

## Health Care

# Digital and mobile startups are fueling health care innovation in Dallas

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Entrepreneurs across the country are transforming the health care industry through technology.

Digital and health information tech startups are growing as doctors, hospitals and administrators look for ways to provide better care and reduce costs under federal mandates.

Consumers, too, are embracing mobile tools to be healthy.

Dallas is no exception.

“D-FW has a tremendous amount of health information technology activity, far more than we give ourselves credit for,” said Dr. Hubert Zajicek, co-founder of Health Wildcatters, a new seed accelerator for digital health startups in Dallas.

“An extremely competitive health care delivery market in the most rapidly growing top five American metro areas, combined with our strengths in technology and telecom, provides fertile grounds to grow and support the newest crop of innovative health care startups in Dallas,” he said.

To get a picture of the activity, we talked with executives from three health care startups in D-FW:

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Vivify Health, a Plano company that developed a cloud-based platform for remote patient monitoring.

Axxess Technology Solutions, a Dallas company that uses cloud-based software to perform administrative functions for home health care agencies.

DealWell, a Dallas firm that has a website where people can shop for the best deals in health care services.

### Vivify Health

For the last several years, Vivify has been developing its platform for remote patient monitoring and testing it with several hospitals and other partners, such as Texas Health Resources and AT&T Inc.

In May, the company announced it raised funds from venture firms Ascension Health Ventures and Heritage Group, whose partners include hundreds of hospitals. The startup, founded as Intuitive Health in 2009, also rebranded itself.

Regulatory filings put the investment at \$3.4 million, but founder and CEO Eric Rock said the amount is much larger, though he declined to provide an exact number.

With the funds, Vivify plans to jump-start the marketing of its platform to users, such as hospitals, home health care agencies and physician practices. It also plans to offer a direct-to-consumer product soon.

Rock described Vivify's software as a tool that seeks to reduce hospital readmissions, improve care and reduce costs — challenges facing the health care industry amid reforms.

“Driven by extreme demands on the crumbling U.S. health care system, care must now be delivered outside the four walls of the hospital,” Rock said.

Vivify's software, Rock said, is less costly and easier to use for both patients and providers because it uses common consumer devices, such as mobile tablets and computers. The platform also provides video conferencing, educational health videos and customized care plans.

Here's how it works: Using a tablet, for instance, patients log onto the Vivify platform from their home. Depending on the plan customized by a physician or provider, patients typically answer a daily health survey, keeping track of their weight, blood pressure and other vital signs. Vivify's platform can be integrated with other devices like a scale or a blood glucose meter.

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On the other end, doctors can monitor the patient's progress remotely.

Preliminary results from a pilot involving AT&T and Texas Health Resources using Vivify's platform have shown positive patient feedback and reduced readmissions for chronic heart patients, according to the Texas Health Research & Education Institute.

St. Vincent Health, Indiana's largest health system, is getting ready to launch a large-scale program to monitor patients using Vivify's software in July, said Dr. Alan D. Snell, St. Vincent's chief medical informatics officer.

On any given day, health care providers expect to monitor 500 patients who have complex chronic diseases, as well as those discharged with specific diagnoses such as heart failure, heart attack and pneumonia, Snell said.

St. Vincent chose Vivify as its software vendor because of "the flexibility of their platform and software, their analytic capabilities and their progressive view of where remote care management should be going," Snell said.

Vivify is Rock's third startup and second in health care.

Two previous ventures had successful exits. His first, ProHost, a table management system for restaurants, was sold to OpenTable. MedHost, focused on emergency room information systems, was also acquired.

## Axxess

In six years, Axxess Technology Solutions has grown into an \$8 million business.

Dallas-based Axxess provides cloud-based software that serves as the clinical, operational and administrative backbone for home health care agencies.

The home care market represents about \$68 billion a year in U.S. health spending, according to McKinsey & Co. The consulting firm said in a study that technology can be the main driver for expanding the market.

Axxess CEO Niyi "John" Olajide saw the underserved technology market in the sector when he started his business as a one-person consultant a decade ago.

At that time, he was a telecommunications engineering student at University of Texas at Dallas. While visiting an aunt who was an administrator at a home care agency, Olajide noticed the computers were not set up under one network.

After inquiring about the issue, he was hired as an IT consultant. That job led to others, and Axxess was officially created in 2007.

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After realizing that Olajide was solving similar problems for his clients, Axxess decided to develop Web-based software that would help home care agencies automate their business. The product launched in 2011.

“We saw a need for that and set out for the home health care software market and haven’t looked back since,” Olajide said.

Administrators and health care providers can schedule patient visits, bill insurance providers and document patient care plans using Axxess’ software. Since it is cloud-based, nurses can update patient files or access medication guides on any mobile device during a home visit.

For MedPro Health Providers, a home care agency outside of Chicago, using Axxess’ software has reduced time on paperwork, cut the hassle of billing and made patient care coordination among the various providers easier, said chief executive Riz Villasenor.

“As we work with hospitals and other institutions, the ability to share information swiftly and the right information is also a big plus when you’re working in an environment like health care,” Villasenor said.

Today the startup has 800 customers in almost 40 states, serving about 150,000 patients.

Olajide bootstrapped the business and has not taken any outside investment. The startup has been profitable since 2011.

Now the firm, which has 53 employees, faces a different challenge.

“We’re always looking for talented people, and we can’t find them fast enough to maintain our pace of growth and innovation,” he said.

## DealWell

The Internet has changed the way we shop for most everything.

One exception has been health care. Now, an increasing number of startups are trying to create marketplaces where consumers can shop around for the best deals for medical services.

Dallas-based DealWell is one such company.

The website officially launched in August to offer services in nine categories in the Dallas-Fort Worth region. They are chiropractic services, cosmetic surgery, dental,

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eye exams/Lasik, hormone therapy, massage, medical imaging, medical/day spa, and weight loss and management.

“We’re bringing price transparency and comparison shopping,” said Geoffrey Fischer, DealWell’s chief executive, whose experience includes working at Microsoft’s MSN division. “We’re making the market more efficient and helping customers get good deals.”

The startup is backed by Plano-based Preferred Medical Holdings, a provider of MRI services in the region.

Every offer on the site is at least 20 percent off retail and as much as 85 percent in some cases. DealWell vets providers that sign up, checking their credentials.

Consumers can buy a deal or bid for a better one. Think of DealWell as being like Priceline for health and wellness services.

And unlike popular deal sites, offers do not expire and consumers can choose from a variety of providers for a single service, Fischer said.

Fischer declined to provide revenue but noted that sales have been increasing 25 percent monthly. Several thousand customers have bought a deal on the site.

DealWell takes a cut of each sale. Fischer declined to give an exact figure but noted that it was far less than the 50 percent split that deal sites like Groupon reportedly take.

DealWell providers also pay a small monthly fee to participate.

William A. Moore, clinical director of Dallas-based Advanced Skin Fitness and Advanced Men’s Clinic, has been using DealWell since last fall.

Moore said the clinics have seen a “great return” from DealWell. In several cases, DealWell customers have bought additional services.

“They’re not deal hopping,” he said. “They seem to be a more loyal clientele.”

Follow Hanah Cho on Twitter at @hanahcho.

By the numbers: Digital health care

## 73

Percent of doctors who believe health information technology will improve the quality of health care in the long term

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**43**

Percent of physicians who use mobile health technology for clinical purposes

**35**

Percent of U.S. hospitals that have converted to electronic health records

**44 million**

Number of mobile health care and health apps downloaded in 2012

**\$1.4 billion**

Amount of venture funding raised for digital health startups in 2012

SOURCES: Deloitte; U.S. Department of Health and Human Services; Juniper; Rock Health