

Startup wellness

Getting into the brave new world of healthcare

With the Affordable Care Act in full swing, more entrepreneurs are trying to get a piece of the \$2.8 trillion healthcare pie.

Rami Rafeh worked in business development and innovation at Pfizer before launching New York-based spott3r, which enables employees to earn gym reimbursements or insurance wellness credits for exercising. As a professional who has worked on the established and startup sides of the healthcare industry, he gave us his insights on how to operate in a sector where the only constant is change. —Paula Andrus

WHY IS IT A GOOD TIME TO GET INTO HEALTHCARE?

I've been surprised by how many big companies want to partner with startups—look at insurers Aetna and startup iTriage, or United Healthcare Group's Optum and Audax Health. Once you crack the customer-acquisition code, the value proposition to mature companies is very compelling. You may have to spend a lot of time courting them, but if you show a good track record, they're willing to work out a way to either do a pilot or to partner in some way. Many of them realize that because of internal politics, figuring out policies or just trying to get out of each other's way, it's easier to partner with a nimble startup.

For spott3r, we looked at forward-thinking brands like DavidBartonGym, the YMCA and Crunch, who wanted to reduce customer attrition and increase new-member registrations—known problems and industry standard metrics that are consistently being measured.

HOW DO YOU WORK AMID CONSTANT CHANGE?

It's an infinitely complex environment, and I don't



Weighty matters:
Rami Rafeh
of spott3r.

think anyone has a clear view of a simple solution, so you just have to be ready to wake up every day thinking of a different way to approach a problem. If you can start small and own a process within that complex environment, and start working your way up from there, that's a recipe for success.

I remembered a gym reimbursement credit I used to file several years ago with New York Sports Clubs, and thought about how many steps there were in that reimbursement process. We realized that even if a person knew about it, they probably weren't claiming it, because there were so many steps involved. So we decided to use that as our business entry point and build from there.

WHAT LESSONS DID YOU LEARN FROM YOUR LAUNCH?

I took a slow approach. I spent a year doing surveillance: looking at insurance companies and the policies they offer, filing a provisional patent and working on a website that never got launched because it was buggy and had features that were not core to the company's mission.

Today, I would suggest taking the opposite approach: Just dive in. Come up with a viable product, get something out there to test your hypothesis, and then iterate from that.

One major thing you need to pay attention to is not breaking any healthcare laws. Patient safety and privacy are paramount. I hired a Columbia law professor to make sure

what we were doing complied with healthcare laws.

HOW DO YOU KEEP FROM GETTING BOGGED DOWN IN REGULATION?

You have to learn how everything intertwines, including the policy consideration, the care consideration and how pharma fits into it all.

It's helpful to build a knowledge base of experts who can be your go-to consultants when needed. Sometimes it's great to have somebody on your team who has no healthcare background at all, so they can say, "Can't we find a way to make this easier? You guys took a convoluted process and maybe reduced it by one step, but it's still convoluted, and you're not there yet."