

Fooducate Healthy: Your Healthcare Coach

Digital Healthcare Innovation by KP

Product Owner: Abhinav Pathak



Background

Why Are We Here?

- US healthcare spending grew 9.7 percent in 2021 reaching \$4.1 trillion or \$12,530 per person.
- Health spending accounted 9.7 percent of total GDP. The top health concerns are
 - ✓ Obesity: 15%
 - ✓ Diabetes: 14%
 - ✓ Cancer: 2%
- Our goal is to support our members to stay healthy and prevent the enormous cost of healthcare.

Improving Lives Together

Business Case

Initial Focus

Where are we starting?

High Amount of Preventable Death

- 34M Americans have diabetes
- Diabetes was the seventh leading cause of death in US
- Diabetes is underreported as a cause of death. 35 -40% of death doesn't have diabetes listed in death certificate

High & rising healthcare costs for everyone

- \$327B annual cost of diagnosed diabetes in the US
- People with diabetes have ~2.3 times higher medical expenditure
- For KP members roughly \$12B per year

Growing Concern on HealthCare

- Americans spend \$155 per month on fitness.
- For last 2 years, Health is among Top 2 worry in adults.

Currently KP have 12.5 million customers with operating costs of \$81.8B

- Conservative estimate 1.5 million of our customers fall into one of these categories

Opportunity

What's the problem?

- **There is high spending on condition like diabetes at KP (approx. 12B/year)**
- **Consumers want digital products. The Primary focus of this App is to reduce cost by making people adopt healthy lifestyle.**
 - Steady digitization of healthcare, driven by consumers
 - Impact of digital tools is rising
 - Digital Innovation can leverage better cost position
 - Members will be served personally resulting in high customer satisfaction
- **Total Addressable Market for Diabetes treatment \$1.3 B**

In US 1 out of 10 American has Type 2 diabetes.KP has 12.5M customers and around 1.2M with Type 2 diabetes

People with diabetes incur avg medical expenditure of ~\$10K more than the ones who don't have.

TAM = 12.5M members * \$10K (saving costs) = \$1,3B
- **U.S. Health Coaching Market is predicted to hit over USD 27.8 B by 2030**

A strong growth outlook (+6.7% CAGR)

Proposal

What's Our Solution?

Fooducate Healthy is AI powered fitness App for advanced Proactive Care

Fooducate Healthy is a smartphone App for diabetes patient that helps track intake and activity, provides in-the-moment health recommendations, and equips doctors with valuable data to better inform treatment decisions.

Key Features

- **AI Powered Tracking** : Track calorie intake by taking pictures of meal.
- **AI Powered Coaching**: Deliver hyper personalised recommendations by using insight from the data on users as well as expert recommendation from actual dietician/Physical Trainer
- **Connectedness with Team** : Share user's data and recommendations with the patient's doctor, if permission granted

Return On Investment

What can we do?

- **Estimation of initial development costs: \$270K**
(8 hrs/Day * 22 working days/month * 6 months of development time * \$200/hr AI developer rate) + (20% of dev cost is App Maintenance Cost) + Hosting Charge ~ \$270K (6 months, customized app design, development, Testing + Deployment and 2 platforms- Android and IOS)
- **Estimation of marketing & distribution costs: \$273K**
Distribution for 100000 installs: Cost Per Install on Average across Android and iOS is \$2.24 / install . (45% iOS):
45k x \$2.24 ~ \$100k, (55% Android): 55000 x \$2.24~\$123k
Marketing: \$50000 for initial lift off (ads, SEO, influencer, Customer acquisition cost)
- **Estimation of revenues: \$716K per year**
(30000 paid subscriptions) x (\$1.99/month subscription Fee)= \$716,400/year
- **Estimation of savings: \$100M over 10 years**
10% of 12.5M= 1.2M diabetes patients, 90% of them with Type2= 1M. Conservative estimate of prevented cases: 1% of 1M = 10000 members x \$10k(extra expenses of a diabetic patient) = \$100M savings

Return On Investment

What can we do?

Costs	Impact	ROI
\$543k	+ \$715k	31%

Costs	Payback Per Year	Payback Period
\$543k	+ \$10M/Year	3 Weeks

Measurement

How will we know if we're successful?

Our success will be measured on Data Points captured under different categories

Business

- 60000 # of downloads via store
- Reach 30000 paid subscriptions by first year
- Churn rate of 3 % or less
- Average Customer Acquisition Cost < \$ 4

Product

- Average daily/weekly check-ins of user
- Number of Downloads
- Session Length
- Average time to first coaching/Doctor appointment

Quality

- In App Feedback
- Touch Heatmap
- App ratings in the app stores

Performance & Stability

- App not Responding (ANR)
- Startup Time
- App Latency
- App Crashes

Competitors

MyFitnessPal

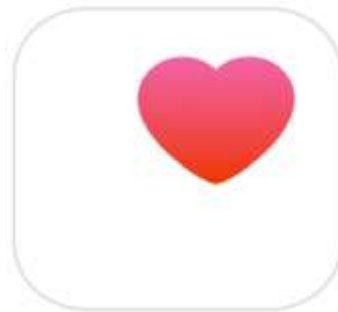
By Under Armour



- Leading digital health and wellness platform that provides services such as calorie tracking, one-on-one nutrition and fitness coaching, and diet and workout plans.
- Users can also link their MyFitnessPal account with other fitness apps like FitBit, Samsung Health, and more users can access the AI-driven nutritionist Bot for assistance.
- It has customer base of 200 million as of 2020.
- It did Revenue of \$128 million in 2020 with a profit of \$17 million.
- Follows a Freemium model. Free to use, optional features on subscription

Health

E.G. Apple



- Pre-downloaded on all iPhones
- Acts as a step meter as most people carry their phone everywhere
- Easy to see exercise trends based on step count
- Can add personal information easily and can link to other accounts

Our Advantages

Why are we better?

- **Kaiser Permanente already established digital products**
 - Video visits, lab results, prescription orders, bill payments, ability to exchange secure emails with doctors
- **Kaiser Permanente is capable of delivering new digital services quickly**
 - Shift to DevOps at scale done
- **Kaiser Permanente has access to a broad network of experts & doctors**
 - We know the cutting edge treatments for diseases

Roadmap and Vision

Roadmap Pillars

Where do we go from here?

Foodcuate Healthy is the next step for KPs all-encompassing preventive care.

- Improves life of our patients, supports a healthy way of life
- Connects experts and users for tailor-made healthcare
- Significant cost reduction with digital products

	Q4	Q1	Q2	Q3
App Development	Develop core functionalities like app architecture, training ML algorithm and camera fusion,	Enable DevOps, User security and app testing	Release beta version. Listen and extend core functionality	After Q2 start onboarding customers.

Build Up

MVP with Core Functionality

Overall: Focus on prediabetes & diabetes type 2 patients

- Risk preposition survey and profiles
- Daily/Weekly Check In algorithms
- Activity plans for individuals and feedback mechanisms

Listen and Extend

User Feedback and Validation

- Subscription plans from KPs experts and coaches
- Encouragement of Healthy habits / Nudging
- Tailor-made Food/Nutrition plans
- Enhancements after user feedback

Additional Features

Speed up and Onboard

- Onboard more preventable diseases
- Connect wellbeing hotline with app

Where do we go from here?

Widening the scope

- **Enhanced Functionalities**
 - Care and Pill Reminder
 - Doctor Appointment Management
- **Multilingual and Cloud Management**
 - Support for languages other than English
 - Data to be stored on Cloud.
- **Establish a marketplace**
 - Connect more Doctors, Health and Yoga coaches