

PSILOS GROUP, A Premier Healthcare Investment Firm Says Consumers Are Getting More Engaged With Their Health and Engagement Is Critical to Solving Current Healthcare Crisis

New 2012 PSILOS Outlook on Healthcare Economics & Innovation States Incentive Programs Are Key to Patient Engagement—Many Programs Already Exist

NEW YORK, NY and CORTE MADERA, CALIF. – April 17, 2012 –Consumers are becoming more engaged in their healthcare and want to be financially rewarded for their efforts says healthcare investment firm [Psilos Group](#) in their new report called *2012 PSILOS Outlook on Healthcare Economics & Innovation*. PSILOS says that incentive programs and personalization are critical factors for enticing consumers to be more active in the day-to-day management of their health and wellness, and lowering the overall cost burden of healthcare today.

A Change for the Better: Involvement In Their Healthcare

Although historically consumers have been largely absent from the healthcare discussion, PSILOS found that more than half of consumers have indeed become more concerned and/or involved in their own healthcare in the last 12 months.

In their *2012 PSILOS Outlook on Healthcare Economics & Innovation*, which investigated emerging trends in consumer engagement, for many people, engagement has translated into direct action. Within the past year, respondents have made a number of positive changes to their health:

- 34.0% started an exercise regime
- 30.8% began to diet
- 27.3% saw a new doctor
- 15% read more or watched more TV programming about health
- 14.6% took required medications more often
- Alternatively, 31.6% revealed that they have not started anything new

Incentive Programs Key to Patient Engagement

In their newly conducted study, using Survey Sampling International with 329 respondents, PSILOS found that the vast majority of consumers believe there should be a connection between healthy habits and financial benefits.

Employer Incentives Becoming More Common

One of the most effective ways to engage consumers in their health and keep them engaged is through financial incentives. Some insurers, such as SeeChange, have responded to the consumer engagement need by building products to encourage and ensure involvement. But it is not just insurance providers who will offer these incentives, but employers too. Already, major companies like Safeway, Wal-Mart and Wells Fargo are championing health plans that reward healthy behaviors. Safeway employees, for instance, are screened for such measures as tobacco usage, weight, blood pressure and cholesterol

levels, and receive a discount for each test they pass. This rewards-based approach to healthcare is popular with nearly half of consumers.

Patient Protection and Affordable Care Act (PPACA) Effect

“The implosion of the national economy is making it more difficult for consumers – and their employers – to ignore the cost of health insurance or the cost of poor health,” said Lisa Suennen, Co-Founder and Managing Director of Psilos Group. “Health insurance reform is also putting the spotlight on consumers and encouraging them to take greater personal and financial accountability for their own health. Finally, technology is starting to enable these changes in a practical way. The widespread availability of sensors and smartphones, augmented by the promise of social media applications in health, has made it far more feasible to effectively engage consumers in a cost-effective and widespread manner.”

“The fact that more consumers are actively engaging in their healthcare is positive news because action is key to prevention,” said Steve Krupa, Co-Founder and Managing Director at Psilos. “And prevention, of course, is crucial to changing the conditions that have led to spiraling healthcare costs. If we don’t begin to foster a prevention-oriented mindset, we will never break the cycle of chronic illness that is driving the vast majority of the cost of our system”

About the Survey

This Psilos-sponsored consumer engagement survey was fielded in February 2012 by [Survey Sampling International](#), the world’s leading provider of sampling, data collection and data analytic solutions for survey research. Results include responses from 329 respondents who opted-in from a nationwide U.S. panel. Respondents were 25 years and older. For more information on the methodology of the survey contact: Rob Wyse; (212) 920-1470; Rob@WT221.com.

About Psilos Group

Psilos Group Managers, LLC (“Psilos”) is a healthcare investment firm focused on providing venture and growth capital to companies operating in the healthcare economy. The firm believes that successful healthcare innovation must reduce cost, improve quality and align incentives across payers, providers and patients. Founded in 1998, Psilos has \$580 million under management and invests across three core healthcare sectors: healthcare services, healthcare information technology and medical technology. Funds managed by Psilos have invested in companies such as ActiveHealth, AngioScore, Definity Health, Extend Health, HealthEdge, OmniGuide, SeeChange Health and VeraLight, among many others, which have played, and continue to play, key roles in the transformation of the U.S. healthcare economy. Psilos has offices in New York, the San Francisco Bay Area and Santa Fe, New Mexico. For more information or the *2012 Outlook on Healthcare Economics & Innovation* go to www.psilos.com.

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