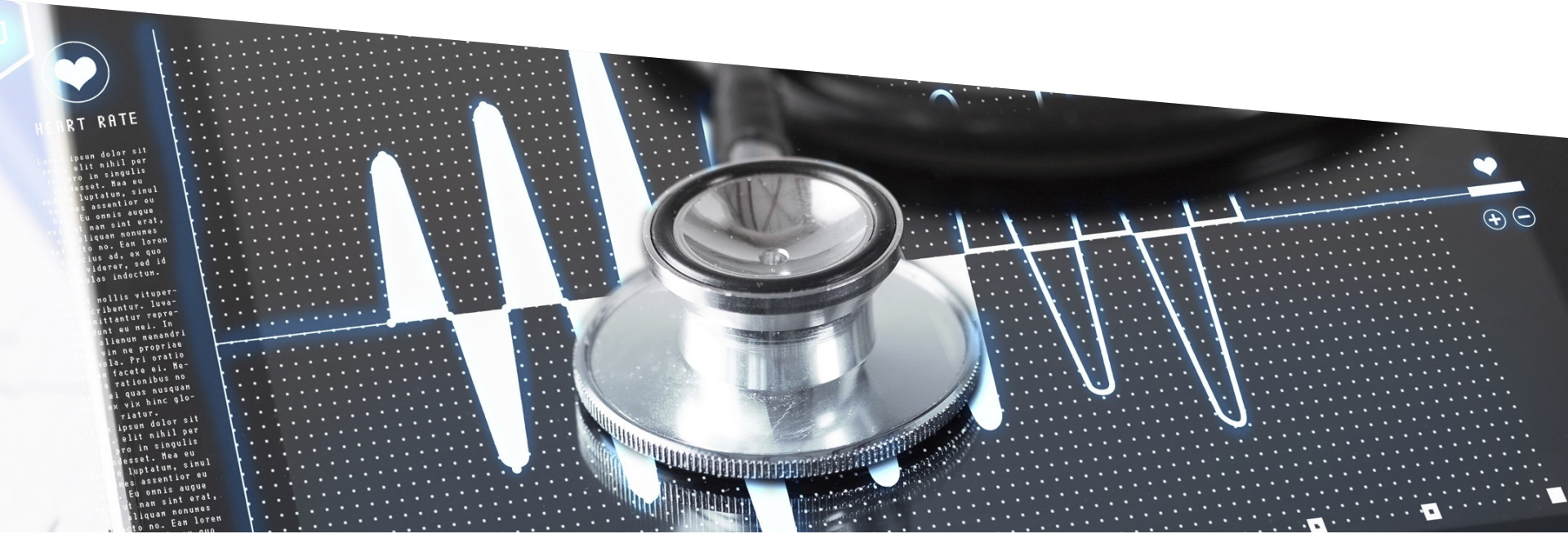
- What is acquired
- What are the intended uses
- Who is the (legal) manufacturer
- Who are the suppliers / distributors



- Products
- Quality system
- Recalls; enforcement action; product liability cases
- Registrations and licenses are in place

## Assess business compliance

- Contracts with (critical) suppliers, (contract) manufacturers, subcontractors, distributors, service providers, CRO, Authorized representative
- Anti-kickback and anti-corruption
- Advertising and promotion issues



# Digital Health is mainstream

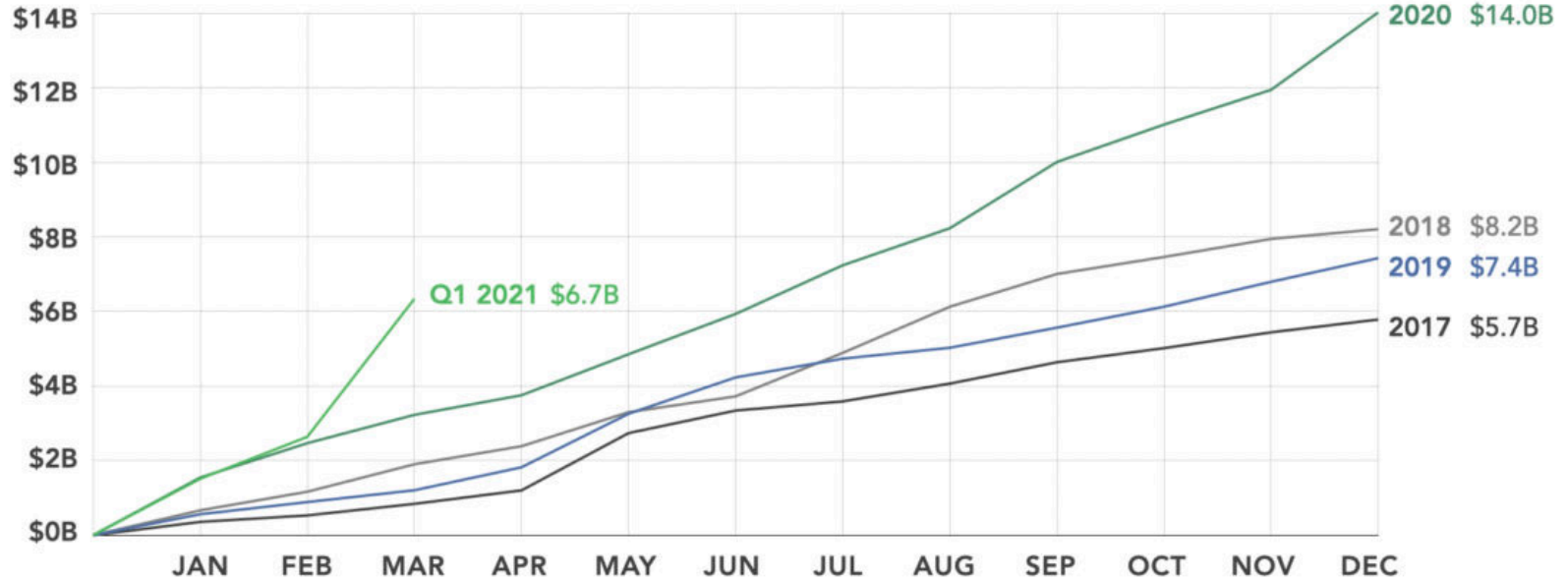
# Digital Health Market

- Wide range of digital health technologies:
  - Software; hardware; AI; mHealth; telehealth
  - Standalone products / incorporated into a more complex digital technology; operate in the background (supporting other non-digital medical products)
- The digitalization trend increasingly covers:
  - the possibility to exchange data through electronic health records (EHRs);
  - the possibility to connect medical devices with information systems (e.g., the Internet of Things (IoT) or wireless technologies);
  - the ability to utilize large amounts of data generated by these devices (e.g., through artificial intelligence); and
  - the emergence of new digital methods for providing patient-centric care (eHealth).
- Growth impacted by an increase in consumer acceptance (and demand) coupled with reduced barriers to virtual care and remote monitoring during the public health emergency



# 2021 funding started on par with 2020 until funding skyrocketed in March

DIGITAL HEALTH FUNDING  
2017-Q1 2021



Source: Rock Health Digital Health Venture Funding Database and Analysis, data through March 31, 2021

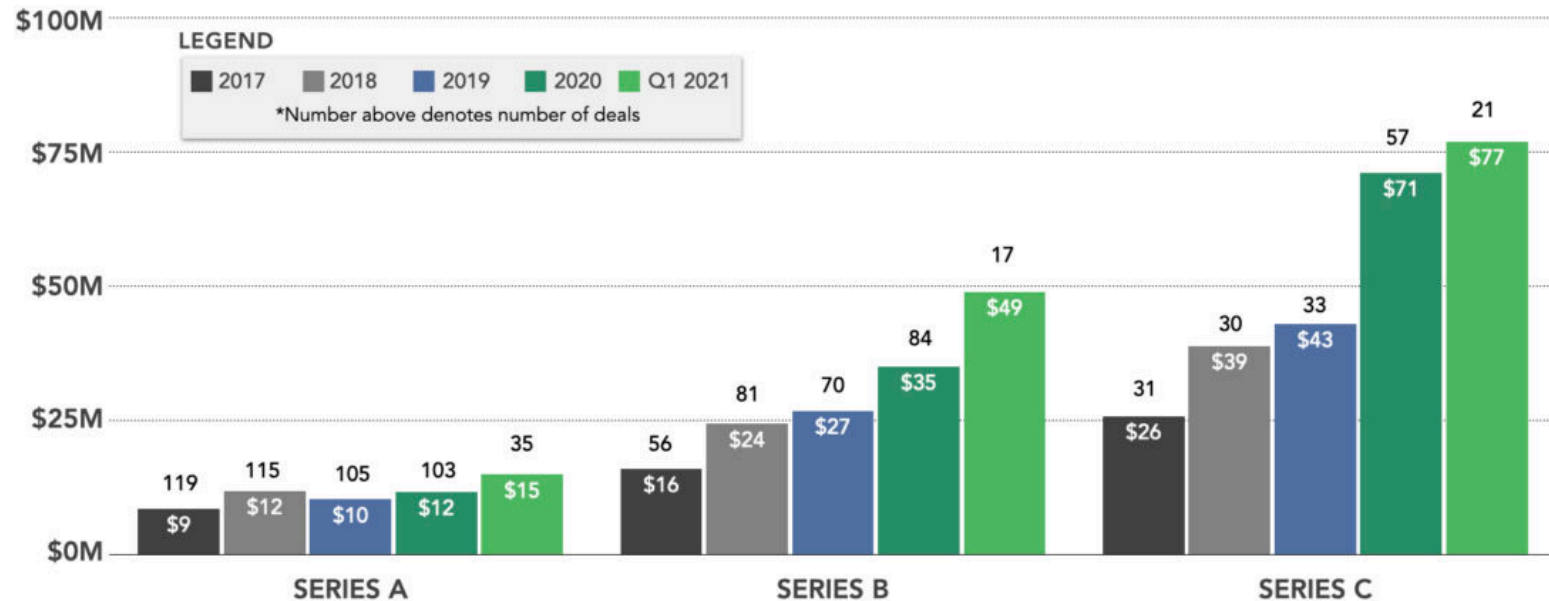
# Digital Health: Investment Trends

Q1 2021 DIGITAL HEALTH VENTURE FUNDING REPORT

Series A, B, and C deal sizes continue to trend up through Q1 2021

## AVERAGE SIZE OF FUNDING ROUND, BY SERIES

2017–Q1 2021



Note: Series D-F deals are excluded in this analysis, given that they represent a huge swath of heterogeneous, late-stage deals that lump together a wide range of deals. The purpose of this analysis is to show the trends in early- to mid-stage deals.  
Source: Rock Health Digital Health Venture Funding Database and Analysis, data through March 31, 2021

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# Growth Drivers

- VC funding and IPOs
- Corporate partnerships and acquisitions
- Regulatory innovation acceleration (e.g., FDA)
- Technology advancements
- Virtual clinical research and growth of health outcomes and economics research relying
- Socio-economics (e.g. healthcare spending; aging population)

# Trends to Watch

- Increased expenditure on all types of digital and telehealth services
- Expansion of Medicare coverage in the US
  - Look for policy changes impacting coverage of telehealth services
- New state legislation promoting parity for services delivered via telehealth
- More audits, investigations, enforcement actions, and payor disputes
- Focus on interoperability/information blocking
- Improving technology driving patient engagement
- Rising privacy concerns and scrutiny over breaches
- Increasingly complex compliance issues to consider in relationships between digital health, medical device manufacturers, and telehealth service providers

