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Spyglass Consulting Group Announces Results of Comprehensive Market Study on Mobile Computing Usage in Healthcare Industry

STUDY: Clinical Applications on Mobile Devices Face Significant Hurdles to Gain Wide Spread Adoption Within Inpatient Hospital Settings

Menlo Park, CA, November 5, 2003. According to a recent market study by the Spyglass Consulting Group (a health care and technology consulting firm), mobile computing usage among physicians has grown significantly over the past few years through the use of standalone knowledge-based applications. **More than 90 percent of clinicians interviewed under the age of 35 use some form of reference application on a daily basis.** Grass roots initiatives are inciting large numbers of medical clinicians to independently purchase handheld devices that are being used primarily for **drug reference databases, reference manuals and medical calculators**.

Mobile computing usage, however, face a significant number of obstacles to widespread adoption in an inpatient hospital setting as the applications become more comprehensive and require increased integration with existing legacy-based clinical and financial systems, according to Gregg Malkary, Managing Director of Spyglass Consulting Group." Spyglass conducted more than 100 in-depth interviews with practicing clinicians at leading healthcare institutions across the country. The report, titled "**Healthcare without Bounds: Trends in Mobile Computing**" was developed to provide insights into the current state of mobile computing within the healthcare industry.

The market for healthcare mobile devices, applications and services was approximately $50 million in 2002 composed primarily of standalone knowledge-based applications. The market is anticipated to grow significantly to $1.2 billion in 2006 with a CAGR of 120 percent. Growth over the next four to five years will be driven primarily by mobile applications that are tightly integrated with back office clinical and financial systems.

Key highlights of the report:

- **More than 92 percent** of the clinicians **interviewed** were affiliated with **healthcare organizations** that were using **legacy-based systems completed by inefficient paper-based processes and workflows**. As a result, many of these organizations are under a significant amount of pressure to invest in clinical information systems to improve quality of care & patient safety, increase clinician productivity and reduce the risk of medical errors.

- **Hospital administrators** interviewed are facing a number of **challenges** in attempting to deploy next generation mobile solutions within an inpatient hospital setting including **physician adoption, funding, integration complexities with legacy-based systems and protection of patient information** on handheld devices.

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- **Less than 5 percent of the organizations interviewed are deploying next generation mobile computing solutions.** These solutions include *e-prescribing, charge capture and patient data management applications* that are tightly integrated with existing legacy-based clinical and financial systems.

- **E-prescribing has been slow to take off** within inpatient hospital settings due to high initial deployment costs and lack of standards for electronically transmitting orders to a pharmacy. Approximately 15 percent of all paper prescriptions contain potential medication errors in which the patient receives the wrong drugs, an inappropriate dose of the correct drug, a drug to which they are allergic or a drug that interacts with another drug they are taking.

- **Charge capture applications are believed to be the next killer application** because they deal directly with a clinician's financial compensation. Nearly 40 percent of medical claims submitted by physicians are denied or reduced in amount.

About Market Study on Mobile Computing in Healthcare

The Spyglass Consulting Group report titled "**Healthcare without Bounds: Trends in Mobile Computing**" provides insights into the current state of mobile computing within the healthcare industry. It identifies the market drivers, trends, opportunities and challenges to using mobile computing devices and medical applications at the point of care. The primary content for this report was derived from *100 in-depth interviews* with practicing clinicians at leading healthcare institutions around the country. These clinicians represent a broad range of medical specialties, age groups and varying levels of technical competence and familiarity. The clinician interviews were completed over a 5-month period starting in *June 2003*.

This market study is targeted at:

- *Software & hardware vendors, systems integrators and management consultants* who are selling mobile computing devices, applications and services into the healthcare industry.

- *Hospital administrators & IT executives* who are making strategic decisions to fund clinical information technology solutions including mobile computing.

The complete market study "Healthcare without Bounds: Trends in Mobile Computing," is available for $1,195 (USD) from the Spyglass Consulting website, http://www.spyglass-consulting.com/spyglass_whitepaper.html.

About Spyglass Consulting Group

Spyglass Consulting Group is a management-consulting firm that advises forward-thinking organizations how to use information technology for competitive advantage. Spyglass collaborates with business, marketing and IT professionals to align technology assets and investments with overall business goals. Spyglass offers products and services in strategic partnership development & execution, customer & market intelligence, core competency assessment and investment due diligence. Spyglass Consulting Group was founded in August 2002 and is headquartered in Menlo Park, CA. For additional information, visit www.spyglass-consulting.com.

Gregg Malkary is the Founder and Managing Director of Spyglass Consulting Group. He has over 20 years in the high technology industry with deep domain expertise in

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mobile computing, wireless and broadband technologies within the healthcare, communications, manufacturing and entertainment markets. Malkary has held consulting and senior operational roles in venture financing, strategic planning, business development and product marketing for public and private technology companies including **Outlook Ventures, Exodus Communications, Liberate Technologies, SkyTel Communications, Silicon Graphics, Hewlett Packard and Accenture.** Malkary graduated with honors from **Brown University** with a MS and BA in computer science. He was awarded the prestigious **North American Philips Corporation Fellowship** for his graduate research work in graphical simulation environments.

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