



GREATER RETURNS

through healthcare partnerships

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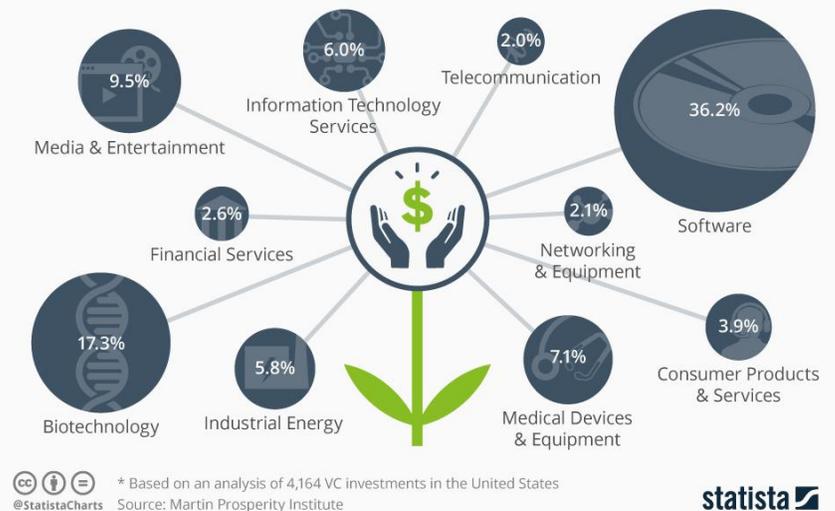
Healthcare Investing Affiliates, with their emphasis on healing the whole patient and preventative health strategies, is on the cusp of a major trend in venture capital investment. While dollars have poured into various sectors of the medical industry for decades, a growing awareness of the limitations of the traditional American health care model is reaching investors, who are now shifting away from medical technology¹ and demanding a more responsive approach in terms of outcomes and practical business returns.

Changing priorities

It is common knowledge that the United States spends more money on health care than any other country,² and this has driven a parallel interest among venture capitalists in medical-related products, primarily medical devices and biotechnology. Similarly, the subset of investors known as Angel Groups or Angel Investors, who very often are also venture capitalists, put money into healthcare more often than in any other area except the Internet. The \$84.2 billion venture capital investments market loves the medical field, but what does it think about integrative medicine in particular?

Which Industries Attract The Most Venture Capital?

Top 10 U.S. industry sectors by share of venture capital investment*



The medical industry is among the most popular fields for investment by venture capitalists.

Increasingly, venture capital investments are moving towards a perspective that places integrative medicine in the very center of future trends. While the intersection of technology and medicine has been a favorite place for investment, conversation in recent years has shifted from an emphasis on novel technological innovations to value-based care. In recent years, discussion about health care has emphasized the need to recognize challenges with costs and the reality that spending a lot of money doesn't necessarily produce an optimal health outcome for patients.³ The U.S. spends far more on health care, but it is largely because of a greater dependence on technology which does not translate into improved outcomes.⁴ By many measures, all of our money is getting us lower-quality health care.⁵ Recognizing this paradox, the industry has begun to shift its focus from technology to patients. In short, value-based health care is a growing trend, and integrative medicine is at the very heart of it.

1 <https://www.forbes.com/sites/brucejapsen/2017/09/27/medical-technology-losing-share-of-venture-investments/#224fc9d16e8c>

2 <https://www.healthsystemtracker.org/chart-collection/health-spending-u-s-compare-countries/#item-relative-size-wealth-u-s-spends-disproportionate-amount-health>

3 <https://hbr.org/2013/10/the-strategy-that-will-fix-health-care>

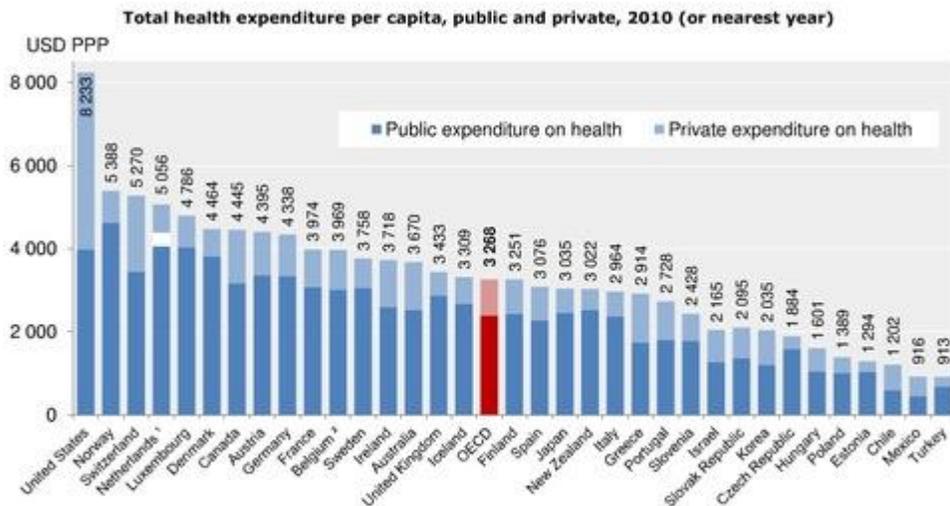
4 <http://www.commonwealthfund.org/publications/press-releases/2015/oct/us-spends-more-on-health-care-than-other-nations>

5 Ibid., n.p.

A patient-centered system

The supply-driven health care model that has dominated medicine in the U.S. has also influenced how investors thought about health care, meaning that any new product or other innovation would draw attention – and, often, investment. The idea of a patient-centered system that seeks to contain costs and provide broad affordability reorients the health care professional and the system overall so that the focus is on actual health and not speculative products. This is where integrative medicine has a unique advantage over other potential investments.

US spends two-and-a-half times the OECD average



1. In the Netherlands, it is not possible to clearly distinguish the public and private share related to investments.

2. Total expenditure excluding investments.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

Source: OECD Health Data 2012.

The United States spends more than any other country on medical care, without achieving superior health outcomes.

Recent research demonstrates that integrative medicine is uniquely capable in terms of its ability to contain costs, a fundamental driver of the value-based approach to medicine. A recent review of research showed that integrative medicine provides substantial cost savings across many scenarios. In one, integrative care by holistic nurses, licensed acupuncturists and massage therapists saved a hospital \$2,000 per patient. In another, patients with lower back pain who had direct access to chiropractors cost their insurers 20 percent to 40 percent less. A third study showed that employees who used naturopathic doctors saved their employers on average \$1,021 per year.⁶ The review concluded that integrative medicine is poised to reap huge returns for those who invest in that sector.⁷

Perfect alignment

Venture capitalists have already begun to reach the same conclusion. AngelList, a clearinghouse for investors and startup companies, lists 221 companies and 13,352 investors in alternative medicine, a

6 http://www.healthy.net/Health/Essay/The_Big_Money_in_Integrative_Health_Care/1236

7 Ibid, n.p.

broad category that includes integrative medicine.⁸ A recent report in Modern Healthcare features population health as a new trend in venture capital investment, a focus that overlaps substantially with value-based medicine's focus on patient health and preventative care.⁹ Integrative medicine is perfectly aligned reward its investors with a system that emphasizes cost containment and quality of health for patients, the priorities that reflect emerging trends in venture capital investment.

The shift in focus in the industry has led to a growth in integrative medicine that is represented by \$14 billion in revenues and a 30 percent rate of practitioner growth annually and a 5 percent annual growth rate, according to one recent estimate.¹⁰ Keys to the strength of that growth such as knowledgeable staff and a whole-patient approach are integral to the Healthcare Investing approach. The report cites recent data that shows Americans spending \$34 billion annually on alternative medicine protocols and products.

Healthcare Investing Affiliate's focus on the root causes of illness and whole person treatment perfectly reflects the needs of this growing investment sector. Our holistic approach to healing includes a core team of expert integrative medical professionals and a thorough, personal approach to medical care. The preventative treatment of illness and deep diagnosis of current conditions that are the hallmarks of Healthcare Investing Affiliates are also the essential components of the value-based system that is increasingly attracting venture capital at an exponential rate.

Partnership opportunities

Our Affiliates unique business model includes a robust multi-modality structure that allows our healthcare clinics to capture revenue from over seven separate income producing vehicles. Consumer demand is overwhelming as our population continues to erupt. While we continue our efforts to meet this demand, equity partnership opportunities have presented themselves to qualified individuals and corporations who are looking for passive income without the pitfalls of trading on the open market. As an equity owner in multiple healthcare clinics across the country, one could expect to earn heavy passive income through several of the multi-modality business structures that are already in place and earning income. The future trending income curve is impressive at the very least. Our partners also receive access to consumer based offerings through the business as an owner. We want to make sure all our partners live a long, healthy, and profitable life!

Contact one of our Healthcare Investing specialists for more details on partnership opportunities.

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8 <https://angel.co/alternative-medicine>

9 <http://www.modernhealthcare.com/article/20170107/MAGAZINE/301079984>

10 <https://www.linkedin.com/pulse/functional-integrative-medicine-burgeoning-market-sean-kevin-kelley/>