

## Insight Driven Health

### Healthcare For Here or To Go?

Rising investment in on-demand health services reflects an appetite for change.

On-demand is in demand. Consumers are yearning for convenience, simplicity, speed and immediate satisfaction. A deluge of digital-first companies are answering the call, offering closed-loop, human-delivered experiences to the consumer in near real time. Traditionally a laggard, Health is near the front of the pack, keeping pace with other hot investment areas such as Auto & Transportation, Food & Drink and Household Chores, to name a few.

In this burgeoning on-demand economy, market entrants have developed solutions that address activities previously perceived as dull or demanding. For instance, [Wype](#) brings car-washing services to you, at your convenience. [Drizly](#) offers cold alcoholic beverages, delivered within an hour, at the click of a button. [KitchFix](#) creates fully prepared, chef-crafted meals and delivers them to your front door. [Cambly](#) provides instant access to English tutors for non-native speakers through its 24/7 video chat app. Not to be outdone, Health is finding its footing, notching two spots in the On-Demand Top 10 (see figure 1).



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# Health: An unexpected contender

Given the increasing thirst for on-demand services, it's no surprise that investment in these services is rising. From 2000 to present, more than 230 on-demand companies have raised a total of \$12.5 billion<sup>1</sup> (see Figure 2). Across the \$12.5 billion, investment is distributed into six primary categories:

- Auto & Transportation - 76%
- Food & Drink - 10%
- Health - 6%
- Household Chores - 3%
- Logistics - 3%
- Professional - 2%

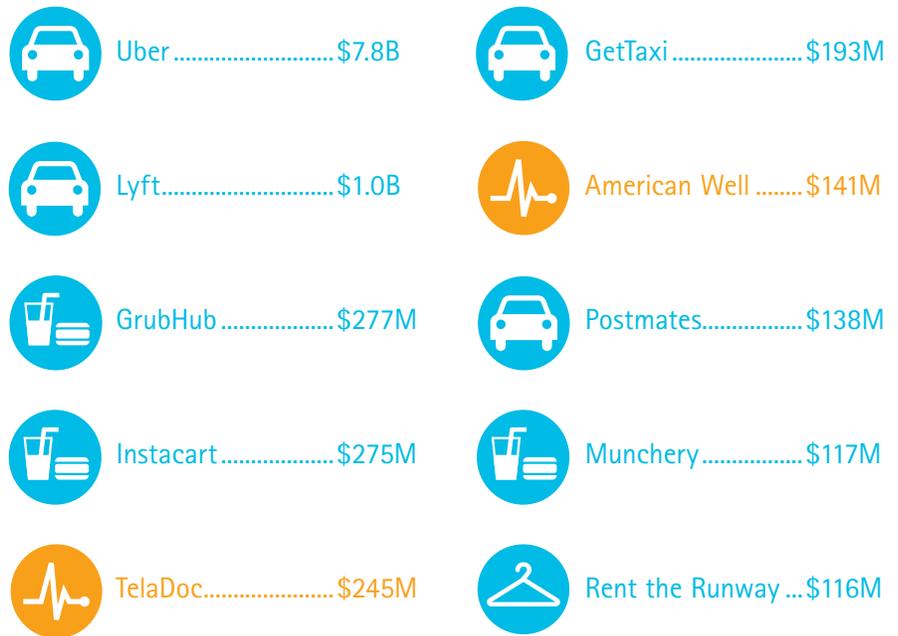
Remove on-demand juggernauts like Uber and Lyft, and Health is among the leading categories of funding, representing one-fifth of total on-demand funding (2000 to present).

Surprising to most, Health represents the second fastest growing on-demand segment. The number of on-demand health service companies has spiked from four in 2010, to 42 in 2014, with annual investment growing at a CAGR of 224 percent over the same time period.

Already, pioneering organizations are creating new experiences that blend on-demand categories. Ecosystem permutations include combining the Food & Drink and Health categories. Imagine the clinical benefits when diabetics or heart disease patients have low-sodium, low-fat or vitamin-rich foods delivered to their door. By combining Auto & Transportation and Household Chores, consumers can successfully "age in place." Even more, those in urban settings can take advantage of convenient Health services, such as in-home visits delivered to patients at home or at the office.

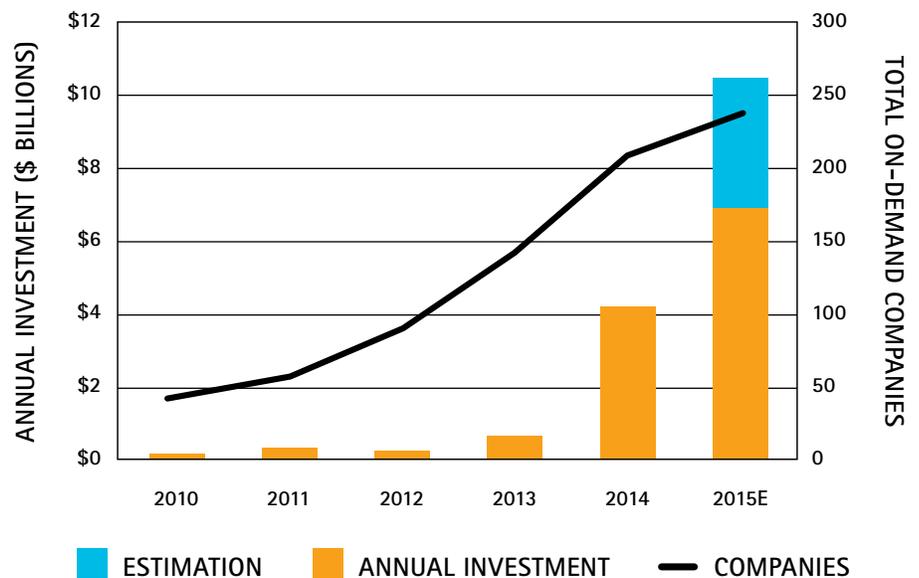
Figure 1. Top 10 funded on-demand companies

Two of the Top 10 Focus on Healthcare



Source: Accenture Research and CB Insights

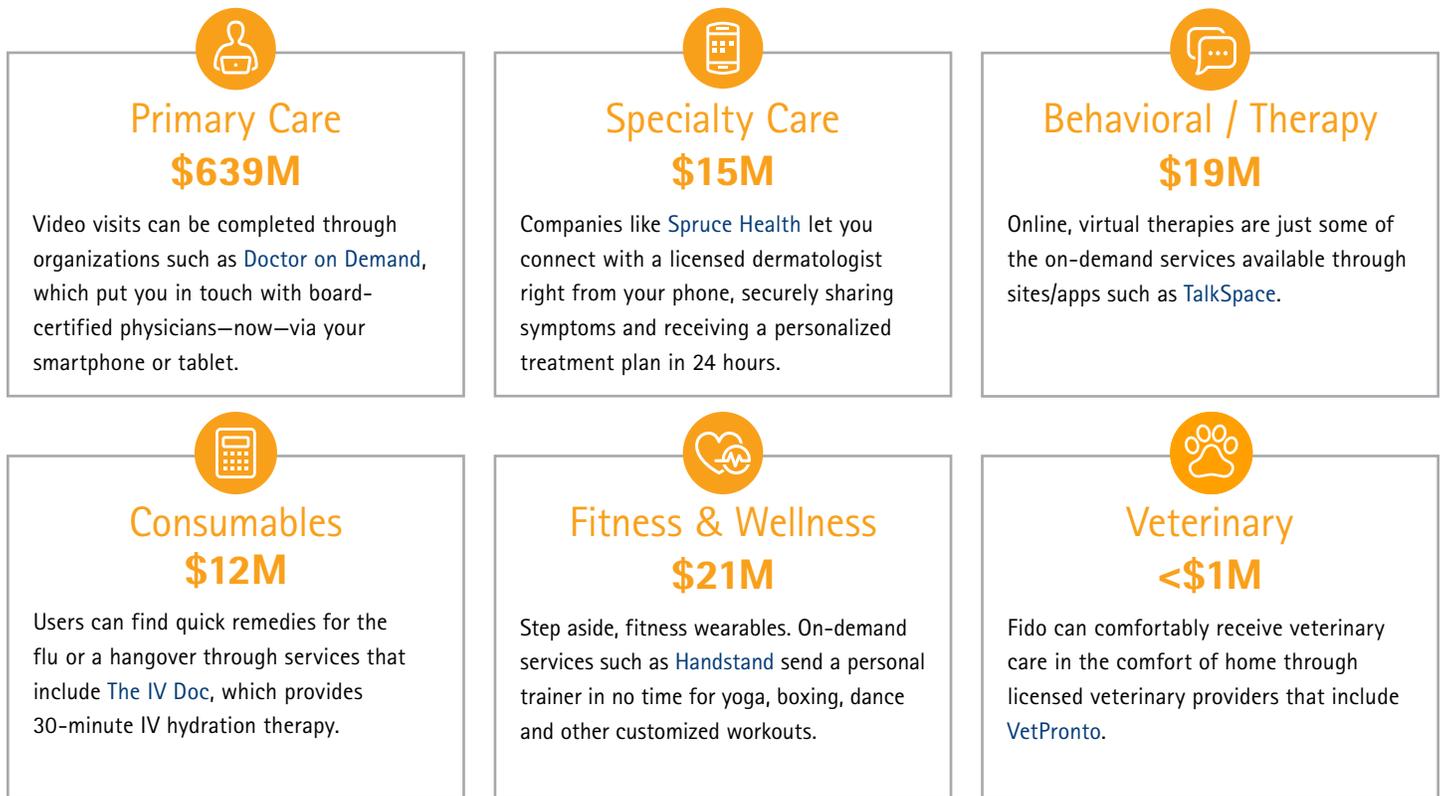
Figure 2. Investment in the on-demand economy is on the rise



Source: Accenture Research

<sup>1</sup> Accenture Research, 2015 figures are estimates, annualized based on Sept. 1 numbers.

Figure 3. On-demand health market segments and funding, 2010–2015<sup>2</sup>



Source: Accenture Research

## Supercharging the on-demand engine

According to Accenture research, funding for on-demand health services will quadruple by 2017, growing to nearly a billion dollars in annual investment. Several accelerating forces will further propel the on-demand economy in health:

**Government-mandated change.** Large payers are now reimbursing for virtual visits—and government is backing the approach. Telehealth Parity Laws are currently passed in 29 states, up from 21 states at the beginning of 2014.

**Attractive economics.** On-demand, virtual visits simply cost less: 40 percent of the cost of the average PCP visit, 26 percent of the average urgent care visit and 4 percent of the average emergency room visit<sup>3</sup>.

**Technology maturation.** As of May 2015, 187.5 million people in the US owned smartphones<sup>4</sup>. The ubiquity of mobility and network connectivity is propelling the on-demand economy, with every consumer a potential user of services.

**Cultural adoption.** Expectations for seamless, coordinated services are not limited to Gen X or Y. Consumers of all ages, including senior citizens, are demanding convenience and connectivity—and many want these experiences when it comes to their health. For instance, 57 percent of seniors are seeking digital health options for managing their health services remotely<sup>5</sup>.

**Emerging care models.** Payers, or stakeholders in risk-based models, want to create best-in-class benefits packages that introduce new products and services that will attract and retain members, while reducing

medical cost. On-demand services can be such an offering and differentiator, as well as a boon for patient engagement.

## The future of healthcare—just clicks away

Accelerating forces will continue to transform the industry, speeding the transition from “healthcare to lifecare” through cheaper, quicker and more convenient care delivery. And, as investment in on-demand health services continues to accelerate, breakthroughs will disrupt the market, creating new social interactions and experiences. New, higher standards for service delivery will require organizations to shed the old ways of approaching healthcare, and rapidly accept the digital era.

<sup>2</sup> As of September 2015

<sup>3</sup> Annals of Internal Medicine, Washington Post, American Medical Association, TelaDoc

<sup>4</sup> comScore; “comScore Reports March 2015 U.S. Smartphone Subscriber Market Share,” May 7, 2015, online at <https://www.comscore.com/Insights/Market-Rankings/comScore-Reports-March-2015-US-Smartphone-Subscriber-Market-Share>

<sup>5</sup> Accenture 2014 Patient Engagement Survey

## Methodology

Accenture assessed the number of on-demand companies and investment funding from 2010 through September 2015. The analysis focused on early-stage, digital-first businesses that through connected devices offer closed-loop, human-delivered experiences to the consumer in near real time. Companies are identified and vetted by Accenture, with funding data collated from a number of primary and secondary sources.

## For more information

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