Cool Vendors in Healthcare Providers, 2012

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Analyst(s): Wes Rishel, Thomas J. Handler, M.D., Vi Shaffer, Barry Runyon, Steven Lefebure

It's easy to slap a few healthcare terms on a snazzy new technology and call it innovation. Our Cool Vendors this year are true innovators that have found nuanced ways to apply technology to practical administrative, clinical and social problems of delivering healthcare.

Key Findings

- This year's group of Cool Vendors demonstrates the use of IT to get beyond the basic transaction processing of healthcare and enable nuanced attacks on specific big healthcare issues.

- Three of our chosen vendors attack the fundamental pall on healthcare IT — too much data and too little information.

- Two of our vendors have adapted the benefits of smart devices and ubiquitous communications to personalize healthcare for patients, patient caregivers and clinicians.

Recommendations

- Chief medical officers (CMOs) and chief medical informatics officers (CMIOs) should consider these vendors as indicators of trends and as short-term solutions to specific problems.

- CIOs and other IT leaders should consider these solutions when they have strong clinical sponsors.

- Use pace layering to evaluate the benefits of introducing innovative concepts and architectures against organizational needs that make change difficult.

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This research does not constitute an exhaustive list of vendors in any given technology area, but rather is designed to highlight interesting, new and innovative vendors, products and services. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

What You Need to Know

Investment in IT innovation is rising in healthcare. The evolution of health systems of larger scale, combined with government-funded programs and changes to payment models, makes it easier to obtain a return on investments. After years of dominance by electronic health record (EHR) and megasuite vendor road maps, the need for differentiation and innovation makes this an important time to scrutinize innovators, such as those described here. Our selected vendors are each characterized by a nuanced approach that brings IT to solve specific high-reward areas in healthcare, such as chronic care management. They make informed use of information that may be scattered among multiple systems by enabling smart search and providing analytics models that are tuned to the data that is available. Our vendors that have focused on a combination of the cloud and smart personal devices likewise have chosen specific areas of patient engagement, diabetic compliance, and simply making messaging to clinicians work like it ought to, but really doesn't.

When considering Cool Vendors, CIOs often ask how to fit their point solutions and new concepts into the complex architecture and governance of their institutions. Pace layering provides an approach to balance the benefits of innovation with other needs (see "Operational Tempo and Pace Layers: Go Fast When You Must; Be Thorough When You Can").

MedVentive

Waltham, Massachusetts (www.medventive.com)

Analysis by Vi Shaffer

Why Cool: MedVentive reflects one of the more savvy early approaches to the care management as well as the business risk management needs of emerging U.S. accountable care organizations (ACOs) and value-based purchasing models. What makes the company cool is not that it is first to market with new technologies. Instead, it marries substantial real-world experience in managing significant provider risk with mainstream technologies (see Note 1) in a very focused way to solve

business problems. Specifically, it addresses the wide variances in the discoordinated management of chronic, health maintenance and traditional populations. Its capabilities include a registry of hospital discharges for help in avoiding readmissions.

MedVentive takes practical approaches, given the challenges and limitations of data availability as well as the fragmented delivery and fee-for-service payment models defining the operational necessities of most physician practices. To get the most essential information and leverage it to achieve conformity with the core processes of chronic care and running a business, it displays two different views from a shared dataset through its Population Manager and Risk Manager platforms.

Customers can start with Population Manager (for example, MedVentive recommends that some healthcare delivery organizations [HDOs] first gain experience by managing chronic care for their self-insured employees and/or other limited populations). The MedVentive Risk Manager is a tool to manage multiple risk contracts from the standpoints of quality and utilization. It is focused on total costs of ambulatory, hospital, imaging, home care and so on. ACOs need this full view to manage total spending of an at-risk patient population. Risk Manager is also sold to payers via a channel relationship with McKesson.

While the company has been around for some years, its opportunity was limited to those few states and HDOs with real value-based contract opportunities. However, the company's potential spiked up from its "right fit at the right time" position as the U.S. Centers for Medicare & Medicaid Services (CMS) signaled its ACO intent and more private payers made similar pronouncements. The venture-capital-funded company moved to seize this greater imminent opportunity by infusing aggressive, healthcare IT business-savvy executives at the CEO (industry veteran Nancy Ham in 2008) and chief growth officer (Nancy Brown from athenahealth in 2011) positions. It also added a new clinical leader in addition to the founder, Jonathan Niloff. It received a $12 million capital infusion in October 2011.

Challenges: Support for the ACO model is a hot topic with plenty of competition. MedVentive has been very focused on the physician practice/ambulatory services part of population management, and will need to stretch its wings more into the hospital aspects of coordinated care management and related data to trigger handoffs for prevention of readmissions. It will also need to continue to demonstrate stronger abilities in data discovery and predictive modeling around EHR system data. Although it can incorporate additional patient behavioral or lifestyle data, its model of identifying gaps in care — and consequent workflows — is mostly triggered by a nightly feed of practice management system/claims data, lab data (from national, local and physician office labs) and prescribing data from Surescripts. This certainly can go a long way toward moving providers to a more conforming level of practice. However, eventually this approach will begin to pale in comparison to the granularity of insights and patient targeting that can be done through robust data discovery, and the timely infusion of clinical and patient decision support. That decision support can be derived from combining financial, operational and claims with clinical data patient risks/outcomes and care management operations/profitability analysis.

Who Should Care: Healthcare senior executives with the strategic intent to make their organizations ACOs under the U.S. Medicare Shared Savings model and/or through new relationships with State Medicaid agencies or private payers should take a look at MedVentive.

Healthcare CIOs, CMIOs and CMOs should understand MedVentive's approach to ACO management to compare it with other ACO-targeted commercial alternatives and internal enterprise development abilities.

Mongoose Search and Information Solutions

London, U.K. (www.mongoosesearch.com)

Analysis by Thomas J. Handler, M.D.

Why Cool: Healthcare organizations generate terabytes of data per year. Many have spent millions of dollars in an effort to digitize their records, only to find that it is still very difficult to find necessary information and, specifically, to ensure that critical information is not missed or overlooked. Mongoose's HealthView product is an intelligent medical search engine that can help transform the way patient data can be accessed and used. Designed to enhance and complement any existing medical records systems, the software allows efficient indexing of all types of scanned content, as well as other patient information (structured or not) held in multiple hospital systems and across multiple sites. HealthView has demonstrated its ability to search, organize and present the information from many different data sources, quickly and at low cost. For one customer, HealthView processed, categorized, and integrated 90,000 cardiology documents in four days; another vendor had failed to complete the project during the previous six months. Without this level of productivity, it will be impossible even to keep up with the rate at which healthcare data is generated.

While many searching capabilities are idiosyncratic to a particular data source, HealthView provides a holistic, content-oriented searching interface. In this regard it is comparable to enterprise content management (ECM) companies. However, HealthView creates a level of cross-indexing based on meaning that puts it in a different category from ECM companies.

Challenges: HealthView faces competition from EHR vendors (such as Cerner's semantic search) and ultimately from products built on IBM's Watson for Healthcare capability. The company needs to move aggressively to grow its market, especially if it is to expand out of the U.K. It needs to demonstrate effective partnerships with healthcare application vendors and ECM vendors to show that it can search the information held in the vendor's product combined with other healthcare data sources. Adding clients that use different feeder systems will help prove HealthView's value proposition.

Who Should Care: Healthcare CIOs, CMIOs and CMOs should investigate HealthView to augment their document imaging, data repository, ECM and health information exchange (HIE) efforts. HealthView is especially relevant to healthcare organizations with a mixture of paper, document imaging and clinical applications, and those creating and using HIEs and clinical portals. Providing clinicians with better search capabilities and reporting will allow for better quality of care, and will also mitigate against malpractice issues related to failure to find and recognize critical clinical data.

PerfectServe

Knoxville, Tennessee (www.perfectserve.com)

Analysis by Barry Runyon

Why Cool: PerfectServe gives clinicians a more efficient and reliable way to communicate with one another and to reduce communications breakdowns. It offers a cloud-based, software as a service (SaaS)-priced product line for hospitals, clinics and physician groups. PerfectServe describes the products together as an "intelligent clinical communications system that routes calls and messages to the right doctor, at the right time, while providing physicians control over how they are contacted." It is a system for promoting more-efficient clinician-to-clinician and care team communications by filtering and routing secure voice, Web, text and system-generated messages according to rules and individual physician preferences.

The heart of the PerfectServe offering is a workflow engine that enables customized communication based on the personal needs and preferences of individual physicians. This allows physicians to filter and control the communications directed at them by hospitals and other clinicians. Clinician devices range from pagers to smartphone and tablet devices, allowing timely response to the demands of leading-edge doctors while including those that choose to go into new technologies slowly.

PerfectServe is positioned to capitalize on the increased interest in improved care coordination across the continuum of care and incentives associated with reduced time to treatment. The "missing link" in most solutions is the actual link to the people that are healthcare providers. PerfectServe aims to close that gap.

Challenges: A challenge for PerfectServe will be to show how its product compares with larger, unified communications offerings from Microsoft, NEC and Avaya. While the adoption of any unified communications by healthcare providers is low due to its cost and complexity, these larger unified communications offerings could forestall interest and defer investment. PerfectServe should hone its messaging to reflect its more affordable, hosted, lightweight approach that is focused on clinician-to-clinician communications. PerfectServe will face competition from established and emerging companies like Amcom Software, Voalte and MatchMD. Their marketing around replacing physician group answering services seems to take away from their real value propositions.

Who Should Care: HDOs that are looking to improve communication across the continuum of care, or are developing an ACO, should consider clinician-to-clinician communication tools such as PerfectServe. HDO CMIOs and compliance officers looking to reduce communications breakdowns among clinicians across care venues, and CTOs looking to provide an affordable and focused unified communications capability, should also consider PerfectServe.

Telcare

Bethesda, Maryland (www.telcare.com)

Analysis by Wes Rishel

Why Cool: While prognosticators have waxed eloquent on the potential value of Web-connected glucometers, Telcare has been doing it and getting the technology right. In February 2012, it began shipping U.S. Food and Drug Administration (FDA)-cleared glucometers that automatically connect

to a cellular data network and integrate with Telcare's own website, payer call centers and the EHRs of healthcare providers.

Choosing the cellular data network is right because it is invisible to the user. There is no requirement on the user to sign up or to connect to a Wi-Fi network initially or after each reading. This is the same technology that made Kindle the book reader that grandma loves. The connected glucometer is no more difficult to use than an unconnected glucometer, and far easier than those that use Bluetooth or cords to connect the device to an intermediate PC.

Providing its own Web portal is also right, because users can immediately get the benefit of seeing their trends. Telcare designed its website to be a social experience for diabetics, their families or other caregivers. With permission, multiple members can see the results on PCs and smartphones. They can also be notified by text or email when results arrive, when results are out of preset ranges or when they should have arrived but didn't. The technology Telcare has built around its device engages the patient's social system in compliance. This includes adults caring for diabetic children or the adult children of elderly patients.

By thinking of the complete system, Telcare demonstrates the difference between the starry-eyed approaches that technology companies bring to healthcare and the nuanced approach that it takes to develop effective solutions.

A 12-month randomized, controlled technology trial based on 24 Type 1 diabetic children that used a prototype Telcare device and 24 controls was published in the February 2012 issue of Diabetes Care. It demonstrated better glycemic control for the group using the device.

Telcare has also made good progress in marketing. It has established reimbursement with several Blue Cross plans and several managed care plans covering more than 500,000 people.

Challenges: Marketing a glucometer is a job of getting on the formularies of payers and engaging with leading-edge provider organizations one at a time. Telcare will be challenged to exploit its lead in this market to build up volumes fast enough to withstand challenges as megavendors in the market develop competing approaches and price them aggressively.

Further research in other peer-reviewed journals can help win the battle of the formularies, but will likely benefit other vendors that get to the market late as much as it will benefit Telcare. Demand driven by patients and their families represents another channel.

Who Should Care: Any healthcare organization, government agency or person that cares for diabetics or pays for the care of diabetics should be on the lookout for anything that can nudge compliance up for specific cohorts of patients. CMOs should consider Telcare for information-enabled outreach programs. CIOs and CMIOs should look at this solution when responding to an interest from medical professionals to address diabetic compliance.

Where Are They Now?

Explorys

Cleveland, Ohio (www.explorys.com)

Analysis by Vi Shaffer and Steven Lefebure

We featured Explorys in "Cool Vendors in Life Sciences, 2011." During the past year, Explorys has directed the majority of its sales efforts toward large HDOs. Therefore, we are using this Cool Vendors report to put Explorys on the healthcare provider radar.

Why Cool: We originally selected Explorys as cool in 2011 because the company had built a unique industry-specific technological approach to cloud-based analytics. Its intellectual property (IP) is based on concepts similar to Google's massive search capabilities. It is designed for high performance on the vast volumes, wide variety, and high velocity of structured and unstructured data that have confronted healthcare since the advent of EHR systems. In 2011, we identified its business concept that creates an ecosystem of provider and life science data that provides valuable insights for many life science areas:

- Patient recruiting for clinical studies

- Identification of economic and clinical outcomes

- Drug safety

Explorys focused on bridging the gap between clinical activities occurring in the healthcare provider world and the investigative needs of the life science research world by providing data and analytic tools that have the potential to realize translational medicine benefits. This cloud-based ecosystem can also serve as a platform for collaboration and application/tool development across traditional healthcare industry sector boundaries. It includes Explorys DataGrid, a massively scalable grid computing network and the Curation Engine, to map each patient record to a single set of industry-recognized ontologies. This enables terms to be searched for inclusion into cohort designations or measurement filters. Explorys uses a number of established ontology maps obtained via a combination of commercial, open-source and internally developed libraries.

Where Are They Now: Explorys has been significantly repositioned to focus dominantly on the HDO market, in which it has achieved some notable early market traction. In particular, it is now evolving and emphasizing its role in performance management and, specifically, for current operations — ACOs and patient-centered medical homes. This is achieved through the combination of its IP and data discovery efforts to reveal patterns in clinical variation and the development of predictive models for high-risk populations in a private cloud. This is positioned to have a lower total cost of ownership. Explorys still has all the challenges of a startup company, but has made notable progress during the past year in establishing awareness of its capabilities in its adjusted primary target market in the U.S.

The company has closed contracts with Catholic Health Partners, MedStar, University Hospitals, Summa Health System and St. Joseph Health System, in addition to its relationship with the Cleveland Clinic (which has an ownership interest in the Cleveland-based company). It states it already has curated more than 40 billion clinical, operational and financial data points over 13 million unique cared-for lives.

However, the company still has to prove that it can close more business, compete in an aggressive and eclectic marketplace, prove its superior information infrastructure, cross the "delivery finish line" on more healthcare performance reporting and prepared analytics, and scale up profitably in customer support while continuing the services/IP innovation that is its differentiation.

In its latest incarnation, Explorys is competing for attention across a large and eclectic landscape of vendors that either want to help the HDOs build robust enterprise data warehouses (EDWs) for operations, clinical research or both, or that aim to offer "cloudesque" services as a surrogate for a comprehensive EDW or just specialized to analytics for the emerging ACO business model (such as Humedica and MedVentive). Competitors include companies whose expertise or IP is derived from work at other advanced health systems (such as Health Care DataWorks from Ohio State University Medical Center and Healthcare Quality Catalyst from Intermountain Healthcare). Several Explorys competitors recently have proposed incorporating Health Language to perform functions included under the Explorys Curator umbrella.

Who Should Care: Healthcare senior executives with the strategic intent to make their organizations ACOs under the U.S. Medicare Shared Savings model and/or through new relationships with state Medicaid agencies or private payers should take a look at Explorys. Healthcare CIOs, CMIOs and CMOs should understand the Explorys approach to ACO management to compare it with other ACO-targeted commercial alternatives and internal enterprise development abilities.

Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"Hype Cycle for Telemedicine, 2011"

"Healthcare Payer BI and Analytics: How to Get the 360-Degree View of the Consumer"

"Top Actions for Healthcare Delivery Organization CIOs: Choose a Clear ACO Approach"

"U.S. ARRA and Value-Based Purchasing and ACO Models Trigger Changes in Business Strategy and the CMIO's Job"

"Predicts 2012: Healthcare Delivery Organization CIOs Must Navigate an Ocean of Changes"

Note 1 MedVentive's Technologies

Among the technologies included in the MedVentive solution are: Microsoft technology including SQL Server, the Rhapsody Integration Engine from Orion Health, data mining engines from Verisk

and Optum (previously Ingenix), and IBM Cognos for infrastructure and cube creation. It also includes a healthcare-specific data warehouse, and an "intelligent intervention system" using a workflow engine.

This is part of a set of related research. See the following for an overview:

■   Cool Vendors 2012: The Nexus Alters Business and Consumer Strategies

Regional Headquarters

Corporate Headquarters
56 Top Gallant Road
Stamford, CT 06902-7700
USA
+1 203 964 0096

European Headquarters
Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Asia/Pacific Headquarters
Gartner Australasia Pty. Ltd.
Level 9, 141 Walker Street
North Sydney
New South Wales 2060
AUSTRALIA
+61 2 9459 4600

Japan Headquarters
Gartner Japan Ltd.
Atago Green Hills MORI Tower 5F
2-5-1 Atago, Minato-ku
Tokyo 105-6205
JAPAN
+ 81 3 6430 1800

Latin America Headquarters
Gartner do Brazil
Av. das Nações Unidas, 12551
9° andar—World Trade Center
04578-903—São Paulo SP
BRAZIL
+55 11 3443 1509