PreMCare App: Health Advisor

Preventive care by KP

Product Owner: Foko Valdes

# Background

Why Are We Here?

- Recent trends show an increase in preventive care services to maintain healthy habits prior to an eventual health attack.

- Many adverse conditions develop with poor health habits and no exercise.

[PreMCare your KP preventive health app]

Business Case

Initial Focus

- Number of diabetes patients in the US
  - **>37M** Americans now have diabetes[1]
    - 90 - 95% of them are type 2 diabetes
  - **96M** Americans have prediabetes
- Americans do care about healthcare[3]

- Cost of diabetes care in the US[2]
  - **$380B** was spent by the US in 2021
  - **~$8650** US average cost per capita in 2021
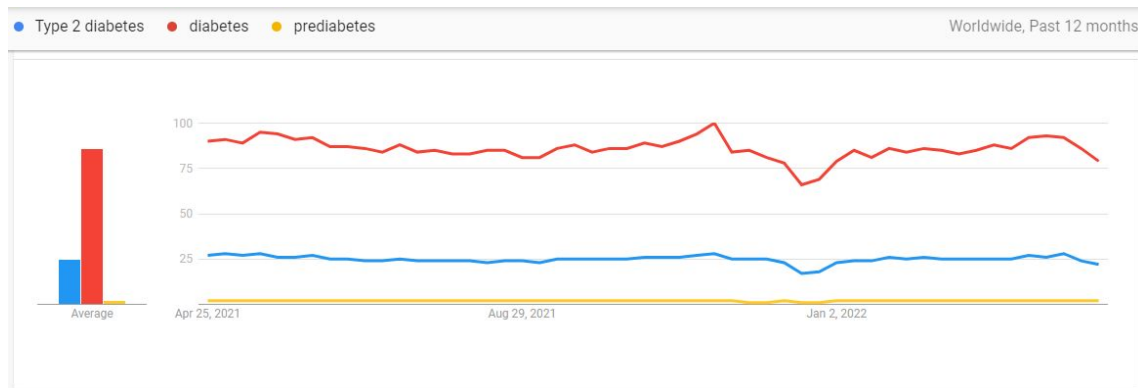
Diabetes costs on patients can be prevented mostly with healthy habits and preventive care

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Opportunity

- Total Addressable Market(**TAM**) for diabetes treatment **$3287B**

    (37M Americans with diabetes) x ($8650 costs for treatment per capita)= $3287B

- US health coaching market is **>$7B** [4]

- KP has a user base of **12.5M** people [5]

  – 12.5M * $8650 (cost for treatment per capita) = **$108.125B**

  – Digital tech could leverage cost for KP

  – One to one coaching yields better satisfaction

  – Less Operational cost

- Consumers prefer more digital products[6]

- Competitors invest heavily in digital innovations[7]

Proposal

What's Our Solution?

Our **PreMCare** app is an intelligent solution for just in time patient care

- Increase user awareness of preventable diseases
- Do effective user advice how to avoid these diseases and increase healthy habits
- Provide one to one coaching to customers so as to increase physical exercises
- Free app service for all KP members
- Freemium service for everyone else.

Proposal   cont…

What's Our Solution?

Key features

- Login and authentication
- Preventive health awareness service
- Personal one to one coaching service
- Education service
- Daily and weekly updates

Return On Investment

What can we do?

- Development cost
  - 2 developers time for 6 months: 1008 * 2 = 2016hours
  - For $100/hr, 2016 * $100 = **$201.6k**

- Marketing and initial distribution cost - USA
  - 100 000 CPI(cost per install): 60% android($1.20[8]), 40% ios($2.37[9])
  - $1.20*60 000 + $2.37*40 000 = **$166.8k**
- Revenue Estimation [a]
  - ~40 000 paid subscriptions * $1.99/month * 12months= **$955.2k** /year

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

Return On Investment   cont...

What can we do?

- Estimated savings for 5 years
  - ~11% of US population have diabetes(37.3M diabetes patients/ 334M USA population)
  - If we take ~11% of KP members(11% * 12.5M) = 1.375M, ~90 have type 2 diabetes = 1.2375M
  - If 1% of type 2 diabetes cases are prevented, 1% * 1.2375M, 12375* 8650(diabetes cost per capita = ~**$107M**

Costs	Impact	ROI
$368.4k	**$955.2k**	**159%**

Costs	Payback	Payback Period
$368.4k	**$21.4M/ year**	**1 Week**

Measurements

The following will be used to measure app success

- **Business**

  – No of KP members using PreMCare

  – Conversion to paid subscription

  – Average Revenue Per User (ARPU)

  – User churn

- **Product**

  – Average activity per user

  – User's app update per day / week

  – Average time to first coaching request

- **Quality**

  – App Store rating

  – Coaching rating

  – Advisor rating

- **Development**

  – App outages per month

  – App releases per trimester

Business Model Canvas

Key Partners	Key Activities	Value Proposition	Customer Relationships	Customer Segments
- Health coaches - Doctors - Insurance agencies - Gyms	- App Development - Information system build	- Increase user awareness for preventable diseases - Advice on healthy habits - One to one coaching to increase physical exercises - Free app service for all KP members and freemium for others - 24/7 support	- Daily activity update - Weekly activity update	- KP Members - Pre-diabetes patients - Everyone
	Key Resources - Disease Specialists - Health care database - Preventive care		**Channels** - App Stores - Website - Doctors - Coaches - Gyms	

Cost Structure	Revenue Streams
- Developers - Partners	- Freemium - Subscription - Ads

Competitors

Healthcare Insureds

Eg. Mayo Clinic, Cleveland

- On site education
- Intelligent health records
  - Contributed by experts
- Healthy living program
- Fully digitized offer
  - best digital health market penetrations[10]
  - Important revenue growth throughout the pandemic[11]
  - Offer excellent patient support [12]
  - Saw an increase in operating income recently[13]

Tech Companies

Eg. Google, Microsoft, Apple, Samsung

- Hardware (e.g. smart watches, rings etc)
  - Tracking of habits and activities
- Big Data Management
  - Collection of health related data
- Artificial Intelligence
  - Focus on research & general customer advisories

Our Advantages

- Kaiser Permanente has access to a broad range of specialist
  - Coverage for various disease advice will be given
- KP as already established digital services at hand
  - Video checks, bill payments, prescription order, secure emailing system with physicians
- KP has the ability to easily scale given current user base.
- Vast and established network of current members + other users present in more than 8 US states

Roadmap and Vision

Roadmap Pillars

Where do we go from here?

- PreMCare is the vital adviser for KPs preventive care.
  - Improve life of our patients, supports healthy habits
  - Connects experts and users for prompt preventive care
  - Significant cost reduction with digital products

- Strategic pillars
  - Q3 & Q4 2022: Core functionality
  - Q1 & Q2 2023: Iterate and Improve
  - After Q2 2023: Integration

Core Functionality

- User profiles

- Daily and weekly update algorithms

- Health plan for individuals

- Preventive health advice service

- Feedback mechanism

Iterate and Improve

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

- Onboard more preventable diseases from experts
- 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

Widening the scope

- Access to anonymized data for focus groups
- Certification program for partners
  - Connect doctors, coaches,

Sources

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UDACITY

BE IN DEMAND