

Joint Effort Seeks to Connect Health Records and Care Providers

Wes Rishel

An AT&T, Covisint and Microsoft joint announcement regarding health information exchange products is mostly old news. But it provides insight into an important business strategy for HealthVault.

NEWS ANALYSIS

Event

On 23 June 2008, Covisint, Microsoft and AT&T issued a press release about synergy among their health information exchange (HIE) products. Covisint software will connect Microsoft HealthVault and the AT&T Healthcare Community Online (HCO), a virtual-private-network-based portal.

Analysis

This announcement restates previously announced bilateral relationships between Covisint and each of the other vendors. Its true significance lies in the synergy the trilateral relationship brings to HealthVault and HCO.

For AT&T, it ensures that state governments and other HIEs that want a HealthVault connection will obtain it through the HCO package. AT&T must also find a way to provide access to the primary HealthVault competitor, Google Health.

For Microsoft, the relationship solves a problem that poses a daunting barrier to achieving critical mass. Microsoft and Google are vigorously competing in partnering with care delivery organizations (CDOs). Each has succeeded in lining up big-name CDOs. But the most care in the U.S. is delivered by clinicians in small practices. These clinicians generally do not have their own electronic medical records (EMRs). Those that do have EMRs use products that have idiosyncratic interfaces for accepting and transmitting clinical information. Covisint, the underlying engine for HCO, addresses both these issues. It provides a very inexpensive portal with some EMR features which has had some success in bringing online those practices that don't want full EMRs. Its software also greatly reduces the per-practice cost in connecting to those organizations that do have EMRs.

Microsoft faces another challenge with small practices. It must establish a connection that is technologically secure and has been responsibly vetted to ensure that the entities involved are licensed clinicians. Achieving these aspects of security is not conceptually challenging; rather, the challenge lies in making it economical to do so for 250,000 or more small practices. The scale of AT&T offers Microsoft a "retail channel" to small CDOs to complement the "wholesale" arrangements it makes directly with big-name CDOs.

This announcement offers a promising approach to addressing one big uncertainty involving HealthVault: the ability to enroll small practices economically. While uncertainties about consumer and physician acceptance remain, this deal adds to the momentum of HealthVault. Google Health has the same problem; we expect Google to announce a similar arrangement.

RECOMMENDATIONS

- **HIEs:** Consider connectivity to Google Health and HealthVault when choosing a product such as HCO.

RECOMMENDED READING

- "Microsoft and Google Begin a 'Battle of the Brands' for the Personal Health Record" — HealthVault and Google Health represent an important shift in the HIE model, which will

require CDOs to respond by assessing their business strategies and tolerance for early adoption. **By Wes Rishel**

- "U.S. RHIOs: A Hype Cycle Roller Coaster" — The Gartner Hype Cycle for regional health information organizations identifies Covisint as a vendor that is addressing "retail distribution chain" issues. **By Wes Rishel**

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This research is part of a set of related research pieces. See "Roundup of Healthcare Provider Research, 2Q09" for an overview.

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