

Qualcomm plans move into health business

by Kathryn Balint

SAN DIEGO - Wireless technology giant Qualcomm is planning to launch a mobile network that would allow people to use their cell phones to manage myriad health issues including diabetes and dieting.

Called LifeComm, the service would offer cell phones that could double as glucose meters to monitor blood sugar levels in diabetics, track aerobic activity in dieters or otherwise function as a medical device.

The new wireless phone service is expected to launch in the second half of next year in the United States.

"It came about because several years ago, San Diego-based Qualcomm began looking at what roles wireless technologies could play in health," said Don Jones, vice president of business development of Qualcomm's health and life sciences unit. "We use the term 'health' to include health care, consumer health, wellness and fitness kinds of applications."

Qualcomm's technology is already used by medical-device companies. For example, San Diego medical technology startup CardioNet has a heart monitor for patients with irregular heartbeats that wirelessly transmits the data to physicians over networks using Qualcomm's technology. Qualcomm also is founder of the Wireless-Life Sciences Alliance, an organization devoted to devising ways to use wireless technologies to deliver health care.

"We're creating a carrier that understands the issues and concerns and language of the health and life sciences industry but which also understands the wireless industry," Jones said.

In its LifeComm venture, Qualcomm is working with undisclosed medical device companies to design phones that would not only provide the functions of a regular cell phone but which also could monitor health or medical conditions.

"There aren't too many phones that have that kind of convergence," Jones said. "We as a wireless carrier would be offering phones that consumers would find attractive, but there would be additional features on those phones that focus on health wellness or fitness, converged biosensors and medical devices and personal health performance."

Qualcomm and its undisclosed partners in the LifeComm project will become what is called a mobile virtual network operator.

An MVNO uses the nation's big wireless carriers' networks to sell their own brand of cellular service. Qualcomm has not disclosed which carrier's network it would use for its LifeComm network. The two likely candidates are Sprint Nextel and Verizon Wireless, both of which use Qualcomm's wireless technology on their networks.

MVNOs typically try to penetrate markets that the big wireless carriers haven't cracked. Most go after specific audiences targeted by age, ethnic group or where they shop.

For instance, Virgin Mobile USA, one of the most successful of this new breed of cell phone service providers, penetrated the youth market by partnering with MTV, the cable music channel, and by offering hip phones made by San Diego-based Kyocera Wireless.

Boost Mobile, based in Irvine, is another successful MVNO that appeals to urban youths.

"MVNOs really give people an alternate affinity for marketing and branding," said David Chamberlain, principal analyst for In-Stat, a Scottsdale, Ariz.-based market research firm. "I see it as a way to attract new customers or draw away customers from other carriers."

He said that Qualcomm's LifeComm network will not ever attract the number of subscribers that the national carriers have because it is addressing a niche market. AT&T's Cingular Wireless, for instance, is the nation's largest wireless carrier with 62 million subscribers.

"From that aspect, it (LifeComm) may not be huge, but it could be profitable," Chamberlain said.

LifeComm is a new line of business for Qualcomm, which collects royalties on the wireless technology it develops and sells cell phone chips using its technology.