

## Growth in Elder Care Market Creates Investment Opportunity

By Brian Gormley

A push to shift more elder care out of the hospital is creating opportunities for venture investors.

People aged 65 and older will outnumber children by 2035 for the first time in U.S. history, according to Census Bureau estimates. At the same time, health-care organizations caring for the elderly face cost pressures, and older people increasingly want to spend their final days at home, a survey by BDO and NEJM Catalyst finds.

Consequently, health-care organizations plan to invest more in areas like home care and palliative care, according to the survey. That should widen opportunity for investment in technology and services companies enabling medical care to be delivered outside standard medical centers.

Tools such as telemedicine and remote monitoring will be more in-demand. Technology can underpin more innovative ways to deliver medical services, especially as seniors grow more proficient with tech, said Peter Hudson, managing director of Alta Partners.

Competition among startups is rising and

companies face the challenge of scaling in crowded markets. Tech companies can alleviate this problem by finding the right partners to aid distribution, said Patrick Pilch, managing director and national leader for the BDO Center for Healthcare Excellence and Innovation. Those partners could be corporations or health-care providers and insurers with access to the startup's target population.

Services companies can mitigate risk by choosing the markets they enter carefully, according to Stefano Ciampolini, managing partner with MedScience Ventures. MedScience last year backed Mavencare, a Toronto-based home-care services startup that has moved into New York and Massachusetts.

Executives in each territory are needed to build the practice and teach the Mavencare care model. To cover costs of this management, Mavencare must identify territories where it can swiftly secure a significant market share.

"Home care will grow, we like that vertical," Mr. Ciampolini said. "The risk is always [that] you don't get critical mass quickly enough."