

Market Insights

A tech takeover comes for the health care industry

The health care industry is a wealth of data. Unfortunately, the holders of that wealth are reticent to share it. But that's changing.

By **Emily Payne** | August 13, 2018 at 10:48 AM



Health care providers have been slowly loosening the grips on their wealth of data, softening up to the likes of health analytics startups. (Photo: Shutterstock)

Google, Microsoft, Apple, Facebook. These tech giants have built their success on cutting-edge technology used to collect data and transform it into meaningful information. The health care industry is a wealth of data. Unfortunately, the holders of that wealth are reticent to share it.

The interest and investment in the health care sector in recent years by major tech companies is a testament to the potential for major changes in just about every area—price transparency, member experience, customer service, claims data. “All of these areas are ripe for transformation by bringing these big names in, by bringing data to the forefront because all have been sorely lacking.” says Michael Levin, ceo and co-founder of health care data services company Vericred.

Microsoft launched a health care unit in June, a key development in its Healthcare NEXt initiative, announced last year. According to [Investopedia](#), the new unit will look to modernize IT structures and utilize [data analytics](#) to drive value-based care.

Google also has a [sizeable footprint](#) in the health care space, one that grows bigger every day. The SEO behemoth is sicing its analytical prowess to create tools that can sift through a patient’s medical history and predict diseases and forecast outcomes.

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Apple is also getting in on the action, focusing on the [electronic health records](#) space. This spring, the company deployed its Apple Health Records for use among 12 health care systems, with another 27 waiting in the wings. The tool creates interoperability between the health care provider and patient, allowing them to access data and get updates on their smartphones.

Following its bout of bad press earlier this year, Facebook has quietly shelved an exploration of [data-sharing partnerships](#) with health care providers, but it’s only a matter of time before such talks resurface.

What does all this mean for the health care space? “The footprint and the momentum that those organizations have that are far in excess of that of a startup looking to transform one part of the market,” Levin says. “If Apple makes a request, the implications there are far more significant. We look at it, and while it’s unclear to us how these companies are going to help evolve or transform the ecosystem, the fact that they’re

involved is great because it brings credibility, that kind of mass that's necessary to get providers, insurers and others who have been reticent to share data to do so."

Busting down silos

Health care providers have been slowly loosening the grips on their wealth of data, softening up to the likes of health analytics startups. But data in the health care industry is broken down into so many parts that it's going to take significant man- and computing-power to put it together in a meaningful way. "You pick an element, whether it's claims data, an individual's health record, all the info around insurance, and today it fits in tens or hundreds of different silos," Levin says. "Bringing all that data together to make it useful is a significant effort."

Bringing in the likes of Google or Apple, companies who know how to aggregate large amounts of data, to bridge the gaps between all of that information would be a boon for health care providers. "I think about medicine in economic terms," says Scott Howell, chief medical officer for Advantmed, LLC. "I think about things in terms of asymmetric decision-making—you don't have all the information coming in to you during your office visit. Making decisions on asymmetric information and not having a full picture is where I think interoperability will help out."

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The interoperability works both ways. The 15 or 20 minutes a doctor spends with a patient is the least productive, Howell says—it's what they're doing the other 23 hours of the day that has the potential to dramatically change care outcomes. And those activities can be easily monitored via Apple Watch or similar wearable devices. "Having that time that we know what's going on and having that information come back to us would be very helpful," Howell says. "Maybe I get an alert and make a phone call. That integration between monitoring and telemedicine is probably in its infancy, but I think that's going to be the next step of AI. Having it out there to monitor and evaluate, and then we can have interventions much earlier on."

Building a bigger picture

Apps, no doubt, will become more prevalent as the tech sector stakes its claim to the health care space, but that won't be a bad thing. For example, says Levin, one of Vericred's clients developed an app that helps doctors treat type 2 diabetes utilizing a variety of factors, such as other health issues or their ability to afford a certain treatment. "That speaks to adherence," he says. "When you look at diabetes in the population, the ability to move the needle on quality of care, the cost of care, it's stunning. The only way you can really do that is start to bring together the data from masses."

Beyond improving care for individuals, the integration of health care data has potential to create change on a macro level, as well. Howell expects that the intervention of the tech industry will have a significant impact on social determinants of care. "In my opinion, the social determinants have a significant impact on behavioral change and the capabilities of outcomes," he says. "For example, treating someone with an income of \$120,000 versus \$10,000 a year...one has a job, access to good food, while the other person may be sleeping on a couch, working part-time, has a bad diet. Those patients are completely and totally different, and the approach you need to take is completely different."

Through artificial intelligence and predictive analytics, medical providers will be able to better allocate their time and resources for more effective care. "I think we'll get to be a little more surgical and precise in what we can do," he says. "You can't touch every single patient in depth. There are certain ones that we can, and certain ones that can get away with less interactions. The analytics allow us to figure out how needs to be touched at an in-depth level and who may not need that level of intervention."

Of course, these tech companies aren't acting out of an altruistic desire to cure the country's health care woes: there's money to be had. Still, they're focusing on a market that has long been in need of—and staunchly resisted—reform. "These large organizations have the capacity to develop things like this, and I think that's exciting," Howell says. "They have the programmers, the tech to support this ancillary backbone of health care. We have to change behavior, and that's the most difficult thing in the world to do."

For companies like Levin's, already trying to change the system from within, the entrance of the big names is welcome. "Making a significant push into the space is a sign that change is coming, and that's good for everyone," he says. "We don't see it as being competitive, we look at it as being tailwinds to the transformation of the market."