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Healthcare Unbound's Awareness Challenge

How To Make Consumers Want The Remote Monitoring Solutions They Need

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EXECUTIVE SUMMARY

Remote patient monitoring and aging-in-place support solutions hold a lot of promise. With healthcare costs and aging baby boomers making front page news, healthcare unbound solution vendors face a fertile environment in which to build their market. But consumers remain woefully ignorant of technology's potential to help them improve their health, manage their diseases, and live safely at home as they age. Healthcare unbound solution vendors must put aside their differences and collectively build consumer awareness of the entire sector. Once consumers grasp the basic value proposition, vendors can set their sites on highlighting the aspects of their individual products and services.

CONSUMERS REMAIN IGNORANT OF HEALTHCARE UNBOUND SOLUTIONS

Way back in 2002, Forrester coined the term "healthcare unbound" to refer to technology in, on, and around the body that frees care from formal institutions.[1] Since then we've seen the formation of the Center for Aging Services Technology (CAST) and Continua as well as entry into the market by the likes of Honeywell, Intel, and Philips.[2] But are consumers any more prepared to embrace this new approach to health management and aging in place than they were five years ago? Forrester posed some questions to online consumers and learned that (see Figure 1):[3]

- **Few consumers have ever heard of most healthcare unbound solutions.** Sixty-nine percent of US online consumers have never heard of TV-based health monitoring solutions like Philips' Motiva. That's not too surprising since Philips only launched its solution in the US in May 2006. However, smart pill dispensers from vendors like e-pill, Informedix, and Health Watch have been commercially available for almost a decade. Still, 60% of online consumers say they've never heard of these solutions, designed to help consumers stay on top of complicated medication regimens.

- **Those who have heard of healthcare unbound options aren't familiar with them.** About half of consumers who have heard of healthcare unbound solutions like wearable health devices and automated home monitoring systems aren't familiar with the specifics of the value proposition. Currently, the highest familiarity levels are for wearable devices that either wirelessly or manually upload data to a computer. This is probably due to the fact that simple devices like Polar heart straps have gained some mindshare among serious athletes and weekend warriors.

- **And those who have used healthcare unbound solutions outnumber current users 2 to 1.** Regardless of which type of healthcare unbound solution we look at, about 1% of US online consumers report that they are currently using it and 2% of US online consumers report having used it in the past. This 2:1 ratio of past to current users is disturbing for a market that's still in its infancy. It suggests either that solutions have a very limited useful lifespan, that consumers' initial experiences aren't positive enough to merit continued use, or that consumers are confusing healthcare unbound descriptions with less valuable solutions they have used and abandoned.

The Healthcare Unbound Message Isn't Reaching The Right People

Not everybody needs to know about healthcare unbound. The solutions are primarily targeted at seniors, the chronically ill, and people who are caretakers for chronically ill or frail elderly consumers. But is the kind of "cool new gadget" press coverage that healthcare unbound solutions are receiving — if they receive any at all — reaching the right audiences to build the healthcare unbound market? No. Among groups that report awareness and familiarity with healthcare unbound solutions (see Figure 2):

- **The young are more aware but less in need.** Online consumers in their 20s are more than twice as likely as online consumers in their 50s and 60s to be familiar with TV or Internet-based health monitoring services. However, they are significantly less likely to have the kinds of chronic conditions — like diabetes, heart disease, and chronic obstructive pulmonary disease (COPD) — that these solutions tend to help manage. Young consumers are also much more familiar with smart pill dispensers — despite the fact that seniors are the ones who struggle with managing multiple medications.[4]

- **Men are more aware, but less likely to make healthcare decisions for their families.** It's not always the users of healthcare unbound who purchase or decide which solutions to use; often the children of frail elderly consumers are critical to those decisions. Women are more than twice as likely to play the healthcare decision-making role for aging, ill, and disabled family members than are men, but men are more aware of healthcare unbound solutions — especially wearable devices, home-based monitoring, and smart pillboxes.[5]

Figure 1 Few Consumers Are Familiar With Healthcare Unbound Solutions

	Never heard of it	Heard of it, but not familiar	Familiar, but haven't used	Used, but not currently using	Currently using
A wearable device that monitors and transmits data about the physical well-being of an aging, ill, or disabled family member	38%	30%	29%	2%	1%
A wearable device that monitors data you can upload to a computer about your personal well-being	49%	26%	23%	2%	1%
Automated home monitoring of an aging, ill, or disabled family member	54%	23%	20%	2%	1%
Internet-based personal health monitoring services	58%	21%	18%	3%	1%
An in-home, electronic or "smart" pill dispenser	60%	20%	18%	2%	1%
TV-based personal health monitoring or coaching	69%	16%	13%	2%	1%

Base: US online consumers

Source: Forrester's North American Technographics® Healthcare Online Survey, Q2 2007

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Source: Forrester Research, Inc.

Figure 2 Those Who Know Of Healthcare Unbound Don't Fit The Target Audience

"Please indicate your level of familiarity with each of the following health-related products and services."

TV-based personal health monitoring or coaching

Age/sex	20-29	30-39	40-49	50-59	60-69	70+	Male	Female
Never heard of	62%	65%	72%	74%	75%	73%	64%	73%
Heard of but not familiar	17%	16%	12%	16%	17%	20%	16%	15%
Familiar, used, or using	20%	20%	16%	10%	9%	7%	19%	12%

Internet-based personal health monitoring services

Age	20-29	30-39	40-49	50-59	60-69	70+	Male	Female
Never heard of	49%	53%	60%	62%	64%	72%	55%	60%
Heard of but not familiar	23%	22%	19%	20%	21%	16%	21%	21%
Familiar, used, or using	28%	25%	21%	18%	15%	12%	24%	19%

A wearable device that monitors and transmits data about the physical well-being of an aging, ill, or disabled family member

Age	20-29	30-39	40-49	50-59	60-69	70+	Male	Female
Never heard of	41%	44%	40%	31%	30%	28%	32%	43%
Heard of but not familiar	28%	29%	27%	32%	34%	37%	32%	28%
Familiar, used, or using	31%	27%	32%	36%	36%	35%	36%	29%

A wearable device that monitors data you can upload to a computer about your personal well-being

Age	20-29	30-39	40-49	50-59	60-69	70+	Male	Female
Never heard of	50%	51%	50%	46%	49%	48%	41%	56%
Heard of but not familiar	25%	25%	25%	27%	28%	26%	28%	23%
Familiar, used, or using	26%	24%	26%	27%	24%	26%	30%	21%

An in-home, electronic or "smart" pill dispenser

Age	20-29	30-39	40-49	50-59	60-69	70+	Male	Female
Never heard of	50%	58%	60%	65%	70%	66%	54%	65%
Heard of but not familiar	24%	21%	19%	19%	17%	20%	22%	19%
Familiar, used, or using	25%	21%	20%	17%	12%	15%	24%	16%

Automated home monitoring of an aging, ill, or disabled family member

Age	20-29	30-39	40-49	50-59	60-69	70+	Male	Female
Never heard of	53%	56%	55%	54%	54%	54%	48%	61%
Heard of but not familiar	23%	21%	22%	25%	24%	28%	25%	21%
Familiar, used, or using	24%	23%	23%	21%	21%	18%	27%	18%

Base: US online consumers 280 to 2641

Source: Forrester's North American Technographics® Healthcare Online Survey, Q2 2007

43122 Source: Forrester Research, Inc.

RECOMMENDATIONS

HEALTHCARE UNBOUND'S RISING TIDE HAS ROOM TO FLOAT ALL BOATS

Healthcare unbound solution vendors have barely begun to win consumer hearts and minds — and with a $34 billion market potential by 2015, there's no point in squabbling over competitive share just yet.[6] Forrester believes that a concerted, collective marketing effort is the only way to catapult this burgeoning field up to its true potential. To get the ball rolling, industry leaders should:

- **Market use cases through Continua and CAST.** Both Continua and CAST include education and outreach among their missions, and both have made progress in extending understanding of healthcare unbound opportunities and challenges among professional and business communities. Going forward, the two organizations should work with their member organizations to build public service messages to raise awareness about aging-in-place and health management technology opportunities. To make these more relevant to consumers who are in denial about their age, level of disability, or severity of disease, creative directors should build "cover stories" that focus on the convenience, peace of mind, and life improvement benefits of the solutions, rather than the health and disability aspects.

- **Tap into the employer fever around wellness, disease management, and productivity.** Employers cite promotion of preventive health benefits and behaviors, and increased efforts in disease management among their top healthcare cost containment strategies.[7] Healthcare unbound technologies allow employers to extend support to a broader range of participants without incurring the high costs of traditional, human-mediated disease management. Industry leaders like Philips, Intel, and Health Hero should reach out to forward-thinking employer groups such as Leapfrog and the Midwest Business Group on Health to trade low-cost access in return for the right to collect outcomes and efficacy data that can then be used to build broader promotional programs.

- **Ride the retail healthcare wave.** Retail giants like CVS, Target, and Wal-Mart are increasingly putting healthcare clinics in their stores — and insurers are increasingly paying for retail clinic visits.[8] This movement of health visits from the clinic to the retail setting could form a strong foundation from which to peddle healthcare unbound vendors' wares. Vendors and consortia should pitch healthcare unbound concepts to retail clinic leaders — complete with collateral and revenue sharing arrangements that help clinics extend their relationships from the store to the home.

ENDNOTES

[1] Healthcare's costs, coverage problems, and demographic pressures mean system overload; its formal institutions can't cope with the future. What will ease the pain? A major shift, enabled by technology, to self-care, mobile care, and home care. Healthcare was once delivered mostly at home, by one's self and one's family. About 100 years ago, the explosion of technology and scientific expertise caused medicine to centralize and professionalize. But the centralizing forces of the 1900s will prove to be decentralizing forces in the 2000s. Technology assisting, innovators will light out from 20th century settings — hospitals, doctor's offices, and nursing homes — in order to de-institutionalize healthcare. Forrester calls this turn in the road "healthcare unbound," which we define as: Technology in, on, and around the body that frees care from formal institutions. See the December 17, 2002, "Healthcare Unbound" report.

[2] Healthcare unbound — technology in, on, and around the body that frees care from formal institutions — has reached a key point in its evolution: Innovators are making money. At an event last month that focused entirely on this emerging homecare trend, industry leaders emphasized that development in home networking and consumer technologies, interface development and device miniaturization, and the science of behavior modification are critical to healthcare unbound's commercial prospects. Early success stories in the home health services market illuminate the path to eventual third-party reimbursement. See the August 11, 2004, "Healthcare Unbound: Early Homecare Wins" report.

[3] Healthcare unbound solutions don't necessarily depend on the Internet. However, we chose an online survey for these questions because online consumers tend to be more optimistic about technology than offline consumers and therefore more likely to embrace newer technologies. Though Internet audiences also skew younger than offline audiences — and therefore do not reflect the ultimate end users of many healthcare unbound solutions — most baby boomers are online. Baby boomers often act as gate keepers for the technology adoption of their elderly parents.

[4] Medco's "2003 Drug Trend Report" found that the average Medco Health senior member takes 25 different prescriptions per year.

[5] Five percent of online women report that they are caretakers or healthcare decision-makers for chronically or seriously ill family or household members, versus only 2% of online men. Source: Forrester's North American Technographics® Healthcare Online Survey, Q2 2007.

[6] Technologies in, on, and around the body that free care from formal institutions — what Forrester calls healthcare unbound — have moved beyond the lab and are vying to enter the mass market. Combine baby boomers caring for aging parents and beginning to face age-related conditions themselves with a growing base of technology and network infrastructure on which to build remote healthcare communication, and it seems the ideal moment for massive market growth. But healthcare unbound will not provide an immediate or easy win for vendors. The true potential of healthcare unbound will not be realized until third-party payers — especially CMS — see the evidence they need to justify reimbursing technologies and services that break the mold of traditional healthcare payment models. As a result, Forrester projects that healthcare unbound will struggle to top $5 billion by 2010 but will skyrocket to $34 billion by 2015.

[7] Employers are skating ahead of health costs — trying to keep employees healthy by promoting preventative health benefits and behaviors. Sixty percent of employers build these tactics into their benefits currently, and an additional 27% say that they will jump on the bandwagon within the next two years. In fact, one-third of employers cite a focus on prevention as their top cost-containment strategy, making it respondents' most-cited primary strategy. Other employers hope to reduce costs by providing additional support to their chronically ill employees. While only 38% of employers use disease management (DM) as a cost-cutting strategy currently — an additional 27% of benefits execs say that their firms will incorporate DM into their cost-containment game plan within the next two years. See the October 5, 2006, "Benefits Managers Favor An Ounce Of Prevention For Controlling Health Costs" report.

[8] Retail-based health clinics are beginning to spread across the country, as early entrants like MinuteClinic, RediClinic, and Take Care Health Systems pair up with retail giants. Consumers who have yet to come across a clinic likely will in the next year. Consumers who have already visited retail clinics report that they are convenient — with more than half saying they will visit again. Health plans are starting to bring clinics into their coverage map as well. See the January 26, 2007, "Retail Health Clinics: Convenience Trumps Service And Quality" report.