Pandemic highlights need for proactive health care, tech companies say

As the Covid-19 pandemic strains providers and shines a light on disparities, health care technology companies hope investments made now will benefit their business later.

Health tech firms across the city were coming off funding rounds and client wins in the months before the virus struck, but now they've turned their attention to responding to new requests and rolling out more offerings in a matter of weeks.

The long-term result they're looking for is greater industry-wide recognition that their digital tools can help drive better results.

"The health care industry was caught flat-footed," said Adam Sabloff, founder and CEO of Manhattan-based VirtualHealth. "Moving forward they'll need additional screening tools."

VirtualHealth provides a software-as-a-service platform designed to help health plans and other clients identify interventions to reduce preventable issues. It launched in 2012 and now has 9 million members being managed by its clients. It has raised about $25 million to date.

In the past several weeks, the company has shifted its immediate focus to developing a Covid-19 solution, Sabloff said. The cost for VirtualHealth has been in the six figures.

The solution allows organizations to push out member assessments on the virus, integrate with records at the health plan level, and trigger alerts to care managers when individuals may show symptoms or be at high risk.

"We're offering it to the market to anyone managing populations," Sabloff said, including cities and states.

In normal times, VirtualHealth's solutions take three to six months to develop. But the Covid-19 capability is an out-of-the-box option that clients can implement in days, he said.

"At least for the next few years, the specific markers of Covid-19 will be part of managing population health," Sabloff said. "Our clients will rely heavily on these tools.

"Our entire model," he said, "has been about early detection of issues before they become hospitalizations–getting data and triggering workflows for care managers."

He said that's the reason the company has seen an uptick in requests for proposals and inbound interest in recent weeks.

"Last month the pipeline doubled," Sabloff said.

Cecelia Health, also based in Manhattan, focuses on helping people manage chronic diseases through tech-enabled behavioral coaching. The company, formerly known as Fit4D, works with health care providers, care managers and pharmaceutical companies, among other organizations, and has more than 1 million interactions across some 100,000 people.

During the outbreak, the company has expanded its capacity to offer remote clinician support.

"The Covid-19 crisis shines a light on both the structural gaps in traditional health care delivery models and the need for specialty telehealth capabilities..." said David Weingard, founder and CEO of Cecelia Health. "It has been encouraging to see the government extend support and loosen regulations for telehealth, which allows digital health companies to more readily assist traditional [health care providers] in providing assistance and care to a broader population."

The pandemic has "created an opportunity to engage with potential customers who may not have seriously considered telehealth," Weingard added. "While the shift towards virtual care has been expected for years, this outbreak has accelerated the need to adapt for the entire health care industry."

In Brooklyn, another health tech firm, Zipari, is [continuing to sell](#) its customer-experience technology to health insurers.

"Our main focus has been on helping health insurance companies improve their communications to members," said Mark Nathan, founder and CEO of Zipari.

On the heels of [raising $22.5 million](#) in its Series B round, the company has been investing in sales and marketing of its consumer-engagement tools as well as its digital broker portal, which helps with selling plans and growing business.

During the Covid-19 crisis, the company has been fielding requests from health plans "that would like to make their messaging to members more dynamic," Nathan said. They want to get the right information out to members, he said, to keep them healthy.

Additionally, Zipari sees the potential for greater demand for the sales side of its business, he said. Individual markets have started to allow special open-enrollment periods, people have needed more access to individual insurance during small-business closures, and the purchase of no or low-cost Medicare Advantage plans has risen, he said.

"As those sales avenues change from their normal cycles, health plans need to be able to make decisions quicker, post information and open up their shopping experience," Nathan said.

Because Zipari's contracts with insurers are long term, the company has not seen a negative financial impact from the crisis.

"We're being cautious, and we're being conservative in our forecasts, but our No. 1 focus right now is to protect our employees and serve our customers," Nathan said.

"[With] the changes to telemedicine and how to integrate that into the consumer experience, I think we're going to see ongoing changes [in the industry] for the better," he added. "That will reduce the cost of care and provide better customer service for the member."

Sabloff of VirtualHealth echoed that sentiment.

The biggest change he predicted for the health care industry?

A greater focus on value-based care and preventive approaches.

"It's important that people really recognize that there is a proactive model," he said.