

HCI gets big boost from Maximus deal

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In a deal that could double the annual revenue of tech startup Healthcare Interactive Inc., a government contractor has agreed to sell the company's health care management software to its major clients.

HCI, based in Glenwood, Md., develops and sells Web-based software that allows companies to monitor their medical costs in real time.

With its products, businesses can use their employees' insurance claims data to predict future health care costs, analyze patterns and conduct campaigns to persuade employees to make less costly purchases.

Under the deal, the federal contractor, Reston-based Maximus Inc., becomes an authorized reseller of HCI's products, marketed as the Point 2 Point software suite. The arrangement opens the door to rapid growth, said HCI President **Henry Cha**.

Maximus' commercial clients collectively provide health insurance benefits to roughly 5 million people. By March, Cha said, he expects Maximus to sell the software system to two or three large clients, which would add up to 100,000 beneficiaries to HCI's current base of about 200,000.

That could translate into 40 to 100 percent revenue growth in 2011, Cha said. Today, HCI's annual revenue is less than \$5 million, though he declined to give a precise figure.

The deal developed when HCI initially contacted Maximus as a possible direct client.

"They said, 'Wait a minute, not only do we like it for ourselves, given our model, I think we can bring this out to the businesses we serve,'" said **Keith Lemer**, president of WellNet Healthcare of Bethesda.

Lemer and Cha founded HCI as a spinoff of WellNet. Cha and Lemer have said they'd like to take HCI public.

Maximus' core business is managing government-sponsored health care programs. However, about 8 percent of its revenue last year came from a consulting business for commercial companies, according to a 2009 securities filing.

In a press release, **Mark Andrekovich**, chief of human capital for Maximus, said HCI technology is appealing because it can help clients lower their health insurance costs through management instead of by reducing benefit levels.