

Health Verticals Innovation Platform

The Challenge and Opportunity

Health Cities' is focused on creating pathways for regional SMEs to test, try, validate, and scale their novel solutions in live clinical settings. To market globally, it is critical for Canadian companies to prove their technologies in practical healthcare settings to generate data to demonstrate the efficacy and/or cost-savings of their solution. Currently, accomplishing this is a [challenge in Canada](#) and as a result, Canadians are losing out on health innovations (thereby outcomes) and economic impact due to companies leaving Canada to relocate to markets abroad.

Globally, healthcare is going through a disruptive phase and digital health is leading the way. Global digital health [is the fastest area of growth](#) in healthcare with a projected 18.8 % CAGR from 2020-2026. Unfortunately, Canada is lagging behind our peers in this regard, and it is affecting the [performance of our health systems and our outcomes](#). Key technology areas fueling this growth include artificial intelligence, internet of things (IoT), and immersive technologies (such as augmented and virtual reality). These technology areas are specific areas of strength for Alberta (and Canada). We have an opportunity to leverage these strengths to improve healthcare outcomes, address our current healthcare delivery challenges, and accelerate a knowledge-based sector that can be a significant contributor to job growth in the region.

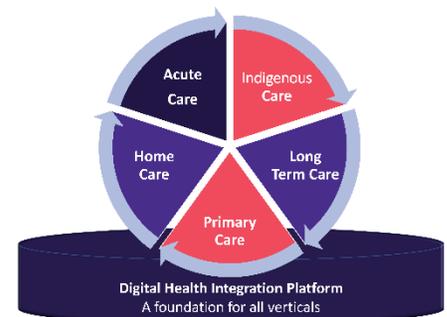
The Need

The health tech sector is experiencing unprecedented growth in Alberta and has proven itself as an investable industry. According to numbers provided by Canadian Venture Capital & Private Equity Association (CVCA)¹, over \$150 million CAD have been invested in more than 45 health and life sciences companies in Alberta between 2020 and 2022. All these companies (more investments happening every quarter) will require live clinical settings to test, try, and validate their innovative solutions. We have established a platform to accomplish this.

The Health Verticals Innovation Platform

There are multiple health settings, which we call “verticals”, each with different needs that offer unique pathways to market, and in some cases [provincial governments are increasing funding to these verticals](#) (e.g. long term care and home care). Based on our mapping of the health systems in Canada – key verticals that offer unique markets include Primary Care (PCNs in community), Long term care (institutional), home care, Indigenous care and acute care (hospitals). Digital Health integration will be a key facet for all verticals and will have a dedicated stream. Our goal in partnership with other funders is to develop commercialization pathways for each of these verticals (please see diagram) so that regional SMEs will have multiple pathways to enter these healthcare markets.

A key challenge for Canadian health companies is their inability to test their solutions in our health systems and it is even harder



for them to be procured. We have found however, that in all the identified healthcare verticals, the key reason for this challenge is capacity (human resources) and “know-how” - all verticals of our health system are at capacity. This is truer today (post-pandemic) than ever before. What is encouraging is in almost all scenarios (practicing clinicians in particular), there are pressures to innovate and to procure more cost-effective solutions. Established healthcare companies and health care delivery organizations are more willing to partner today with new innovators (SMEs) to address this challenge than ever before. In partnership with PrairiesCan, Health Cities will pair up regional innovative SMEs with established health companies and health delivery organizations to create these commercialization pathways. The use of funds in most cases will be to provide innovation capacity to health delivery organizations (that are currently operating at capacity) and support to our SMEs to prove out their innovative solutions in their market vertical of interest.

¹ Custom Report provided by Canadian Venture Capital and Private Equity Association