

Entrepreneurs, tech can help in chronic disease management

I believe our best hope to meet the many challenges that future generations can expect to face — particularly health care — lies with the audacity of entrepreneurs.

Their imagination for the application of technology seemingly knows no bounds. In the 1970s, television character Oscar Goldman expressed this audacious attitude with an iconic voice-over: "We can rebuild him. We have the technology. We can make him better than he was. Better ... stronger ... faster."

I'm not interested in how to rebuild "The Six Million Dollar Man," however. I'm interested in how we rebuild \$3 trillion U.S. health care system.

Reports from the Centers for Disease

Control and Prevention paint a clear target on some of the gravest threats to the long-term sustainability of our health care system.

They are responsible for more than 75 percent of our total health care costs. They account for 81 percent of hospital admissions, 91 percent of all prescriptions filled and 76 percent of all physician visits. They affect one of every two adults. And as the leading cause of death and disability, they will kill more than 1.7 million people in the United States



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this year alone.

They are chronic diseases, and we have the technology to not only address their impact on our health care system, but also provide the chronically ill with better care.

Chronic diseases, such as congestive heart failure, hypertension and diabetes, are of long duration and generally slow progression, yet they remain among the most preventable of all health problems. For this reason, they are at the forefront of the health care reform discussion in the United States. In fact, The Patient Protection and Affordable Care Act includes a comprehensive plan aiming to reduce the burden of chronic diseases by investing in prevention and the promotion of healthy

living.

Other important aspects of proposed health care reform include increasing access to care, expanding coverage for clinical preventive services, reducing health disparities, funding data collection initiatives and encouraging the coordination of medical care via patient-centered medical homes and accountable care organizations. Many of these efforts fall more appropriately under the banner of chronic disease management, and their success hinges heavily on the technology being deployed to support them.

Despite a universal awareness that

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DELL: Increase in population under 18 driving rapid increase in hospital usage

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area, has been on a strong growth trajectory since it opened five years ago.

"We've seen a pretty dramatic increase in emergency [room visits], as well as outpatient volume," George said.

Dell Children's ER volume has increased 70 percent from 2007 to 2011, going from 45,000 visits to 72,000 visits. Meanwhile, the hospital reported 141,293 patient visits in 2011, up 67 percent from 2007.

"What's driving that kind of growth?" George said. "The growth in the population under the age of 18. There's an increase population wise in children."

That growth has been driven by Central

Texas' increasing number of people under 18, George said.

Dell Children's has increased its staff to meet the demand, bringing in 200 surgical subspecialists — about half of whom have been added since the hospital opened. It now employs 1,647 full-time and part-time workers.

The hospital expects to add another 200 employees when the new tower opens and up to 400 employees when it's operating at full capacity. The roughly \$48 million tower, which is anticipated to be complete in spring 2013, will enable the hospital to expand its programs, including cardiology, orthopedics, neurosciences and surgical intensive care.

CATALYST: Dell Children's hoping to see medical office space built in near future

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Besides drawing patients and their families from around Central Texas, Dell Children's plans to host medical conferences, which should bring more visitors to Mueller, said Sister Teresa George, Dell Children's president and chief operating officer.

Catellus is also welcoming a new phase with 221 homes and an HEB-anchored retail center, which breaks ground in the fall. Also, the Austin Independent School District's Performing Arts Center, Pecan Street Inc.'s commercialization lab, Austin Children's Museum and Austin Playhouse are scheduled to break ground this year.

For now, however, there are no plans to move forward with a 115,000-square-foot medical office building being marketed on a sign across from Dell Children's, Weaver said, because he doesn't see enough demand yet to support it.

Nevertheless, George and Dell Children's — part of Seton's network — consider it a priority to facilitate the development of a new medical office building at Mueller. Seton would like to see a developer and a physician's group partner on such a project.

In the long run, George would also like to see a few more amenities for Seton's employees, such as a day care and a fitness center.

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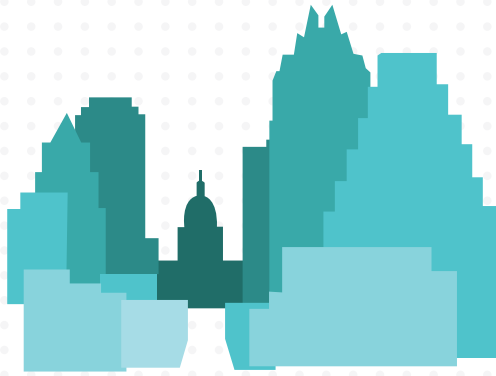
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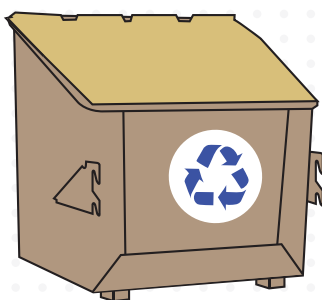
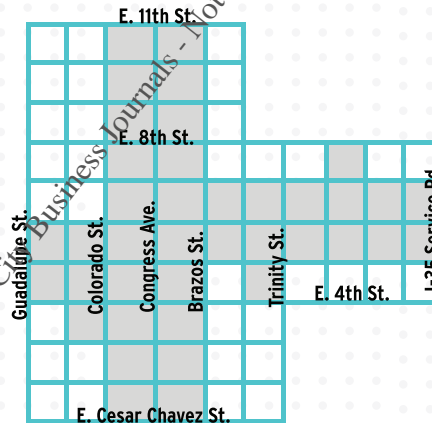
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CHRONIC: Health care tech attracting more investment

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chronic disease management is important, it's proven difficult to show predictable savings and consistent results. Beyond technological constraints, potential explanations for this inconsistency include the fact that programs use varied methods and measurements to estimate their overall effects and they often focus on different populations and interventions.

Fortunately, the National Committee for Quality Assurance took a step in the right direction when it developed standards for reporting performance and built them into its accreditation process. In addition, the industry seems to be coalescing around a few central themes on how to better manage chronic diseases and measure effectiveness. For example, individualized case management is critical regardless of the service or technology to be implemented. This includes a practical plan that focuses not only on patient education and monitoring, but also the role a physician plays and how periodic assessments and adjustments will be made. While such themes sound simple, there is significant ground to cover between awareness and execution. Fortunately, technology is allowing health care professionals to quickly close the gap.

A combination of financial necessity, regulation and legislation is finally accelerating implementation by the health care industry — traditionally a laggard in technology adoption — of technology to better manage chronic diseases. And investors have taken notice. Investments in the health information technology sector increased 22 percent last year, far outpacing the overall 10 percent increase in investments across all industries, according to Dow Jones VentureSource.

Critical to effective chronic disease management, health IT involves the use of electronic information applications, such as health information exchanges, electronic health records and clinical-decision support systems to capture, store and manage clinical information over time. These solutions have the potential to not only save money, but also enable providers to spend more time focused on caring for patients.

As the demand for care continues to outpace our supply of providers, telehealth solutions will also become increasingly important to managing large populations of chronically ill patients. Recent reports by *Datamonitor* and *The Economist* predict that the home telehealth market will grow at a five-year compound annual growth rate of 56 percent and exceed \$40 billion by 2016.

And our options for innovative applications of technology don't stop there. From comprehensive mobile wellness applications to point-of-care diagnostics using advanced microfluidics, entrepreneurs are on the forefront of a war to deploy technology against the unsustainable nature of how we manage chronic diseases today.

I'm humbled to work with a few of these innovative entrepreneurs who are dedicated to making our health care system better than it was before.

Better ... stronger ... faster.

RANDALL CROWDER is managing partner of TEXO Ventures, an Austin-based venture capital firm focused on health care companies.

