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AT&T forms health IT division

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AT&T ForHealth will focus on developing and delivering telehealth, cloud computing and wireless monitoring devices.

By Pamela Lewis Dolan

AT&T announced that it has formed a division geared toward health information technology, a market it estimates to be worth nearly \$34 billion.

The new division, AT&T ForHealth, will focus on the development and delivery of health IT solutions, including telehealth, cloud computing and wireless monitoring devices.

The company said it generated about \$4 billion in revenue from its health care industry businesses in 2009. The company wants to tap further into a market that is predicted to grow 24% during the next four years from its current \$33.9 billion.

"We believe the health care industry is at a tipping point for fundamental change that will improve patients' care and lead to better health care outcomes," said John Stankey, president and CEO of AT&T Business Solutions. "Networking solutions using cloud-based mobility and telepresence technologies can help the overall industry deliver better care to people while driving costs out of the system."

The New England Healthcare Institute, an independent research firm in Cambridge, Mass., released a study in January 2009 estimating that home monitoring and mobile disease management technology could save the health care industry \$4.7 billion to \$6.4 billion a year.

Mike Sapien, principal analyst with Ovum, a market research firm in London, said there has been talk of mobile health applications for several years. Only recently have the devices become affordable and easy for consumers to use, he said. But challenges to widespread adoption remain.

Persuading physicians to use, and getting payers to pay for, some of the solutions AT&T is touting will be difficult. But the company has the "ability to make it stick this time," partly because the company is promoting the products and services for use among its employees and is forming key partnerships with others in the mobile health care and telehealth industry, Sapien said.

In October, AT&T announced a partnership with WellDoc to deploy its mobile diabetes management solution, which it plans to deploy internally to a select number of AT&T employees.

In March AT&T announced it will provide wireless connectivity for Vitality GlowCaps, a system that sends verbal and visual reminders for patients to take their medications.

Sapien said the partnerships are important, as is the fact that AT&T knows they need them to be successful.