The global market for Population Health Management, 2016

Report 1 of 3: Problems and Solutions So Far

- A series of 3 reports on the emergence of, and opportunities in, Population Health Management, across the world
- First report explaining the global situation and forecasting possible regional demand in Population Health Management, now launched by leading global healthcare strategy consultancy, McGrigor Group
- Reveals a tipping point in belief and increasing action in this approach to combating the rising cost of healthcare

The report reviews the wide array of preventive, educational and management tools being deployed, such as absence management, health risk assessments, telehealth and holistic wellness programs. It provides commentary on their purpose, payback and the lessons learned. In addition, it outlines the likely buyer categories and their needs. Leading and emerging suppliers of these solutions are listed, with a focus on industry catalysts in this first report. Finally it creates a methodology and hypothesis on the opportunity, by region and overall.

"The cumulative global economic burden of chronic disease is estimated to rise to be around US$240 trillion between 2013 and 2025. The need for solutions to the escalation in healthcare costs is being experienced within both the government and the corporate sectors in almost all countries worldwide. At the same time, suppliers are deterred from entry or expansion due to success-based compensation models, global recession based pricing pressures and the consequent perception of low margins."

James McGrigor, CEO McGrigor Group, Co-Chairman of International Committee of the PHA

The emergence of, and opportunities in, Population Health Management, across the world - a series of 3 reports

McGRiGOR publishing
GLOBAL HEALTHCARE STRATEGY

What does the report contain?

1. Editorial Comment and Definition of PHM

Originally the term 'wellness' was used to describe the business of changing health behaviours but an increasing array of services has led to this term becoming inadequate. McGrigor Group prefers to use the term 'Population Health Management', as it more clearly expresses the purpose of this very wide set of services from risk assessment through prevention and treatment to full health management processes and programs. This chapter presents a comprehensive definition and explanation of the term 'Population Health Management'.

2. Crisis, What Crisis?

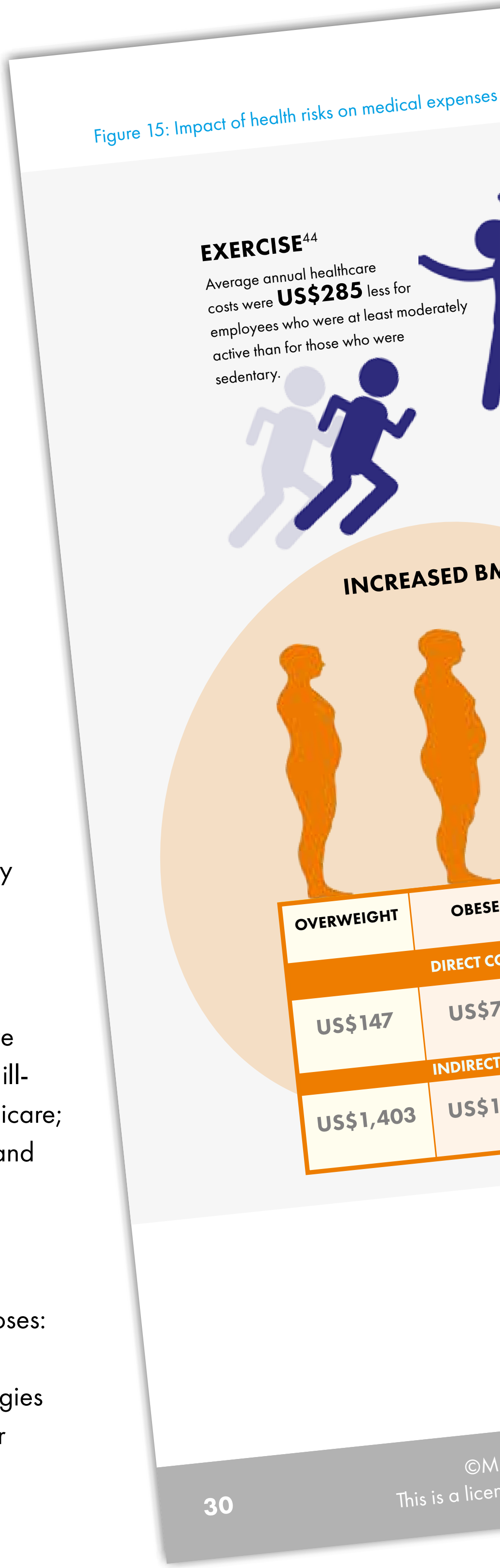
This chapter examines the terrifying scale of the problems posed by chronic disease in the US, Europe and other emerging markets.

Health services globally are facing unprecedented financial and capacity pressures as a result of ageing populations and the exponential growth in chronic disease.

A significant problem delaying the introduction of appropriate solutions is the difficulty in calculating an accurate return on investment, or value on investment.

3. History of PHM

This traces the evolution of healthcare management programs since WW2 which have been invented mostly in the US. It reviews key milestones and their impact, from the Hill-Burton Act funding new hospitals in 1946 and the introduction of Medicaid and Medicare; to the rise of corporate wellness in the 1980s, Obamacare in 2010 and the policies and initiatives that have shaped today's PHM landscape.



4. Solution Tool Box - What Exists and their Pros and Cons

McGrigor Group has segmented the key PHM tools according to their primary purposes: data collection and analytics; prevention and education; managed intervention; and delivery mechanisms. The report then examines in depth the different tools and strategies used for PHM from early stage HRA to holistic programs and wearables. The chapter includes assessments of the pros and cons of each of the tools.

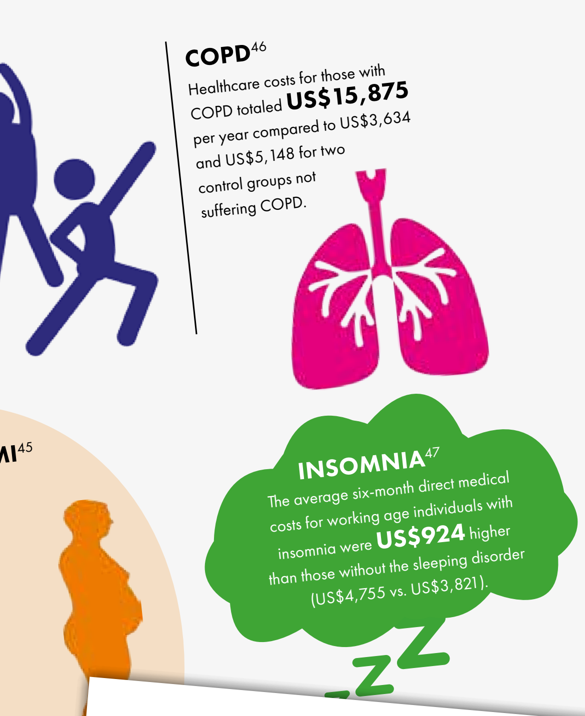
5. Summary of Debate - Key Lessons

This chapter summarises and elucidates the key lessons that have been learnt from the application of PHM tools and programs to date. Such lessons include the necessity for proper measurement, how best to apply gamification and incentivization as well as pinpointing the success and failures of 'new' technologies such as telehealth.

6. Key Consumers - Who, Why and Where

Here we examine the seven main buyer segments, covering corporate groups, governments, insurers, providers, individuals, consolidators and advisors, and IGO/NGOs.

The US is continuing to offer the greatest opportunities for providers of PHM because of the upheaval provoked by the ACA. Multi-national employers from the government and particularly the private sector are the largest buyers, although the new Accountable Care Organizations are also developing rapidly.



Other parts of the world offering the most potential are China (state and privately owned companies) and Latin America (the corporate sector and insurers).

7. Catalysts - Who is Pushing Wellness?

This chapter focuses on the most notable suppliers in the second and third of the three supplier categories: PHM suppliers, customer-distributor hybrids and enablers. We profile 14 companies in 30+ pages summarising their tools, services and research. We cover their history, structure and provide key contacts.

8. Market Opportunity - Today and Tomorrow

McGrigor Group reviews the existing sizing data and concludes that it is inconsistent and potentially underestimates the global market. Current estimates indicate a market of between US$40 - 50 billion, with significant growth potential of 2 - 3 times.

9. Executive Summary

A clear summary of the global problems and solutions in PHM with McGrigor Group's indicator of where paths for future growth and success lie.

10. Next Steps

An outline of the content of the upcoming reports.

Figure 29: Example of apps and their outputs

1. CONSUMER WEARABLES

Many companies have invented 'wearable' sensors such as bracelets and lapel-pins or incorporated sensors into smart watches or even tattoos (L'Oreal for UV exposure). In some cases the sensors are in clothing eg the smart bra, Under Armour's range, Hexoskin, Heddoko, CityZen Sciences and OM. From these tools, data is collected via HIT or mobile applications. Alternatively, biosensors are incorporated into small hand-held devices, in-room devices or stick-on sensors, gleaning data from the air, skin, blood and urine. The most recent invention is pills that can be ingested and still communicate based on stomach fluids.

The data from these devices (activity, sleep, stress levels etc.) is collected via an app (see Figure 29) and can be mixed with other health records to give a full medical picture. Some devices are limited to programs which use the data to provide rewards or penalties as incentives to influence better health behaviors. For example, Garmin, Fitbit and Fitbug have wellness programs.[14] Challenges, social networking, discounts on merchandise and donations to charities are among the things these companies and others such as Everymove and MANA nutrition have tried. Many devices are orientated to a single purpose, such as weight loss or fitness, but the bigger healthcare IT companies (Apple, Google, etc) have built device-agnostic platforms to compile multiple imports to do wider health risk assessments or to 'push' solutions or products to users. Partnershipping is increasingly the norm. For example: Apple is teaming with Epic and the Mayo Clinic. Insurers are also doing this. For example Aviva is focusing on this in its digital garage and has innovated via its 'virtual health' service as is Vitality with its Drive dashboard. Providers (Telemedicine companies, for example) and Biopharma companies see many uses also. Once such players can bring the necessary scale, then a virtuous circle of lower unit cost will drive further innovation. This is when and how 'E-health' joins with all the other tools in PHM.

Consumer wearables are fashionable and their adoption is growing very fast globally.

Who is this report for?

This analysis will be useful for:

- PHM suppliers looking at how and where they should focus
- Customer-distributor hybrids and other ‘enablers’ of PHM, such as Employee Benefit Consultants, Foundations, Pharmaceutical Companies, etc
- Governments struggling to contain the costs of healthcare
- Health and Life Insurers undergoing transformation from ‘payers to partners’
- Hospitals and other provider groups
- Corporate HR benefits managers looking to create a worthwhile health strategy
- Healthcare management consultants
- Investors in PHM

About the publisher

McGrigor Group, established in 2002, is a global healthcare strategy consultancy. It specialises in health insurance and population health management, having advised numerous clients large and small across over 300 projects. Today, McGrigor Group has four arms: Consulting, M&A, Publishing and Specialty.
www.mcgrigorgroup.com

James McGrigor, McGrigor Group’s CEO has recently been made the Co-Chair of the US Population Health Alliance’s International Taskforce.

How was the report compiled?

Analysts extensively researched and reviewed most current literature in the PHM field. Some experts were interviewed to gain additional information. Market size data was collated from numerous reports and amalgamated to provide a high level view.

Pricing and how to purchase

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About the other reports in the series...

Report 2: This report focuses specifically on the market potential for PHM services throughout the Americas and the Middle East. It shows what has been achieved to date and what could come. It analyses the winning suppliers in these regions, their skills, differences and plans. **Due for publication: early 2017**

Report 3: The focus here is on opportunities and suppliers in Europe, Asia and ROW. This report contains case studies of what has been done and suggestions on the key opportunities for each region. **Due for publication: late 2017**

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