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BACK TO THE FUTURE. OBSERVATIONS FROM HIMSS '19 AND BEYOND.

By Howard Burde

Following HIMSS '19, the entity formerly known as the health care consortium created by Amazon, Berkshire Hathaway, and JPMorgan Chase announced that henceforth it would be known as Haven, which, for those of you keeping score at home, reduces the number of keystrokes from 84 to 5. Writers everywhere are grateful.



The trade press has referred to Haven's strategies and "shrouded in mystery" or "veiled in secrecy." Piffle.

The strategies of Haven, the extraordinary success of on-site and near-site clinic companies like Activate Healthcare (Best in KLAS) and its merger partner Paladina Health, and the prospects of direct primary care for small groups providers like HIPNation, prove fundamental economics still apply. And, anyone paying attention can see why.

What these disparate companies share is a focus on defined groups receiving defined benefits. Whether the defined groups are the small employers or associations served by HIPNation, the employers and unions served by Activate/Paladina or the over one million employees and beneficiaries of the Amazon, Berkshire Hathaway, and JPMorgan Chase health plans, the lesson remains and the precise services are less important than the theme: when health care services are bundled for a defined audience, the services improve through greater patient participation, reduced expenses and higher satisfaction. Participants know what they are getting and where they are getting it. They understand they are a valued part of a larger effort. They understand that they are personally cared for. They actually participate in their care, in percentages far greater than the general population. Outcomes improve.

Why is this Back to the Future? Once upon a time, around 40 years ago, we called this managed care. The companies that provided it were called Health Maintenance Organizations. And the costs of care came down. The abusive tactics of the HMO industry, denying care, focusing on contracts rather than outcomes, treating members like fungible commodities, nearly drove that industry segment into richly earned oblivion.

The Paladina/Activate, HIPNation and Haven efforts are not about denying care or manipulating beneficiary populations to exclude the sick and vulnerable, they are about providing care and services to the members of the groups. To be sure, the defined nature of the benefit may shift the decisions regarding coverage to health plans, but the return on investment from providing care creates a margin which permits those health plans, especially self-insured plans, to make more patient focused determinations. In case we needed validation, CMS announced its Primary Care First initiative based on these principles effective in 2020.

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HEALTH INNOVATION
THINK TANK

Why should HIMSS attendees care? If the health care market is cycling back to defined groups and defined benefits, the innovations which facilitate such market dynamics will have an advantage. Patient engagement tools matter. But, such tools need to think about not just the engaged patient but about the engaging provider. Patients don't want "someone" to care, they want their providers to care. A disembodied computer-generated voice is not an adequate substitute. Telemedicine is wonderful so long as the provider is known to the patient or at least so the patient's provider is in the loop.

Investors and innovators should heed these simple observations. We are cycling back to the future and that is where the money is.

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THINKING THROUGH, HEALTHCARE CROSS-INDUSTRY COLLABORATION TAKES A DEEP DIVE AT HIMSS19

By Justin Barnes

Integration, merger, acquisition, consolidation, and disruption are all part of the healthcare vernacular making headlines. From the consumerization of care delivery to new vertical integration announcements (think Amazon-Berkshire Hathaway-JP Morgan, Walmart-Humana, Allscripts-Lyft), the lines are blurring between retail and healthcare engagement. There is no denying that the pace of healthcare disruption is accelerating.

Is communication, cross-industry collaboration, and learning keeping pace?

Given the focus on making healthcare more efficient, effective and digitally transformed, leaders need to lean into a cross-industry conversation about the future of healthcare. The strategy status quo — siloed thinking, one-dimensional planning — will no longer move the innovation or transformation needle. Health systems, policy makers, providers, payers, and solution vendors meeting in separate "tents" to discuss best practices and share learnings, rarely benefit from a broader, connected discussion.

Healthcare leadership must break through to a new model of communication and collaboration giving industry stakeholders a platform to share and learn on a higher level.

Thinking Differently in Healthcare

What if the brightest minds in healthcare — industry thought-leaders, key

policymakers, health system leaders, payers, investors, etc. — met together, **under one roof, without an agenda** other than moving healthcare forward, together?

That was the vision in 2016 and the genesis of the Health Innovation Think Tank.

Strong, Jargon-Free Collaboration

Expanding the conversation and sharing ideas across related groups makes the Think Tank unique in healthcare. This isn't a customer advisory board, or user group — no one is selling (or buying) solutions.

The Think Tank brings together diverse groups of healthcare leaders, innovators and policymakers to identify best practices and strategies that will improve care quality, increase care access, enhance patient engagement and reduce unnecessary costs.

The Think Tank is free, there's no marketing and no advertising. Invitation-only meetings (and we just concluded number 5), are limited to 50 participants. Half of the attendees are returning from a previous meeting and half are first-timers. This attendee mix allows for rapid review of previously-discussed topics with the benefit of adding new thinking. Strong collaboration is a requirement. Members insist on talking "to and with" one another versus "at and over" one another.



What if the brightest minds in healthcare tackled real issues, shared best practices, and shared their findings?

The goal with the Think Tank is to share ideas, identify strategies that work, identify industry gaps as well as opportunities that still exist. In the key takeaways and best practices that can be found on the Think Tank Resources page, the team has worked to keep the content concise but with enough context that the industry can begin to deploy any applicable strategies within their own communities.

Healthcare Conversations in Motion

We welcome you to engage the Think Tank conversation on Twitter and LinkedIn by searching #HIThinkTank and certainly reviewing the website at www.HealthInnovationThinkTank.com. Thank you and we look forward to hearing from you!

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OBSERVATIONS FROM HIMSS—IS IT DAVID OR GOLIATH?

By Scott Holbrook

Years ago, at Intermountain Health Care, we build an IT product for the larger hospitals and a similar but different product for the small hospitals. I was pulled into a meeting by the leadership of the smaller hospitals. They said, “We have the same needs as the larger hospitals, but we just need to have more time to get there. We have fewer hands to do the same work, so they have more to learn, but over time it is the same”. We stopped building a product for the small hospitals and gave the small and rural products the same systems as the large—it worked very well! I have observed these principles over the past 35 years and found they still apply to day.

It is always fun to attend HIMSS. It is a chance to walk back to old memories and established friendships. It is exciting to relish in the days of the early evolution of Healthcare IT and is the amazing progress that has been made. We have seen BIG names and small names fade because of lack of long-term vision.

Even though EPIC and Cerner dominate the inpatient core systems, many other companies have found a place to fit in with the 1,400 vendors that participated in HIMSS this year. With so few vendors at the top, it would seem the market is reducing in size, but it is not true. This is an age of specialization, advancements in new technology and personalization seems to command the attention of many. These innovations both technology and new services will continue to drive an expansion of products and services in the healthcare marketplace. We are rapidly moving to put critical data and information and, in more hands, to make more informed and better-quality decisions. As



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the availability of the data increases, the demand increases. This results in new products and service.

The future of healthcare IT will continue to grow with the advancement of technology, innovative people, storage capacity, advanced image capabilities and the new generation of computer literate people. The demand of automated products is and will continue to soar. At HIMSS, we will see the escalation more and more products as the healthcare IT users grow—new users will continue, and ingenuity will not be dampened!



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WHY DIAM? THE IMPORTANCE OF A STRATEGIC ROADMAP FOR MEDICAL IMAGING

By Blain Newton

In the complex and continuously evolving environment of medical imaging, there is a distinct need to deliver imaging securely, through the right channel, with the right context, at the right time to the right person. That need is compounded when one considers that diagnostic imaging accounts for 10% or \$100 billion of the total annual healthcare costs in the United

States. Furthermore, recent studies have found that there are clear inefficiencies that need to be addressed: “Basic imaging (radiography, ultrasound, and mammography) accounted for 85% of the estimated avoided cases of repeat imaging.”

Many of these inefficient or duplicate processes can be avoided by using better workflows, consolidated strategies and leveraging technology. As imaging has evolved, there are now more services and tools in the field. With this added complexity, there are even more disparate processes that need to be maintained, supported and standardized across an entire enterprise environment.

Enter the Digital Imaging Adoption Model, or DIAM. DIAM offers a framework to guide healthcare providers in adopting



By using DIAM, organizations are taking the first step in acknowledging the critical importance of imaging

the right digital strategy to improve internal workflows and outcomes for patients. The model assesses the maturity of IT-supported processes in medical imaging for both hospitals and diagnostic centers around the world, and leads organizations towards a fully digitized imaging IT environment. HIMSS Analytics developed DIAM with the support of the Society of Imaging Informatics in Medicine (SIIM), the European Society of Radiology (ESR), and the European Society of Medical Imaging Informatics (EUSOMII).

By providing a strategic roadmap, DIAM helps healthcare providers reflect and better understand their implementations to improve upon current software imaging capabilities. DIAM can support an organization's existing strategic plan by identifying strengths and weaknesses of technology and workflow. For example, imaging in lower volume specialties (like Ophthalmology, Dermatology and Neurology) is difficult to do well, and even more difficult to receive the attention of decision makers. DIAM brings clarity to management teams and hospital boards. The model supplies a framework and taxonomy that can be used to facilitate multi-disciplinary collaboration. This added attention helps support the IT imaging professional that is trying to make further improvements.

Healthcare providers can utilize more than 100 distinct indicators of maturity from multiple focus areas such as software applications, image capture, distribution and viewing, imaging governance, clinical decision support, imaging analytics, or patient engagement. The model includes the key elements needed to successfully and comprehensively implement, deploy and enable Enterprise Imaging capabilities.

By using DIAM, organizations are taking the first step in acknowledging the critical importance of imaging. It is a challenging component of any health system, with the expectation of instantaneous, on-demand data. DIAM is a great tool to further develop an organization-wide digital imaging strategy, to ultimately optimize internal workflows, increase patient safety and improve quality of care.

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HIT·IQ | THE LAST WORD

Featuring profiles of entrepreneurs and leading innovators



Dr. Sanaz Cordes

Dr. Sanaz Cordes is a physician turned serial entrepreneur, investor, and consultant. She is the founder and CEO of the Value Prop Shop, a consulting and services firm working exclusively with healthcare startups.

Dr. Cordes, thank you for taking the time to share your thoughts with HIT·IQ. The health IT market continues to be dynamic and as a result, can throw off often confusing market signals. We wanted to speak with you because of your terrific background as a practitioner and serial entrepreneur to get some commentary to share with our diverse readership.

Q: Tell us about the Value Prop Shop (VPS) to provide some context.

Value Prop Shop is a specialized consultancy that works exclusively with healthcare startups. We are serial entrepreneurs who have had a seat at all four sides of the table: software startups, patient care providers, investors, and health system administrators. We founded VPS because we saw a significant market need for consultants who have lived and breathed the startup experience and who will roll up their

sleeves to help guide startups to success with go-to-market sales, product, operation, and fundraising strategies. Startups need more than a high level strategy, though. They need a tactical execution plan, and we create a step-by-step action plan and help them execute it.

Q: The HIT market continues to present a rich opportunity for investors and startups – but it's never as clean and easy as it may seem. What do investors new to healthcare startup sometimes miss or overvalue?

Healthcare leadership is challenged to manage competing clinical, operational, and financial drivers and demands. We've had the privilege of working with 30+ startups of all stages - from early concept to post-series B companies. Investors that have funded startups in other markets often come into HIT and are often surprised by the unique challenges in the space.

For example, sales cycles and the barriers to market entry are uniquely different in health tech. New investors express concern about the length of the HIT sales cycle and may try to push for a faster or different process, but this can pose risk to deal closure and overall company success due to the misalignment.

I cannot tell you the number of times I've heard someone from the healthcare C-Suite comment that they may get as many as 20-30 requests a week from startups selling a new disruptive. The good news is that healthcare is far more accepting of new tech than in the past. There are some 70+ active innovation centers located in healthcare facilities across the US, so many in the industry are open to it, but many of the structural issues and financial drivers have not changed.

Q: What are some common issues of concern for startups that Value Prop sees?

There are many, but here are three.

Product – Market Match: Clinician-founders often want to focus on quality and are swayed by their own experience and pain points. Engineer/product founders, on the other hand, may build a beautiful product with enhanced features and functionalities that is workflow incongruent for the end-user.

Poorly defined value proposition. We all enter healthcare to improve the quality of care for patients. But, at the end of the day, health systems have a finite amount of time and money to invest in software. Startups must present a value proposition that will resonate with the decision maker, decision influencers, and end-users. To this, they startups must define the business problem, explain the subsequent cost and risk for not solving it, and defensibly demonstrate how and why their product is the best solution for the issue.

Demonstrating an ROI. We often hear an early startup say, "I don't have customer data, yet, so how can I create an ROI story?" We present them with a stepwise approach to creating an ROI. First, we help tap into the wealth of primary literature, published reports, CMS and other agency data to look for relevant statistics and numbers to extrapolate and weave into the ROI message. Next, as they begin to collect customer data, they can supplement this ROI projection with true anecdotes and case studies. Finally, when they have collected robust customer data, they can present a true business-case ROI.

Q: What are some of the market drivers impacting the healthcare sector that matter for startups?

Models of care: fee-based versus value-based care. Healthcare policy and payers have been pushing towards a value-based model, but in reality, most systems still have one foot in the fee-for-service door and one in value-based door. The reality is that very few healthcare entities actually operate completely under a value-based model, but many startups designed their product for a value-based world, which is now forcing them to operate in a hybrid model. This requires startups

to react and adapt their business models – which can be costly and even lead to business failure in some cases.

Interoperability is persistent challenge. For the past decade, the message has been that end-users will achieve interoperability by installing and running all communications through the EHR, but now, we are seeing a shift in mindset. After years of EHR implementations, optimizations, upgrades, and more, health systems have realized that interoperability cannot rest on the EHR. Increasingly, end-users including clinicians, are voicing their frustration with data access that is dependent on the EHR. We even had one physician state that the EHR is "user-hostile!" End-users are open to other solutions that provide interoperability to improve access to the right data at the right time and setting of care. As a result, more and more startups are disrupting the approach to interoperability with effective solutions that live outside of the EHR. However, health systems have invested so much into the EHR as the center of interoperability, it will take time for them to fully embrace a shift.

Data overload is another issue. Too much data is coming from so many different sources and platforms - medical devices, monitors, lab systems, patient-entered applications... etc. Clinicians and administrators are struggling to sift through, aggregate, and present the data in a way that is consumable and actionable. Reports show that an alert or alarm goes off every three minutes in a critical care setting, and over 60 are just "noise".

Data showing an acute situation exists, but it is only valuable if it can get to the right person at the right time. There has been a focus on running patient data through logic engines to make better clinical decisions, but that is no longer enough. Providers realize this myriad of data must be interpreted and presented in a meaningful way that can lead to actionable outcomes. Startups that are disrupting this space are providing solutions that can save time in data-driven intervention with solutions such as data visualization at the bedside.

We are starting to move the needle, but there is much more work to be done. It's almost like sitting in a room full of food, everyone is hungry, but no one can reach their fork to any of the dishes. The next tier of startup solutions are tackling how to make actionable data-driven insights configurable and solve specific health system issues - without turning into a "dev shop" completing one-offs to gain value.

Q: Are you seeing changes in the investor profile?

Yes, we are seeing new players and the investor profile is changing.

The numbers from 2018 show that investors are shifting the number of deals from early stage to later stage startups, and both stages have seen an increase in deal size. It appears that more investors are shifting their bets towards startups that have survived long enough to move into later deals. Rock Health published an interesting report showing change in the overall

number of digital health acquisitions. There were 87 in 2014, 137 in 2015 and back down to 83 in 2018.

In a space where less than 2% of female founders receive venture capital, we are seeing terrific growth in the number of female angels - which went from 5% to 26% in the past decade. This likely impacts the funding for female-led startups by angel investors which has also risen close to 80%.

This is an exciting time to be in this space, every day is different, and we are happy being right in the middle.

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