



# Fixing healthcare isn't like selling a smart phone

By Sachin Jain | May 8, 2019

Many of the large technology companies and online retailers are poised to enter the healthcare market, promising products and systems to make healthcare more personalized, consumer-friendly, and efficient. It's far too early to say if any of these giants will develop technologies that will both improve the patient experience and health outcomes.

Nevertheless, after nearly a decade of industry innovations, from step-tracking apps to HIPAA-compliant cloud computing platforms, we have enough information to reliably predict what problems lie ahead for these major players – and how to avoid them.

## Pitfalls to avoid

### 1. Solutions in search of a problem

Entrepreneurs can sometimes get caught up in the excitement of developing new apps or services without

taking into account whether or not they will prove useful for patients. At CareMore Health, our focus is on solutions that serve the 30% of patients who account for 60-70% of healthcare costs; it's a matter of serving a smaller slice of the market very, very well instead of trying to be all things to all people.



In order to succeed, these companies must do more than offer users a bevy of data beamed straight to their smartwatches. They need to provide information that can be acted upon. Fitbits, digital tracking tools, portals, and apps are wonderful, but not if patients don't know how to meaningfully understand the data they produce and put it to use. As they move through the development process, these companies should focus not just on giving patients more data, but also on making sure the patients can work with their providers to use that data to improve their health.

## 2. Addressing the wrong demographic

Entrepreneurs can sometimes be short-sighted about who their users are, building solutions for themselves and others like them.

But all people need proper healthcare. And that means offering products and services to a wide range of patients from diverse backgrounds. If these companies want to succeed not just in making money but also in making a difference, they must be cognizant of where spending is directed and who is using healthcare services the most.

## 3. Focusing on hypotheticals instead of the commonplace

For years I've heard well-meaning people looking to improve care pose hypothetical questions like, "What if I live in Boston but break my leg while skiing in Colorado? How is the doctor in the emergency room going to know that I'm allergic to penicillin?"

It's a great question, but it's not the most important question. A far more pressing concern is the ability to share patient data among doctors and specialists in the same building, never mind across the country. The unsexy stuff is where true success (and financial solvency) lies. Tech companies can make a real difference in people's everyday lives when they focus on everyday needs.

# A model that will work

## 1. Moving toward risk

From a business model perspective, there is an increasing push among many healthcare organizations to operate within full risk. Full risk lets us invest in preventing the progression of chronic diseases. It also enables us to intervene before small problems become big ones.

But, a word of caution: a lot of people think if you just flip to risk, everything's going to get better. The most promise lies in clinical models that are enabled by risk but supported by a high degree of professionalism, and a culture built on always doing what's right for the patient—no matter what.

For example, when my organization entered the Connecticut market, we decided to provide care to many of our high-cost, high-needs patients in their homes. We could have provided those patients with excellent care in our medical offices, but most of them are elderly and lack access to transportation. So in this case we built a model of "house calls" supported by capitated payments but built around providing professional care to patients in a setting where they could actually access it.

## 2. Getting closer to the patient

Strategically, organizations that get closest to patients and to the real problems they face are going to be the ones that make the biggest impact and have the most lasting success. So much of what happens in patient care and healthcare technology right now doesn't actually touch patients personally and in a meaningful way. The companies that truly effect change are going to be the ones that really focus on patient care and put power quite literally into patients' hands with useful apps and services.

Similarly, the most effective solutions address the simplest issues, like making an appointment, reading a bill, or understanding insurance benefits. These are the areas where we've already demonstrated that technology can make a meaningful difference in the lives of users.

## 3. Understanding the real points of friction and opportunity

Tactically, the most exciting organizations are the ones that are fundamentally reengineering some aspect of the care process where there's real friction for patients and families. The companies that are successful in the sector are focusing on where most of the healthcare utilization and spending is happening and streamlining the patient experience.

For example, diabetic patients need to have their retinas reliably examined at least once a year. A great innovation would be a process or app that makes sure this happens more often and improves the validity and reliability of retina exams. Preventative healthcare is a major factor when it comes to improving the lives of patients.

#### 4. Connecting with the mission

I absolutely believe that the next generation of apps and services should be patient-focused. But tech companies – and, for that matter, all healthcare companies – shouldn't lose sight of their employees. Avoiding employee burnout is a must, especially for clinical organizations that seek to meaningfully change how people receive care. The key is an underlying culture that puts patients before profits. A business must be sustainable. But at the end of the day, people are happiest and most productive when they feel good about what they're doing. That emotional core is an absolutely critical enabler of success.

#### 5. Finally, learning the problem

Vast consumer experience alone isn't going to make these tech giants succeed in healthcare. Tech companies will actually have to work extra hard to learn what it's really like to receive medical care in American society in 2019.

My predecessor at CareMore used to say, "You can't change something unless you know something." Everyone who works in the healthcare space needs to have a deep appreciation of what patients really go through. Unfortunately, we have a very complicated healthcare system, and my hope is that tech companies work to understand its complexity before trying to change it.

The highest priority for healthcare right now is to simplify what it means to be a patient.

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