Valuable Health

Kaiser Permanente

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Background

Why Are We Here?

- **1 in 2** US adults live with a chronic disease [1]
- Potential causes [2]:
  - Use of Tobacco
  - Lack of nutrition
  - Poor physical activity

[Value-Based Healthcare Awareness]

Business Case

Initial Focus

Where are we starting?

- Chronic conditions costs $3.8 T [2]

$19,740*

$15,702[†],**

$13,264*

$11,825*

| Diabetes | Depression | High blood pressure | Heart disease |

■ Direct health care costs per employee, per year   ■ Indirect health care costs per employee, per year

*Hugh Waters et al., "The Cost of Chronic Diseases in the U.S. Executive Summary," Milken Institute, May 2018.
[†]Garen Staglin, "Understanding the Evidence: Transforming How Employers Make the Case for Mental Health," Forbes, April 4, 2019.
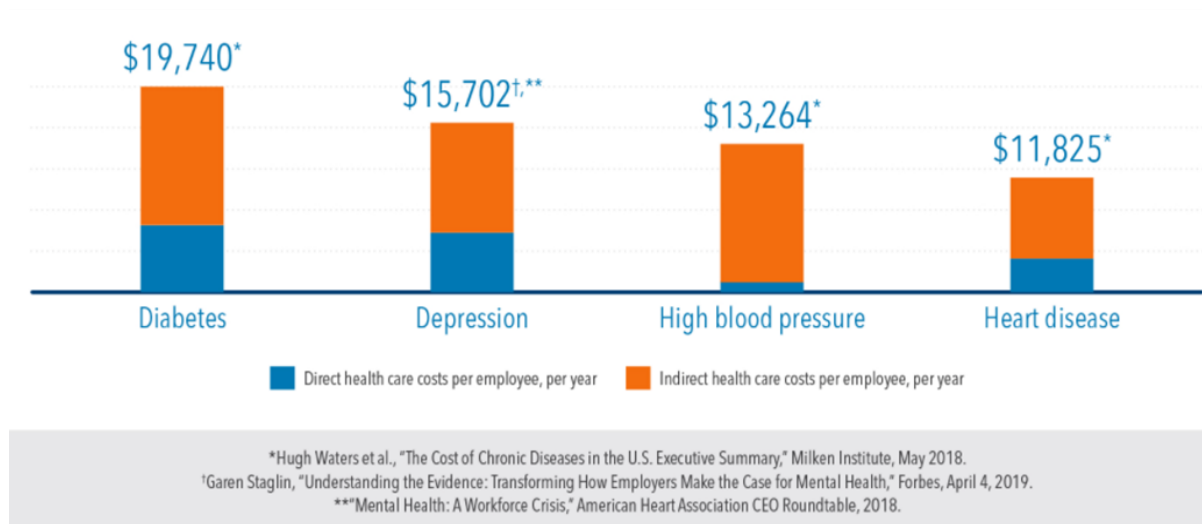**"Mental Health: A Workforce Crisis," American Heart Association CEO Roundtable, 2018.

Fig.1 The High Cost of Four Common Chronic Conditions [3]

Initial Focus Cont.

Where are we starting?

- Chronic conditions costs $3.8 T [2]
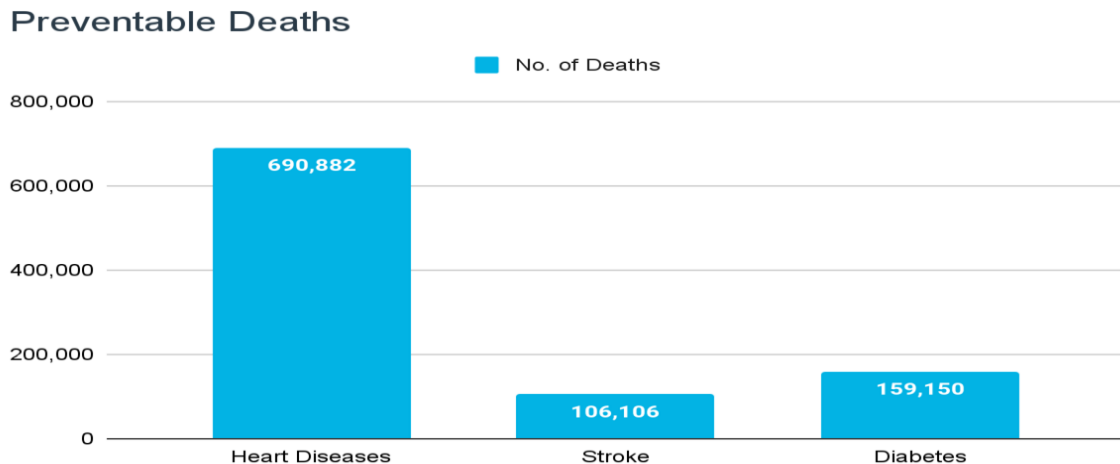- Risk of death increase by 20% to 30% [4]

Preventable Deaths

No. of Deaths

Heart Diseases	690,882
Stroke	106,106
Diabetes	159,150

Fig.2 US Death and Related Disease [5]

Initial Focus Cont.

Where are we starting?

- Chronic conditions costs $3.8 T [2]

- Risk of death increase by 20% to 30% [4]

- Preventable diseases [4,6]:
  - Heart diseases
  - Diabetes
  - Obesity

Initial Focus Cont.

Where are we starting?

- Lack of physical activity costs $117 B [7]

- Premature **1 in 10** prevented deaths [1]

- 331.4 M US population [8]

- 258.3 M adults (~77.9%) [8]

- 42.4% adults obesity [9]

  – (42.4% of the adults population) x ($1,429 medical costs per capita [10]) = $60.58 B treatment cost

Opportunity

What's the problem?

- Reduce preventable diseases expenses
- Increase health awareness
- Promote fitness
- Revenue stream:
  - Freemium
  - Subscription

Opportunity Cont.

What's the problem?

- 12.4 M members at KP [11]
- 20% subscribe
- $16.67 per month
- $200 per year
  - TAM = (2.48 M KP members) x ($ 200 per year) = $496 B

Proposal

What's Our Solution?

- Promote physical activities:
  - Reward system
  - Healthy food recipes
  - Fitness programs

Return On Investment

What can we do?

- Budget: $1 M

- KP users: 2.48 M members

- No. of users for the first year = 2.48 M * 10% = 248 K members

- Average revenue per user = $200

  – Total return (1st year) = 248 K * $200 = $49.6 M

  – ROI = ($49.6 M - $1 M) / $1 M = 48.6 ~ 486%

Measurement

How will we know if we're successful?

Business

- Conversion to subscription
- Churn

Product

- Time to first goal
- Average # for the first nutrition consultation
- Average # for the first fitness coaching

Measurement Cont.

How will we know if we're successful?

Quality

- App store rating
- App downloads
- Trainer rating
- Nutritionist rating

Development

- On time delivery
- Average time of release per platform
- Load time

Competitors

Healthcare

E.G. Mayo Clinic

- Access medical report
- Book appointment
- Health tips
- Healthcare news
- Free

Daily Workout App

E.G. Daily Workouts Fitness Trainer

- Short videos for daily workout routine
- Workout timer
- Track calories burned
- Free

Our Advantages

Why are we better?

- KP interest in preventive care
  - Personalized coaching program
  - Personal Nutritionist
  - Reward system

Roadmap and Vision

Roadmap Pillars

Where do we go from here?

- Improve the individual experience of care

- Improve the population health

- Focus on:
  - Application development
  - Promote physical activity

Application Development

Boost user experience

- Database of:
  - Healthy food recipes
  - Various fitness exercises
- Develop algorithm:
  - Daily check-in
  - Steps counting
  - Calories calculating
- Rewarding mechanism

Promote Physical Activity

Healthy lifestyle

- Personalized training program
- Personal nutrition program
- Monthly Challenges

Where do we go from here?

Widening the scope

- Reduce chronic disease by %10
- Utilize artificial intelligence
- Partnership with:
  - Gyms
  - Healthy food restaurants
  - Exercise equipment providers

References

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Thank you