

Online health counseling grows HealthMedia

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Mark Bialek | Ann Arbor

Business Review Ted Dacko, HealthMedia CEO.

Capitalizing on the wellness and health self-management movement, Ann Arbor's [HealthMedia](#) saw health care license revenue growth jump 100 percent in the third quarter last year.

The online behavior modification company has recorded double-digit revenue increases since 2004, and grown from 50 employees two years ago to 125 now.

HealthMedia's technology acts as an online nurse/counselor, helping patients with everything from wellness regimens to taking their medication.

Founded in 1998 by Victor Strecher as a University of Michigan spin-off, privately held HealthMedia has revenues of about \$20 million.

It has been profitable for two years, CEO Ted Dacko said.

Strecher serves as chief science officer and chairman of the board. He's been researching health behavior change for 25 years and is a professor of health behavior and education at U-M's School of Public Health. Strecher founded the Center for Health Communications Research at the school and directs the Health Media Research Lab.

HealthMedia has enjoyed exposure lately from presidential hopeful and former governor of Arkansas Mike Huckabee, who touted HealthMedia's contributions to cost savings in his state.

Huckabee implemented the programs in Arkansas, and they resulted in productivity savings of nearly \$2,300 per state employee, he said.

The system has the scalability of Web content, meaning it can be easily adapted for five or 5 million, Dacko said.

PRESCRIPTION FACTS

- 70 percent of all medical prescriptions go unconsumed, leading to \$77 billion in excess health

Unlike systems that offer a single approach, Dacko said, HealthMedia provides a tailored product that uses a patient's health care assessment to first find what his or her needs are.

HealthMedia gauges a patient's willingness to change, what his or her motivation is and what the barriers are.

Once identified, the system invites patients into the program and helps overcome those barriers with a customized health plan, said Dacko.

Coaching is focused in four primary areas: health and wellness; disease management; behavioral health; and medication adherence.

Some of the company's 200 clients include the Cleveland Clinic, UPS, Hewlett-Packard, eBay, Henry Ford Health System employees and Kaiser Permanente.

Kaiser Permanente, one of the nation's largest health plans, recently upgraded to the full suite of HealthMedia offerings, Dacko said.

Dacko described the company as still in its infancy, with huge growth potential, attributed not only to the unique nature of the service but spiraling costs.

"There is a health care crisis going on and while people call to make health care affordable, there is only so much money," Dacko said. "A huge part of costs are in preventable diseases...."

And that's exactly where HealthMedia has its base, he said.

"Unfortunately there is a crisis and fortunately for HealthMedia, we are ideally positioned to help with that."

Additionally, the company's outcomes are measurable, and as more people see those statistics, they understand the return on investment, he said.

"(We're) saving companies in both health care costs and in increased productivity," Dacko said. "We have proven that we can do two very important outcomes. We are talking about the gold standard, that's really the fundamental of our success."

Dacko said he sees no reason why the company can't continue with double-digit revenue increases into the foreseeable future.

"I think they're exactly right, there is enormous potential for companies like this to help employers, particularly here in Michigan because we have one of the most unhealthy populations and work forces," Michigan Health and Hospital Association vice president Brian Peters said.

"We're seeing so many employers stepping forward in this regard, there is only so much savings they can get with improvements in efficiencies and in drugs," Peters said. "But in the end what will make the change is consumer-driven prevention and wellness and the extent we can put tools in their hands, that's a model for the future without question."

care costs each year.

- 30 percent-85 percent of patients may disregard refills, depending on the disease and treatment regimen.

- Up to 85 percent of patients do not refill prescriptions and complete their treatment regimens.

- 10 percent to 20 percent of initial prescriptions go unfilled.

- Up to 20 percent of all hospital and nursing home admissions and 125,000 deaths annually are attributed to noncompliance.

*Source: Cutting Edge Information, Durham, N.C.
www.cuttingedgeinfo.com.*

Ironically, Dacko said, very few of HealthMedia's customers are in Michigan, which often is identified by studies as one of the least healthy states.

"It could be that Michigan is a state saying 'You're a Michigan-based company and how good can you be,'" Dacko speculated. "It could be that Michigan residents could be (slow) to adapt to technology.

"We have more customers in Arkansas and Mississippi than in Michigan, which is the opposite of what you'd expect," he added.

The company's roots in Ann Arbor are firm, Dacko said, but there's no guarantee that it wouldn't have to move elsewhere if acquired by another company.

"We're happy to be a spin-off of the university, we're happy to be part of the life sciences corridor and we're happy to try to fill in and do our part in helping fuel growth," he said.

"There are advantages to being here. It's nice to be in Ann Arbor, there is a wealth of talent in Ann Arbor, it's an attractive place to be as an employer and based on our roots, it's highly unlikely we would move out of state."

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