

VC manager: Obesity, diabetes draw investor attention

By Danielle C. Smith

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Obesity, diabetes and an aging population are not just drivers of rising health care costs — they apparently represent a good place for investors to put their money.

“We’ve got a lot of unmet needs. We’re getting older and bigger,” said Mike DeVries, managing director at EDF Ventures’ Grand Rapids office.

“Hundreds” of medical devices are under development to treat diabetes — including an artificial pancreas — and represent “all kinds of opportunities” for investing in treatments in the early stages of development, DeVries said.

There is a “big push” as well for medical devices to treat people who are obese, DeVries said during a recent life-sciences conference in Grand Rapids hosted by the West Michigan Science & Technology Initiative. He cites, for instance, development of new devices to make bariatric surgery a less-invasive and a reversible procedure.

“You’re going to see a lot more drugs coming out, a lot more devices coming out, to treat this population,” said DeVries, noting U.S. Centers for Disease Control and Prevention data, which shows an explosion in obesity rates in the U.S. over the past two decades.

In 2008, Colorado was the only state with an obesity rate of less than 20 percent, and 32 states had a rate of 25 percent or more. Six states — Alabama, Mississippi, Oklahoma, South Carolina, Tennessee and West Virginia — had a rate of more than 30 percent.

Michigan’s obesity rate as of 2008 was 28.9 percent.

Treatments for obesity and diabetes are the top focus of health care investors right now, DeVries said, followed by heart disease.

Even existing medical devices and equipment — such as gurneys — are having to undergo redesign and are open to innovation, DeVries said.

“Every medical device is changing,” he said. “They weren’t designed for the weight-bearing of obese patients.”

Likewise, America’s aging population will drive medical-device innovation as well, particularly in keeping people active during their senior years.

“Hips and knees weren’t designed to play tennis with” at a certain age, DeVries said. “Yet these people are not going to sit still and let their life flitter away.”

DeVries sees opportunity growing in medical imaging and navigation. As procedures become less invasive, innovative technology is needed to allow doctors and surgeons to guide a device through the body, particularly in the area of cardiovascular care.

“The ability to see where all of these things are going is big,” he said. “We need to see into the heart.”

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DeVries