



2024

**NEW YORK HEALTHCARE
INNOVATION REPORT**



TABLE OF CONTENTS

3	Introduction	16	Reflections on the Market
4	Contributors	17	New York Digital Health 100
6	By the Numbers	20	Heard at DHNY Summit 2023
8	Funding in 2023: Top 20	21	Enabling Value-Based Care
10	5 Trends to Watch	23	AI + Healthcare
11	Conversational Intelligence Meets Healthcare	25	Elevating Patient Engagement
13	Survey Results: The State of New York Digital Health	27	Crystal Ball '24

INTRODUCTION

As we enter 2024, there's a quiet but persistent optimism about the digital health sector. Despite financing and general business challenges, research we conducted with local healthcare leaders indicates they are bullish on the sector. We publish the **New York Healthcare Innovation Report** for just that reason: to showcase the companies and leaders (more than 40 of them in this issue) driving growth and innovation in our ecosystem.

While declines in New York funding in 2023 mirrored national trends, overall investment was on par with 2019 funding levels. In 2023, **114 companies raised \$2.5B**, and early-stage companies secured 55% of this funding. Biotech claimed nearly a quarter of the investment dollars, while on the digital health front, provider enablement, mental health and analytics were key focus areas.

In this year's report we also present:

5 TRENDS TO WATCH: Dr. Brenton Fagnoli of AlleyCorp Healthcare provides his predictions about the market for 2024. From value-based specialty care to the untapped Medicaid market, there is fertile ground for the entrepreneurial spirit to flourish.

CONVERSATIONAL INTELLIGENCE: We provide a primer on this emerging area in an effort to understand its applications in healthcare and the role it can play between patients and providers.

STATE OF NEW YORK DIGITAL HEALTH ANNUAL RESEARCH: Our annual survey of close to 100 founders and executives sheds light on the issues and opportunities driving our market today. 45% of respondents believe that healthcare will see the biggest leap forward in generative AI in 2024, more than any other area.

2024 DIGITAL HEALTH 100: This year marks the fifth anniversary of the DH100 and in addition to celebrating the 100 most innovative and exciting companies in NY, we also highlight the 19 organizations that have been on the list since inception. Congratulations to all honorees!

We're looking forward to a year that will be marked by the passion and resiliency for which New York is known. We're ready for it!



Bunny Ellerin

Co-Founder & CEO,
DHNY



Contributors

EDITORS

EDITOR:

Bunny Ellerin

Co-Founder & CEO, **DHNY**

MANAGING EDITOR:

Jennifer Newman

Strategic Advisor, **DHNY**

CONTRIBUTORS

Yael Peled Adam | Co-Founder & Chief Product Officer, **LAGUNA HEALTH**

Merrill Anovick | President
25M HEALTH

Amit Bansal | Partner
DIGITALIS VENTURES

Jan Berger, MD, MJ | CEO
HEALTH INTELLIGENCE PARTNERS

Lori Evans Bernstein | Co-Founder & CEO
CARAWAY

Rachel Blank | Founder & CEO
ALLARA HEALTH

Albert Bourla | Chairman & CEO
PFIZER

Bill Carey | Audit & Assurance Partner
DELOITTE & TOUCHE LLP

Frank Cheung | Co-Founder & CEO
ACCORDED

Scott Cleary | President
HYPHEN

Innocent Clement, MD | Founder & CEO
CIBA HEALTH

Alexander Dundara | Partner - Digital Health Services, **WITHUM**

Shereef Elnahal, MD, MBA | Under Secretary of Health, **U.S. DEPARTMENT OF VETERANS AFFAIRS**

Brenton Fargnoli, MD | Managing Partner
ALLEYCORP HEALTHCARE

Leo Grady | Founder & CEO
JONA

Bobby Guelich | CEO
ELION

Karen Ignagni | CEO
EMBLEMHEALTH

Oliver Kharraz, MD | Founder & CEO
ZOCDOC

Michael Kopko | Co-Founder & CEO
PEARL HEALTH

Robert Krayn | Co-Founder & CEO
TALKIATRY

Steve Liou | Founder & CEO
CLARIUM HEALTH

Chris Lloyd | Managing Director, Head of Healthcare Technology, **J.P. MORGAN**

Jonathan Machado | Managing Director
SAMSUNG NEXT

Swati Mathai | Co-Founder & CEO
XO HEALTH

Michael Meng | Co-Founder & CEO
STELLAR HEALTH

Chris Moniz | Managing Director
HSBC INNOVATION BANKING

Elise Mortensen | Head of Growth
HTD HEALTH

Elina Onitskansky | Founder & CEO
ILANT HEALTH

Caroline Pearson | Executive Director
PETERSON HEALTH TECHNOLOGY INSTITUTE

Cheryl Pegus, MD, MPH | Managing Director
MORGAN HEALTH VENTURES

Michael Perlmutter | SVP Insights & Innovation
LOCKTON COMPANIES

Aarti Ravikumar, MD | Chief Medical Information
Officer (CMIO), **ATLANTIC HEALTH SYSTEM**

Kate Ryder | Founder & CEO
MAVEN CLINIC

Yoni Shtein | Co-Founder & CEO
LAGUNA HEALTH

Liya Shuster-Bier | Founder & CEO
MAIA ONCOLOGY

Brandon Sim | President & CEO
ASTRANA HEALTH (fka APOLLOMED)

Jane Suh | Principal
ALLEYCORP HEALTHCARE

Lee Hudson Teslik | Founder & CEO
REVERENCE CARE

Edwidge Thomas | VP, Clinical Solutions
NORTHWELL HOLDINGS

Sam Toole | Partner
PRIMARY VENTURES

DHNY

DIGITAL HEALTH NEW YORK

SEPT 18, 2024

DHNY SUMMIT

SAVE THE DATE

By the Numbers

114 COMPANIES RAISED \$2.5B IN 2023

Funding dropped by 36% from 2022, consistent with the national trend. Overall investment was on par with 2019 with biotech claiming nearly a quarter of the investment dollars. On the digital health front, provider enablement, mental health and analytics were key focus areas.

5 YEARS OF NEW YORK HEALTHCARE FUNDING



■ Funding (in Billions)

○ # of Companies

FUNDING BY QUARTER

Quarter 1

\$1.0B 29 Deals

Quarter 2

\$.60B 34 Deals

Quarter 3

\$.25B 19 Deals

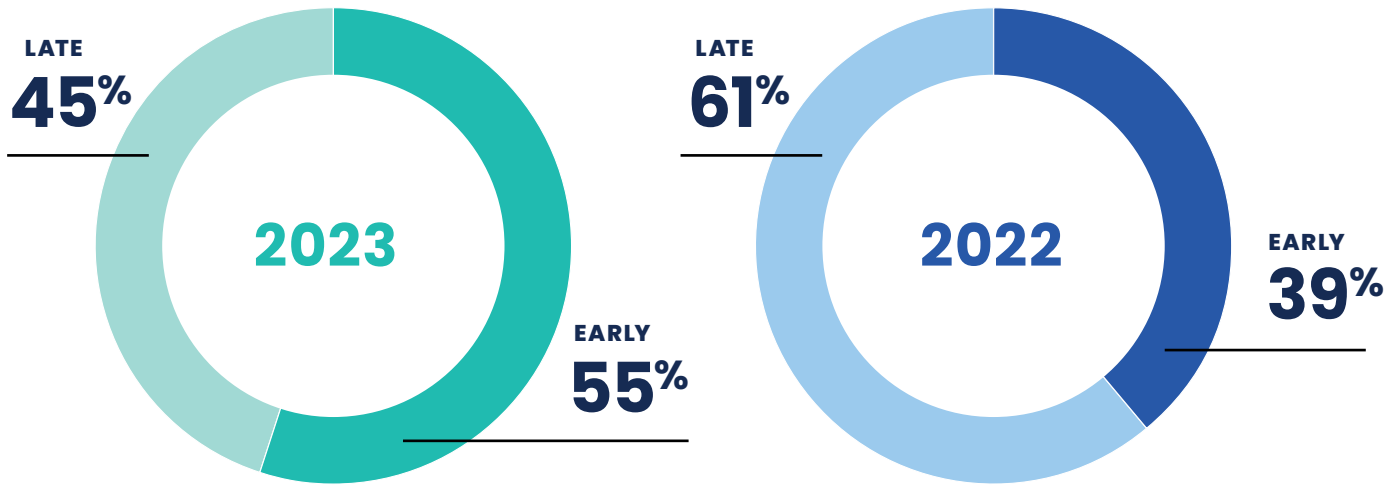
Quarter 4

\$.60B 27 Deals

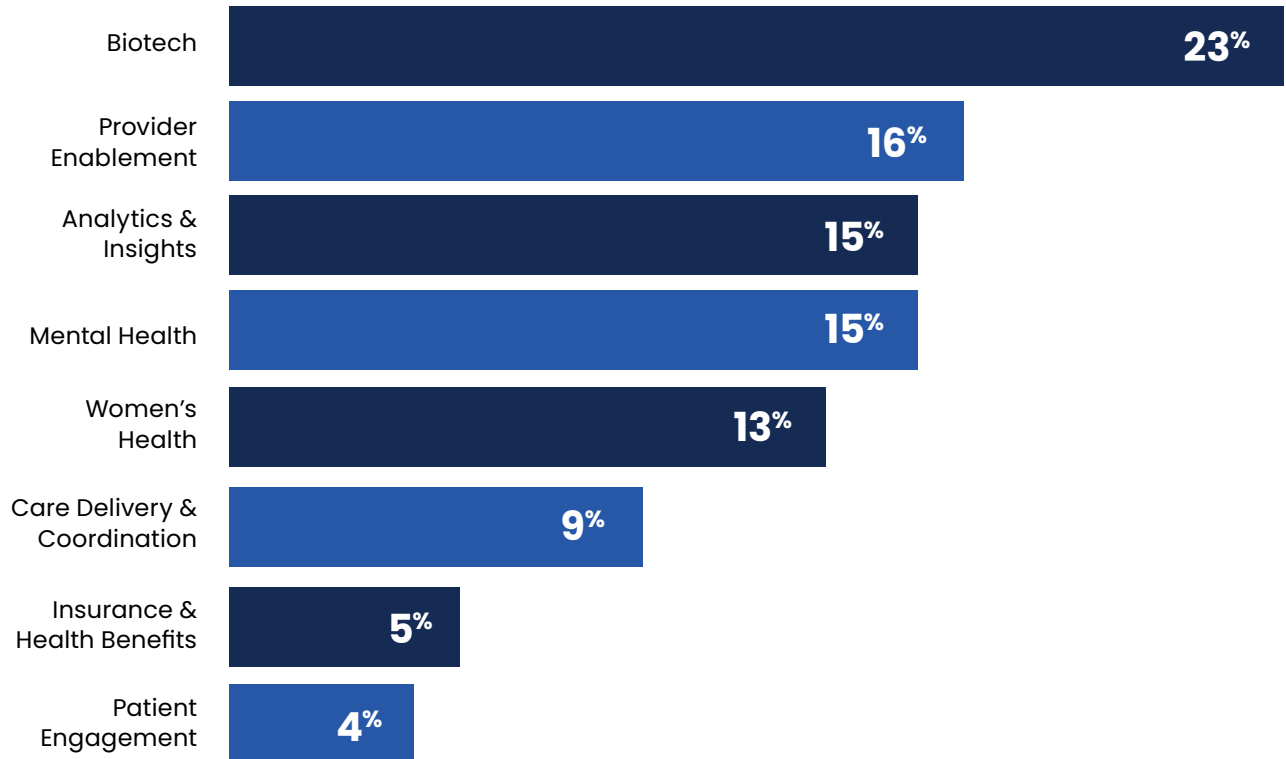
By the Numbers

FUNDING BY STAGE



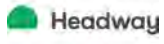







Early stage includes pre-seed, seed and Series A. Late stage includes Series B and beyond.













FUNDING BY SECTOR



Funding in 2023: TOP 20

NO.	COMPANY	FOCUS	2023 (M)	STAGE	SELECT INVESTORS (IN THIS ROUND)
1	 Paradigm	Rebuilding the clinical research ecosystem	\$203	Early stage	ARCH Venture Partners, General Catalyst, F-Prime Capital, GV, LUX Capital, Mubadala Capital
2	 EyeBio	Clinical-stage ophthalmology biotech	\$130	Early stage	Bain Capital Life Sciences, Omega Funds, Vertex Ventures, SV Health Investors, Jeito Capital
3	 Headway	Building a new mental health care system	\$125	Late stage	Spark Capital, Accel, Thrive, Andreessen Horowitz
4	 kindbody	Technology-driven fertility clinic network and family-building benefits provider	\$100	Late stage	Perceptive Advisors
4	 paratus SCIENCES	Improving human health through understanding bat biology	\$100	Early stage	Polaris Partners, ARCH Venture Partners, ClavystBio, EcoRI Capital, Leaps by Bayer
4	 Vytalize	Risk-bearing provider enablement platform with cutting-edge value-based care delivery system	\$100	Late stage	Enhanced Healthcare Partners, Monroe Capital, North Coast Ventures
7	 rinitial	Biotech focused on stopping formation of difficult-to-drug protein targets	\$75	Early stage	Apple Tree Partners
7	 pearl	Software and services that help providers succeed in value-based care	\$75	Late stage	Andreessen Horowitz's Growth Fund, Viking Global Investors, AlleyCorp, SV Angel's Growth Fund
9	 Spring Health	Digital platform providing precision mental healthcare	\$71	Late stage	Undisclosed
10	 volastra	Clinical-stage biotech pioneering novel approaches to treating cancer	\$60	Early stage	Polaris Partners, ARCH Venture Partners, Eli Lilly, Droia Ventures, Catalio Capital Management, Vida Ventures

FUNDING IN 2023: TOP 20

NO.	COMPANY	FOCUS	2023 (M)	STAGE	SELECT INVESTORS (IN THIS ROUND)
11	 k health	AI-driven personalized healthcare	\$59	Late stage	Cedars-Sinai, Valor Equity Partners, Mangrove Capital Partners, Pico Venture Partners
12	 deep apple	Drug discovery platform	\$52	Early stage	Apple Tree Partners
13	 Capital Rx	Changing the way prescription drugs are priced	\$50	Late stage	Transformation Capital, Atlantic Health System, Banner Health and other health systems
14	 tytocare™	Virtual healthcare	\$49	Late stage	Insight Partners, MemorialCare, HOOPP, Clal
15	 holmusk	Harnessing real-world data to transform research and care for behavioral health	\$45	Late stage	Veradigm, Heritas Capital, Health Catalyst Capital, Novartis (dRx Capital), Northwell Holdings
16	 Precision	Building brain-computer interface to treat neurological illnesses	\$41	Late stage	Forepont Capital Partners, Mubadala Capital, Draper Associates, Alumni Ventures, re.Mind Capital
17	 transcend THERAPEUTICS	Next-generation psychoactive medicines to treat neuropsychiatric disease	\$40	Early stage	Alpha Wave Global, Integrated Investment Partners, Global Founders Capital, Emerald Development Managers, AlleyCorp
18	 GRAVITON BIOSCIENCE CORPORATION	Novel therapeutics for autoimmune, cancer and other diseases	\$35	Late stage	Patient Square Capital
18	 TandemAI	Reinventing drug discovery infrastructure	\$35	Early stage	Qiming Venture Partners, OrbiMed, Eight Roads Ventures, F Prime Capital
20	 Diana Health	Modern women's health practices	\$34	Late stage	Norwest Venture Partners, AlleyCorp, .406 Ventures, LRVHealth



5 Trends to Watch

Dr. Brenton Fagnoli, AlleyCorp Healthcare Managing Partner, weighs in with 5 insightful predictions for 2024.

- 1** With value-based primary care in full swing, **value-based specialty care focused on fields like oncology, cardiology and musculoskeletal will come into the fore this year.** For this next generation of value-based care companies, we think physician enablement leads the way with a more capital efficient approach than health plan or clinic-based models.
- 2** Necessity is the mother of invention, and hospitals that want to survive have a desperate need to become efficient. We'll see **health systems go deeper within their organizations to find operational efficiency,** modernizing previously overlooked areas like supply chain management, food services management, and others.
- 3** The Uniteds and Aetnas of the world – of which there are only a handful – have substantial home-grown initiatives, too many pilots and an overwhelming number of startups pitching them. We think we'll see the **300+ small and medium-sized community health plans become the new go-to-market beach-head motion** for healthcare startups.
- 4** Medicare Advantage perennially dwarfs Medicaid in venture investment (by some accounts by 20x). With renewed pressure on Medicare Advantage, we expect to see this wide disparity finally begin to shrink as **the greenfield opportunity in the Medicaid segment is now too large to ignore.**
- 5** We see **huge momentum in psychedelics resulting in concrete regulatory progress** this year with the potential for MDMA and/or Psilocybin to be **approved by the FDA.** This will usher in a new treatment paradigm for mental health.

Conversational Intelligence Meets Healthcare



Yael Peled Adam
Co-Founder &
Chief Product Officer
LAGUNA HEALTH



Jan Berger
MD, MJ
CEO, **HEALTH INTELLIGENCE PARTNERS**



Yoni Shtein
Co-Founder &
CEO
LAGUNA HEALTH

WHAT IS CONVERSATIONAL INTELLIGENCE? It is the use of AI to analyze conversations, leveraging technologies like natural language processing and machine learning to extract insights, themes and sentiments.

We caught up with leaders who are using their experience at technology giants like Microsoft and Amazon to rethink how care is delivered beyond the hospital. While traditional models may not address the situational, social or logistical difficulties that arise when individuals struggle to navigate their unique care journeys, there are new approaches that use conversational intelligence to improve efficiency and member outcomes. Read more about its increasing role in healthcare.

How can conversational intelligence be applied to healthcare?

JAN: Humans build relationships through communication, which can be both verbal and non-verbal. Conversational intelligence is the intersection of that biological “hard wiring” and our learned ability to trust others through connection and engagement. The language of medicine, however, is quite different from that used everyday so miscommunication between a care provider and an individual is not uncommon. Doctors and care managers focus on diagnosis and treatment, and often miss important clues about a patient’s life that may impact their ability to follow a care plan. Conversational intelligence can help contextualize care and increase the effectiveness of communication between care providers and individuals.

YONI: We’ve already seen the benefits of conversational intelligence and its ability to extract valuable insights in other industries. To apply it to healthcare, we’ve leveraged a proven care

“Conversational intelligence can help contextualize care and increase the effectiveness of communication between care providers and individuals.”

Jan Berger, MD, MJ

CEO, **HEALTH INTELLIGENCE PARTNERS**

contextualization model and coined a new term: conversational care intelligence (CCI). Using CCI, we leverage AI to allow care managers to focus on what matters most, the individual. We believe it will significantly impact access, quality and cost of care for all stakeholders as well as improve trust between healthcare market participants, individuals and the healthcare system.

What role does it play between patients and providers?

Yael: Many individuals are frustrated with the fragmented healthcare system they experience. CCI, acting as a co-pilot, enables a more personalized and human experience for individuals without a huge added lift for care managers. It enables them to quickly and effectively interpret conversations and intervene where necessary to address issues affecting the individual's progress.

JAN: CCI can serve as a translator between care manager and the individual. For example, a care manager may offer guidance to the individual, who may not hear what the care manager intended. Perhaps there is something in the individual's life preventing them from following instructions that could go unnoticed because it's only hinted at and not explicitly communicated. CCI helps clarify an individual's intent and helps narrow this communication gap.

“We’re removing low-value work and empowering care managers to be attentive and empathetic as they focus on the individual in front of them.”

Yoni Shtein

Co-Founder & CEO, **LAGUNA HEALTH**

Can you provide an example of conversational care intelligence?

Yael: While effective in all care interactions, we started applying conversational care intelligence to post-acute care to reduce readmissions. Believe it or not, patients still leave the hospital with reams of paper with discharge instructions. While a health plan typically assigns a care manager to assist, often they have high caseloads and cannot give the time/attention needed. When care managers used CCI to understand the barriers that might impede recovery – pain and wound care, financial burdens, and anxiety and

depression – they were able to intervene to make post-acute transition and recovery more successful for patients.

Yoni: Emotions play a large role in individual care journeys, but care providers typically focus on the medical factors exclusively. They often miss hints from an individual who may be depressed or have other environmental issues. We've seen CCI successfully capture these subtleties and alert care managers, who are then able to change their approach and build stronger trust with their member, ultimately leading to better outcomes.

Can you share more about outcomes?

Yael: We have partnered with both Mayo Clinic and NorthShore University HealthSystem in Chicago to capture clinical and actuarial data on the impact of CCI. Our study with Mayo demonstrated a 35% reduction in 90-day readmission rates. The work we did with NorthShore among patients with cardiovascular disease was equally compelling. In working with a leading national health plan, Laguna CCI increased care management touch points 6x, decreased readmission costs by 35%, and achieved a customer satisfaction score (CSAT) of 96, far exceeding industry benchmarks.

How will CCI impact care delivery in the future?

JAN: CCI can break down the silos that exist in healthcare, which often lead to confusion, frustration and sub-optimal outcomes. We've already seen the significant impact CCI can have to dramatically improve care delivery. It enables us to deliver a higher quality of care with fewer errors.

Yoni: I'm excited for the future of care delivery, because CCI enables providers who are delivering care to practice at the top of their license. Over the last several decades, clinicians have defaulted to fulfilling checklist requirements and staring at computer screens. By capturing crucial information in real-time and providing actionable insights and suggestions, we're removing low-value work and empowering care managers to be attentive and empathetic as they focus on each individual.

Survey Results

State of New York Digital Health

OUR ANNUAL STATE OF NEW YORK DIGITAL HEALTH RESEARCH, conducted in partnership with AlleyCorp, surveys the leading executives in New York who are involved in financing, building and growing our digital health ecosystem. This year, the research includes close to 100 entrepreneurs, investors, payers and providers, who shared their perspectives on the issues and opportunities driving business today, as well as their view on the economic outlook for 2024.

IN PARTNERSHIP WITH

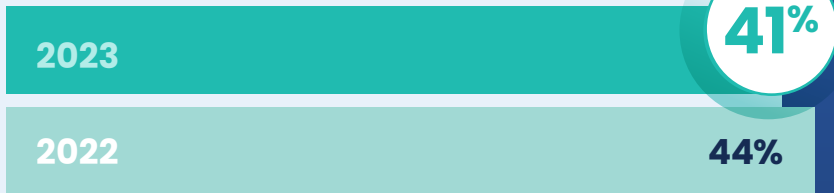


2023

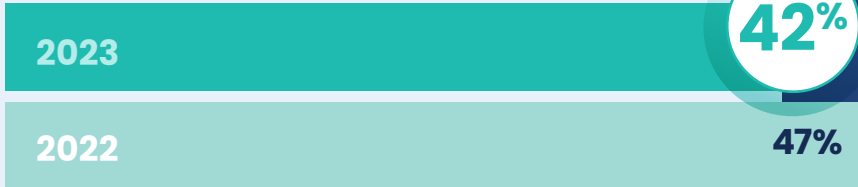
How challenging has 2023 been for business?

We asked the same question last year and despite the choppy market conditions, the group found 2023 less challenging than 2022.

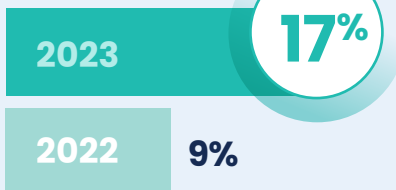
CHALLENGING



NEUTRAL



NOT CHALLENGING



What has been your biggest business challenge in 2023?

- 1 SALES/BD
24%
- 2 FUNDING
22%
- 3 OPERATIONAL COSTS
12%

2024

How concerned are you about the economic outlook and its potential business impact for 2024?

The digital health community is far more optimistic about 2024 than they were about 2023.

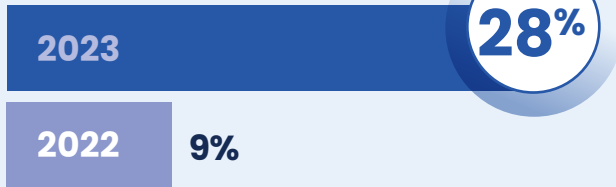
CONCERNED



NEUTRAL



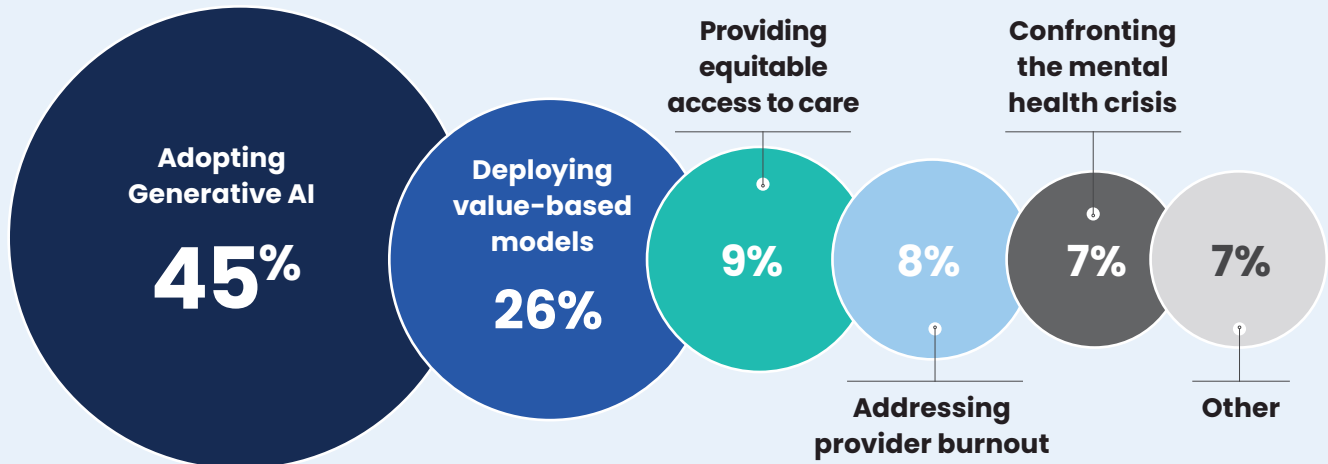
NOT CONCERNED



What do you anticipate being the biggest business challenge in 2024?

- 1 SALES/BD 32%
- 2 FUNDING 20%
- 3 HIRING/TALENT 13%

In 2024, healthcare will see the biggest leap forward in:





AS OPTIMISM FOR LATE-STAGE FUNDRAISING REBOUNDS

into next year, healthcare leaders forecast a sharpened focus on sales and business development in 2024, coupled with a keen anticipation for healthcare’s applications of generative AI. While generative AI leads the charge in healthcare advancements, the survey highlights a significant funding gap in Medicaid, signaling a pressing need for attention and resources to catalyze change where it’s needed most.

Jane Suh

Principal, **ALLEYCORP HEALTHCARE**

Which area in digital health is the most underfunded?

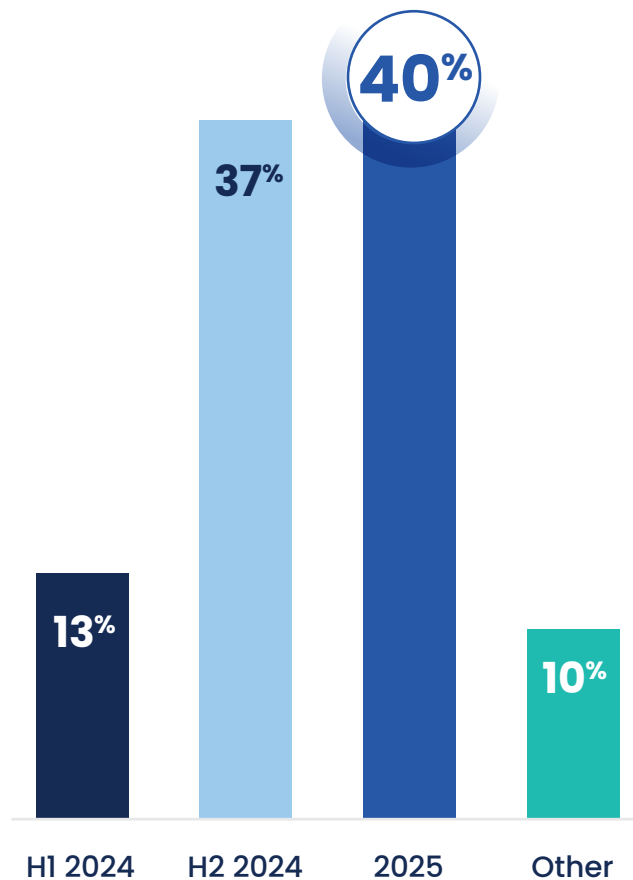
TOP 3

1 **34%**
MEDICAID
INNOVATION

2 **27%**
HEALTH EQUITY

3 **13%**
PROVIDER
EXPERIENCE/TOOLS

When do you believe the market will rebound for late-stage fundraising?



Reflections on the market



Elina Onitskansky

Founder & CEO, **ILANT HEALTH**

Burning platforms (in my business the costs associated with GLP-1s)

create the impetus for change, but that change still needs to work within the existing system. The best solutions focus on supporting care integration not greater fragmentation. This means sharing data, coordinating support, aligning care and understanding other solutions in the employer ecosystem.



Amit Bansal

Partner, **DIGITALIS VENTURES**

The shift from profitless prosperity to disciplined growth is here to stay. With

business fundamentals in focus, it's become clear that the vast majority of healthcare technology companies are going to transact on a multiple of top-line or EBITDA.



Merrill Anovick

President, **25M HEALTH**

Over the next decade, the traditional employer-purchased commercial insurance bundle will

cease to exist for much of the workforce. The costs are rising too quickly, and the sum is not worth more than the parts. We will continue to see cracks in the bundle emerge as employers and employees opt out.



Michael Perlmutter

SVP Insights & Innovation, **LOCKTON COMPANIES**

Market consolidation will continue to reshape the

landscape in terms of payers, providers and payviders.



Jonathan Machado

Managing Director, **SAMSUNG NEXT**

Digital Health and tech enabled companies can be built with a fraction of the

cost and double the margins when done right from the get-go. The digital health startup world is not tolerant of overfunding, and so cost effectiveness is a must.

THERE'S IMMEASURABLE OPPORTUNITY

in addressing chronic diseases in women. Investors need to take a leap of faith on digital solutions that address these unmet needs much as they did with reproductive health.

Edwidge Thomas

VP, Clinical Solutions, **NORTHWELL HOLDINGS**



Digital Health

100

DHNY

DIGITAL HEALTH NEW YORK

Congratulations TO ALL HONOREES!

2024 MARKS THE 5TH ANNIVERSARY of the New York Digital Health 100, and in that time, there's been a surge of companies that qualify for recognition on this list of innovative and exciting digital health startups. When we started in 2019, New York's ecosystem was just bubbling up, and we recognized how important it was to provide visibility to emerging companies. Fast forward to 2024 and the market has significantly grown.



Bill Carey

Audit & Assurance
Partner, **DELOITTE &
TOUCHE LLP**

THERE WAS A NOTICEABLE shift in investor expectations in 2023 from top-line growth to profitability and margins. As we turn to 2024, those expectations will likely increase. Meeting these expectations might be more difficult in the current environment. Congratulations to the several companies that have been recognized 5 years in a row!

10 COMPANIES TO WATCH IN 2024

In 2023, we created "10 Companies to Watch" to highlight promising startups that were too early for the DH100. In 2024, we recognize:


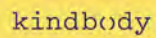

1. Co:Helm
2. Conceivable Life Sciences
3. Dandelion Health
4. Deliberate AI
5. Ilant Health
6. Isaac Health
7. Jukebox Health
8. Siftwell Analytics
9. Vent Creativity
10. XO Health

5 Years on the DH100

In 2024, we're also thrilled to recognize 19 companies that have been on the DH100 for all 5 years since inception. These organizations paved the way for innovation in healthcare and continue to shine as leaders in our community. We appreciate the impact they've had on the growth of digital health in New York.

AETION.  **Capital Rx**  **CAPSULE**

 **cedar**  **Click Therapeutics**

 **covera health**  **kindbody**  **MAVEN**

nomad  **pager**  **Parachute Health**

Quartet  **referwell**

 **rightway™**  **ro**  **Spring Health**

stellarhealth  **Vesta**  **Wellthy**

2024 New York Digital Health 100

INSURANCE & HEALTH BENEFITS



MENTAL HEALTH



WOMEN'S HEALTH



Digital Health

100

DHNY
DIGITAL HEALTH NEW YORK

PATIENT ENGAGEMENT



CARE & COORDINATION



ANALYTICS



PROVIDER ENABLEMENT





DELOITTE IS PLEASED TO SPONSOR DHNY and would like to congratulate these leading 100 digital innovators. Learn more about Deloitte [here](#).

Aetion	Healthee	Pearl Health
Aidoc	Healthie	Perry Health
Allara Health	Holmusk	Playback Health
aptihealth	Hume AI	Quartet Health
Arcade Therapeutics	Hyro	ReferWell
Auxa Health	Ideon	Reverence Care
AvoMD	Intellihealth	Rightway
Best In Class MD (BICMD)	Intus Care	Ro
Cadence	Juno Medical	Sage
Canopy	K Health	Season Health
Capital Rx	Kaia Health	Sika Health
Capsule	Kindbody	Spring Health
Caraway	Komodo	Stellar Health
Care+Wear	Laguna Health	Summus
Care2U	LetsGetChecked	TailorMed
Cedar	Mae Health	Talkiatry
Chamber Cardio	Maven Clinic	Tembo Health
Charlie Health	Medmo	Tend
Ciba Health	Memora Health	Thirty Madison
Clarify Health	Muru	Thyme Care
Clarium Health	Nava Benefits	Tomorrow Health
Cleerly	Nevvon	Tuned Care
Click Therapeutics	Nomad Health	Twentyeight Health
Clinii	Norbert Health	Valera Health
Covera Health	Nym	Vesta Healthcare
Diana Health	Oova	Violet
Elaborate	Ophelia Health	Vivante Health
Elion	Optain	Vori Health
Epicured	Oshi Health	Vytalize Health
Evvv	Pager	Wellthy
firsthand	Paige	WhizAI
HI	Pair Team	Yuvo Health
Handspring Health	Parachute Health	
Headway	Paradigm	

* **BOLD** indicates 5 Years on the DH100

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee («DTTL»), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as «Deloitte Global») does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the «Deloitte» name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.



HEARD AT DHNY SUMMIT

DHNY SUMMIT 2023 brought together an elite group of entrepreneurs, investors, payers, providers and executives, reinforcing New York’s leadership role at the center of healthcare innovation. We were fortunate to hear from high profile healthcare industry leaders on topics ranging from leveraging data, AI and new technologies for drug discovery to trends in value-based care and the keys to building successful partnerships.



Cheryl Pegus

MD, MPH

Managing Director,
**MORGAN HEALTH
VENTURES**

Pharmacists provide many people with their most accessible — often only — direct interaction with a health care professional. We must empower pharmacists to do this needed work.



Kate Ryder

Founder & CEO, **MAVEN CLINIC**

The patient is always our North Star.

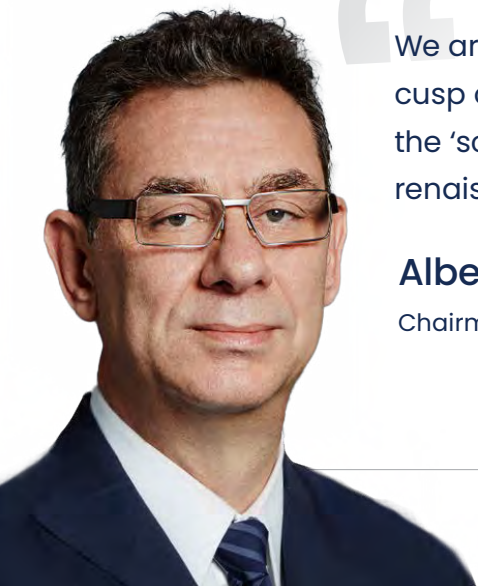


Karen Ignagni

CEO, **EMBLEMHEALTH**

Thinking about partnerships, there are two lanes. One is transform, which is the home run, and the second is optimize, which is also

important and means you’re on the field.



We are on the cusp of what I call the ‘scientific renaissance.’

Albert Bourla

Chairman & CEO, **PFIZER**



Shereef Elnahal

MD, MBA

Under Secretary of Health,
**U.S. DEPARTMENT OF
VETERANS AFFAIRS**

In 5-10 years, I think we will see immersive technology as common in healthcare as cellphones, tablets and other personal devices.

The Next Frontier

Enabling Value-Based Care

DURING DHNY SUMMIT 2023, we held a session on value-based care (VBC) enablement. The panelists discussed what it will take to make VBC the standard payment model going forward. A summary of the conversation follows, courtesy of Accorded, an actuarial intelligence company for value-based care.

Bending the Cost Curve

We've been talking about the shift from fee-for-service to VBC for decades. The panel agreed that we're at an inflection point where creative contracting based on risk adjustment is no longer enough. Providers now must prove that the VBC model increases quality and bends the cost curve. Stellar Health's CEO **Michael Meng** was optimistic in his analysis: "This cleanup is a good thing. It will allow people to perform and prove that what they're doing matters."

"This cleanup is a good thing. It will allow people to perform and prove that what they're doing matters."

Michael Meng

Co-Founder & CEO, **STELLAR HEALTH**



Frank Cheung

Co-Founder & CEO,
ACCORDED

Scott Cleary

President,
HYPHEN

Michael Kopko

Co-Founder & CEO,
PEARL HEALTH

Michael Meng

Co-Founder & CEO,
STELLAR HEALTH

Brandon Sim

President & CEO,
ASTRANA HEALTH
(fka **APOLLOMED**)

Delivering on the Promise

What are the key ingredients necessary for providers to adopt and succeed with VBC?

Timely and actionable data, of course. As Hyphen president **Scott Cleary's** mission is to "get rid of the spreadsheets flying around that are always out-of-date." His team works with health plans to cleanse and structure the data so those at the point of care receive the key information they need.

Michael Kopko, CEO of Pearl Health, described how they "prepare physicians to see patients very differently and encourage them to be proactive." When it comes to lowering costs, he said, "It's a pretty simple playbook: provide information and metrics to our primary care doctors that enable them to take an action, particularly when that leads to avoiding a readmission."

In addition, financially rewarding the people who deliver the care is essential. "It's about democratization of the money to the people who do the work," offered Meng. Payment timeliness is also critical. Receiving a check from CMS 18 months after services are rendered doesn't provide much incentive.

Specialty Care

Bending the cost curve includes a focus on specialty care because so many dollars are spent in that realm. "Let's not forget about figuring out the right incentives that allow specialists to participate in the movement towards value and incentivizing them to do so," said **Brandon Sim**, President & CEO, Astrana Health (fka ApolloMed). Expect to see more primary and specialty care groups team up to take risk in the future.

Payer partnerships

Today, VBC contracting is still quite variable among payers and by market making it difficult to achieve the best outcomes. "Most industries

"We need to arm providers with the necessary resources to realign their care delivery behaviors against those contract goals."

Frank Cheung

Co-Founder & CEO, **ACCORDED**

that accelerate typically default to standards, and everyone then competes to be the best provider," offered Kopko, who advocates for national value-based contracts. Meng agreed that standards are must-have and noted that health plans with VBC contracts under their belts are getting savvier. "Certain payers are thinking about benefit design and attribution and starting to negotiate in advanced and sophisticated ways."

Going Forward

As the market for value-based payment models continues to evolve, it will be incumbent on the participating entities to invest in the right people, enablement tools, and partnerships to successfully deliver on the promise of VBC. **Frank Cheung**, CEO of Accorded, offered this perspective: "First, more work is needed to improve the process through which stakeholders align on VBC contract opportunities and second, we need to arm providers with the necessary resources to realign their care delivery behaviors against those contract goals."



AI + Healthcare

MUCH HAS BEEN MADE about the promise of Generative AI in healthcare. Will 2024 be the year when it gains traction? 45% of executives surveyed in our State of New York Digital Health research thought so. So how will this technology be applied and used to improve healthcare and its processes? We asked digital health leaders to weigh in.

WE'RE EXCITED TO SEE AI-FIRST HEALTHCARE organizations emerge. Imagine a provider organization that is built from the ground up leveraging AI at every step relative to a traditional provider organization. Think about what is possible when you aren't limited by the constraints inherent to running an existing practice.



Sam Toole

Partner, **PRIMARY VENTURES**

We believe that AI can fundamentally change the unit economics for care delivery businesses by empowering care management teams. These companies will become more profitable and far more interesting to venture investments than they have been in the past few years.



Steve Liou

Founder & CEO, **CLARIUM HEALTH**

There will be enormous applications of artificial intelligence in “unsexy” areas like supply chain management. Leveraging AI will exponentially increase productivity, but more importantly, improve job satisfaction in a field with increasing clinician burnout and staffing shortages.



Bobby Guelich

CEO, **ELION**



Chris Moniz

Managing Director, **HSBC INNOVATION BANKING**

With the increase in speed and sophistication with AI, the human brain will be fully mapped and understood, and we will be able to treat a myriad of conditions from mental health to healing Alzheimer's.



Leo Grady

Founder & CEO, **JONA**

The rush to add regulation for AI in healthcare is misguided. The FDA already has regulatory authority over any medical devices (which includes AI) that impact patient safety and already requires the sort of validation that addresses bias.



Oliver Kharraz

MD
Founder & CEO, **ZOCDOC**

Early adopters of AI medical scribes could see 20% time savings and capacity improvement. This has the potential to reduce provider staffing bottlenecks by opening up significant capacity in providers' schedules, which they can redirect toward seeing more patients. This may lead to a meaningful shift in the current supply-demand imbalance.



Alexander Dundara

Partner - Digital Health Services, **WITHUM**

Generative AI is emerging as a promising avenue for healthcare providers to enhance operational efficiencies and address workforce shortages. We're looking at 2024 to usher in new and innovative technologies to the industry that could be groundbreaking.

GENERATIVE AI will drive the hyper-personalization of healthcare content, and in turn free our healthcare providers to maximize their impact. Instead of an algorithm surfacing content produced for the masses (a la Google), this technology will allow us to create content that speaks to each individual's unique circumstances and needs.

Lori Evans Bernstein

Co-Founder & CEO, **CARAWAY**



Strategies for a connected and personalized healthcare future

PATIENT ENGAGEMENT HAS EMERGED as a critical focal point for innovation. We interviewed the founders of leading New York digital health companies to understand how they think about meaningful engagement. They emphasized the following five key strategies.

1 Personalize the care journey:
Tailor the patient experience to deliver more empathetic and meaningful care. Deliver information precisely when and where it's needed, enhancing the patient's sense of being truly "seen."

2 Build trust through human connection:
Amid the rise of virtual and tech-driven solutions, maintain the human element of care delivery. Whether through providers, coaches, or benefits team coordinators, fostering real connections builds trust. Additionally, creating patient communities—mindful of privacy—adds a vital human element for mutual support and accountability.

3 Bridge siloed care:
Recognize patients as whole individuals, not just conditions or body parts. Successful digital health companies find ways to bridge care across specialists and disciplines to ensure that providers and patients have full information and context. Further, supporting patients with administrative challenges such as insurance, benefits comprehension and medication access can dramatically improve their experience.

“**WE’VE COME TO REALIZE** that baseline patient activity—measured in application opens, clicks, messages—is not always a meaningful indicator of success in digital health. Instead, healthcare leaders need to take a behavioral design approach to deeply understand how patient behaviors and actions influence clinical outcomes.

Elise Mortensen

Head of Growth,
HTD HEALTH



4 Enable providers to support patients:

Tech-driven efficiency in operational and administrative tasks frees provider time for what matters most: communicating directly with patients. Prioritize a technology stack that reduces time spent on routine administrative tasks that often lead to clinician burnout and patient frustration.

5 Be intentional with engagement metrics:

Rethink what you measure to align with meaningful outcomes. It's not just about frequent patient actions borrowed from consumer tech; it's ensuring adherence to care plans, timely appointments and the maintenance of key health behaviors.



Robert Krayn

Co-Founder & CEO,
TALKIATRY

Everything is centered around the patient-provider relationship. We measure patient

progress through synchronous appointment data and asynchronous evidence-based scales. Since each patient is different, we take a more personalized approach. More engagement is not always better, we expect patients to leave the platform if they no longer need care.



Rachel Blank

Founder & CEO,
ALLARA HEALTH

Most of our patients have a chronic condition that affects their day-to-day life, so we think about supporting them across all touch points. This includes scheduling video visits with our specialists, chatting with providers and dietitians on our app, working with the patient concierge team to address challenges or questions and building community with other patients.



Innocent Clement

MD
Founder & CEO,
CIBA HEALTH

The patient is always in the middle, surrounded by a team of providers, certified health coaches, registered dietitians and board-certified doctors. We collect data from RPM connected devices, labs and patient questionnaires, which inform provider care plans and allow our proprietary technology platform to analyze and automatically flag changes that may be concerning. The combination is high tech and high touch—data-driven but with an empathetic human element.

Crystal Ball for '24

LOOKING AHEAD, 2024 IS SHAPING UP to be a year that will see quite a bit of change in the digital health sector. Here's what some experts predict:



Aarti Ravikumar

MD

Chief Medical Information Officer (CMIO), **ATLANTIC HEALTH SYSTEM**

We are facing a severe clinical workforce shortage. In 2024, we need to invest in the retention, training and well-being of our healthcare workers.



Liya Shuster-Bier

Founder & CEO, **MAIA ONCOLOGY**

In December 2024, Biden's extension of the pandemic's Medicare telehealth reimbursement flexibilities will expire. This will result in shifts in reimbursement that force providers and health systems to make tough choices. The need to balance patient outcomes with sustainable economics will shape the adoption of virtual care across communities.



Chris Lloyd

Managing Director, Head of Healthcare Technology, **J.P. MORGAN**

In 2024, there will be increased M&A activity as valuation expectations are reset and point solutions are consolidated by larger platforms.



Caroline Pearson

Executive Director, **PETERSON HEALTH TECHNOLOGY INSTITUTE**

New Federal rules require employers to certify that they are acting in their employees' fiduciary interests when purchasing health insurance. This change will prompt greater emphasis on efficiency as employers scrutinize their negotiated prices for services and drugs and will stimulate interest in health technology solutions to bring down costs.



Lee Hudson Teslik

Founder & CEO, **REVERENCE CARE**

Workforce is a burning platform issue and challenges will persist in 2024. Large organizations will see diminishing returns from blunt-force efforts to hire more staff. They will find greater impact from staffing optimization — modernizing org structures, key processes and supporting technologies. Playbooks from hospitality, airlines, and trucking show a compelling end-state, but a significant change journey lies ahead and must start ASAP.

WHILE WE'VE SEEN ASTRONOMICAL GROWTH in new point solutions that can transform everything from cancer risk screening to VR and mental health, we haven't seen the successful integration of these products in ways that work for patients and providers. This will change in 2024 with a shift towards platforms that enable meaningful and contextual integration of new technologies.

Swati Mathai

Co-Founder & CEO, **XO HEALTH**



DHNY

DIGITAL HEALTH NEW YORK

REPORT METHODOLOGY

Data was obtained from a variety of sources including but not limited to company representatives, press releases, HolonIQ, Crunchbase and covered the period from 01/01/2023 to 12/31/2023. A company was included if it (1) listed New York City as its corporate headquarters or employed at least 10 people in the region (2) the company received seed, angel, early-stage or late-stage funding of at least \$1M during the period 01/01/2023 to 12/31/2023, (3) the company was not publicly traded or non-profit. Companies that won grant funding, prize money or acceptance into accelerators/incubators were not included in the analysis nor companies that received less than \$1M in total funding. Public companies were also excluded.

NY DIGITAL HEALTH 100 SELECTION PROCESS

To compile the DH100, we invited companies to complete an in-depth application with both quantitative and qualitative measures to help us to get to know the company better. We also used our dynamic database of digital health companies in the region to round out the consideration set.

A company qualified for consideration if it maintained headquarters or employed at least 10 people in the New York region. Companies that were public or non-profit; founded before 2014; or had an exit were excluded. We evaluated companies on a number of factors, including but not limited to: strength of application, leadership, number of employees, funding (if known), revenue (if known), market fit, differentiated offerings, and community engagement.

ABOUT DHNY

Digital Health New York (DHNY) is a connected community of digital health leaders who share ideas, spark new directions and create success across the entire ecosystem. As an organization, we seek to increase the visibility of New York City as a leader in healthcare innovation and showcase the companies and leaders creating the future of healthcare. Our flagship event, DHNY Summit, brings together an elite group of entrepreneurs, investors, payers, providers and executives to cultivate the New York digital health community and drive impactful conversations around the current and future state of digital health. DHNY was founded in 2022 in collaboration with AlleyCorp. For more information or to join DHNY's mailing list, please contact info@dhny.co.

DISCLAIMER

This report is provided for informational purposes only. Where possible, we verified information obtained through publicly available sources (e.g. company press releases, news reports). If you find an error in the report, please contact us at info@dhny.co so that we can correct it.



www.dhny.co