

# 2021 was the year of record-breaking health tech expansion—how might 2022 fare?

Article

**The data:** The pandemic accelerated healthcare technology investments in 2021, [according to](#) Deloitte's new Road to Next report.

**\$ 23.8 billion.**

The amount investors poured into health tech companies in 2021—an all-time high.

**Digging into the data:** Health tech companies in expansion mode have never been younger.

- The median age of a health tech company at the time of an expansion-stage deal was **7.4 years**, per Deloitte's analysis of PitchBook's data.

On top of that, pre-money valuations for health tech companies have soared over the past two years:

- The upper quartile of these valuations jumped from \$100 million in 2019 to \$200 million in 2020 to \$331.3 million in 2021, so far.
- And there were **21 public exits encompassing around \$48.3 billion** in value altogether—**nearly four times last year's \$12.9 billion**.

**Key drivers:** COVID-19 and the consumerization of healthcare.

Health tech companies got major cash injections to accelerate their virtual care products to help keep healthcare organizations up and running over the last year.

- **60% of US health organizations said additional investment into virtual health** was a top priority, and **52% said having an enterprise-wide virtual health strategy** was a top initiative to optimize adoption of virtual healthcare, [per](#) Deloitte's 2021 survey of health leaders from 50 large US health systems.

Plus, incumbent health systems and payers have been bending to meet consumer needs for more convenient, affordable healthcare so disruptors like **Oscar Health** or **Ro** don't eat their lunch:

- **52% of US adults want big, fundamental changes** to the US healthcare system, [per](#) a recent Robert Wood Johnson Foundation consumer survey.

**What's in store for 2022?** Tech like 5G and AI will likely come into greater focus to facilitate this vision for quicker, consumer-centric, personalized healthcare—and some companies are getting ahead on both fronts.

- For example, **over three-quarters of health tech execs** say they're very or somewhat likely to implement 5G for telehealth (78%) and remote patient monitoring (75%) within 2 years, per a November 2020 Verizon survey.
- **Samsung** recently piloted a 5G-powered smart hospital and debuted new AI integrations with its diagnostic imaging solutions.
- In another example, **Best Buy** acquired AI-powered remote patient monitoring platform **Current Health** to dig its heels deeper into consumer-focused digital healthcare.

**Value vs. Planned Usage of Select 5G Applications According to US Healthcare Industry Tech Professionals\*, Nov 2020**

% of respondents

	Very/somewhat likely to implement within 2 years	Very/somewhat valuable to my industry
Use of remote health monitoring technologies that collect medical and health data from individuals in one location and transmit it to providers in a different location	75%	81%
Use of mobile networks by healthcare providers for high-quality video during telemedicine visits	78%	79%
Fast and seamless sharing of large files to improve patient care	72%	79%
Complex point-of-care imaging and diagnostic services for emergency medical technicians (EMTs)	69%	79%
Wearable monitoring devices that send patient data to healthcare providers in real time	70%	78%
Real-time sharing of high-resolution 3D medical images	72%	78%
Use of more prolific AI tools to help medical professionals to identify, diagnose, and treat patients	68%	74%
Use of "smart objects" that respond to provider and patient needs at healthcare facilities	64%	72%
Use of AR, VR, and next-generation medical imaging to provide immersive medical training experiences	66%	72%
Use of robotic technology in high-precision procedures and surgeries	66%	71%
Use of AR, VR, and spatial computing for less invasive treatments, like physical therapy or for mental/neurological disorders	65%	69%
Deployment of drones equipped with medical emergency supplies to emergency sites	56%	65%

Note: \*manager level or higher with decision-making power in IT/IS infrastructure and security, application development, or wireless plans/services  
Source: Verizon Business, "Verizon 5G Business Report" conducted by Morning Consult, Jan 27, 2021

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