

A black and white photograph of the interior of Grand Central Terminal, showing the iconic vaulted ceiling with its ornate details and large arched windows. The floor is polished and reflects the light, and many people are seen walking through the space, some blurred to convey a sense of movement. A dark blue semi-transparent banner is overlaid across the middle of the image, containing the report's title and year.

DHNY
DIGITAL HEALTH NEW YORK

NEW YORK
**HEALTHCARE
INNOVATION
REPORT**

2023

TABLE OF CONTENTS

- 2** Introduction
- 3** Contributors
- 5** 10 Decrees for '23
- 6** The Intersection of Public and Digital Health: Partnering for a Healthier Future
- 7** By the Numbers
- 9** Top 20
- 11** Survey Results: The State of New York Digital Health
- 15** The Long and Winding Road to Value-Based Care
- 17** New York Digital Health 100
- 20** DH100 Winner's Circle
- 21** The White Space
- 23** Heard at DHNY Summit
- 25** Trends in Health Tech
- 26** 2023: A Look Ahead
- 27** Introducing DHNY

COVER PHOTOGRAPHY: Joe Shields

PHOTOGRAPHER: Cathy DuRei

NOW IN ITS 6TH YEAR, the annual *New York Healthcare Innovation Report* highlights the data, trends and leaders that have propelled New York to become the capital of healthcare innovation.

Part of what's different this year is that the report is brought to you by Digital Health New York (DHNY), not NYC Health Business Leaders (NYCHBL). After 14 incredible years of building NYCHBL, the time was right to take the organization to the next level. In 2022, we launched DHNY Summit, an invitation-only event that brought together the leaders and visionaries who are driving health in New York. The response was so strong that in 2023 we have decided to combine the organizations given their aligned goals.

DHNY's vision – similar to that of NYCHBL's – is to create a connected community that shares ideas, sparks new directions and creates success for the entire healthcare ecosystem. DHNY will be run by the same team that presided over NYCHBL, and I will serve as its CEO. We will continue to publish the trusted content and insights that NYCHBL has been known for, such as this report, which has documented the city's dynamic trajectory as a healthcare powerhouse.

When we started NYCHBL, healthcare innovation in New York was in its infancy. DHNY represents an important milestone as together we have dramatically evolved the healthcare landscape in New York.

A few things to highlight in this year's report:

ORIGINAL PHOTOGRAPHY: We've learned over time how gifted the healthcare community is. You'll see enchanting photographs of New York brought to you by clinicians and business leaders whose talent overflows.

NEW YORK DIGITAL HEALTH 100: We were floored by the number of submissions we received this year – more than double that of 2022. The startup landscape in New York has exploded with many second and third generation founders launching new companies. So many seed stage companies applied to be part of DH100 that we added a new category: "10 Startups to Watch."



THE STATE OF NEW YORK DIGITAL HEALTH: In partnership with AlleyCorp, we once again surveyed leaders engaged in financing, building and growing the digital health ecosystem to understand market trends and nuances. Unlike other research, this one is laser focused on our region and provides compelling findings on topics from underserved markets to the future of value-based care.

We recognize that 2022 was a reset year and forecasts for 2023 are not particularly sanguine. Funding is down, the market is challenging and unpredictable, and people are nervous. But there is still room for optimism. We are gratified to see significant focus on making meaningful changes to the way we consume and deliver healthcare. Together, our collective innovation is making a difference.

Warmly,

A handwritten signature in black ink that reads "Bunny".

BUNNY ELLERIN
Co-Founder & CEO, **DHNY**

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Deloitte & Touche LLP**RAVI SHAH, MD, MBA**Chief Medical Officer, **Geode Health****ROBIN SHAH**Co-Founder & CEO, **Thyme Care****RYAN GRANT, MD, MBA**Founder & CEO, **Vori Health****SAMIR MALIK**Co-Founder & CEO, **firsthand****SANDER DUNCAN**General Partner, **Lifeforce Capital****SONIA MILLSOM**CEO, **Oxeon****STEVE KRAUS**Partner, **Bessemer Venture Partners****TARA BISHOP, MD, MPH**Managing Partner, **Black Opal Ventures****VIVEK GARG, MD, MBA**Chief Medical Officer & SVP, Primary Care
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PHOTOGRAPHER:
Grant Hilary Brenner, MD

10 Decrees for '23

INSTEAD OF ANOTHER LIST OF PREDICTIONS, we've distilled our thinking into 10 themes for 2023. We'll track these throughout the year and report on them in our quarterly updates.

- 1** **M&A will accelerate across healthcare** as Big Tech goes after promising digital health start-ups and Big Pharma swallows up prized biotechs.
- 2** **Cash is king. Profitability rules.** The tried-and-true metrics of business success will prevail over growth at all costs.
- 3** **Facing inflation, high medical costs, and rising deductibles**, patients will seek alternative care options and pay models.
- 4** **Mental health startups will continue to be in the spotlight** with a focus on provider quality and access.
- 5** **Clinician burnout and dissatisfaction** will reach new highs providing a tremendous opportunity for those that can mitigate their burden.
- 6** **Facing point solution fatigue, employers will prune offerings** and shift their focus to driving adoption of those that are meaningfully differentiated.
- 7** **As a result of #6, many digital health startups will be forced to adjust** their business model and strategy, and some will exit the market.
- 8** **Value-based care will continue its journey**, with new models emerging that focus on specialty, dental and mental health costs.
- 9** **For those able to secure funding in 2023**, dollars will come from players with deep expertise in the sector as 2021's non-traditional healthcare investors exit the space.
- 10** **Generative AI (e.g., ChatGPT) will be the next big thing** to "transform healthcare." Unlike some other trends, select use cases will have immediate impact.

THE INTERSECTION OF PUBLIC AND DIGITAL HEALTH:

Partnering for a Healthier Future



Q&A with **Ashwin Vasan, MD, PhD**, Commissioner, New York City Department of Health And Mental Hygiene

Q What are your thoughts on the relationship between public and private healthcare sectors?

If COVID has taught us anything, it's that the bridge between healthcare and public health, between prevention and treatment and between private and public interests demand strengthening now more than ever. The business and public health communities are actually in a singular moment of shared motivation and focus about the urgency of preventing and preparing for another major health emergency and improving the underlying health of populations to build in the kind of resilience that will help us get through the next pandemic. To build that bridge, we must grow together, and we must focus and intensify our collaborations and partnerships across silos, reimagine our institutional arrangements and connections, create innovative policy and perfect how we collect, share, use and communicate data. That last element is especially crucial.

Q Can you talk more about the challenges we currently face with respect to data?

No matter where we find ourselves in the health or healthcare ecosystem, we've created our own rules and resources around data and informatics that have to date mostly served to separate our systems rather than bring them together. We need stronger and

more sustained and standardized linkages between patient and population data, between healthcare and social data, and between health services surveillance and survey data.

Q Why is private sector data important to the public health community?

The data your companies gather and the organizations you represent are also core parts of our public health infrastructure. The information and the lives you represent are crucial intelligence that would strengthen our ability to design the best public health policy, to build the best public health programs, and to deliver on what New Yorkers and all Americans demand and expect from government and from the public health systems that they invest in with their tax dollars.

Q How can the private sector support your efforts?

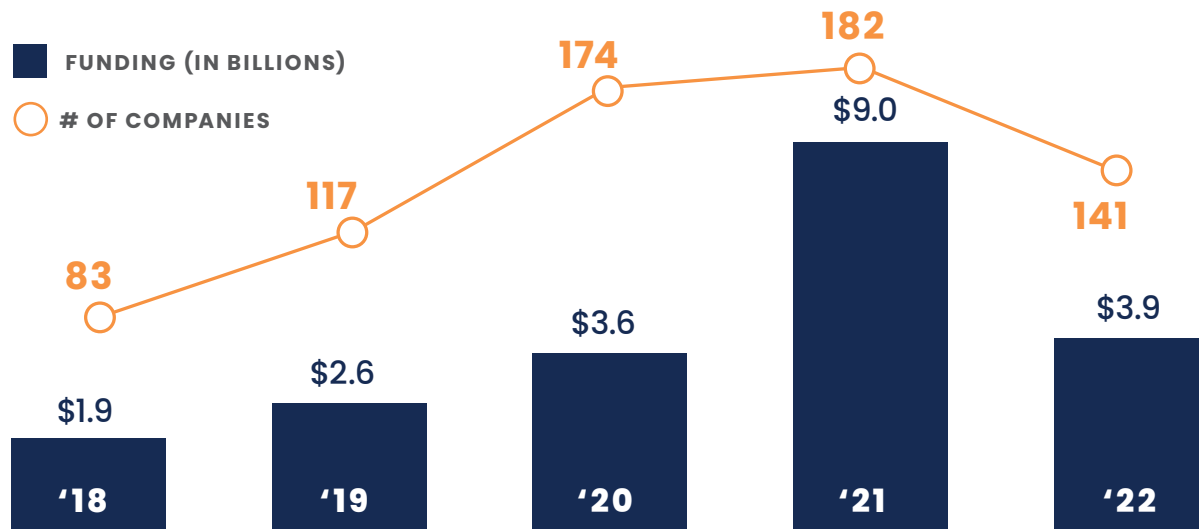
If we can move to a world in which we break down the dichotomy between proprietary data sets and the public interest, we will all benefit, we will all reap the rewards and we will all share in the savings, not just fiscal savings, but lives saved, which should be our ultimate shared goal. I am optimistic that strong public-private partnerships in public health represent a way forward to traverse our divides and to build back the kind of data and service infrastructure people are demanding of us. We can solve our problems if we work together.

BY THE NUMBERS

141 companies raised \$3.9B in 2022

IT'S NO SURPRISE THAT OVERALL FUNDING was down considerably from the heady days of 2021. There were a few bright spots: biotech received more investor attention than in years' past, as did startups focused on analytics and provider enablement. Unfortunately, women's health plummeted to a low of 2%, reflecting a reversal of the upward trend we saw in 2021.

5 YEARS OF NEW YORK HEALTHCARE FUNDING

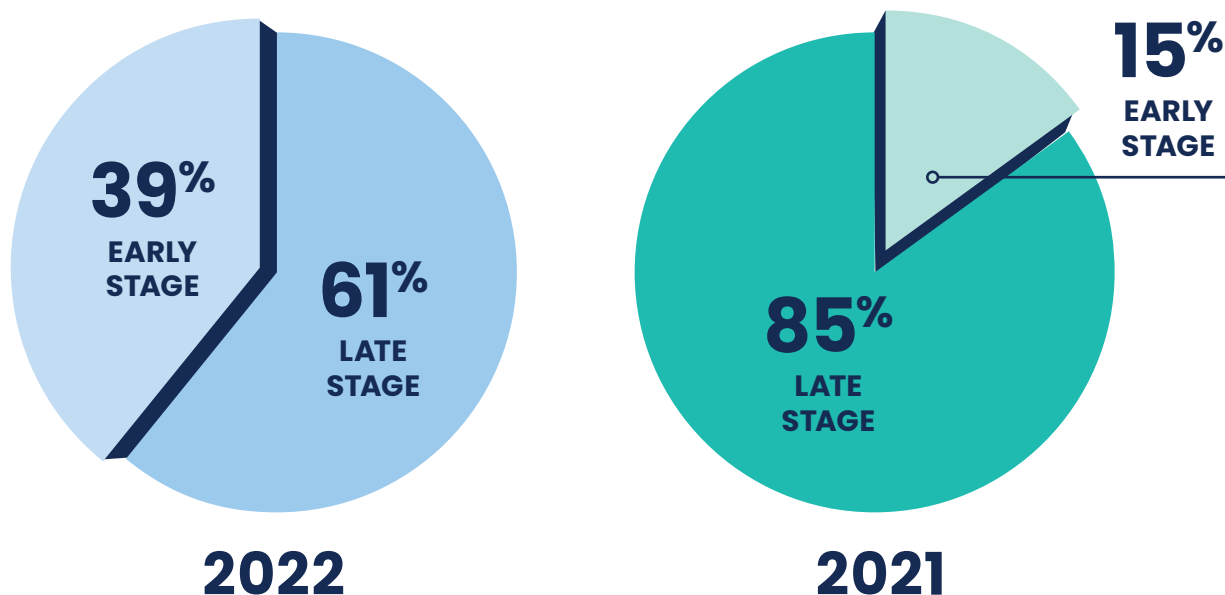


FUNDING BY QUARTER

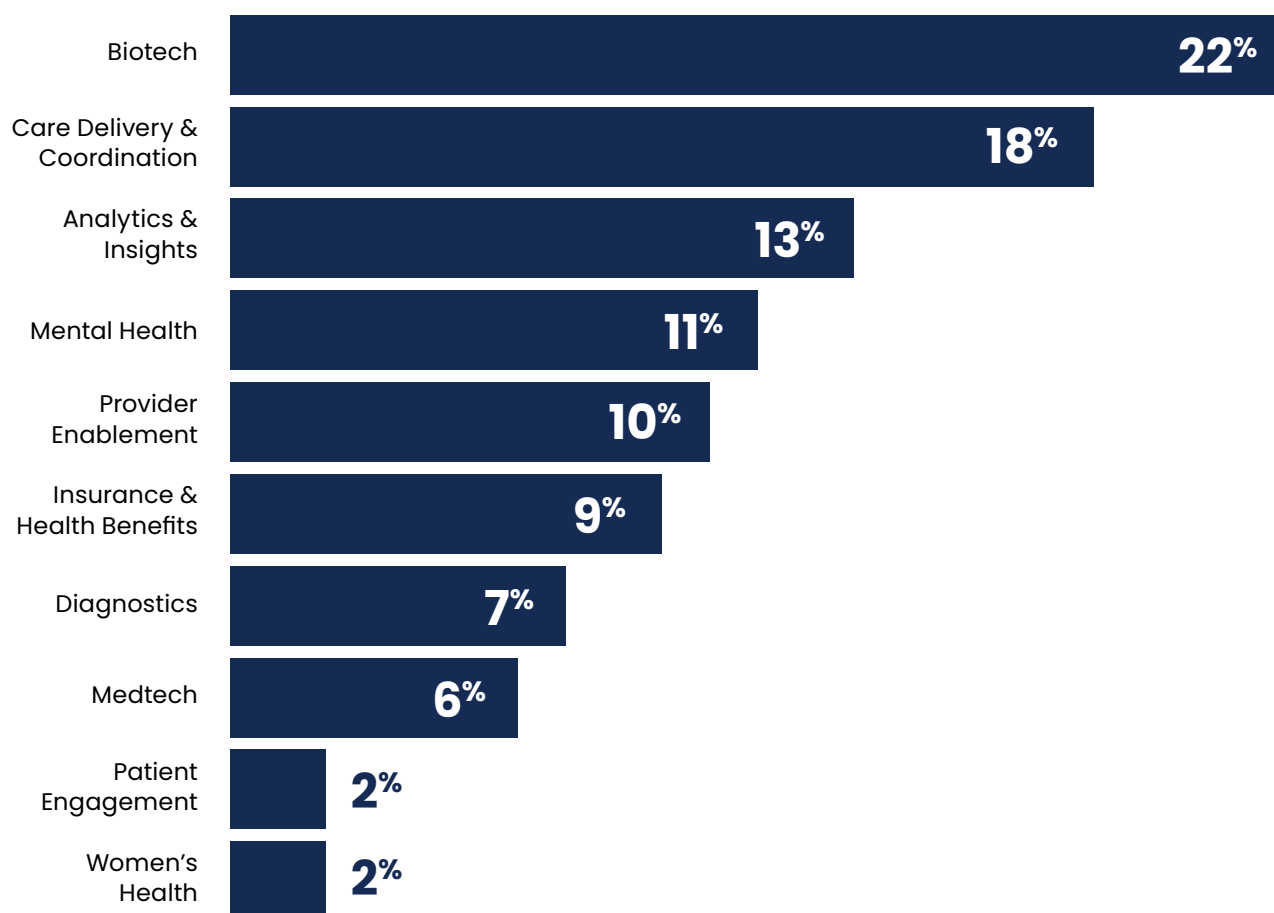


FUNDING BY STAGE







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













FUNDING BY SECTOR



Funding in 2022: TOP 20

NO.	COMPANY	FOCUS	2022 (M)	STAGE	SELECT INVESTORS
1	KALLYOPE	Platform to harness the gut-brain axis	\$236	Late stage	Mubadala Investments, Column Group, Alexandria Venture Investments, Casdin Capital
2	 clearly seeing more of what matters	Creating new standard of care for heart disease	\$223	Late stage	T. Rowe Price, Fidelity Management and Research, Sands Capital, Piper Sandler's Merchant Banking, Heartland Healthcare Capital
3	ro	Direct-to-patient healthcare company	\$150	Late stage	ShawSpring Partners, General Catalyst, FirstMark Capital, TQ Ventures, SignalFire, BoxGroup
4	Alma	Simplifying access to high quality, affordable mental health care	\$130	Late stage	Thoma Bravo, Cigna Ventures, Insight Partners, Optum Ventures, Tusk Venture Partners, Primary Venture Partners
5	 walnut	Fintech expanding financial access to healthcare	\$110	Early stage	Gradient Ventures, Newark Venture Partners, 2048 Ventures, Afore Capital, CityRock Venture Partners, Company Ventures
6	 Capital Rx	Modern pharmacy benefits manager (PBM)	\$106	Late stage	B Capital, General Catalyst, Transformation Capital, Edison Partners
7	 Nomad	First digital marketplace for temporary clinical jobs	\$105	Late stage	HealthQuest Capital, Polaris Partners, .406 Ventures, AlleyCorp, RRE Ventures
7	 ConcertoCare	Value-based provider of at-home care for seniors with complex needs	\$105	Late stage	Wells Fargo Strategic Capital, Obvious Ventures, Vast Ventures, Deerfield Management
9	 DIANTHUS THERAPEUTICS	Advancing next generation complement therapeutics	\$100	Early stage	5AM Ventures, Avidity Partners, Fidelity, Fairmount, Tellus BioVentures, Venrock
10	 MAVEN	Largest virtual clinic for women's and family health	\$90	Late stage	General Catalyst, CVS Health Ventures, La Famiglia, Intermountain Ventures, Sequoia, Oak HC/FT

NO.	COMPANY	FOCUS	2022 (M)	STAGE	SELECT INVESTORS
11	 grow therapy	Enabling people to access affordable therapy through an online marketplace	\$75	Late stage	TCV, Transformation Capital, SignalFire, SVB
11	 RapidSOS	Intelligent safety platform linking life-saving data to safety agents, 911 and first responders globally	\$75	Late stage	Night Dragon, BAM Elevate, Insight Partners, Honeywell, M12 Microsoft's Venture Fund, Axon
11	 synchron	Endovascular brain-computer interface (BCI) company	\$75	Late stage	ARCH Venture Partners, Gates Frontier, Bezos Expeditions, Reliance Digital Health Limited, Greenoaks, Alumni Ventures
14	 Apertura GENE THERAPY	Developing genetic medicines to treat debilitating diseases	\$67	Early stage	Deerfield Management
15	 EyeBio	Therapies to protect, restore and improve vision	\$65	Early stage	SV Health Investors, Samsara BioCapital, Jeito Capital, MRL Ventures
15	 REDESIGN HEALTH	Ideate, build and scale solutions to solve health challenges and advance human health	\$65	Late stage	General Catalyst, CVS Health Ventures, UPMC Enterprises, Eden Global Partners, Euclidean Capital, Samsung Next
17	 lumen	Hand-held, portable device to accurately measure metabolism	\$62	Late stage	Pitango Venture Capital, Hanwha Group, Resolute Ventures, RiverPark Ventures, Unorthodox Ventures
18	 Insilico Medicine	AI-driven drug discovery company	\$60	Late stage	Warburg Pincus, B Capital Group, Qiming Venture Partners, Bold Capital Partners, Pavilion Capital, BHR Partners
18	 Tomorrow Health	Technology-driven home healthcare company	\$60	Late stage	BOND, Andreessen Horowitz, Obvious Ventures, BoxGroup, Sound Ventures
20	 ever/body	Cosmetic dermatology	\$56	Late stage	Addition, Tiger Global, ACME Capital, Declaration Capital, Fifth Wall Ventures, Imaginary Ventures

SURVEY RESULTS:

The State of New York Digital Health

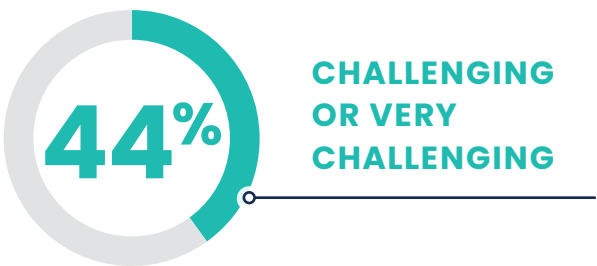
IN OUR ANNUAL STATE OF NEW YORK DIGITAL HEALTH research, conducted in partnership with AlleyCorp, we surveyed a range of stakeholders (CEOs, entrepreneurs, investors, payors, providers) to shed light on market trends and get a pulse on today's business environment. Unlike other research, ours is laser focused on our region, offering a unique view into the dynamic New York market.

IN PARTNERSHIP WITH



2022

How challenging has 2022 been for your business?

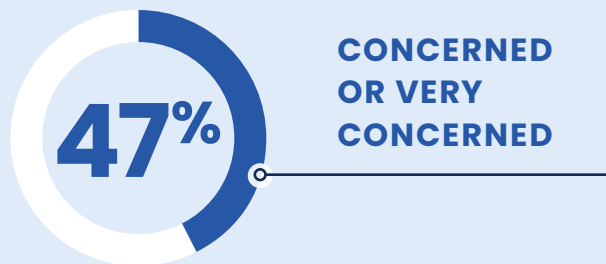


What has been your biggest business challenge in 2022



2023

How concerned are you about the economic outlook and its potential business impact for 2023?



What do you anticipate your biggest business challenge will be in 2023?





JANE SUH

Investor, **AlleyCorp Healthcare**

In 2022, startup valuations

reset and venture funding became tighter and more selective. While the majority of respondents believe that the market for late stage fundraising won't rebound before 2024, there are still some areas of opportunity in 2023. During this challenging economic cycle, companies must focus on strong unit economics and profitability, rather than growth at all costs.

Where will we see the biggest impact of technology's intersection with healthcare?

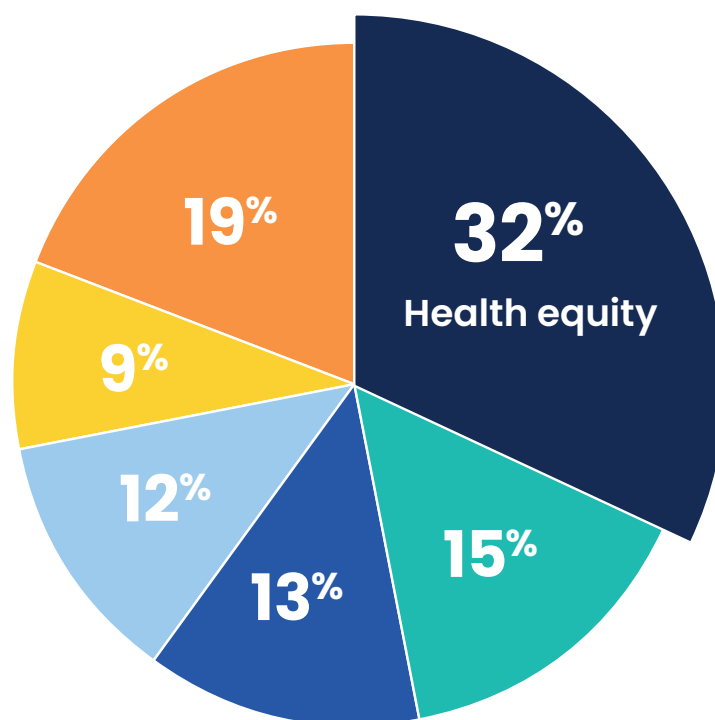
TOP 3

1 Improved chronic disease management and treatment: **25%**

2 Decreased administrative costs: **24%**

3 Access to care: **21%**

WHICH AREA IN DIGITAL HEALTH IS THE MOST UNDERFUNDED?



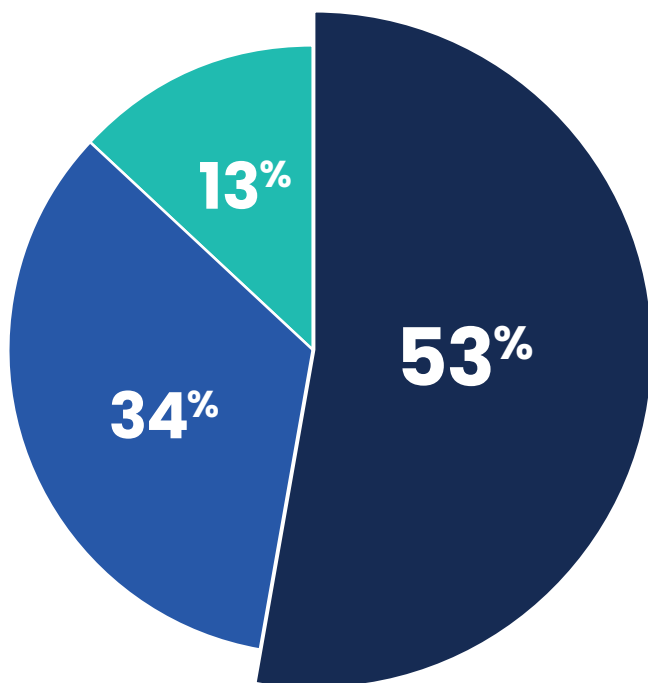
BRENTON FARGNOLI MD

Managing Partner, **AlleyCorp Healthcare**

Given the recent shortages of nurses and other healthcare

professionals, we see a rise of provider operations tools and technology (e.g., Generative AI) to augment the clinician experience, reduce administrative burden and alleviate healthcare labor shortages.

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



- Not until 2024
- H2 2023 (Q3-Q4)
- H1 2023 (Q1-Q2)

Rank the top 3 factors that differentiate a company for investment:

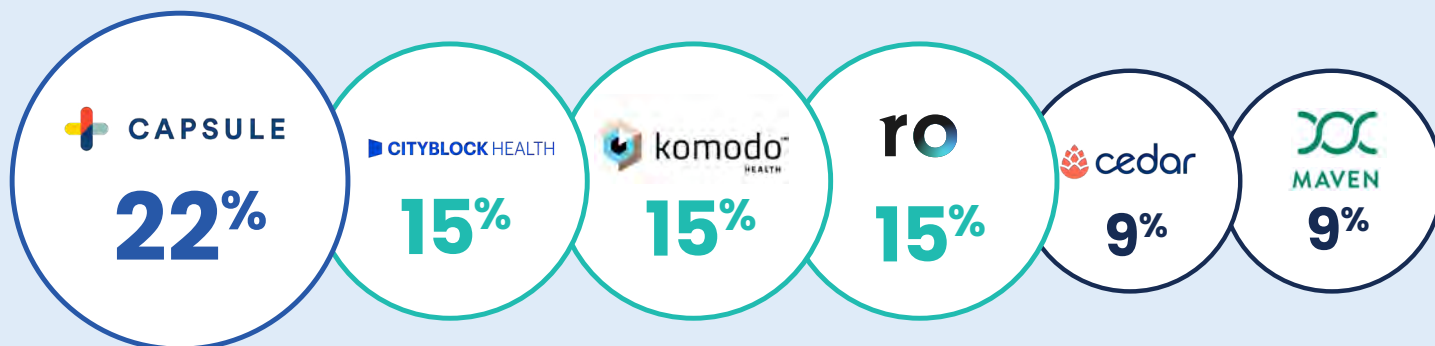
TOP 3

1 MANAGEMENT TEAM

2 COMMERCIAL TRACTION

3 GROWTH RATE

Which digital health startup do you anticipate having an exit in 2023?



Reflections on the Market



**RAVI
SHAH** MD, MBA

Chief Medical Officer,
Geode Health

As the economy cools and people come down to earth, the fight for talent is going to soften which will make compensation expectations more realistic. I think that will be true both for clinicians as well as administration/operations.



**KWASI
KYEI**

Co-Founder & COO,
Handspring Health

Virtual-only care models can be limited in effectiveness and outcomes for high acuity patients as well as the pediatric population. Many payers are requesting and prioritizing companies that can deliver care via hybrid models (i.e. both in-person and virtual modalities).



**MANAV
SEVAK**

Co-Founder & CEO,
Memora Health

Health systems are facing existential pressure in a way they never have before – and they view digital tools as critical to their path forward. We expect the bar for clinical validation and financial ROI to be at an all-time high.



**AJ
LOIACONO**

CEO, **Capital Rx**

The market never changed, the characteristics that define a great company changed.



**TARA
BISHOP** MD, MPH

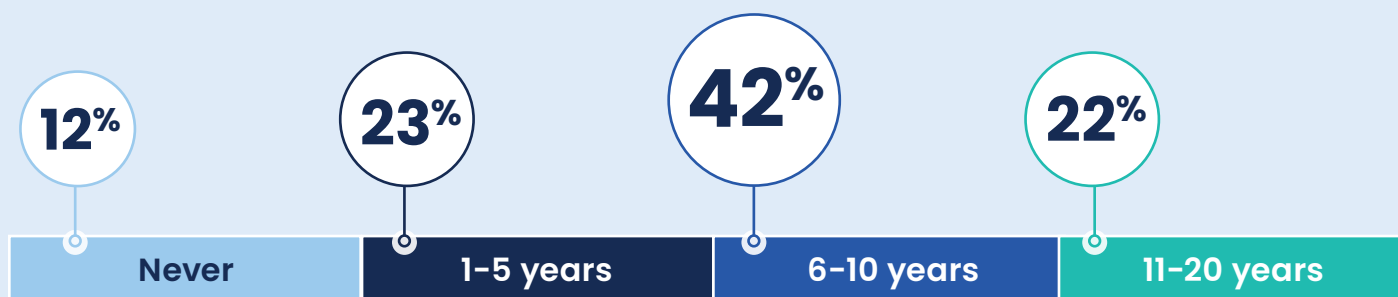
Managing Partner, **Black Opal Ventures**

Be thoughtful about your burn rate and budget, and aim for profitability. Founders and CEOs need to be scrappy working with fewer resources yet continuing to sell and grow. The companies that can do that will be successes in this environment.

The Long and Winding Road to Value-Based Care

WHILE VALUE-BASED CARE remains an area of immense interest, particularly around vertically integrated specialty and subspecialty care, stakeholders in our survey agreed that the full promise has yet to be realized. It's a long and winding road – that can be quantified in years instead of months or quarters.

When do you believe we will achieve true value based care in New York?



SOURCE: State of New York Digital Health Survey



ALAN J. MURRAY

President & CEO,
**Empire BlueCross
BlueShield**

The road to value-based care starts with opening up bidirectional access to electronic medical records and admissions, discharge and transfer notification feeds so that we can start making decisions in real time with our provider partners. That's how we start to make progress. Once you have that, you can build financial models that actually work to deliver value.



CHRISTINA MAINELLI

President & COO,
Quartet Health

A big challenge is attribution because health plans deal with many care delivery partners, and often these partners are tackling the same – or similar – space and problem. Working through the conversation and economics on attribution is one of the hardest parts of getting a deal done in value-based care.



CAROLYN MAGILL

CEO, **Aetion**

Widespread adoption of VBC requires all stakeholders to participate and measure which treatments truly demonstrate the best clinical outcomes. The ability to generate consistent evidence in the real world will require new ways of working together across the healthcare ecosystem.



RYAN GRANT

MD, MBA

Founder & CEO,
Vori Health

Value-based specialty care requires not only different economics but practicing evidence-based medicine in integrated practice units. Unfortunately, many specialists like me were not taught to practice this way, and won't change unless the economic incentive is so large that it cannot be ignored. In the end, value-based care requires restructuring of care models – practicing medicine very differently – so that evidence-based value first goes to the patient.



BILL GEORGES

Partner, **AlleyCorp**
formerly Chief Strategy Officer,
Horizon Blue Cross Blue Shield of
New Jersey

The holy grail: solving the data problem and then presenting that data in a usable form at the moment of care delivery when it can impact a pathway, a decision, a treatment modality. We're still far from that right now.



ASHOK SUBRAMANIAN

CEO, **Centivo**

While 50% of health systems are receiving value-based arrangements, only 37% of employers from our recent survey offer value-based care modeled plans. Not everyone is an early adopter. For us, adoption intensified once we surfaced real-world data showing the impact of quality care and lower costs on driving better behaviors.



Digital Health

100

DHNY
DIGITAL HEALTH NEW YORK

Introducing 2023 NY Digital Health 100

NOW IN ITS 4TH YEAR, the NY Digital Health 100 (DH100) celebrates the most innovative and exciting health startups in the New York area. In 2023, the number of applicants more than doubled compared to 2022. With this explosive growth, we greatly expanded the scope of the list, and added some new (and in a few cases some more established) startups to the list for the first time. We're proud of the diverse list of companies and ideas represented, on the 2023 list.

35 NEW
COMPANIES

23 FEMALE CEOs

37 COMPANIES
RAISED \$1.6B
DURING 2022

12 UNICORNS



**BILL
CAREY**

Audit & Assurance Partner,
Deloitte & Touche LLP

FOR THE DIGITAL HEALTH COMMUNITY, 2021 appeared to be the perfect storm given the convergence of solutions, talent and available capital. In contrast, 2022 saw the slowdown of the IPO market, pullback of valuations and increased hesitancy around investment decisions. Given the uncertainty in the market, those companies that raised funds and attracted new investors often did so with added scrutiny and a potentially higher bar than in the past.

NEW IN 2023: 10 STARTUPS TO WATCH

Given the high number of seed-stage companies that submitted applications, we decided to create a category to highlight promising newcomers. Here are 10 Startups to Watch.

1. Ash Wellness
2. Auxa Health
3. ComeBack Mobility
4. Conceive
5. Elion
6. Laguna Health
7. Mother Goose Health
8. Norbert Health
9. OPTT Health
10. Wise Therapeutics

Well Being & Care Delivery

INSURANCE & HEALTH BENEFITS



MENTAL HEALTH



WOMEN'S HEALTH



Digital Health



PATIENT ENGAGEMENT



VIRTUAL CARE & COORDINATION



Data & Platforms

ANALYTICS & INSIGHTS



PROVIDER ENABLEMENT



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

3D Predict	Heartbeat Health	Rightway
Aavia	Holmusk	Ro
AdhereTech	Intellihealth	Sage
Aetion	Kaia Health	Sesame
Allara Health	Kindbody	Spring Health
Alma	LabFinder.com	Stellar Health
andros	LetsGetChecked	Summus
Best In Class MD	LiveCare	TailorMed
Blink Health	Mae Health	Talkiatry
Calibrate	Mantra Health	Tend
Capital Rx	Massive Bio	Thirty Madison
Capsule	Maven Clinic	Thyme Care
Castor	Medmo	Tia
Cedar	Memora Health	Tomorrow Health
Centivo	Monument	Tuned
CertifyOS	Mymee	Twiage
Charlie Health	Nevvon	Twill
Ciba Health	Nomad Health	TytoCare
Cityblock Health	Nym	UCM Digital Health
Clarify Health	One Drop	Unite Us
Clarium	Ophelia	Uno Health
Cleerly	Oshi Health	Valera Health
Click Therapeutics	Oula	Vesta Healthcare
Covera Health	Pager	Violet
Diana Health	Parachute Health	Virtual Health Partners
Elektra Health	Particle Health	VirtualHealth
Epicured	Pearl Health	Vori Health
firsthand	Playback Health	Vytalize Health
GoMo Health	Quartet Health	Walnut
Grow Therapy	RapidSOS	Wellthy
HI	Real	Yuvo Health
Handspring Health	ReferWell	Zaya Care
Healthee	Relevant Healthcare	
Healthie	Ribbon Health	

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Winner's Circle

MEET A FEW of the companies on this year's NY Digital Health 100.



INNOCENT CLEMENT

MD, MPH, MBA

Founder & CEO,
Ciba Health

We realized early that a committed patient is an aware patient. The more aware they are, the more likely they are to be successful at achieving their health objective and reversing their chronic condition.



SAMIR MALIK

Co-Founder & CEO,
firsthand

Our story is not about our leadership; it's about our frontline team and the individuals they are serving. Our certified peers all have lived experience with serious mental illness, and many have experienced homelessness and incarceration. It is this experience that allows our team to build trust with the individuals we're serving.



AAGYA MATHUR

Co-Founder & CEO, **Aavia**

Gen Z is skeptical about big healthcare, and they're increasingly looking for new holistic approaches to health and wellness. We're seeing a trend on TikTok of people choosing to sync their wellness routines, workouts and even work schedules to their hormone cycles to optimize their wellbeing and productivity!



ROBIN SHAH

Co-Founder & CEO,
Thyme Care

Moving with purpose and urgency is one of our three values. Cancer doesn't wait — and the faster we can demonstrate results, the more impact we will have on patients. We need to be brave enough to experiment, humble enough to be corrected, and when we face setbacks, driven enough to try again.



GAURANG CHOKSI

Founder & CEO, **Violet**

We are building the first-ever health equity intervention in a platform, where we benchmark, upskill and broadcast inclusivity as a skill in providers. We're showing that building health equity can also generate a massive ROI, because ultimately better care for patients is a win for everyone.



FLORIAN OTTO MD

Co-Founder & CEO,
Cedar

Our competition is the status quo and inertia — something that's new is always tougher to adopt. We aim to be that consumer-facing technology layer in healthcare, so that we can address all the systemic challenges associated with paying for care.

The White Space

WHERE ARE THE GROWTH OPPORTUNITIES and areas of most investment potential? Health equity topped the charts in our survey. There's also the issue of managing healthcare costs and affordability and leveling up telehealth. Our experts agree that there are real opportunities to make a difference in these segments.



**PETER
FOLEY**

Founder & CEO,
LetsGetChecked

While health equity is garnering attention from the digital health community, the road to enacting meaningful change is long and complex. Comprehensive healthcare offerings that include at-home diagnostics, virtual consultations, pharmacy capabilities, and whole genome sequencing are one solution. They create new avenues for people to access screenings and take proactive steps to manage chronic disease.



**CARTER
BARNHART**

Co-Founder & CEO, **Charlie Health**

There are urgent mental healthcare needs among young people and they will become high-spenders if we don't address their needs now.



**SANDER
DUNCAN**

General Partner, **Lifeforce Capital**

I'd like to see far more investment in companies focused on hospital administrative bloat. Many investors (myself included) shy away from health system sales. I'm sure we're missing great opportunities to fund innovative cost reduction at scale.



IAN CHIANG

Partner, **Flare Capital Partners**

The cross-section between health tech

and fintech is not getting enough attention from investors. Healthcare affordability is a major challenge and barrier to care. Financial health (the ability for patients to afford care) is equally as important as physical and mental health.



NIMI KATRAGADDA

Partner, **BoxGroup**

We are still in the early innings of digital health and software intersecting the traditional healthcare space. While COVID accelerated the rise of telemedicine and was a huge catalyst for digital health growth, we must make more progress towards a more holistic hybrid care system with the patient at the center.



GREG FIELD

CEO, **Lasso, an IQVIA business**

There are still a lot of untapped opportunities in the telehealth sector to increase the reach and accessibility of medication and treatment information. Educational messaging embedded in healthcare experiences and interactions is often more effective in driving desired health outcomes.



MAYA HARDIGAN

Founder & CEO, **Mae Health**

Medicaid is an underserved area of great need, but it takes much attention and expertise to master the state-by-state variability in regulations and payment models to be successful. Now that we have gotten over the hump and are live with Medicaid plans, it is incredibly satisfying to be working in service of our most vulnerable patients.





Heard at DHNY Summit

WITH THE SPECTACULAR NYC SKYLINE AS OUR BACKDROP, we presented the inaugural DHNY Summit, an invitation-only event that brought together the leaders and visionaries who are driving digital health in New York. Our speakers were frank, candid and bold in true New York fashion. Here are some of the most interesting and provocative insights.



I say in healthcare that outcomes set you free. One of the first things I try to do in talking to a company is focus on the actual value they're creating and how they're telling the outcome story.

STEVE KRAUS
Partner, **Bessemer Venture Partners**



There's more talent now in NYC. If you look at the former Flatiron team specifically, there are five or six new startups. With this deep experience, it's easy to teach and train the next generation of leaders so they excel. They spin out and that's the next class of executives.

ZACH WEINBERG
Co-Founder, **Curie.Bio**
Investor, **Operator Partners**

The pandemic showed us that digital health should be core to the healthcare system.

KATE RYDER
Founder & CEO, **Maven Clinic**





What's become more important in hiring a CEO is their ability to attract talent. At the end of the day, most companies were successful, not only because the CEO did a great job but because the CEO hired a lot of people who did a really great job.

KEVIN RYAN
Founder & CEO, **AlleyCorp**



To fix healthcare, to make it work better, we need to redesign and reimagine the experience for patients and providers alike. In a time of extreme burnout and economic pressures, we need to empower clinicians and care teams, not burden them.

CAROLYN WITTE
Co-Founder & CEO, **Tia**



We are looking for solutions that can help our clinicians be clinicians. If it's not decreasing clinician friction, and making their lives easier, then it will be very hard to bring into the system.

DEEPA KUMARAIHAH, MD, MBA
SVP System Chief Medical Officer,
NewYork-Presbyterian



We focus on equity and access for communities that are traditionally underserved. The ultimate objective around health equity has to be a commitment to equity in outcomes.

GT SWEENEY
Chief Information Officer,
Healthfirst



We must fix payment parity and neutrality based on site of service and modality of care. Get the payment structure right so we can focus on quality and outcomes.

VIVEK GARG MD, MBA
Chief Medical Officer & SVP, Primary Care,
Humana

The point solution itself could be incredible, but it must be considered in the broader context. It's not a secret that on average digital health solutions have 1% engagement. So you need material volume going through that system to create meaningful cost savings and to generate the health outcomes that we're seeking.

JILL DAILEY
VP, Aetna Commercial Product,
CVS Health



TRENDS IN HEALTH TECH:

Investing in Platform-enabled Ecosystems



PETER MICCA, NATIONAL HEALTH TECH LEADER AT DELOITTE & TOUCHE LLP, gives a sneak peek into an upcoming Deloitte Center for Health Solutions report on *Trends in Health Tech: Investing in Platform-enabled Ecosystems*. To be published in March, the report is based on data analysis of venture capital deals in the health tech space and interviews with the investor community and startups.

How would you describe 2022?

2022 was a bit of a reset. Although venture funding in 2022 fell short compared to 2021, it outpaced funding in 2020 (see figure). By the end of 2022, health tech funding reached \$27.5 billion. 2021 was likely an outlier year.

The sector continues to show strong signs of growth. For example, the median deal in health tech in 2022 fetched a valuation of more than \$57 million, which was higher than the 2021 median of \$33.9 million.

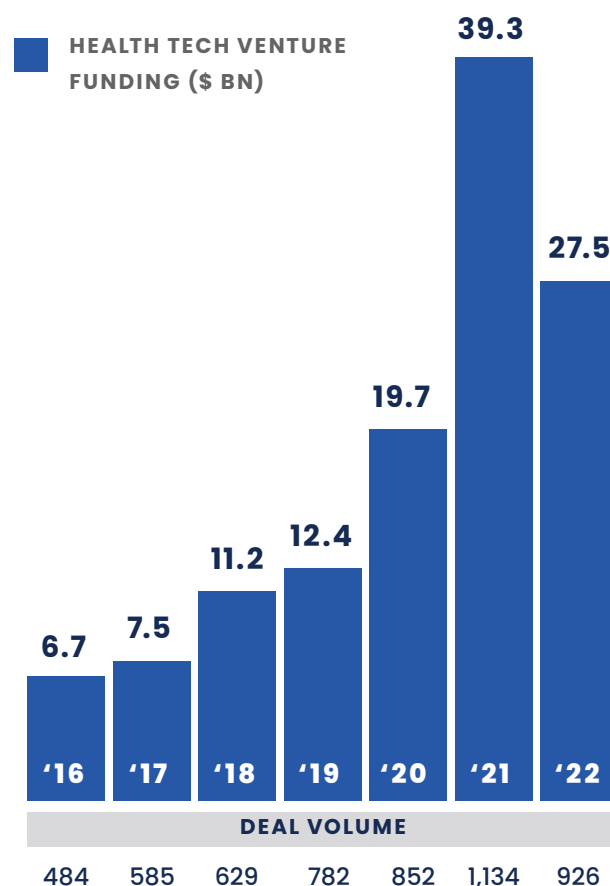
What does this mean for 2023?

Investors are focusing on unit economics and long-term sustainable value. Startups will need to prove their value propositions while bridging longer funding cycles. Back-office efficiencies, value-based care, and health equity are some of the leading areas of investments.

Platform-enabled ecosystems are also expected to gain traction. Platform businesses convene ecosystem partners to deliver consumer value and can be fundamentally different from traditional pipeline businesses in the way they operate and compete (see figure). Eight out of the top 10 later-stage funded companies in 2022 are aligned to platform-enabled ecosystems and moving forward this business model could drive impact and outcomes.

VENTURE FUNDING IN 2022 FELL SHORT

compared to 2021, but outpaced funding in 2020



SOURCE: Deloitte analysis of PitchBook Health Tech Funding Database.

NOTE: Data for deals \$2mn and above

2023: A Look Ahead

WITH UNCERTAINTY COMES OPPORTUNITY. In 2023, those fiscally disciplined organizations that focus on the fundamentals – their people and their business models – will see most success. Our experts offer interesting perspectives on what's next.



**SONIA
MILLSOM**

CEO, **Oxeon**

As companies “reset,” we will continue to make the case that hiring the

right executives is more important than ever as companies and candidates become more deliberate and selective. Fewer businesses are opportunistically hiring multiple executives through a single search than they have been in recent years – they want true leaders, not just functional experts. Similarly, executives are looking beyond jobs and compensation to mission-based companies that are having an impact and have long-term staying power.



**CAIT
KENNEDY**

Head of Strategy & Development, **Vesta Healthcare**

Growth at all costs is not sustainable. Businesses that can demonstrate fiscal discipline and margin development will continue to be backed. Companies that focus on sky-high valuations and brand over product fit and revenue-generating sales will struggle with devaluation and layoffs as well as ability to capture talent.



**NICHOLAS
GAVIN** MD, MBA

System Vice Chair of Population Health & Clinical Innovation, **Mount Sinai Health System**

It is critical to consistently invest in retaining your employees. Patients are very willing to shop around for a good experience in digital health.



**MATTHEW
WEINBERG**

Partner, **Max Ventures**

The rubber is meeting the road for care delivery models

partnering with payers and self-insured employers. Products that aren't achieving substantial patient engagement and proving defined clinical outcomes will face increased scrutiny.



**CHRIS
LLOYD**

Managing Director, Healthcare and Life Sciences, **J.P. Morgan**

We continue to seek out high growth platforms with differentiated business models. Valuations have adjusted, but the key ingredients that create enduring, disruptive companies have not changed.

INTRODUCING

DHNY

DIGITAL HEALTH NEW YORK

A **CONNECTED COMMUNITY** that shares ideas, sparks new directions and creates success across the entire digital health ecosystem.

OUR GOALS

- Increase the visibility of NYC as a leader in healthcare innovation
- Showcase the organizations and leaders creating the future of healthcare
- Connect our community to promote collaboration, communication and growth

SAVE THE DATE

DHNY SUMMIT

SEPTEMBER 21, 2023

Hosted at Quorum at Convne, New York, NY

For sponsorship details, contact Bunny Ellerin
at bunny@dhny.co

www.dhny.co

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 an office (over 10 people) in the New York region. Companies that were public; over 10 years old; or had an exit were excluded. We evaluated companies on a number of factors, including but not limited to: strength of application, leadership, # of employees, funding (if known), revenue (if known), market fit, differentiated offerings, and community engagement.

DATA SOURCES & CRITERIA

Data was obtained from a variety of sources including but not limited to company representatives, press releases, EDGAR filings, Crunchbase, Pitchbook, CB Insights and covered the period from 01/01/2022 to 12/31/2022. A company was included if it (1) listed New York City as its corporate headquarters or an office with over 10 people (2) the company received seed, angel, early-stage or late-stage funding of at least \$1M during the period 01/01/2022 to 12/31/2022, (3) the company was not publicly traded. 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

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.



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