

TECHNOLOGY

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Substance Over Style

Getting Down to Business with mHealth

FOR THE PAST TWO YEARS, mHealth has steadily climbed the curve of the hype cycle, with no end in sight. And with good reason—the sheer volume and expanse of the mHealth universe has been growing at an explosive pace.

It's clear that mHealth isn't just a disruptive force in healthcare—it's rapidly becoming a displacement force. The mHealth juggernaut owes its popularity to a convergence of form and function. Mobile solutions combine access to data from multiple clinical and remote settings with devices that have made dramatic leaps forward in terms of cost, bulk, weight, durability and performance. The net result: acceptance and adoption of mobile solutions in healthcare has already far outpaced the record of tethered technologies.

But there is a huge speed bump on the road to mHealth development: with the current avalanche of resources being thrown into mHealth solutions, what is chronically getting overlooked is the need to focus on mHealth as a business. Yes, technology is the centerpiece of mHealth, but it's a common mistake to become transfixed by technology as the wellspring of success. The healthcare industry landscape is littered with technology solutions that didn't take root, not least because product development consumed the energy and resources of the enterprise at the expense of creating a sustainable business foundation. Despite its early successes, mHealth has yet to establish a solid business strategy. To do so, mHealth must address business

issues like workflow bottlenecks, the cost/benefit calculus, customer engagement and much more.

DIRECT TO CONSUMER

The prevailing wisdom holds that healthcare's mobile convergence is taking place at the grass roots level, led by consumers and to a lesser extent, providers. It's a populist movement that is being driven by a number of factors—low barrier to market entry, consumerism, attractive price points, health reform, innovative applications, even the transition from volume to value.

Until now, consumer uptake has been the primary driver of mHealth solutions, and favorable metrics in the consumer space—declining price points, growing accessibility and utility will continue to serve as the engine of mHealth growth, at least for the near term. But this isn't a moon shot, and there are some important hurdles standing in the way of consumer acceptance, including:

mHealth as a Commodity. Apps aside, mHealth devices aren't widely available, have few substitutes, and probably have a limited shelf life. Consumer uptake will likely spike when mHealth devices are sold at Wal-Mart, when the consumer has choices, and when the product has

matured to the point that it will not soon become obsolete.

Know the Customer. Just because a product is useful doesn't mean the consumer will embrace it. As with many technology solutions, there is a danger that the mHealth product will incorporate features or functionality that the consumer considers insufficient or superfluous. One size does not fit all.

Displacement Technology. mHealth is going to change the way that healthcare is delivered, and the way that providers and patients interact. Consumers will have to become accustomed to communicating with their provider electronically, to receiving care via the eVisit, and to becoming more accountable for their own health maintenance.

There are additional consumer concerns—trust, ease of use, reliability, connectivity. But these issues, which have had such a braking effect on the adoption of tethered solutions like the EMR, will not exercise a similar influence on the evolution of consumer-driven mHealth. The evidence to date just doesn't support any other conclusion but that mHealth is going to become foundational to healthcare—and not just within the consumer market.

THE NEXT WAVE

The smartphone—the MVP of mHealth over the past two years, has ginned up a lot of speculation about the consumer-led transformation of healthcare. But consumerism hasn't been and isn't going to be the sustainable business foundation

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of mHealth, from either an economic or clinical perspective. So how will mHealth establish an iron grip in healthcare? Within the next few years the coordinators of care – clinicians, hospitals and health plans foremost among them, are going to deploy mHealth solutions to create efficiencies, streamline the physician/patient experience, and manage costs.

Unlike the EMR and other technologies that are complex and capital intensive, the ease of use of mHealth solutions, coupled with their affordability and “personalization” of the care experience, will create broad demand, and change the frequency and terms under which caregivers and patients interact. Further aided by the industry’s gravitation towards value based purchasing and contractual risk sharing, the result will be a recasting of the century-old healthcare delivery model based on hospital services and episodic treatments. Freed from healthcare’s outdated bricks and mortar mentality, and with an emphasis on patient engagement and patient management, mHealth is refining numerous business models, including:

Clinical Services. Business strategies aimed at capturing new clinical revenues by extending the organization’s clinical service reach, service efficiency and service integration via communications, clinical integration, and patient management.

Operations Management. Mobile solutions aimed at streamlining staff workflow, patient throughput, resource allocation, finance, back office, asset management and the patient experience.

Patient Engagement. mHealth is redefining the touch points of the doctor-patient relationship. Remote patient monitoring is the rising star of patient engagement, and spans wellness and prevention, chronic disease management, aging-in-place, and physician-patient communications.

Infrastructure Integration – creating secure information exchange platforms that leverage mobile networks, SAAS, and the Cloud.¹

Revenue Models. Still in their formative stage, biopharma, payers and providers are establishing revenue streams from telehealth services, monitors and sensors, advertising and drug sales.

Rapid product innovation, utility, affordability and surging demand are shifting technology investments and product revenues away from tethered systems and toward mobile solutions. In areas such as health and wellness, chronic conditions, diagnosis, education and self care, mHealth has already proven its’ value. Business models are evolving, but it’s still too early to declare the winners.

The economics of healthcare are changing, and the producers and consumers of healthcare services must adapt to the market impact of displacement technologies like mHealth. To succeed as an mHealth business, executives need to apply fresh thinking to articulating their brand, engaging the customer and positioning their product. They must look beyond traditional revenue models and examine mHealth through a retail lens. It’s a new breed of customer, with vastly different

expectations about service and the overall experience. And finally, if mHealth is to have a business mantra, it should be “personalization and engagement.” **JHIM**

REFERENCES

1. Health Research Institute, “Healthcare Unwired: New Business Models Delivering Care Anywhere” September 2010.



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