Executive Summary
Key Findings

• The movement to fully engage the patient as a member of the care team is taking a strong hold across the US. The term “patient engagement” is increasingly used by numerous and diverse stakeholders to convey the idea of consumerism or consumer-directed healthcare.

• Patient engagement is related to the concept of “accountability,” which extends across the healthcare ecosystem and includes patients, who increasingly need to do more and pay more.

• A patient portal is a Web-based access point that allows healthcare providers and patients to communicate and share health information remotely, supplementing the ongoing management of the patient's care. Patient portals are seen as the key technology platform to enable patient engagement.

• Various health-related entities deploy patient portals including hospitals, physician practices, healthcare payers, health information exchange organizations, retail pharmacies, and others.

• There are different types of patient portals in terms of technology approaches. Some are stand-alone Web sites that sell their services to healthcare providers, and others are integrated into the existing Web site of a healthcare provider. Most commonly in today’s market, patient portals are included as modules added onto an existing electronic health record (EHR) or practice management (PM) system.

• Stand-alone patient portals solutions are primarily offered as a monthly subscription per licensed bed (hospitals) or per physician; these may function as a bolt on to the EHR system.

Source: Frost & Sullivan
Key Findings (continued)

- The price for many patient portals that are fully integrated and tethered to a specific EHR or PM system may be included in the original license or subscription fee but can also incur additional fees if the module is actively used.

- A large number and variety of vendors serve the patient portal market across both the hospital and physician segments. There are currently over 300 companies serving the market. In addition to off-the-shelf solutions, around 10% of hospitals build their own patient portals, usually off a platform like Microsoft SharePoint or other Web-based content management solutions.

- Around 50% of hospitals and 40% of physicians have access to some type of patient portal, usually included as a module within an EHR system. The rate of actual utilization or active adoption by hospitals and physicians is substantially lower than the percentage of providers that have access to the technology.

- By 2017, it is expected that 100% of hospitals and physicians will have access to patient portal technology.

- Active patient adoption of patient portals varies substantially across the provider spectrum but is estimated to be under 10% in the hospital segment and around 20% in the physician segment. Most patients that are actively engaged with a patient portal are members of a large integrated delivery network (IDN) such as Kaiser, Geisinger, Mayo, or Cleveland Clinic; others have special or chronic health conditions that motivate them to use the technology.

Source: Frost & Sullivan
Key Findings (continued)

• Total revenue for the US patient portal market for hospitals and physicians, is estimated at $279.8 million for the base year, 2012. This figure includes estimated average revenue accrued by technology vendors from the licensing/subscription of patient portal technology to hospitals and physicians. Associated revenue from hospitals and physicians that may also accrue to vendors (such as interface set up charges, training, ongoing maintenance, and computer hardware) is excluded from this calculation.

• Total market revenue is expected to increase 221.1% from 2012 to 2017. Market revenue is expected to reach $898.4 million in 2017, primarily as a result of increased demand driven by the need to meet growing requirements around patient engagement driven by myriad forces including meet Stage 2 Meaningful Use requirements, the growing move to clinical integration and accountable care, and increasing consumer demand for health information technology (IT) solutions to help manage financial and clinical interactions with healthcare providers.

• The total market revenue CAGR for the period 2012 to 2017 is 26.2%.

Source: Frost & Sullivan
Definitions and Scope of Study

This study pertains to the following region:

- The United States
- Over the period:
  - Base year—2012
  - Forecast period—2013–2017

Products included in study

- Proprietary software or Web-based applications that comprise the core solutions used to manage various aspects of patient engagement in hospitals (inpatient) and ambulatory (outpatient) medical practices.
- Applications that encompass a variety of technology approaches, including installed (on premise) systems, platform Web-hosted solutions, and software as a service (SaaS) are covered in the analysis.

Products not included in study

- The study does not cover patient portals used by healthcare payers, retail pharmacies, or non-hospital or physician practice settings such as nursing homes, long-term care facilities, and health information exchange organizations of government (federal, state, and local) agencies.
- While some limited function patient portals are addressed in this study, we do not specifically cover the myriad patient engagement tools that often sit within a patient portal to provide added functionality such as personal health records (PHRs) and mobile apps for wellness, triage, and patient education.

Source: Frost & Sullivan
### Key Issues This Study Will Answer

<table>
<thead>
<tr>
<th>Question</th>
<th>Source: Frost &amp; Sullivan</th>
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<tbody>
<tr>
<td>What are the cultural, financial, and technological macro market trends of the patient engagement movement?</td>
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<tr>
<td>What drives the current need for hospitals and physician practices to adopt patient portals, and what key functionalities are most valued by patients?</td>
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<tr>
<td>What are key drivers and restraints impacting the patient portal market for hospitals and physicians today, and how will these influence the demand for patient portals over the next 5 years?</td>
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<td>What are the key competitive metrics encompassing the market for patient portals for hospitals and physicians?</td>
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<td>What is the current penetration of patient portals in hospitals and physician practices, where is demand heading, and who are the leading vendors providing these solutions today?</td>
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<tr>
<td>What are the expected revenues for the total patient portal market for hospitals and physicians over the next 5 years?</td>
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### Market Engineering Measurements


**Market Overview**

<table>
<thead>
<tr>
<th>Market Stage</th>
<th>Market Revenue</th>
<th>Market Size for Last Year of Study Period</th>
<th>Compound Annual Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>$279.8 M</td>
<td>$898.4 M</td>
<td>26.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average Price/ Hospitals</th>
<th>Average Price/ Physicians</th>
<th>Customer Price Sensitivity</th>
<th>Degree of Technical Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30.0</td>
<td>$85.00</td>
<td>4</td>
<td>10</td>
</tr>
</tbody>
</table>

(per licensed bed per month)  
(per physician per month)  
(scale: 1 [Low] to 10 [High])  
(scale: 1 [Low] to 10 [High])

For a tabular version click here.

Note: All figures are rounded. The base year is 2012. Source: Frost & Sullivan
### Market Engineering Measurements (continued)

#### Addressable Market—Hospitals

<table>
<thead>
<tr>
<th>Installed Base</th>
<th>Market Penetration Rate</th>
<th>Maximum Market Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>~1,989</td>
<td>50.0%</td>
<td>~4,973</td>
</tr>
</tbody>
</table>

*(Total number of hospitals* with patient portals)

*(Total number of hospitals* in 2012)

#### Addressable Market—Physicians

<table>
<thead>
<tr>
<th>Installed Base</th>
<th>Market Penetration Rate</th>
<th>Maximum Market Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>~161,390</td>
<td>40.0%</td>
<td>~560,381</td>
</tr>
</tbody>
</table>

*(Total number of office-based physicians with patient portals)

*(Total number of office-based physicians in 2012)

For a tabular version [click here.](#)

*Community hospitals in the US

Note: All figures are rounded. The base year is 2012. Source: Frost & Sullivan
Myriad cultural, financial, and technological changes are driving the growing patient engagement movement.

Physicians and hospitals are dramatically increasing the use of health information technology in response to government mandates and healthcare reform.

The patient portal is emerging as the key platform upon which to drive patient engagement; numerous vendors and technologies compete in this space.

Many solutions on the market today do not currently offer the full features truly needed to improve health outcomes and engage patients.

The next five years will see considerable innovation in all aspects of patient engagement technology, causing significant disruption across the vendor landscape.

Source: Frost & Sullivan
Executive Summary—3 Big Predictions

1. “Patient Portal 2.0” begins around mid-2014 as providers seek solutions with full-function patient engagement platforms that integrate financial and clinical data.

2. Hospitals, IDNs, and ACOs will increasingly adopt untethered, stand-alone patient portal platforms that integrate data across care settings.

3. ONC’s outreach efforts around consumer engagement and the Blue Button Plus initiative will significantly help drive patient demand for tools to access their health data.

Source: Frost & Sullivan