

Tech companies access disease control market

Cerner, Browsersoft see promise in online care

Kansas City Business Journal - August 31, 2007

by [Rob Roberts](#)

Staff Writer



Ed Zurga | KCBJ

Olivia Miller (left) shows Lia Edwards, wife of Kansas City Chiefs Head Coach Herm Edwards, a Web site designed for children with Type 1 diabetes. The demonstration launched the third year of Cerner Corp.'s Juvenile Diabetes Initiative. Cerner plans to spend \$25 million in the next 10 years to provide its disease-management tool free to children with diabetes.

As researchers explore the human genome to find diabetes cures, two area companies are helping patients pluck the next best thing -- condition management -- from cyberspace.

Cerner Corp., on pace to exceed \$1.5 billion in revenue this year, and Browsersoft Inc., still based in a Lenexa business incubator, have entered the chronic disease-management space via online diabetes tools.

Annual U.S. economic costs of diabetes are projected to hit \$192 billion by 2020. That helps explain why the current \$8 billion domestic market for chronic disease-management services is growing.

The revenue explosion some predict, however, probably won't arrive until medical outcomes and return-on-investment data build a clearer business case for these services.

On Aug. 28, Cerner kicked off the second year of its Tackle Diabetes program, led locally by Lia Edwards, a Type 1 diabetic and wife of Kansas City Chiefs Head Coach Herm Edwards. The program's aim is to increase participation in Cerner's Juvenile Diabetes Initiative.

Cerner expects to spend \$25 million during a 10-year period to make its online diabetes-management tool available free to the families and care providers of every Type 1 diabetic in the country younger than 18. Launched in 2004, the program provides about 9,000 children and their families with better means of tracking and relaying daily blood sugar, carbohydrate intake and exercise levels.

Type 1 diabetes treatment requires clear, frequent communication among children, families and clinicians, said Dr. Henry Rodriguez of the Riley Hospital for Children in Indianapolis, one of 40 hospitals participating in the initiative. Before joining the initiative, Rodriguez and his colleagues had to scribble notes as parents rattled off information by phone or try to decipher faxes with smudged glucose-meter readings.

Browsersoft addressed a similarly vexing problem for the Kansas Department of Health and Environment, said Marti Macchi, KDHE's director of special studies.

KDHE is receiving almost \$800,000 a year from the national Centers for Disease Control and Prevention to roll out a diabetes registry to 80 clinics in half of Kansas' counties.

The diabetes care data entered by the clinics allows KDHE to identify patterns of inadequate care and suggest remedies to providers, Macchi said. Before KDHE contracted with Browsersoft to automate the process, a state epidemiologist had to enter data received from each clinic, delaying clinical troubleshooting by months.

A federal official recently e-mailed health officers in all 50 states, calling attention to the open-source public health record exchange Browsersoft employed to solve the problem.

Such attention, and disease-management proposals Browsersoft is pitching at the federal level, could help get the software company "over the hump," said Joe Brisson, vice president of client services.

For now, however, Browsersoft isn't getting rich from disease management. It will receive about \$60,000 for installation of the Kansas system, Brisson said, and about \$10,000 a year for ongoing support.

A new study by the Center for Information Technology Leadership (CITL) found that IT-enabled diabetes-management programs can:

- Avoid millions of cases of diabetes complications and save hundreds of thousands of lives.
- Improve compliance with standards of care from less than 50 percent to as high as 80 percent
- Save money in selected cases.

Most forms of IT-enabled diabetes management, however, cost more money than they save, the study said. For instance, the center reported, "integrated provider-patient systems" like Cerner's would cost \$58.8 billion during a 10-year period to deploy nationwide while saving only \$16.9 billion on care.

Tracey Moorhead, CEO of the Disease Management Association of America, doesn't buy those findings.

"I have a great deal of respect for the CITL," Moorhead said. "But I had some concerns about their study, which I communicated to them. Specifically, it did not look at the significant savings that could be achieved through delivery of chronic-care programs to patients with multiple chronic conditions."

The study also didn't factor in indirect benefits, such as reduced employee absenteeism, Moorhead said.

Mounting evidence suggests that disease-management programs more than pay for themselves, she said.

Moorhead said a chronic-care IT program deployed for New Jersey's Medicaid population two years ago saved the state \$1.3 million during its first year -- a 2.44-to-1 return on investment. Florida Medicaid, now in the seventh year of its disease-management program, reports a 25 percent reduction in hospital admissions.

Julie Wilson, chief people officer for Cerner, said outcomes data are not yet available for the Juvenile Diabetes Initiative. But with 10 percent to 15 percent of workers -- those with chronic conditions -- accounting for 70 percent to 80 percent of employer health care costs, the need for more disease-management programs is obvious, she said. Therefore, Cerner plans to introduce programs for Type 2 diabetes, asthma, congestive heart failure, sleep disorders, depression and cancer next year.

Cerner will roll out the programs at its on-campus employee clinic and in the Health Clinics that the company is establishing for other large employers nationwide.

In the meantime, the Type 1 diabetes initiative demonstrates the effectiveness of Cerner software to potential electronic medical record clients in Cerner's core hospital and physician markets, spokeswoman Kelli Christman said.

The trend toward higher insurance reimbursements for providers that deliver the best outcomes should increase demand for disease-management software, Moorhead said.

In the meantime, she said, companies like Cerner and Browsersoft are smart to be gaining a foothold in the space.

rroberts@bizjournals.com | 816-421-5900

All contents of this site © American City Business Journals Inc. All rights reserved.