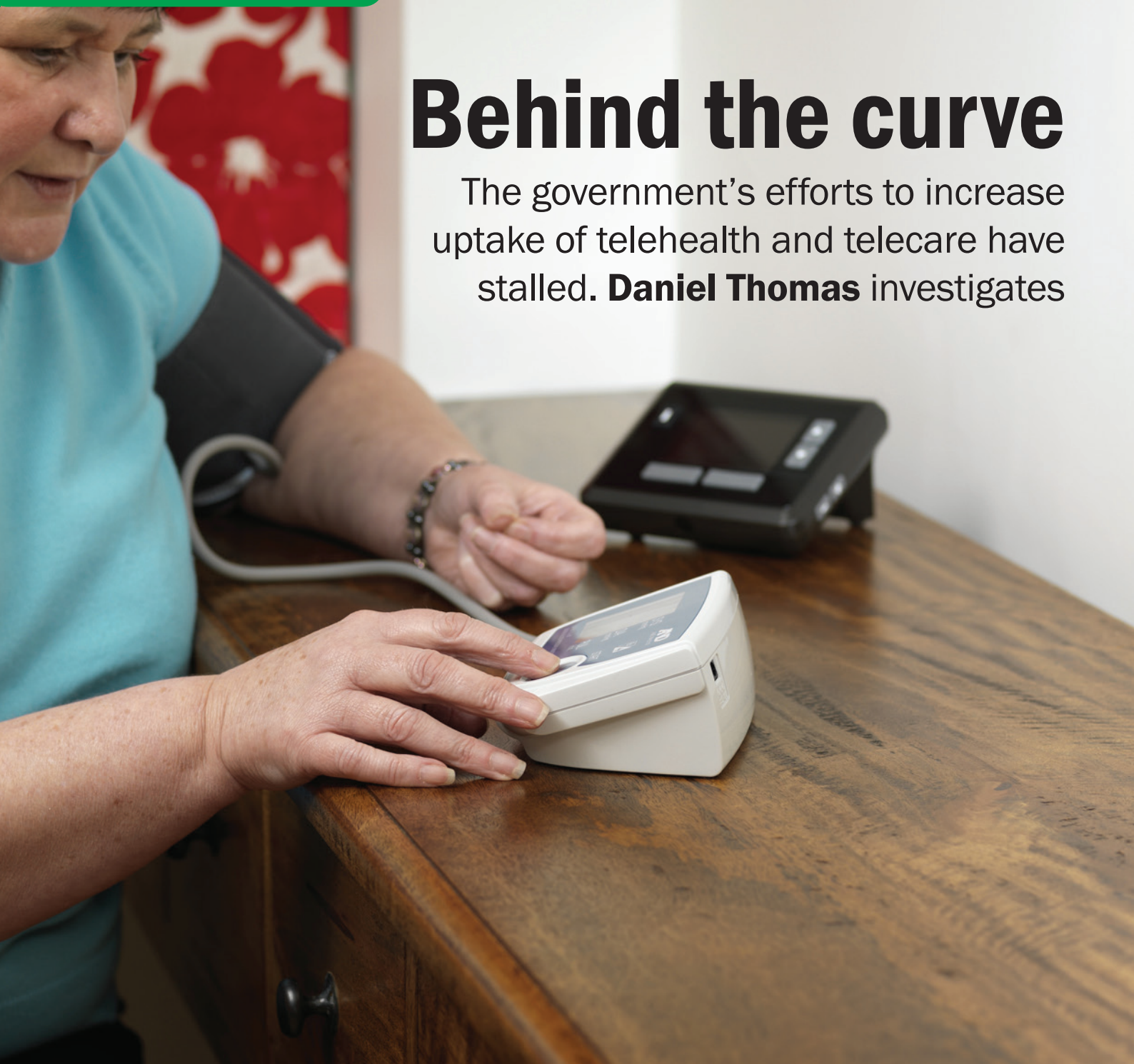


Behind the curve

The government's efforts to increase uptake of telehealth and telecare have stalled. **Daniel Thomas** investigates



Just two years ago there was a distinct air of optimism around the telecare and telehealth markets. The Department of Health (DH) had pledged to extend health technologies to three million people in England by 2017, enabling many people in social care or with chronic conditions to manage their conditions at home. Not only would that ease NHS costs, it argued, but also give Britain's health-tech industry a much needed boost.

By last summer, though, such high hopes were fading. Uptake of new technologies

by the NHS had stalled, while countries like the US, Israel and Australia were adopting new solutions with gusto. Worse still, some British companies were in trouble: in August, the mobile communications giant O2 announced it was to pull its telecare and telehealth products from the market, due to low uptake. Just six months earlier, though, managing director Nikki Flanders had claimed the firm was on the "cusp of a technological revolution".

Such horror stories thankfully remain rare, but they do highlight an awkward trend: that the US could be adopting and selling far more technology to aid health and social care than it currently does. So

why have we been so slow off the blocks?

First to note, the country is not starting from a low base in this space. When it comes to telecare (*see box 1 for definitions on telecare and telehealth*) most recent estimates suggest there are around 1.7 million users in the UK (*see box 2*). Not bad, say some, although penetration could still be much higher.

When it comes to telehealth however, our take-up is lacklustre. Just 10,000-15,000 are using remote health monitoring technologies in the UK according to recent estimates. By comparison, the figure was nearer 227,000 in the US at the start of 2013.



photos: Tunstall Healthcare



Telehealth

Telehealth involves the remote monitoring of patients, typically with chronic conditions such as COPD and diabetes. It is more complex to deliver than telecare and a much younger industry, too. Advocates say it could revolutionise healthcare delivery by saving clinicians time and money. According to most recent estimates there are just 10,000-15,000 users in the UK.

Telecare

Telecare allows the elderly and those with chronic conditions to live independently, and usually comprises devices such as alarms and sensors. It is a market in which the UK performs well by international standards—there are 1.7 million users according to most recent estimates. However, a study from Deloitte published in 2012 suggests penetration could be higher: only £28 million (4%) of the £648 million the NHS allocated to local authorities to support social care services in 2011-12 went on funding telecare services.

Jumping the gun

The whole point of the '3millionlives' campaign was to change this. Launched in January 2012, its mission is to convince more NHS clinicians to try technology-based care solutions, using the findings from a major randomised control trial – the rather ominously titled 'Whole Systems Demonstrator' (WSD). Launched by Labour and concluded under the coalition, WSD involved over 6,000 patients and yielded some compelling results: telehealth and telecare were shown to have led to a 45% reduction in mortality rates, 20%

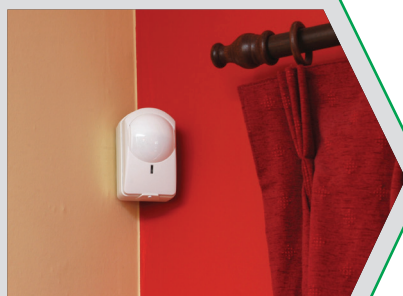
reduction in emergency admissions and 14% reduction in bed days.

But not everyone was convinced by the data: a report, published in the *British Medical Journal*, suggested that some of the trial's clinical findings were equivocal, and benefits had been overstated. Another report, in the same journal, found the pilot had been three times more expensive than the cost-effectiveness threshold set by NICE (£30,000).

It was here that the government made its big mistake, by throwing caution to the wind and pushing ahead with the campaign anyway. Despite its ambitions to reward organisations for

adopting new technologies through a tariff system, simplify procurement and educate commissioners, 3millionlives has failed to take off. Commissioners, doubtful of the efficacy of telecare and telehealth, have not bought in, in anywhere near the numbers anticipated (see box 2).

"If you're a commissioner having to make a business case for the equipment and services that come with it, you'll be challenged on what the evidence base is," says Richard Sloggett, associate director of health at MHP Communications. "An evidence base that is still being contested makes that job a lot harder."



PIR detectors



Chair monitors



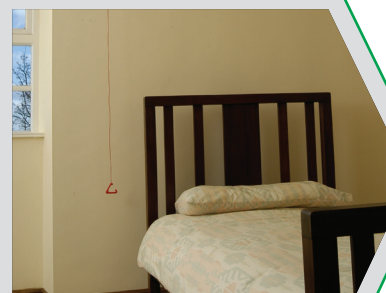
Flood detectors



Pressure mats



Epilepsy detectors



Radio pull cords

Staggered start

The 3million lives campaign promises to boost uptake of telehealth and telecare dramatically, but it'll struggle to meet its target. In November 2012, Jeremy Hunt pledged to extend telehealth services to 100,000 patients across seven 'pathfinder' areas in 2013. However freedom of information requests submitted by *GP* magazine to 26 pathfinder CCGs in those areas, revealed that just 2,368 patients were actively using telehealth in September 2013. According to one source, the target has been "quietly binned".

Not in my back yard

That's meant huge frustration for telehealth and telecare providers, which expected the WSD data to unlock a wave of new business opportunities. However, to blame the government entirely for this would be unfair say others. For one, local authorities and the NHS – the main markets for telehealth and telecare – have always been cautious when it comes to new technologies. "Healthcare in the UK has been inherently conservative," says Leonid Shapiro, managing partner at the consultancy Candestic. "No one wants to be a guinea pig and be the first one to try something

new in case it goes wrong."

The reforms of the Health & Social Care Act 2012 have only exacerbated this. By devolving power to bodies like NHS England, foundations trusts (FTs) and clinical commissioning groups (CCGs), the DH has greatly reduced its capacity to drive a campaign like 3millionlives from the centre. (Further to this, CCGs now hold the commissioning purse strings – and as noted, they're not particularly fond of health technologies).

Another bugbear has been the confusion over who should cough up for technologies that, for the most part, are used in the community. Local authorities (LAs) have traditionally shouldered much of the burden,

although the benefits of treating an increasing number of people at home (as opposed to in hospital) arguably benefit the NHS most. As such, LAs may have underinvested in technology based care. Government plans to increase spending on community care through pooled LA and NHS budgets should start to resolve this, though.

"More integration will without doubt see higher uptake of telecare and telehealth by eliminating perverse incentives," Shapiro says. "The more pooled health and social budgets we have, the more people will look at it from a whole system point of view, rather than what's in it for their organisation."



Extreme temperature detectors



Control units



photos: Tunstall Healthcare

A hostile climate?

For now, though, the business climate for telecare and telehealth firms remains chilly. There has been a spattering of notable deals over the last few years, but investors still aren't convinced. According to the head of one private equity firm, despite "rosy" forecasts telehealth remains a "very difficult place to invest in". Telecare is another no-no, he adds, flagging the conspicuous absence of domiciliary care providers using it.

Also affected have been start-ups – arguably the lifeblood of any tech scene – which can find the UK a rather frosty place to launch products. Medopad, whose mobile health solution delivers patient information to doctors via iPads, has managed to pilot its software at BMI Healthcare, a 70-strong private hospital group. But it is yet to gain traction in the much bigger market of the NHS. Chief executive & co-founder Dr Rashid Shahidi says that risk-averseness is a major barrier.

"In an organisation the size of the NHS, processes take far longer, and a lot of good ideas can die within the process. People are also often not given the freedom to try

new things, for fear of the consequences if they make wrong decisions."

Some firms are more upbeat about the current shape of the market, though. British Telecom's health division says it is seeing "a lot of forward thinking" from health and wellbeing boards around joined-up commissioning. Reflecting this, it last year launched a 10-year partnership in Cornwall with the county council, an FT and a non-profit, to deliver integrated solutions to over 12,000.

Tunstall, another big player, says it has seen continued rising demand for its telecare products. And while its telehealth sales have been "stable" in the UK over the last few years, they have grown in the US and Australia. Vital to navigating the current market, says Simon Arnold, UK & Ireland managing director, is "positioning". In response to the reforms of 2012, for instance, the firm is now trying to sell directly to FTs and social care providers, not just CCGs.

It has also begun to develop revenue-sharing partnerships, cutting upfront costs for customers and re-slanting itself as a service provider in the process. The firm exports to 50 countries, too, and says new markets are emerging such as the pharma sector. "If you think of telehealth and

telecare as just a product, and you don't have your proposition right about who you're targeting, then I think it's going to be very difficult," says Arnold.

He is positive the government will meet its three million target by 2017 (Tunstall is one of the leading lights in the campaign, it should be noted), but others would be forgiven for disagreeing. Where there is more consensus, though, is that the underlying drivers of demand in the market are promising. The NHS and LAS face increasing budgetary stress thanks to our rapidly ageing population. And with telecare and telehealth primarily aimed at delivering more care in the community (and less in hospital), commissioners in both sectors are bound to take notice at some point.

For Shahidi, the trails blazed by firms like his in the acute space, may ultimately give the NHS the confidence to adopt new technologies, as well.

"Three years ago when we started, people felt that what we were trying to do was impossible to achieve. But today people are starting to catch up with the idea of mobile health," he says. "I think in another three to five years, peoples' attitudes are going to be very different again." ■