



With nearly 1M consumers using the RelayHealth PHR, RelayHealth is one of the largest PHRs in the market. Company sells direct to physicians providing a platform to securely communicate online with their customers. Platform is interoperable with many clinical systems. McKesson acquired RelayHealth in 2006.

Overall.....	A-
Product.....	A-
Marketing.....	B
Domain Expertise.....	A

Company	Headquarters: Emeryville, CA	Year Founded: 1999
	Website: www.RelayHealth.com	Ownership: Public (McKesson)
	2007 Revenue: \$18-22M for PHR service	
	Number of Employees (as of Jan. 2008):	

Ideal Customer Physician practices and hospitals as well as health plans that wish to provide higher, value-added services to consumers, including secure direct communication.

Product	Product Innovation.....	B+
	Product Execution.....	A

Product Name: RelayHealth Consumer
 Date of Latest Release: Dec. 07, V7.4 Next release scheduled for Apr. 08, V8.1

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|------------------------------|-------------------------|
| ✓✓ Product Breadth | ✓✓ Data & Document Mgmt |
| ✓✓✓ Product Depth | ✓✓✓ Communication |
| ✓ Ease of Use | ✓✓ Interoperability |
| ✓ Flexibility | ✓ Standards Supported |
| ✓✓ Health & Wellness Support | ✓ Portability |
| ✓ Disease Mgmt Tools | ✓ Privacy |
| ✓✓ Interactive Tools | ✓✓ Security |
| ✓✓ Data Export Capabilities | ★ Provider Information |
| ✓✓✓ Data Import Capabilities | Device Connectivity |

RelayHealth is first and foremost a secure messaging system to facilitate online communication between the physician and their patient/customer. The communication features that RelayHealth enables, from simple appointment scheduling, to prescription refill requests and processing, to online consultations, puts RelayHealth in a best-of-breed position for physician-consumer communication capabilities.

In addition to providing common physician-consumer communication capabilities such as scheduling an appointment or requesting a prescription refill, the company has built a significant amount of workflow and intelligent agents into the solution for its online consultation capabilities, WebVisit. WebVisit capabilities include a highly structured, clinical-based template that a consumer must complete to request an online consultation. The template includes drop-down selections, guided menus, prompts, etc. Upon submitting the completed form, the physician receives an in-depth profile of the customer's condition for follow-up consultation. All information becomes a part of the customer's PHR.

Leveraging McKesson's pharmacy platform, the PHR provides medication information including, warnings on potentially adverse drug reactions and rapid distribution of critical updates via the NotifyRx solution.

With the V7.4 release, RelayHealth added the ability to load lab results up into a PHR. At this time there are no charting features for lab results, nor capabilities to upload data from medical devices.

A consumer's PHR is fully portable with the consumer maintaining rights of access even if they leave the physician that first introduced them to the RelayHealth platform. Other physicians may contribute to a consumer's PHR, only if they are a RelayHealth customer. All entries and access to the PHR are fully audited in compliance with HIPAA guidelines.

Marketing Marketing Vision..... B-
Marketing Execution..... B

Primary Market: Providers - Physicians
Secondary Market: Health Plans
Estimated Number of Users (as of Jan 2008): 950,000
Revenue Model: Subscription
Flagship Customers: Aetna, Cigna, BCBS of Florida, Montefiore Hospital NY

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|---------------------------|--------------------------|
| ✓✓ Brand Recognition | ✓✓ Partner Strategy |
| ✓✓ Market Acceptance | ✓ Services |
| ✓✓✓ Geographical Coverage | ✓✓✓ Management Strength |
| ✓✓✓ Vertical Expertise | ✓✓ Go-to-Market Strategy |

Top Three Differentiators:

- 1) Robust collection of APIs and partnerships facilitating interoperability.
- 2) WebVisit streamlines online consultations with clinically relevant questions and feedback.
- 3) Parent McKesson provides deep pockets, an excellent channel and complimentary solutions.

Purchased by healthcare giant McKesson in June 2006 RelayHealth currently operates as an independent division. McKesson has extremely broad reach and penetration in the healthcare sector and can be found in over 65% of healthcare organizations and its Payer solutions reach some 80% of covered lives. This reach provides RelayHealth with what is arguably the best channel to market of any PHR provider today.

RelayHealth, however, is more than just a PHR. Within the RelayHealth portfolio, McKesson has combined other acquisitions, Per-Se Technologies and NDC Health, to provide additional value-added, physician practice features. McKesson is also using the RelayHealth brand for service offerings to pharmacies and health plans, though in each of these cases, PHR functionality (particularly physician-consumer communication) is not core.

Therefore, RelayHealth PHR is targeted at providers to facilitate physician-consumer communication. Providers are assessed a monthly subscription fee for using RelayHealth and the number of customers that they can support via RelayHealth is unlimited. The service is free to consumers with outreach responsibility resting with the provider (subscriber) to educate customers on RelayHealth platform use.

Recently, RelayHealth signed deals with both Aetna and CIGNA to encourage online consultations whereby Aetna and CIGNA have both agreed to start reimbursing physicians for providing such services. With customer-centric payment for online consultations (including co-pays tagged to consumer's insurance profile) embedded right in the workflow, physicians can be guaranteed payment for such consultations. In addition to the connection with these insurers, RelayHealth has also established partnerships with JP Morgan and Bank of America further strengthening the value proposition for physicians as well simplifying a consumer's payment process. With Aetna and CIGNA representing millions of covered lives, this functionality provides a very compelling story that could give RelayHealth significant growth opportunities in the market.

To date, RelayHealth's outreach to the end consumer has been weak as the company relies on physicians for consumer outreach. Despite nearly a decade in the market, they only have some 13,000 physicians representing less than 2% of US physicians today using the system. Thus, consumer reach is constrained. Adding to the consumer challenge is the limited utility of the PHR since only those physicians who are subscribers to RelayHealth have access.

Likewise, RelayHealth's marketing to employers, a growing market for PHRs is also quite thin with many features that this sector seeks such as health risk assessments, deeper and richer content, and incentive management tools non-existent today.