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The Intersection of Healthtech and EdTech

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Having spent over a decade in the health tech startup world, the only thing I can say with certainty is that it's a predictably unpredictable space. The industry has poured over $40 billion into 2,185 health tech startups since 2011.

Watching the evolution of a space where 90% of startups fail within the first two years, a common ingredient can be found in the recipe for success: products that provide holistic, consumer-centered solutions.

Health tech solutions that improve the health and well-being of consumers across all care settings are astutely responding to what the market is demanding. The industry has shifted its mindset from viewing people who utilize healthcare as "patients" to seeing them as "consumers" of healthcare who want tools that provide value in their daily journey.

We have watched digital health solutions migrate from acute care to ambulatory care to post-acute care to non-care settings. Companies like Livongo (set to go

public on Thursday) built their success around engaging individuals between episodes of care in order to keep them healthy. Livongo positioned their solution as a "whole person platform that empowers people with chronic conditions to live better and healthier lives."

WHAT ABOUT CHILDREN AND ADOLESCENTS?

As we watch the digital health industry understand that a "patient " is actually a whole being and build tools to empower them across multiple settings of their life, I can't help but ask "what about younger consumers?" As a pediatrician in the digital health industry, I propose that the next phase of this holistic care model must be more inclusive of children and adolescents with proper attention to the setting where they spend approximately half of their lives: in school. A synergistic intersection of health tech and edtech is essential to promote the well-being of this young population.

WHAT IS EDTECH?

Edtech increases the reach and impact of education with technology to (1) facilitate learning, (2) improve performance, (3) improve teaching processes, and (4) drive efficiency. These tools typically engage users with multimedia delivery and visual, audio, text, and animation features. Edtech also improves access to quality education, enables distance learning, and increases the reach for the educator workforce pool.

Let's face it. Children today love technology.

We have all either been or seen parents of an inconsolable child at a restaurant - out comes the tablet or other tech device – and suddenly our unhappy diner, who was on the verge of a meltdown, is now merrily engaged with their device. But, we also recognize that most parents are utilizing technology as a fun and engaging way to promote educational learning as well as skills that children need to succeed as confident, healthy, and thoughtful humans.

Our partners in the edtech innovation space have taken notice of this generation that has been using technology since they were old enough to hold an iPhone or iPad. Similarly, forward-thinking educators and school-based clinicians are recognizing that many children today find traditional education models boring and antiquated. These progressive leaders are incorporating a more dynamic approach to education that leverages emerging edtech options.

EXPLORING THE EDTECH LANDSCAPE

What does the ecosystem look like for edtech startups, and how can we advance it to improve children's educational experience and well-being?

Over the last several years, there has been an increase investment in edtech in the US. In 2017, investments hit $1.2 billion and rose to $1.45 billion in 2018. Simultaneously, there has been a decrease in the number of deals taking place: in 2015 there were 165 deals compared to 112 in 2018. This decrease in deal volume correlates to larger investments across all stages and a decrease in the number of deals for early stage startups. For example, in 2014, Series B companies received an average $12 million investment, but in 2018, while the number of deals decreased, the average investment size increased to $21 million. This trend also directly correlates to the number of startups in edtech as well: in 2013 there were 240 startups, whereas in 2018 there were 80.

As the number of edtech startups decreases, so has the number of angels. In 2013, there were 100 angel investors compared to less than 50 in 2018. Interestingly, private equity (PE) has shifted from investing in edtech companies with revenue exceeding $15 million to investing in and merging earlier stage companies. This creates larger players that can take on the behemoths (dare we say dinosaurs?) in the industry to disrupt the status quo and improve outcomes.

WHAT IS EDTECH FOCUSING ON NOW?

Earlier, the startup focus was on technologies that improve curriculum and personalized learning. So far in 2019, we're seeing a trend towards solutions that enable educators to implement and optimize their ESSA-funded initiatives. The federal "Every Student Succeeds Act" (ESSA), put into place in 2015, provides funding to school districts to develop initiatives including literacy programs that leverage SLPs and audiologists as well as early intervention models for learning disabilities - without relying solely on funding from IDEA funds. These strategic initiatives are top of mind for schools as they secure their ESSA funding. School administrators are evaluating their existing technology platforms, as well as emerging solutions, to select and use the best tools to support these goals.

Factoring in all these moving parts, one thing is clear: there is an opportunity for startups to lead the way to the intersection of health tech and edtech - both inside and outside school walls.

At DotCom Therapy, this is precisely our path – providing innovative technology and services that merge education and health to promote the well-being of young people across all settings of their daily life.

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