

AUSTRALIAN COMPANY TRANSFORMING PRESCRIPTION MANAGEMENT

CASE STUDY | AUGUST 2019

ScalaMed is transforming prescription management for patients in the US with a world-first idea generated out of Australia. As a thought-leader in healthtech capability, this innovative company is enhancing Australia's reputation as a hotspot for digital health technology.

ScalaMed brings a fresh perspective to medication management and overcoming medication mismanagement in the US, a US\$528 billion problem for the health industry.¹ Following the successful pilot of its mobile health app, which transforms how patients get and manage prescriptions, the company is proving the US is a receptive market for Australian-developed healthcare management technology.

A new perspective

ScalaMed is the developer of an online mobile application that makes medication management easier by enabling patients to manage their prescriptions digitally. Originally based on blockchain technology, the app also allows clinics to more effectively manage their patients' medications when the patient is not in the clinic.

Providing an outside perspective has enabled Australian-founded ScalaMed to challenge the US approach, which currently bypasses the patient and sends prescriptions from the doctor to the pharmacy, to make it more intuitive and patient focused.

CEO and Founder Dr Tal Rapke says: 'When you come from a different country, sometimes having an outsider's perspective on the market can be really useful. You are more willing to suggest new ideas because you have not been immersed in that market's traditional way of thinking.'

'People get frustrated by medications, and providers are bearing the responsibility of medication mismanagement,' he adds. 'As value-based care



Dr Tal Rapke, CEO and Founder, ScalaMed.

'People in the US want a company that focuses on the US market and helps make healthcare in the US a success. With Australia's good reputation and capabilities, having a product from Australia is advantageous.'

Dr Tal Rapke, CEO and Founder, ScalaMed

increases in the US, providers are looking for innovative tools that can be deployed across their entire patient population to help patients maintain good health. That's where we play a vital role.'

Having recently completed a pilot in the US, ScalaMed is close to signing deals with healthcare clinics across the country.

US market entry strategy

Partnering and piloting with hospitals in the US was an effective market entry strategy for ScalaMed. Dr Rapke points out: 'We utilised the Texas Medical Center's accelerator program, TMCx, to understand the nuances of the US healthcare market, get a foot



Australian Government

Australian Trade and Investment Commission



in the door and establish a presence in Houston and the US. It was an excellent stepping stone.'

Houston's Texas Medical Center (TMC) is the world's largest medical precinct. The four-month TMCx accelerator program is supported by Austrade through the BioBridge Initiative.

'The TMCx, with the help of Austrade, made sure we hit the ground running. We got our first trial through the TMC and it's really been a network within a network,' Dr Rapke adds.

'It takes a long time in healthcare to get things moving, provide value and craft the right story, which we've had to re-work over and over again to get it to where it is today. TMCx provided a great network and helped us adapt our product and position it for the US.'

Capability for revolutionary technology

Australia is recognised as one of the top countries for blockchain capability. Blockchain technology is increasingly used for health applications due to the importance of protecting patients' privacy and the security of medical data.

Dr Rapke explains: 'When it comes to revolutionary technology, as a company we started off with blockchain to create a new auditable and secure way to manage prescriptions. While we have it there, because of the focused way we have built our base product with security in mind, it isn't yet something that clinics in the US have requested. We are waiting for the right customers who want this additional audit trail and security before pushing it live.'

ScalaMed's development work is carried out in Australia and its US team focuses on commercialisation and getting the product to market. 'Our Australian team creates great technology and carries out the research and development (R&D) necessary to make ScalaMed a success across the globe,' says Dr Rapke. 'We are in a position where we have a great split between the US and Australia and we can really leverage that.'

Government support

ScalaMed has utilised various grants and incentives offered by the Australian Government, including the Accelerating Commercialisation program, Export Market Development Grants (EMDG) and R&D Tax Incentive scheme.

'We've been lucky enough to leverage grants and incentives, which have helped get us to where we are today,' says Dr Rapke.

'In particular, having a good R&D Tax Incentive in Australia is extremely beneficial. It makes developing and taking risks in R&D much more affordable and achievable.'

Austrade continues to offer ScalaMed support, including invitations to networking events and opportunities to make valuable contacts.

'Austrade has been really great value. In addition to their support through the TMCx, they have offered valuable introductions and opportunities to meet investors and customers,' says Dr Rapke.

Australia as an investment destination

Australia's reputation as an innovator in digital health supports Australian companies in their growth and promotes Australia as a destination with burgeoning talent and great investment potential.

Dr Rapke points out Australia is an interesting and dynamic market. 'Australia is a small market, especially compared to the US, so that means there are both opportunities and challenges,' he says.

'Achieving market growth is doable in Australia but on the flip side, if you can't close a deal with just one of the clients in the industry, that could end up being half of your market gone.'

He adds: 'Regardless of whether you are expanding in the US or considering Australia as an investment destination, it is important to talk to people, understand nuances and ask questions. Be on the ground and spend time developing valuable and meaningful relationships...because you never know when you might need to rely on them.'

About Austrade

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ⁱ GTMR Institute, [Wrong drugs and doses, skipped regimens and drug interactions cost US \\$528B annually, 2018.](#)