



Comments from the HIMSS Show Floor

By John Russell

March 07, 2007 | NEW ORLEANS -- Given the variety and apparent robustness and sheer number of health-IT products being displayed at HIMSS last week, it's hard to believe the healthcare industry isn't further along the adoption curve. Here are snapshots from a few conversations with vendors on the HIMSS floor.

Motorola Enterprise Mobility Business (formerly Symbol)

Early in January, Motorola purchased Symbol Technologies whose sales were around \$2B last year. Symbol has had a dedicated healthcare sales effort for 12 years. Leading the new the healthcare of the new Motorola Enterprise Mobility Business (MEMB) is Jeffrey Schou, a longtime Symbol executive. In turn, the MEMB is embedded in Motorola's \$14B Enterprise Network Division.

Schou says, "Many people are calling this a reverse acquisition. We're actually absorbing Motorola folks and Symbol Long Island headquarters now serves as our headquarters. From a functional perspective things have not changed a whole lot for us, but we have more products to sell, and I hope we'll have more resources for product development."

It's strictly a hardware business encompassing barcode scanners and mobile computing infrastructure and devices. Most of the mobile computing devices are ruggedized and generally application specific. The main route to market for Motorola is through organizations such as McKesson, Cardinal, and Mediware. "They use our devices for taking their clinical IT systems to points of care whether it's a laptop on a cart, corridor, or mobile computer with a scanner integrated into a radio," says Schou.

Microsoft / Allscripts

If there were doubts about Microsoft's appetite for the healthcare market, CEO Steve Ballmer's opening keynote made plain the software giant's desire. The Redmond Washington company already has about \$1 billion in healthcare-related revenues. Fulfilling its ambitions may be tough given recent announced support for Linux by healthcare technology providers such as McKesson.

On a more tactical basis, Microsoft's business development director for healthcare, Nathan McLemore, and Allscripts' chief marketing officer, Dan Michelson, were meeting with attendees to talk about the National ePrescribing Patient Safety Initiative (NEPSI) they are part of. NEPSI's supporters include a raft of notables, such as Dell, Cisco, Fujitsu, and Google.

NEPSI hopes to entice physicians to use free, web-based eRX software, based on an Allscripts product already being used by 20,000 physicians. More information is available at www.nationaleRx.com. It will be interesting to follow how attractive this offering is to doctors. Allscripts, of course, is a dominant player in onsite prescribing and dispensing software and also offers EHR and practice management solutions.

It's also interesting to recall Allscripts roots. Founded in the mid 1980s as a pharmaceutical repackaging firm (and PBM), it changed direction in 1997 when Glen Tullman joined as CEO. He'd already run a company that provided software, hand-held computers, and service for automating the repair estimate process for auto-body shops. He saw the similarities to healthcare -- lots of docs and a smaller universe of insurance payers that control co-payments and reimbursements -- and led Allscripts into that market and has expanded the product portfolio over time.

Sage Software Healthcare Division

Last fall, Sage scooped up Emdeon Practice Services and re-branded it as Sage Software Healthcare Division (SSHHD). Now the emphasis is on cross selling Sage's entrenched financial and credit card transaction services into Emdeon's medical customer base. Long a strong player in the small-to-midsize market for practice productivity software (20,000 installations) and services, SSHHD touts the tight integration between its applications. Sage was focused more on general business and its products include Act contact database, Peachtree accounting software, and Intuit's Quicken product line.

SSHHD recently released Intergy 3.5, the latest iteration of its integrated EHR, Electronic Data Interchange (EDI) applications, and practice management system. "Our goal is not to be first-to-market with technology," said acting CEO Andrew Corbin. "Our goal is to be solid to market, with an emphasis on specific specialties. As the marketplace will see with this evolution of Intergy by Sage Version 3.5, we've focused intently on delivering tangible benefits, with a targeted emphasis on OB/GYNs."

Unlike many acquisitions, which are quickly followed by staff cuts, the headcount at SSHHD has risen to roughly 1800, largely because there is more to sell.

GE / MobileAccess

Got a big job? If so, that's the opportunity the alliance of GE and MobileAccess want to exploit. GE Healthcare and MobileAccess are jointly offering complete wireless infrastructure solutions, basically all devices using 600 MHz to 5.8 GHz, everything from RFID systems to PACS to dedicated telemetry equipment. The nature of the beast means they are focused mainly on new construction or extensive retrofits. Part of what's new is a commitment to support open standards.

Working together, GE developed a new antenna to support dedicated telemetry needs. For the partners, HIMSS was less a forum for new product launching than marketing their efforts. MobileAccess has roughly 1000 wireless infrastructure installations, including the U.S. House of Representatives and the Senate. These are big ticket items.

Hewlett-Packard

Make no mistake, the annual HIMSS conference mainly attracts folks from large institutions; small practice docs and IT support staff -- to the extent there is such a thing - - are less abundant here. In that vein, HP's Ken Jarvis, director, HP Americas healthcare industry solutions marketing, was waving the HP enterprise capabilities flag.

"I don't think about small to medium size doctors," he says flatly, agreeing they are important but best served by HP's Personal Systems Group. His organization is part of the HP Technology Services Group serving enterprise and middle market accounts "The middle market is very underserved," he believes.

Jarvis says HP needs to be more effective in communication its strengths. "I don't think people have an awareness of our capability to deliver horizontal solutions, especially in the healthcare industry. We've done a better job in telcos and finance. It's an awareness issue more, not a delivery issue. We have horizontal solutions, with a vertical wrap, and [even some] vertical solutions. "

The HP "Digital Hospital" vision is one of unifying its tangle of networks -- medical device networks, communication networks, entertainment networks, IT admin, etc -- into a single IP-based network and building user interfaces to manage the various pieces. One example Jarvis cites is a two-year old "Digital Hospital" deployment at St Olav's Hospital in Trondheim, Norway. The Olaf system can alert doctors to an emergency, locate them and stop elevators that are nearest to them for their use to get to the emergency.

Active Health

Founded in 1998, Active Health provides a service to Healthplan organizations to help identify and flag potentially bad decisions being made by doctors as well as to guide efforts to prevent errors or prompt needed care. Here's how it works. Culling through the medical literature, Active Health has built a database and rules engine -- CareEngine -- to apply against claims data. If the system identifies a problem, for example a problematic interaction between drugs, it triggers an alert, which is phoned, faxed, or sent by letter depending on the severity.

"We have 14 million lives under management. We have about 22 health plans and 50 large employers. The bottom line is it saves money. We did a peer review academic study. So we took a 40,000 member population and split it in half, and had CareEngine manage half of it and our system saved \$8 per patient per month," says CTO Jeff Nadler.

Typically, the arrival of new data from a client initiates the system, but it can also be set to run at various intervals to monitor specific condition. For example, diabetics are advised to have regular eye exams; the system can be set to regularly look through

records to determine if a recent eye exam is on record. Active Health has a staff of 18 board-certified clinicians reading the literature and incorporating the data into the rules engines. It also has a formulary engine for monitoring prescription choices.

Siemens Medical

The Siemens pavilion was a sprawling campus perhaps befitting its broad product line. Donald Rucker, VP and chief medical officer, says Siemens broadly lumps the health-IT market into two categories, workflow and more broadly diagnosis. No surprise that Siemens wants to dominate diagnostics. It offers virtually every kind of imaging technology.

“You could call [the imaging business] sort of *in vivo* diagnosis. With the acquisition of Bayer’s diagnostics business for about \$5 billion and Diagnostics Products Corporation for \$1.8 billion, we now have a relatively broad line of *in vitro* diagnostics, mostly reagents,” says Rucker. “There’s a belief I think that some of these reagents will [eventually] cross from *in vitro* to *in vivo*.”

Rucker says, “We want to be well positioned with a distribution channel with a rich set of machines, so when you buy the companies you’re not just getting reagents, you’re getting a platform. This is high dimensional medicine.”

DNA sequencing is not currently in the mix, but Rucker doesn’t rule it out. He also emphasizes the informatics component. What used to be simple images now produce “half a gigabyte” of 3D data sets and a lot of the interpretation is really interrogation of the data sets” by computers.

Flo Healthcare

The market for so-called computers on wheels (COWs) and workstations on wheels (WOWs) is estimated to be around \$200 million with the vast majority spent in the U.S. One reason it’s hard to get a handle on the market is the considerable number of suppliers. Flo Healthcare is one market leader, but because the barrier to entry is low, the market also supports a fair number of “white box” suppliers -- usually small integrators serving smaller market niches.

These rolling computers come in widely varying sophistication, and generally range between 100 and 250 pounds. They can include secure storage compartments for medications, barcode scanners, vital signs monitors, among other things. Mostly, COW and WOW makers just supply the hardware and the buyer adds needed application software.

“Our sweet spot is to stay as close to that 100 pounds as possible,” says Keith Washington, VP and GM for Flo Healthcare. “We’re target hospitals’ inpatient acute care and bedside application. New areas for us are PACS and surgical areas for review documentation and medication and also Tele-health initiatives.”

Even though Flo is a market leader with roughly 25% market share -- Washington calls it the Dell of the market -- the company has only been around since 2003.

At this HIMSS, Flo is rolling out its new 1800 model whose distinguishing features, says Washington, are its ease of service; optimized infection control; improved ergonomic; and full compliance with international standards. For example, "The way we charge the system and the way we distribute power is integrated so users can't do something that could cause harm," he says.

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