Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit www.djreprints.com

See a sample reprint in PDF format.

Order a reprint of this article now

THE WALL STREET JOURNAL.

WSJ.com

## SEPTEMBER 12, 2011, 1:30 P.M. ET IBM putting Watson to work in health insurance

Associated Press

WHITE PLAINS, N.Y. — Enough with the fun and games. Watson is going to work.

IBM's supercomputer system, best known for trouncing the world's best "Jeopardy!" players on TV, is being tapped by one of the nation's largest health insurers to help diagnose medical problems and authorize treatments.

WellPoint Inc., which has 34.2 million members, will integrate Watson's lightning speed and deep health care database into its existing patient information, helping it choose among treatment options and medicines.

"This very much fits into the sweet spot of what we envisioned for the applications of Watson," said Manoj Saxena, general manager of an IBM division looking at how the computer can be marketed.

Lori Beer, an executive vice president at Indianapolis-based WellPoint, agreed.

"It's really a game-changer in health care," she said.

The WellPoint application will combine data from three sources: a patient's chart and electronic records that a doctor or hospital has, the insurance company's history of medicines and treatments, and Watson's huge library of textbooks and medical journals.

IBM says the computer can then sift through it all and answer a question in moments, providing several possible diagnoses or treatments, ranked in order of the computer's confidence, along with the basis for its answer.

"Imagine having the ability within three seconds to look through all of that information, to have it be up to date, scientifically presented to you, and based on that patients' medical needs at the moment you're caring for that patient," said WellPoint's chief medical officer, Dr. Sam Nussbaum.

Saxena said the WellPoint application would likely be accessed from an ordinary computer or handheld device.

Beer said patients needn't worry that Watson will be used to help insurers deny benefits. If a doctor veers from Watson's diagnosis or treatment recommendations, the insurer would have a clinician review the case like it currently does. It won't base a claim decision solely on Watson.

"Ultimately the goal here is not denying treatment but getting people to the right care," Beer said, adding that Watson was not designed to replace humans.

Beer said WellPoint is trying to offer care providers a tool that helps lead to better treatment outcomes, which is what the insurer wants to base reimbursement on in the future.

Nussbaum said a pilot program will be rolled out early next year at several cancer centers, academic medical

centers and oncology practices.

WellPoint is the nation's largest publicly traded health insurer based on enrollment. It operates Blue Cross Blue Shield plans in 14 states, including New York and California.

Neither party would say how much Armonk, N.Y.-based IBM is being paid. Saxena said it's the first money Watson has earned for the company; the \$1 million it won on "Jeopardy!" earlier this year was given to charity.

Watson's next jobs will probably also be in health care, but financial services and public safety applications are on the horizon, Saxena said.

\_\_\_\_

AP Business Writer Tom Murphy in Indianapolis contributed to this report.

-Copyright 2011 Associated Press

Copyright 2011 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com