



Value Proposition of the VictoryaHome Project

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VictoryaHome in summary

- ▶ “Care on wheels”
 - Built around Giraff avatar “instant presence concept”
- ▶ Monitors health and safety
- ▶ Provides social contact
 - Extends caregivers rather than replaces them
 - Empowers friends, family *and residents*
- ▶ Integrates monitoring devices with instant presence
 - Fall monitor, activity monitor and medication dispenser
- ▶ Unique tools for building a “network of care”
 - Caregiver dashboard
 - “Serenity” and “Check-in” apps for caregivers
 - “Visit me” app for residents



What makes VictoryaHome unique?

- ▶ Focused on service definition rather than technology
 - Easily said but not easily done for technologists
- ▶ Specific, up-front commitment to commercialize results
 - *“Somebody must believe it is real”* (S. Von Rump)
- ▶ Continuing track record of bringing projects to market
 - AAL – 6 years, 132 projects, 23 countries
 - Yet only a handful of commercial results
 - An exception – AAL *ExCITE* project
 - And hopefully VictoryaHome



VictoryaHome value proposition

- ▶ Starts with AAL goals
 - Sustained/extended independent life at home
 - Cost savings and QoL
- ▶ Extended now to include health care goals
 - Reducing hospital/clinical visits
 - Managing chronic conditions
 - Detecting health problems early (and at home)
- ▶ *“Begin with the end in mind”*
 - Stephen Covey, author
- ▶ Understand the care structure of the target market
 - Who provides care and how
 - Who pays and who makes care decisions - build the value chain
- ▶ Then (and only then) define the service and cost structure to meet the goal



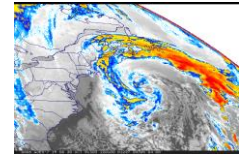
Value proposition example - Netherlands

- ▶ “Early” elderly care is informal
 - With simple point solutions purchased by family
 - And some in-person care paid by family
- ▶ Formal care organizations takes over when needs become more intense
 - Paid for by a complex insurance system that approves services
 - With premium services available and paid for by family
 - *No interim step between home and SNF care*
- ▶ Family is the key decision point
 - They choose between providers and service levels
- ▶ Resulting value proposition
 - Focus on insurance companies by demonstrating economic model; price point <€400/month for home care, well below SNF average of €4000/month
 - Focus on family as a value-add service (especially as provided levels are diminishing)



Value proposition example – U.S.

- ▶ “Perfect storm” driven by ObamaCare (Affordable Care Act)
 - Reform in hospital readmissions, pre-existing conditions, total care
 - Stunning and acute focus on care in home
- ▶ Elderly care paid for by families
 - 10x increase in cost from home to nursing home care (\$500 - \$5000 /month)
 - Desperate for services that extend life at home
- ▶ Acute care paid by insurance payers and federal subsidies
 - Hospitals now responsible for cost of readmissions
 - Accountable Care Organizations (ACOs) must focus on total care in the home
- ▶ Resulting value proposition
 - Service that leverages informal caregiver resource
 - And restores in-home price point (<\$500/month)
 - Extends clinical protocols into the home
 - And provides 6 years of service at the price of one hospital admission



Summary

- ▶ VictoryaHome goal is to provide an intense care environment in the home
 - That supports a network of caregivers
 - And blurs line between social and clinical care
- ▶ Leveraging family resources, putting them back in charge
 - And their desire to be part of care process
 - And elderly who also want to be a part of the process
- ▶ Up-front decision and commitment to commercialize
- ▶ Service definition starts with an assessment of value proposition
 - Requires country-by-country assessment
 - And shows we must also look outside Europe for opportunities



Provides a possible roadmap for commercialization





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