



Why the AT&T WellDoc deal matters

By: [Brian Dolan](#)
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This is big: AT&T announced plans to offer WellDoc's FDA-approved mobile phone-based diabetes management solution to a select group of AT&T employees sometime in 2011. (AT&T's benefits program covers some 1.2 million employees, retirees and dependents so the company has a vested interest in improving employees' health while keeping costs low). AT&T potentially plans to offer additional mobile health services developed by WellDoc in the areas of heart disease, asthma, chronic obstructive pulmonary disease and oncology, assuming those programs also receive FDA approval. WellDoc CEO Ryan Sysko told MobiHealthNews that each of these programs are in various stages of commercialization, from prototyping to clinical testing.



WellDoc's mobile phone application for diabetes management, DiabetesManager, aims to help doctors and patients with type 2 diabetes work together by providing for the capture, storage and real-time transmission of blood glucose data and other diabetes self-management information in a secure environment. WellDoc also analyzes the captured data to generate trends and provide relevant educational and behavioral coaching for patients.

AT&T to offer WellDoc to employees, but also act as its key sales channel

The deal between AT&T and WellDoc goes well beyond AT&T's own employees, however. The companies have formed a "strategic alliance" that enables WellDoc to scale its operations, sales and distribution channels. AT&T and WellDoc will jointly market DiabetesManager to the entire healthcare system including self-insured employers, payers and disease management organizations. AT&T will also support WellDoc with second tier customer service, customer care, provisioning and billing. Sysko made it clear that the "strategic alliance" with AT&T made the telecom company its exclusive distribution partner in the United States: "Business terms won't be disclosed but both parties have made a significant commitment to commercialize the system in the US. From an enterprise sales and market standpoint, AT&T will be our strategic ally."

AT&T's perspective "refreshing"

"It was really refreshing to hear that AT&T was committed to making sure our applications would also be accessible to any device on any [mobile carrier's] network," WellDoc CEO Ryan Sysko told MobiHealthNews in an interview ahead of the announcement. "AT&T recognized that it would not be feasible to make someone use only a certain device on a certain network, so whether our users are on Verizon Wireless or AT&T or whoever, they will be able to use our applications. AT&T recognized that it wouldn't be right for patients, employers or health plans to do it otherwise."

WellDoc may integrate with other mHealth devices on AT&T network

Sysko also hinted that other partnerships may be in the works: "We are not going to become a device company, but we are looking at ways to leverage other devices already on AT&T's network that might integrate with our solutions." AT&T just announced that it was powering eCardio's arrhythmia monitoring service and had previously announced a similar deal with Vitality's GlowCaps medication adherence device. Given WellDoc's future plans for heart disease management apps and its medication adherence component to DiabetesManager — there may well be room for partnerships with either of those device companies. Of course, AT&T may have many other mHealth devices in their stable that have yet to be disclosed.

The — no surprises here — business model

"We are taking a simultaneous approach to commercialize our offering the same way a pharmaceutical company or medical device company would: We are working with self-insured employers with a per member, per month fee in a capitated model and also pursuing reimbursement through health plans and other payers," Sysko said.

Why AT&T?

"There are a number of reasons," Sysko said. "AT&T has demonstrated their ability to innovate by bringing devices like the iPhone to the market. They also have a significant historical and current commitment to providing solutions to the healthcare system. Those were the two things that stood out when we looked at them. In terms of wireless operators who really get it and look at this as more than just a data play or a handset opportunity — AT&T really understood. They understood the potential business model and that is was about delivering solutions that improve outcomes and reduce costs. They weren't simply focused on peddling data or selling phones."

Why the AT&T WellDoc deal matters

As a self-insured employer, AT&T's decision to begin offering a mobile phone based diabetes management offering to some of its employees is perhaps the single most effective way to move the needle on mHealth services adoption. We called it dogfooding earlier this year when we wondered why telecoms like AT&T — who have made it clear they believe in mHealth's potential in the past — but had yet to become a customer of mHealth services. As the companies' press release hints, self-insured employers like AT&T (especially those that fall into

the Fortune 10, like AT&T) are precisely the type of customers that the newly created AT&T-WellDoc alliance is looking to attract.

Given the future plans indicated at the outset of the announcement — to move into each of the top chronic condition management areas — WellDoc has quickly positioned itself as AT&T's platform for mHealth. Assuming FDA clearances, new services from WellDoc including asthma, COPD, CHF and oncology are reportedly on the way. (It's notable that hypertension is not on WellDoc's list.) WellDoc made clear that discussions about integrating with other devices on AT&T's network are underway meaning this is only a preview of the suite of services AT&T and WellDoc is bringing together.

In the end, the WellDoc-AT&T deal brings a new scale to mHealth that had heretofore not existed in the US. This very well could be a watershed moment.