

# WeCare:

## Your healthcare Coach

Digital Healthcare Innovation by KP

**Product Owner: Christian Kulik**



# Background

## Why Are We Here?

- Support our members to stay healthy and prevent staggering costs of healthcare!

**The WeCare App. Digital Healthcare Innovation by KP.**

# Business Case

# Initial Focus

## Where are we starting?

- **High amount of preventable deaths**<sup>[1]</sup>

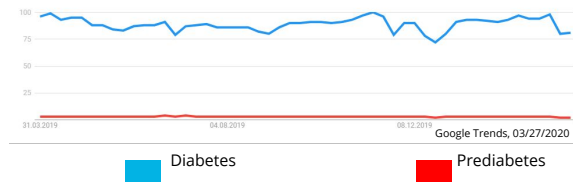
- USA needs to improve faster
- 34M Americans have diabetes<sup>[5]</sup>
  - 90-95% of them have type 2 diabetes
- 88M have prediabetes.
  - 90% don't know, that they have it<sup>[4]</sup>

- **Americans do worry about healthcare**<sup>[2]</sup>

- Since 3 years, Top 2 worry in the US

- **High & rising healthcare costs for everyone**

- \$327B annual cost of diagnosed diabetes in the US<sup>[3]</sup>
- Insureds spend +\$10k more per capita with diabetes<sup>[6]</sup>
- For KP members roughly \$12B per year<sup>[7]</sup>



# Opportunity

## What's the problem?

- **Total Addressable Market for Diabetes treatment \$340B**

(34M Americans with diabetes) x (\$10k additional costs for treatment per capita) = \$340B

- **U.S. Health Coaching Market \$8B by 2022**<sup>[9]</sup>

A strong growth outlook (+5.4% YoY)

- **At KP: High spending on conditions, \$12B/year**

- Digital Innovation can leverage better cost position
- Members will be served personally, higher satisfaction
- Less Opex intense

- **Consumers want digital products**<sup>[8]</sup>

- Steady digitization of healthcare, driven by consumers
- Competitors invest heavily
- Impact of digital tools is rising

- **Kaiser Permanente is strong in wellness coaching**

- Coaching by phone to all its members nationwide for no additional fee

### Mayo Clinic bets big on digital transformation, to reinvest 'hundreds of millions' in the next decade

Laura Dyrda (Twitter) - Friday, February 28th, 2020 Print | Email

in SHARE Tweet

Rochester, Minn.-based Mayo Clinic will focus on patient-centered care over the next decade and the health system will rely on new technologies and digital innovations to reach its goals, according to a Mayo statement.

<https://www.beckershospitalreview.com/healthcare-information-technology/mayo-clinic-bets-big-on-digital-transformation-to-reinvest-hundreds-of-millions-in-the-next-decade-2.html>

# Proposal

## What's Our Solution?

Our WeCare App is the intelligent solution for advanced proactive care.

- **Raise Awareness for preventable diseases**

- **Advice and coach customers**

- **Connect to patients on digital channel**

- Increase Physical Activities
- Increase healthy habits

- **Free for KP members, Freemium for everyone**

- Additional paid subscriptions for both

- **Key Features**

- Daily/Weekly Check Ins
- Personal Risk preposition profiles
- Nudging for habits and activities
- Connect to to our wellness coaching
- Intelligent Advisors

# Return On Investment

## What can we do?

- Estimation of initial development costs: \$270K

1.700 hrs x (\$160/hr developer rate)= \$272.000 (8 months, customized app design, development, and support, 2 platforms)

- Estimation of marketing & distribution costs: \$240K

Distribution for 100.000 installs: U.S. Cost Per Install \$2.07 iOS, \$1.72 Android: (45% iOS): 45.000 x \$2.07=\$93.150, (55% Android): 55.000 x \$1.72=\$94.600  
Marketing: \$50.000 for initial lift off (PR outreach, ads, SEO, marketing agency, influencer)

- Estimation of revenues<sup>(a)</sup>: \$715K per year

(30.000 paid subscriptions) x (\$1.99/month)= \$716.400/year

- Estimation of savings: \$100M over 10 years

(10% of 12.2M= 1.2M diabetes patients, 90% of them with type2= 1M. Conservative estimate of prevented cases: 1% of 1M = 10.000 members x \$10k = \$100M savings)

Costs	Impact	ROI
\$510K	+ \$715K	40%

Costs	Payback per year	Payback Period
\$510K	+ \$10M/year	3 weeks

<sup>(a)</sup>Additional profit pools to be evaluated, e.g. ads, partnerships, data monetization.

# Measurement

How will we know if we're successful?

Data driven measurement of success.

- **Business**

- # of KP members using WeCare
- Conversion to subscription
- Conversion of phone calls to app coaching
- DAU / Churn
- Cost Acquisition Costs & ARPU

- **Product**

- Average daily/weekly check-ins of user
- Average # activities per user
- Average time to first coaching

- **Quality**

- Average rating per coaching
- Doctor/Trainer ratings
- App ratings in the app stores

- **Development**

- On time delivery
- Average time of releases per platform
- Loadtimes



# Business Model Canvas

## Reading material - not for presentation

<b>Key Partners</b> In order to optimize operations and reduce risks of a business model, organizations usually cultivate buyer-supplier relationships so they can focus on their core activity. Complementary business alliances also can be considered through joint ventures or strategic alliances between competitors or non-competitors. <ul style="list-style-type: none"><li>• Doctors</li><li>• Health Coaches</li><li>• Insureds</li></ul>	<b>Key Activities</b> The most important activities in executing a company's value proposition. An example for Bio, the pen manufacturer, would be creating an efficient supply chain to drive down costs. <ul style="list-style-type: none"><li>• Development</li><li>• Knowledge Data Base</li></ul>	<b>Value Proposition</b> <ul style="list-style-type: none"><li>• Raise Awareness for preventable diseases</li><li>• Increase Physical Activities</li><li>• Increase healthy habits</li><li>• Connect to health/wellbeing coaches</li><li>• Food/Nutrition plans</li><li>• Establish 24/7 support via intelligent advices</li></ul>	<b>Customer Relationships</b> To ensure the survival and success of any businesses, companies must identify the type of relationship they want to create with their customer segments. <ul style="list-style-type: none"><li>• Daily CheckIn</li><li>• Weekly Summary</li><li>• Nudging</li></ul>	<b>Customer Segments</b> To build an effective business model, a company must identify which customers it tries to serve. Various sets of customers can be segmented based on their different needs and attributes to ensure appropriate implementation of corporate strategy to meet the characteristics of selected groups of clients. <ul style="list-style-type: none"><li>• Risikopatienten</li><li>• Members</li><li>• Präpositionierte</li></ul>
<b>Key Resources</b> The resources that are necessary to create value for the customer. They are considered assets to a company that are needed to sustain and support the business. These resources could be human, financial, physical and intellectual. <ul style="list-style-type: none"><li>• Disease Specialists</li><li>• Treatment Knowledge</li><li>• Proactive Care</li></ul>			<b>Channels</b> <ul style="list-style-type: none"><li>• WeCare App</li><li>• Partnering Doctors</li><li>• Website</li></ul>	
<b>Cost Structure</b> This describes the operating under different business models most important monetary consequences while. <ul style="list-style-type: none"><li>• People / Developers</li><li>• Partnerships / Marketing</li></ul>		<b>Revenue Streams</b> The way a company makes income from each customer segment. <ul style="list-style-type: none"><li>• Freemium</li><li>• Subscription</li><li>• (Ads)</li></ul>		

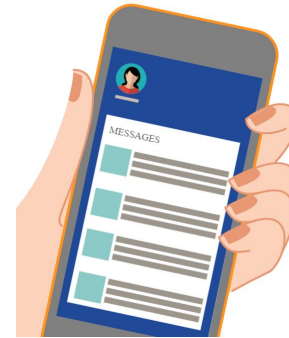
# Competitors

# Healthcare Insureds

E.G. [Mayo Clinic, Dignity Health, Health Net]

- **Traditional on-site education**
- **Digital products in place**
  - Appointments, Messaging, Advice
- **Curated health information**
  - Contributed by experts
- **Video visit with a doctor**
- **Medical Records**

Helpful tools at your fingertips



Example: Mayo Clinic App,  
<https://www.mayoclinic.org/apps/mayo-clinic>



#### Appointments

Find your appointment itineraries, maps and helpful resources. Request new appointments with a few taps.



#### Secure Messaging

Communicate with your care team in a safe, secure messaging system.



#### Express Care Online

Get care within an hour for common ailments that don't require an in-person visit.

AVAILABLE IN SELECT REGIONS



#### Lab Results

View test results, radiology images and more. Get your results as quickly as your care team gets them.

#### Expert Advice

Start or end your day with daily health insights, fitness videos, recipes and wellness tips.



#### Fitness

Practical workout advice for exercise routines and active athletes.



#### Healthy Eating

Meal plans, recipes and tips from top dietitians and wellness chefs.



#### Staying Healthy

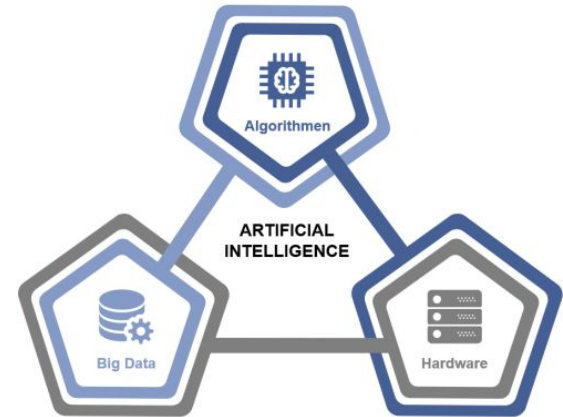
The latest on prevention and self-care for your whole family.

# Tech Companies

E.G. [Apple, Google, Microsoft]



- **Hardware (e.g. smart wearables)**  
Tracking of habits and activities
- **Big Data Management**  
Collection of health related data
- **Artificial Intelligence**  
Focus on research & general customer advisories
- **Democratization of Healthcare**  
Broad approach to a healthy lifestyle



# 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?

- **WeCare 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

- **Strategic pillars**

- Q3 & Q4 2020: Build up the core functionality
- Q1 & Q2 2021: Listen & Extend core functionality
- After Q2 2021: Onboarding of programs

# 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

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

# Onboarding of programs

Speed up and onboard

- Onboard more preventable diseases
- Connect wellbeing hotline with app

# Where do we go from here?

## Widening the scope

- **Enhance functionalities**
  - Follow up the customer feedback
- **Leverage use of Artificial Intelligence**
  - Development of chatbots
- **Build a platform for synergies**
  - Open the platform for more users/ insureds
- **Establish a marketplace**
  - Connect doctors, coaches,



# Partnerships

# Partnership Program

Engage with partners to leverage synergies

- **Establish a partnership program with customized products**
  - Content Creators, e.g. nutrition experts, wellness coaches
  - Gym studios, e.g. Planet Fitness
  - Meal Kit companies, e.g. Hello Fresh
- **Certification program for partners**
- **Develop early detection software together**
  - E.g. KP research with ophthalmologists/opticians
- **Access to anonymized data for focus groups**

# Sources

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6. Health COst Institute, <https://healthcostinstitute.org/diabetes-and-insulin/per-capita-health-care-spending-on-diabetes-2009-2013?highlight=WylkaWFIZXRlcylld>
7. 12.2M members at Kaiser Permanente, roughly 10% with diabetes. 1.2M x 10k higher costs per capita result in \$12B.
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9. Marketresearch.com / Marketwatch, <https://blog.marketresearch.com/health-coaching-gains-favor-among-u.s.-consumers-insurers-employers>



UDACITY

Be in Demand