

Health gaming, psychology and rewards meet in this medication adherence app

February 24, 2012 By Deanna Pogorelc

A startup in today's health space has at least one thing going for it – there are lots of problems to solve. Here's one problem that the New England Healthcare Institute put a \$290 billion price tag on: <u>patients not taking the medications</u> their doctors prescribe.

Compliance is crucial to managing chronic diseases, doctors say. But among patients who fill their prescriptions, 50 to 60 percent of them don't take them as prescribed.

<u>HealthPrize Technologies</u> is one of many companies trying to improve patient adherence with a healthcare gaming app and software solution that offers prizes to users who take their medications, have their prescriptions refilled and engage in educational games to learn about their condition.

<u>Launched in June 2010</u>, the company's web-based software solution and mobile app are built on the idea that there's a fundamental value problem causing adherence problems. Of course some patients don't take their medications because they can't afford them or lack access to care, but <u>studies have also</u> <u>found</u> that patients don't follow orders because they don't understand them or don't experience significant symptoms of their condition.

Based on the idea that our brains prefer short-term benefits (like being rewarded with points and prizes) over long term-benefits (like better health), HealthPrize incorporated behavioral economics, psychology and fun into its technology.

And that's <u>an idea that's apparently catching on</u>. The company has just <u>secured \$2 million in equity funding</u>, according to a filing with the Securities and Exchange Commission.

CEO Thomas Kottler didn't return a call for more details on the fundraise or the company, but it appears that HealthPrize operates on a revenue model that allows users to download and use the program for free through pharmaceutical companies, employers and health insurers that pay for subscriptions.

When users rack up points for tracking their medication, refilling prescription and taking educational quizzes, they can exchange them for prizes include gift cards to retailers, electronics and other general merchandise.

There are already plenty of apps to help users track and remember their medications – MedsLog, Medsy, Dosecast, Pillbox Alert, <u>Personal Caregiver</u>, WellDoc and <u>TextMinderRx</u> among them. HealthPrize's selling point is that it's fun.

James Chase summed it up the appeal of fun in patient compliance in a recent article for <u>Medical</u> <u>Marketing & Media</u>:

Human behavior is a complex, illogical beast and, more often than not, I guarantee that non-compliance has nothing to do with the severity of a patient's condition or potential danger of discontinuing treatment. If we always acted out of fear for our health, there'd be no cigarette smokers. And adherence rates in oncology would be perfect. Well, they're not.

But the program also walks a fine line with some concerned about the <u>ethics of offering cash and prizes</u> <u>for taking medications</u>. What if, say, it works *too* well, leading consumers to overuse drugs or doctors to write unnecessary prescriptions? It doesn't appear to be a problem yet, but let's keep watching with a skeptical eye.