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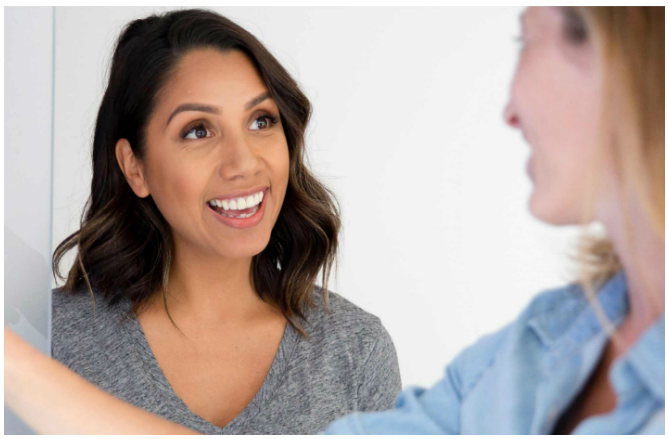


How can tech help to cut the cost of healthcare?
Forward Healthcare (2017) ©

CASE STUDY 28 Feb 18

FORWARD: A SUBSCRIPTION FOR TECH-LED HEALTHCARE

The American healthcare system could certainly use some improvements to make it cheaper and more effective. But rather than trying to fix a flawed model, Forward is taking an entirely new approach, focusing on tech-led proactive and preventative care through a subscription service.

Location United States

Highlights & Data

- Forward makes use of various tech innovations to reduce the cost of healthcare and streamline support
- Subscribers have access to a primary care doctor, health coaching, and their health data, with apps and wearables used to monitor their wellbeing
- AI could take over analytical tasks within healthcare, freeing up time for doctors to spend with patients

- The health AI market is expected to be worth **$6.6 billion** by 2021 *(Accenture, 2017)*
- Assorted clinical applications for AI could potentially save the US healthcare system **$150 billion** annually by 2026 *(Accenture, 2017)*
- The average unsubsidized cost of health coverage for a family in 2016 was **$9,996** *(eHealthInsurance, 2016)*

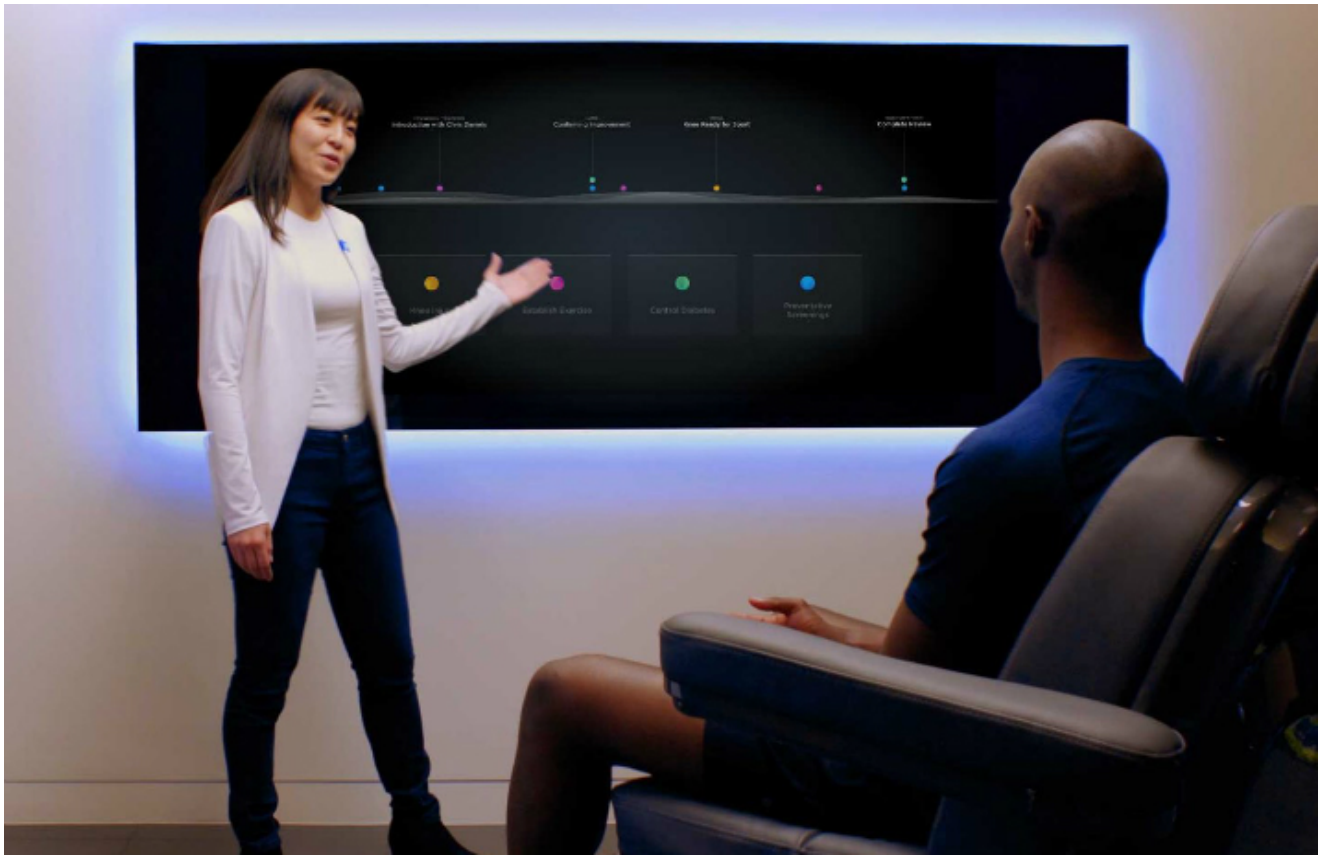
Scope

Among high-income countries, America's healthcare system ranks dead last in terms of affordability, timeliness, and equity. Rather than trying to fix what's broken, Forward makes use of tech innovations – including AI and wearables – to streamline support and reduce costs. The start-up offers unlimited access to medical services through a subscription model in the hope of getting people to take a preventative, rather than curative, approach to their health.

Founded in 2016, Forward has two physical clinics in San Francisco and Los Angeles as of early 2018, with plans to go nationwide. For $149 a month, subscribers are given unlimited access to a personal primary care doctor, health coaching, and their health data. Also included are wearables to help doctors monitor patients' vitals, vaccines and travel meds, on-site blood and genetic testing, and a mobile app for booking appointments and other patient processes.

"The way we buy and pay for healthcare creates the wrong incentives for everyone. Doctors, hospitals, and the people who build their tools all focus on generating billing codes rather than making people as healthy as possible," wrote founder Adrian Aoun in 2017. "We started Forward to deliver better health to people at a lower cost. But if we had to do this by working within the existing healthcare system, we wouldn't even know where to begin. How do you unwind everyone's broken incentives, retrofit ancient software, and convince a bunch of people to change a system in which they benefit from the status quo? We felt it would make more sense to instead start from scratch and to build things the right way from the start." [1]

While Aoun acknowledges that the service is still somewhat expensive, he states that "the same technologies that make the system smarter also make it cheaper over time. Moving common tasks and diagnostics from the labor cost curve to the technology curve means we'll be able to push our prices down as we help doctors take care of more people at once." [1] In the meantime, members will still want to buy health insurance to cover events like hospitalizations. And although Forward doesn't accept insurance just yet, it does offer free membership to 15% of its patients from underserved communities. [2]



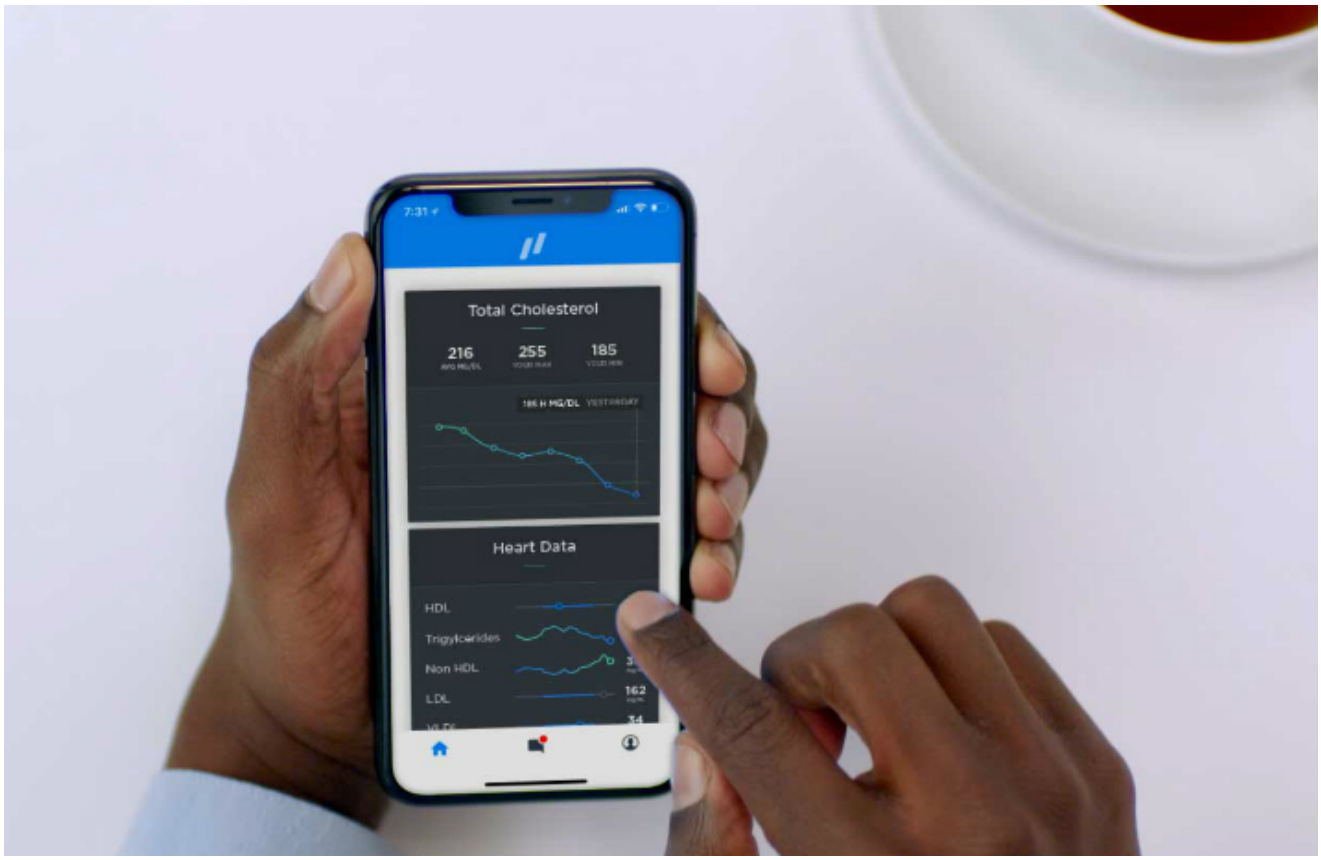
Forward is forging its own healthcare template
Forward Healthcare (2017) ©

Context

According to a 2016 report from Deloitte, personalization, economically manageable care, and convenience are people's leading priorities when it comes to health. [3] With these preferences in mind, Forward functions as a 'full-stack company', taking care of everything from managing patient data to the entire clinic experience. Its software integrates all of a patient's information and handles admin functions while common tests and procedures are automated, freeing up doctors' time to more actively help each individual. Additionally, Forward uses algorithms and artificial intelligence to help its doctors make better decisions. Patients checking in at the physical clinics first pass through a full-body scanner, from which vital data are sent to Forward's AI to inform a doctor's diagnosis.

The health AI market is expected to be worth $6.6 billion by 2021, with various clinical applications for the tech (e.g. virtual nursing assistants or preliminary diagnoses) potentially creating $150 billion in annual savings by 2026. [4] "AI is slowly but steadily gaining acceptance as a transformative technology for improving healthcare outcomes. As new use cases and success stories develop, the use of AI in healthcare will become a natural extension of the current data and analytics," says Paddy Padmanabhan, the founder and CEO of Damo Consulting and author of *The Big Unlock*. However, he cautions that "as with many emerging technologies, the hype tends to be a little ahead of the reality. For AI to be truly mainstream, there needs to be a robust infrastructure of data aggregation, integration and standardization that enables AI tools and technologies to perform well." [5] Considering this, eyes may be on how well Forward can advance its in-house data aggregation and integration efforts to coordinate with patients' other providers.

While Forward has ambitious goals to make it cheaper and easier to maintain one's wellbeing, Abhas Gupta, a doctor and founder of health start-up Calyx, claims that entrepreneurs aiming to fix the healthcare system don't always know what they're getting into. "Building a primary care office has never been that valuable," he told Quartz, noting that venture-size returns haven't been realized by 'concierge medicine'. This is because regulatory barriers are high and even powerful technologies like mobile monitoring and machine learning don't necessarily deliver huge efficiency gains for medical practices. "They make for great marketing but are not necessarily tied to outcomes," he adds. [2]



Automation holds great promise within medicine
Forward Healthcare (2017) ©

Insights and opportunities

The American healthcare system has room to improve. Among 11 high-income countries analyzed by The Commonwealth Fund, the US ranks last in terms of access (which considers affordability and timeliness) and equity (which factors in financial barriers that lead people to do things like skip doctor visits or not fill prescriptions). The country also has the highest rate of deaths under 75 from causes that are preventable in the presence of timely and effective care, and it has experienced the smallest reduction in that measure over the past decade. [6]

Compared to other countries, more American doctors also report problems related to coverage incidents. [6] Yet people pay dearly for insurance coverage; among unsubsidized customers, the average cost of coverage for a family in 2016 was $9,996, with that figure reaching nearly $18,000 if they met their policy's deductible. [7] In this light, creating a better – and potentially lower-cost – healthcare model that focuses on personalization and prevention through a slew of on-site and online services is an enticing prospect.

> *In an era of physician shortages and burnout, AI technologies can augment physician effectiveness by performing many of the analytical tasks that enhance diagnosis and treatment decisions*
>
> Paddy Padmanabhan, founder and CEO of Damo Consulting

"The coming value-based care era requires health systems to rely on and invest in data and analytics to reduce costs, improve outcomes, and enhance patient experiences," says Padmanabhan. "In an era of physician shortages and burnout, AI technologies can augment physician effectiveness by performing many of the analytical tasks that enhance diagnosis and treatment decisions." He outlines the example an oncologist treating a cancer patient who can leverage AI technologies to scan through troves of medical literature to develop a rank-ordered list of possible treatment pathways. "Many compelling use cases are emerging for AI in healthcare; these include revenue cycle and claim management operations, clinical trials in drug discovery, and IT operations, to name a few." [5]

In the overall context of a model like Forward's, where each piece contributes to effortless healthcare encounters, AI's value to both physicians and patients lies less in the fact that it "is part of their care solution and more [in] the efficacy and convenience of the experience," says David Gutelius, the founder of artificial intelligence marketing company Motiva AI. "The lesson here is that it's not about the technology. It's about the trust and impact that the technology can help deliver in preventive care settings." [8]

goforward.com

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