Life Sciences & Health Care

Forces shaping “new normal” conditions

**Digitization of health care**
- The potential for new variants, speed of vaccination, and changing government approaches all contribute to pandemic uncertainties.
- Consumers got used to alternative service delivery methods during the pandemic, and there could be an increased demand for virtual care and automated medication management.

**AI will fundamentally affect business models**
- AI and big data create the opportunity to further tailor care to specific patients and treat diseases earlier in their life cycle.
- The rise of virtual and lower-cost sites of care means that some providers may be stranded with more physical assets than needed.

**Mental health will continue to be a priority**
- Demand for mental health treatments is growing due to reduced stigma, pandemic effects, and other behaviors.
- Models of care that incorporate mental health into existing treatment centers will increase.

Industry economics may shift
- A focus on value-based and outcome-based care may change the way companies generate revenue.
- New business models would focus on early-detection and preventive care.

Short-term responses
1. **Mitigating uncertainties**
   - Companies need to potentially divest non-core assets and invest in capabilities such as supply chain, alternative service delivery, and next-gen therapeutics.
2. **Technology-led business model transformation**
   - Investments in digitalization and remote service capabilities will reduce delivery costs, increase patient access, and augment inpatient services. LSHC companies are likely to invest in R&D enabling technologies such as AI-driven drug discovery.

Medium-term responses
3. **Integrating patient-care value chain**
   - Integrating with insurers, providers, and retailers would improve patient care and provide cost efficiencies; data sharing and trust will prove to be critical in delivering value from such ecosystem partnerships.
4. **Technology-enabled preventive care**
   - The convergence between technology and health is enabling new business opportunities in areas such as health monitoring, preventive and predictive care. LSHC companies should have an active investment strategy for such emergent spaces.