

## mHealth demand among payers, providers, employers

Thursday - October 7th, 2010 - 06:47am EST by Brian Dolan | CTIA Everywhere Healthcare | insurance mobile apps | mHealth market demand | payer mobile apps | physician mHealth |

This week MobiHealthNews produced its 3rd Everywhere Healthcare event at CTIA in San Francisco. After my introductory remarks and short presentation, Spencer Hutchins of Booz & Co. (also co-author of the healthcare section within the FCC's National Broadband Plan) led a spirited discussion between a panel of wireless health thought-leaders on the current state of the industry.



Below are a few excerpts from that discussion. This section focuses on mHealth market demand and true opportunities for mobile health revenue generation today:

**Hutchins: Which customer segments actually warming up and making real purchasing decisions around this. Where is there genuine revenue being created? Is it employers or are you seeing it from the payers or the providers?**

### Mobile health demand: Payers

"In the payer and provider market everyone is interested," Mark Trigsted, EVP of Healthcare at Diversinet said. "Everyone is a little trepidatious, but it is being driven from the top. The C-suite is saying: 'We want apps!' and 'We need them now!' So, they are trying to deliver those, but what they are really struggling with is figuring out what is actually applicable to their patients or members. They are asking: 'How do we do that securely and stay out of jail?' And: 'How do we make money out of it?' At Diversinet we really are seeing this push primarily from the payer and provider space though."

"The biggest issue that we see right now is that there exists this automatic assumption that we cannot do secure applications in the mobile environment," Trigsted continued. "Well, you really can. It's interesting: There are two schools of thought out there: One group believes, 'Yes, we can do anything and it's automatically secure.' The other is of the opinion that 'No, we can't do anything because it's impossible to secure [mobile].' So, at Diversinet, we're trying to mitigate that... Nobody has the business model yet, but I think we're going to get there."

### Mobile health demand: Aging population

"We're a direct to consumer player and historically we've been focused on the 65-and-over demographic," Madeline Pantalone, VP of Strategy and Business Development at GreatCall said. "We've done a lot of market research and this year that included primary research that indicated that the number one issue for seniors and aging boomers like myself is healthy aging. Boomers have to stay in the workplace longer. Seniors want to stay out of the inevitable assisted living facility. Healthy aging is really key. We've found that they are willing to pay \$5 to \$10 per month for wellness applications, or applications that will help them actually manage their lifestyle in a non-intrusive way."

"The challenge for us with the 65-and-up market (predominantly the 75-plus market) is getting them to keep the cell phone on," Pantalone said. "There's a generation of 75-plus people who only use their mobile phones to call their kids and then they turn it off and put it back in their purse."

"One of our biggest challenges and where we think we've been a leader in the market is to create a number of devices that actually appeal to a number of individual consumer sand get them engaged with 24/7 customer care," Pantalone said. "Connect them with people who will help them use the technology so when they hit a bump in the road that they won't turn their device off and never use it again. As we move people up the technology curve, they are more than willing to integrate these applications for wellness and healthy aging. And they are willing to pay a small amount per applications. What makes it appealing then is that if you can capture seniors who make up 15 percent of the population but have 35 to 40 percent of the healthcare costs. That kind of talk will catch the ear of the managed care organizations. And the real issue for them: 'How can we leverage this platform to reduce the cost of healthcare delivery because we're in a capitation model?'"

### Mobile health demand: Providers

"We spend a lot of time in the provider space and what we're seeing right now has to do more and more with the electronic medical records and getting the back-end systems in place to use all of those electronic records," Fred Castillo, Executive Director, Mobility Application Consultants for Healthcare, AT&T. "At that point in time you can begin to mobilize everything. If once you have that done, then it does come down to all different elements. The security piece definitely comes up as

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part of that.”

**Mobile health demand: Self-insured employers**

“I’ve had the luck (and maybe the pain) of trying to do this in two different markets so far. My life at Partner’s Health Care was all about building a business model and a revenue generating business out of this remote monitoring, self-management stuff,” Doug McClure, CTO, Healthrageous said. “There was a bunch of work we did early on around congestive heart failure monitoring—there are some very serious disease management programs around remote monitoring. There were some challenges involved in making that a viable business model within the provider market — frankly, that’s what took us at the Center for Connected Health to think about the different markets where we could use these same kinds of tools but change the focus a little bit. And that’s where we started working with self-insured employers.”

In either case you end up in this game of ‘where’s the money at?’ With providers it’s all about fee-for-service. With providers it’s: How do you take the very small, relatively limited pay-for-performance initiatives out there and begin to twist them to meet how you want to deliver your programs. By going directly to self-insured employers, you have a different market problem. You have the challenge of going off and trying to meet all those self-insured employers; convincing them that they want to do something like this; and explaining how it’s different from all the other programs they are buying.”

“That was really what created the initiative to spin out [from Partners] and become this new thing called Healthrageous,” McClure said. “Right now, what we’re seeing is that the market is about ‘How do you work with those that are at risk, financially for the health of the individual?’ These programs can end up looking like either designed disease management or wellness. What you’re doing is selling into folks that are already carrying the burden of the cost of those in one way or another. Trying to scale that... has it’s own challenges.”

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**David Albert, MD**

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