



Consumer Health Success – WellDoc 8/12/11

August 12, 2011

I'm going to stretch the definition of consumer health [success](#) in this post to include a story about WellDoc, a mobile chronic disease management company that has had some success in targeting consumers, but has done so through providers, payers, and employers. The reason I say "stretching" is that I don't know how many consumers are actually using WellDoc's platform.

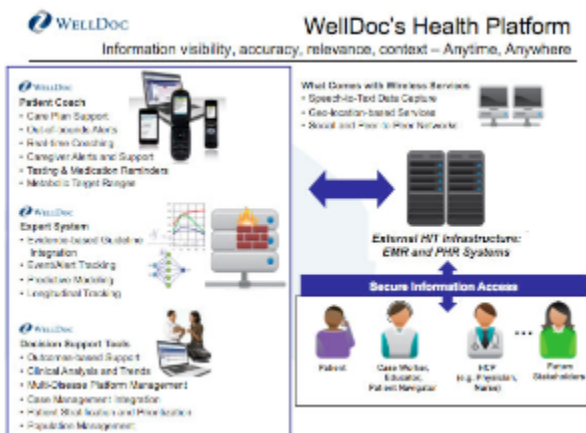
What I do know is that the company has gotten a lot of good press and added several partners over the last year or so. It represents an interesting segment in connected / mobile chronic disease management that is seeing lots of activity that will continue.

Background

WellDoc, in its own words, is "developing the next generation of technology solutions to support chronic disease management." The goal of WellDoc and similar tools is to simplify and assist patients with chronic disease management by providing support and bridging the communication gap between patients and providers on an ongoing basis.

WellDoc started with diabetes care (one of the founders is an endocrinologist) and has expanded out to other clinical areas. It acquired an organization called Oncology Care Home Health Specialists Inc. this past February to gain insight and expertise in oncology.

The WellDoc site lists tools for cardiovascular, respiratory, wellness, diabetes, oncology, and mental health, but I doubt they are all fully built out. WellDoc has FDA [approval](#) for its DiabetesManager System.



The platform is described as a tool that segments patient populations, analyzes patient-entered data (glucose readings for diabetics), and then provides intelligent feedback and actionable guidance ("coaching," in WellDoc's words) based on certain parameters. I remember reading at one point that the providers are able to customize parameters for patients, though this wasn't clear to me on the site today.

Results / Clinical Trials

WellDoc has clinical trial results to back up the use of its platform. The first study, published in 2008, was small (32

patients) and short (90 days) but [found](#) reduced A1c — an indicator of diabetic care — and increased interventions by providers when patients used WellDoc.

A larger study over a year, just published in the last month, [found](#) that users of the WellDoc system had significantly lower A1c values than control patients. The study was funded by University of Maryland, WellDoc, Sprint, and CareFirst.

As more companies and startups build connected health tools for chronic disease management it is going to become increasingly important to have evidence to back up claims about improvements in clinical outcomes. This will differentiate many of the offerings and how companies will be able to convince whoever is accountable (ACOs, payers, employers) that there is ROI for using a certain product with members or patients. In this area, WellDoc has a nice lead over many others.

Partners

WellDoc has an impressive list of partners. On the carrier side, it is working with both [AT&T](#) and Sprint. AT&T is even [testing](#) WellDoc for its own employees. As a startup in a new and growing market segment, I don't think it hurts to have big carriers backing you as you try to sell to health systems, payers, and employers.



WellDoc, based in Baltimore, is very closely tied to the University of Maryland's health system. The founder of WellDoc is a professor there. As such, trials and grant funding are much easier for WellDoc.

WellDoc is even [testing](#) integration with EHR vendor Allscripts. I imagine that will help considerably with provider adoption, as they won't have to go to a separate portal to pull information and message with patients. I'm curious how WellDoc is being integrated — as structured data that can be linked and reported upon, or as an attachment/PDF to the patient chart?

Another odd marriage for WellDoc is its [partnership](#) with Ford to test WellDoc's system as an integrated part of Ford auto electronic systems. They are testing the system now. I didn't see (and still don't see) this being very practical, but the story got good press when they announced it.

Competitors

WellDoc has many competitors in the connected chronic disease management space. Specifically I see WellDoc as a service for a subset of chronic disease patients — those that are younger and independent. That differentiates the company from others that are building tools to remotely monitor patients and keep them out of assisted living facilities (Independa, GreatCall, Robert Bosch, etc).

Some of the main competitors I see are companies like Telcare, which recently obtained FDA approval for its connected blood glucose monitor, and MedApps. Both companies offer tools to assist patients with chronic disease care and connect providers to patients.

RunKeeper's Health Graph would also be a competitor if it could get providers to buy in instead of being solely driven by consumers. RunKeeper recently announced integration of Withing's Smart Blood Pressure Monitor.

What I also see as a possible differentiator for WellDoc is if it can leverage its FDA approved content as something that is licensable to other app and device makers. In that, way it is not dependent on a specific connected health device like Telcare. I don't know of any companies using WellDoc's FDA-approved

content right now, but if that's the case and I'm misinformed, please let me know. I also don't know how hard it is to get FDA approval for messaging tools like this.

Who Pays?

WellDoc charges a monthly licensing fee per patient/consumer. Based on numbers I've read (though not directly from WellDoc), it is projected that the 2% drop in A1c in clinical trials using WellDoc's platform could save the US health system up to \$27 billion a year. That's a nice value proposition if you can find somebody in the health system who cares enough to pay for it.

I've always thought that if ACOs ever became a common healthcare finance system, then connected health services like WellDoc would start to make a lot of sense. If an organization gets a certain amount per year for each diabetic patient, why not pay for a device that helps improve care and makes it so providers have cheaper touch points with patients outside of facilities?

Of course ACOs aren't exactly commonplace — and technically don't exist at all currently — so most chronic disease management companies, WellDoc included, are targeting those motivated to pay for services that actually improve the quality and cost of care. Payers and self-insured employers make a lot of sense, but so do pharmaceutical companies, especially if you improve adherence and refills.

Takeaways

What has WellDoc done to grow over the last several years, secure partnerships, and conduct clinical trials, all without apparent outside financing? (I can't find anything about investors for WellDoc.) First, try to get an academic physician on board early. The links to an academic center are extremely valuable for grants and trials. Docs also don't hurt with getting buy-in from other docs.

Second, focus on one disease initially, not the platform angle. Get it right for something like diabetes or CHF, show improved outcomes and return on investment, and then start calling it a platform that can be used for different clinical conditions.

It remains to be seen how widely used WellDoc's platform will be. I'm convinced tools like this, with monthly or annual licensing, will become very common for lots of patients in the future.

What will likely happen, according to me and my crystal ball, is many will win contracts or self-fund trials at different institutions and then companies like AT&T or maybe United Healthcare will gobble them up.

I also wonder if some EHRs might consider buying companies like this. It would certainly help with scaling if they could sell to installed user bases.