**I. Introduction**

With a surge in the population having health insurance and in the age of 24/7 connectivity through the internet, healthcare is still trapped in a world of primarily in-person communication and treatment. Many healthcare providers are now slowly adopting IT to address various needs and mandates like the cost of care, quality of care, preventive and proactive care, patient satisfaction and reducing the number of re-admits. This is where Avizia, a telemedicine company comes in. Avizia provides an end-to-end telehealth platform trusted by 4 of 5 top Integrated Delivery Networks and about 25% of US hospitals. Avizia’s Enterprise telemedicine platform also includes Applications for the Patients as well as the Providers, Virtual Care Devices, and Telehealth Provider Network Services. Founded by Michael Baird in 2013, Avizia has raised $23 Million over the years from a number of investors.

**II. Emerging Technology & Services**

***Telehealth Industry***

Telehealth uses various telecommunications technologies to enhance and promote clinical healthcare, public health, patient and professional health-related education and health administration. Technologies to deliver virtual services include the internet, streaming media, terrestrial and wireless communications and video conferencing. While telehealth refers to remote non-clinical services, telemedicine refers to remote clinical services.

***Azivia’s Value Proposition***

Avizia is a leader in system-wide telemedicine industry. Partnering with various health providers, Avizia is redefining healthcare with end-to-end health platform that combines a collaborative approach to utilize industry-leading medical devices and software solutions to create integrated telehealth solutions to patients. Avizia’s key value propositions incorporate telehealth and telemedicine solutions including online platform, mobile apps, virtual care devices, and provider services. Avizia also delivers to its customers a comprehensive telehealth platform that enables multiple clinical use cases across different points of care.

***Firm’s Position within the Industry***

Avizia was ranked within the top 10 telehealth solution providers based on hospital site implementations. Eight of the top 10 IDNs and over 1/3 of the top 100 use Avizia solutions in 37+ countries. According to a telemedicine market report from KLAS Research, Avizia is ranked among the top two mostly adopted virtual care platforms and among the few that have been used for all three types of primary visits-scheduled/patient-focused visits, on-demand/consumer-focused visits, and tele-specialty consultations.

***Emerging Standards and Regulations***

Standards in telehealth are important as they ensure safe and effective delivery of quality healthcare. American Telemedicine Association (ATA), has made the development of guidelines and standards a priority. Further, cross-state licensing that enables physicians to practice across states without a full license in each state of patient’s location is active in 8 states.

Today, not all visits concerning telehealth are reimbursed. Provisions in the current statute (42 U.S.C. 1834(m)) constrain telehealth reimbursement by geography, originating site, distant site providers, originating sites and covered codes. Due to these limitations, approximately 48% providers cite reimbursement issues as implementation barrier and 28% who don’t use telehealth cite it as adoption barrier. Twenty-nine states are mandating reimbursement parity and due to which CONNECT for Health Act aimed at eliminating many restrictions has been introduced this year. An average analysis indicates that the major provisions will result in $1.8 billion savings over 10 years.

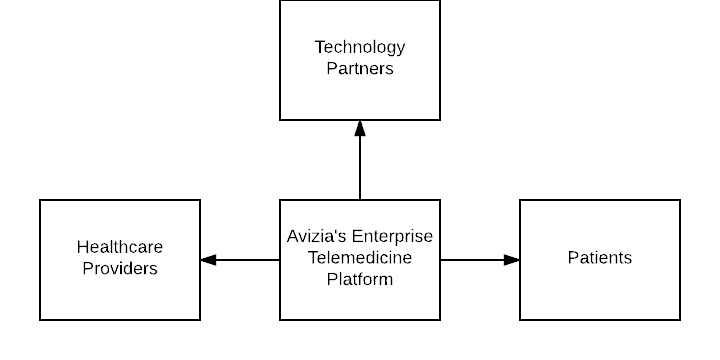
**III. Competitors**

***Doctor On Demand*:** It is a nationwide medical practice connecting patients with physicians on a the click on of a button. The service can be accessed by a mobile device or any device with a camera. It only offers video visits as they claim that the video visit is as good as a physical visit, with a history, examination and treatment plan. It is security certified by HITRUST. It has the capability to integrate with EHR’s.

***American Well*:** Vast majority of the telehealth visits are via video and phone. It gives patient-to-provider, provider-to-provider, and multi-party video visits as service lines. These practices enable healthcare organizations to customize the telehealth experiences for their providers and patients. Organizations can brand separately and have a different look and feel or workflow for each of the service lines. American Well can set up every visit with appropriate clinical context from a variety of different sources. This helps physicians as they can replicate the physical visit. They have recently partnered with Samsung, integrating virtual visits into the Samsung health experiences app

***InTouch Health:*** It has a similar structure as that of Avizia. It is a main competitor of Avizia when the hardware is considered. InTouch Health focuses on enabling healthcare providers to deliver care whenever and wherever it is required. Their telehealth network and services can reach out to and deliver high-quality clinical care to any patient, at any time, while reducing overall costs of care. They now provide Viewpoint, a software solution that allows consumer smart devices such as smartphones, tablets, and laptops to be used with the InTouch Network.

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| --- | --- | --- | --- | --- |
|  | Avizia | Dr. On Demand | American Well | InTouch Health |
| Employees | 70 | 104 | 175 | 250 |
| Total Funding | 30.5 Million | 110.9 Million | 96.2 Million | 28.2 Million |
| Revenue | 2.3 Million | 6.8 Million | 21.3 Million | Not Disclosed |



**IV. Analysis of Avizia’s Value**

***Avizia as a Platform***

Healthcare providers join avizia, these healthcare providers use technology provided by avizia to connect with their patients. As more healthcare providers join the platform, more patients are added to the system. Providers, Patients, along with technology providers form Avizia’s platform.

***Value proposition for Healthcare Providers***

Healthcare providers get better access to their patients, they will be able to offer better continuity of care, overall a better experience for both providers and patients. Through Acquisition and mergers, Avizia aims to make a complete healthcare package and also be leading continuum care providers.

***SWOT Analysis***

|  |  |
| --- | --- |
| **Strengths**  - Provides end to end scalable system  - Provides both software and hardware  - Adoption of telemedicine is increasing as well as reimbursement by private insurers | **Weaknesses**  - Still many private and most government health plans do not reimburse telemedicine services  - Relatively small company with limited funding |
| **Opportunities**  - Expansion from telemedicine to the full telehealth industry  - CONNECT for health act can bring in reimbursements for telemedicine  - Potential government and military contracts | **Threats**  - Data Breach is a big threat. All the platform sides will lose trust if data security is not assured.  - Avizia may face threat of envelopment if the underlying video telecom provider plans to expand into telemedicine. |

***Industry Transformation Framework***

**Triggers for the market**

**Change in technology**: Availability of high-speed wireless internet. Smartphones and tablets with video calling capability

**Change in customer needs**: Growing need for a more connected healthcare specifically for patients with chronic diseases. Rise in chronic conditions in the US. Where half the population would be suffering from chronic conditions by 2020. The current market now demands more frequent consultation and more convenience in availing healthcare.

**Change in regulation**: Affordable Care Act and the change in the model for healthcare from shift from volume-based care (fee for service) to a value-based reimbursement structure (fee for value)

**Experimentation and Transformation**

1. **Volatility**: This phase of transformation is characterized by a high level of volatility. No one has a clear view of where the industry is headed. As a result there is a lot of experimentation as well as a lot of copying from the competitors. Avizia is focused on innovation and is now also adopting rivals’ ideas like having its own staff of doctors.

2. **Partnerships**: Avizia has a lot of partnerships with a wide variety of companies. Ranging from technology companies like AWS and CISCO to EHR System companies like EPIC and Cerner.

**Convergence**: A technology converges when previously unrelated technologies complement each other to form efficient solutions. Avizia is integrating multiple API’s so that data from peripherals from other manufacturers can also be integrated into their system. The above-mentioned partnerships are also stepped to make isolated technologies work together to create valuable solutions.

**V. Investment Decision**

Based on our analysis, we think that Avizia is a good company to invest in. High growths are expected in the short term. As the market is currently very volatile the changing market dynamics and Avizia’s positioning in the market need to be continuously monitored to decide whether to keep investing or to cash out. The industry is highly regulated due to which we need to keep an eye out for the political scenario. It would also make sense to invest more in different countries to minimize the risk of regulations in one country.

Reasons to Invest in Avizia:

1. Avizia’s growth in the short term is a given by its virtue of being in the telemedicine market which is growing at globally at 6.5 percent from 2017 to 2023.

2. Avizia has a strategic revenue model of selling to hospitals. (Annual sales $16.5 million). It is currently working with over 1,600 client hospitals and 1,500 of them are using Avizia’s software and devices.

3. It has a large number of partnerships to provide innovative solutions and has hedged its bets in a market which is experimenting.

4. CONNECT health act is on the floor of the Senate. The bipartisan bill has the support of both major political parties. States are also relaxing laws relating to cross state consultation.

5. Adoption of telemedicine is set to increase at a larger rate as more insurance providers are including virtual consultation.

6. Leveraging the strong cross side network effects avizia can artificially increase the switching costs by adding more of their peripherals, better third party integration, etc. This will help avizia strengthen their position in the market and bring in stability to the platform.

**VI. Recommendations for the CEO**

Mike Baird should focus on developing, in-house or via partnerships, more healthcare peripherals, and devices that can connect to their platform and the telemedicine carts. Avizia should also continue making the integration of third-party devices. Avizia should also look for growth opportunity through mergers and acquisitions.

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*Appendix 1*