



2023

DHNY SUMMIT

EXECUTIVE SUMMARY



A NOTE FROM BUNNY ELLERIN

For the second year in a row, **DHNY Summit** brought together an elite group of entrepreneurs, investors, payers, providers and executives in late September to cultivate the New York digital health community and to drive impactful conversations around the current and future state of digital health. Unequivocally, DHNY Summit reinforced New York's leadership as the epicenter of healthcare innovation.

The event covered topics ranging from leveraging data, AI and new technologies for drug discovery to virtual reality's role in physical and mental health treatments to discussions on trends in value-based care and the keys to building successful partnerships.

DHNY Summit offered an opportunity where those driving change could be in dialogue with one another, sharing diverse perspectives and forging the connections that will continue to propel us into the future.

The depth of content and level of speakers led to poignant conversations and keen insights, many of which are summarized in this report. Thanks to Morgan Health for their support of its development and publication. You can learn more about Morgan Health [here](#).

As we look toward the future, digital health will continue to dramatically transform the healthcare industry and improve the quality of care delivered.

Warmly,

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

BUNNY ELLERIN

Co-Founder & CEO, **DHNY**

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"A SCIENTIFIC RENAISSANCE"

Albert Bourla Pfizer CEO

DHNY's **Bunny Ellerin** sat down with Pfizer Chairman and CEO, **Dr. Albert Bourla**, to kick off DHNY Summit. During their conversation they covered a lot of ground, from using digital health and AI to inform the company's groundbreaking COVID-19 treatment to Dr. Bourla's thoughts on future "moonshots" that could use ADC technology for innovations in targeted cancer treatments.

The power of New York City

Pfizer was founded in New York almost 175 years ago by German immigrants and has prospered, along with the city. "We belong to New York – it's our home." Among the benefits of being in NYC, Dr. Bourla cited "the diversity of the people and the buzz of the city, which enables innovation to thrive." New York's competitive nature has also been a positive. From his perspective: "If you use the competitiveness to bring a COVID vaccine to the world before anybody else, that's a great thing, not just for us but for the world. This is what attracts us to New York."

How Pfizer embraces digital health in their strategy

While Dr. Bourla agrees that digital plays a key role in business, he believes most companies are not doing it the right way. "Most are trying to develop a digital strategy for their business. We are developing a business strategy in a digital world." While others might use digitization to increase efficiency by 20%, Pfizer uses digital to design a completely different process that enhances productivity by over 60%. "That's the key and the secret to success."

Incorporating AI into drug discovery

Dr. Bourla agrees that AI will be transformative at Pfizer and sees it having four major capabilities: 1) discovery 2) development 3) manufacturing and



4) commercialization. He explained that in the case of Paxlovid, the COVID treatment, they were able to use AI to narrow the targets from three million to 300-400. "This is not something in the future – we used it to make Paxlovid in 4½ months."

The future of cancer treatment

Due to Pfizer's success during the COVID-19 pandemic, Dr. Bourla has access to more capital to support investment in technology like antibody-drug conjugates (or ADC) which is "what mRNA is for vaccines." He likened ADC to a "GPS-guided missile" for cancer. Whereas chemotherapy kills cancer cells, it also kills human cells, which is why people have so many side effects. With ADC, the antibody is the missile and is programmed to go in and find the cancer. "We are on the cusp of what I call the 'scientific renaissance,'" he declared of his hope for the future.



Shereef Elnahal, MD



Anne Bailey and Evan Davis

ARTIFICIAL INTELLIGENCE TO VIRTUAL REALITY

The Future is Here

Shereef Elnahal, MD, the Under Secretary of Health at the Department of Veterans Affairs, described the VA's culture of innovation, including many firsts: the inaugural liver transplant, the first powered ankle foot prosthetic, even the first EHR. "We have a long tradition of structured, methodical, and effective innovation." During his tenure, they have created an ecosystem where the focus is on "surfacing innovations and best practices to spread them across the country."

Dr. Elnahal brought the conversation to virtual reality (VR) and explained how the VA is using the technology to solve real clinical problems. He shared a video of a veteran, who has been wearing a prosthetic leg for 17 years, using a virtual simulation for 'mirror therapy,' tricking his brain into easing the anxiety and pain that comes from phantom limb syndrome.

After the video, Dr. Elnahal welcomed **Evan Davis**, CTRS, a US Marine Corps veteran and recreational therapy specialist, and **Anne Bailey**, PharmD, BCPS, both with the VA, to lead a live demonstration. Bailey helped guide Davis through a watercolor painting exercise — with the simulation broadcast before the audience. While he expressed initial anxiety at being on stage, he felt much more at ease as he painted virtually. "It's a really comforting space that is tailored just for me," reflected Davis.

"In 5-10 years, I think we will see immersive technology as common in healthcare as cellphones, tablets, and other personal devices," was Elnahal's bold prediction for the near future.

AI at Northwell Health



As New York state's largest healthcare provider and private employer, Northwell Health has integrated AI into its business practices. **Richard Mulry**, President & CEO of Northwell Holdings, who oversees Northwell's business arm dedicated to innovation and commercialization, shared: "AI is becoming very much a part of our solutions." With more than 30 companies in their portfolio, Northwell has taken a pragmatic approach when it comes to AI. According to Mulry, they are working to "understand it, test it, adopt it, adapt it and build it into our workflow" so that it can become a part of the culture to deliver the best care.



Jane Suh, Arif Nathoo, MD, Kate Ryder and Oliver Krarraz, MD

Scaling is Hard, but Hard Work Pays Off

A common theme throughout the day was how seasoned digital health leaders grew their enterprises to drive change and thrive. For many, it was about weathering the storm during critical moments in their business, staying focused on the customer, and learning from their tough decisions and mistakes. **Jane Suh**, Principal at AlleyCorp, led a panel that concluded that growing pains are real, but the hard work is worth it.

Zocdoc CEO and Founder **Oliver Kharraz, MD** recalled early mistakes in the popular digital health appointment platform's 16-year history, including finding the right business model. Zocdoc started out as an SaaS business where doctors paid a flat fee to be part of the service and ultimately transitioned to a different model where doctors pay the service for each booking they make. The shift wasn't easy, and included political wrangling, but the result was worth it. "We create value on the side of the doctor to prevent valuable perishable inventory from going to waste – we help make the system more efficient for 80,000 providers. We have 50 million appointments roughly available at any point and serve millions of patients a month."

Kate Ryder, Founder and CEO of Maven Clinic, reminded the audience that "the patient is always our North Star." During her decade leading the women's and family health company, there have

been myriad challenges pulling the company in multiple directions. They've been able to chart the right course through this philosophy: "We've remained hyper-focused on being a technology and healthcare company in equal measure. We invest in both our engineering and clinical teams. Having these two core capabilities as well as virtual care delivery has enabled us expand into many categories, including globally."

Komodo Health's CEO **Arif Nathoo, MD**, reflected on the many forks in the road that confront entrepreneurs as they are building a business. At one juncture, he and his co-founder faced a monumental decision related to growth and taking on significantly more risk. "We could have had a nice exit or run a business that was massively EBITDA positive, but we chose the harder path. We believed that what we were doing would lead to better outcomes for patients."



Christina Farr and Mark Bertolini

“TECH IS THE SOLUTION”

Oscar Health CEO Mark Bertolini

In conversation with **Christina Farr**, principal at OMERS Ventures, **Mark Bertolini**, CEO of Oscar Health, explained why he transitioned to digital health after his days at the helm of Aetna. He saw Oscar Health as an “organization that could really change healthcare.” A big piece of that? “Tech is the solution,” he declared.

Bertolini is a big believer in the power of AI, which he indicated has the potential to organize haphazard, decentralized data sets. While many companies in the health plan space might describe that jumble of information as being an efficient repository of data, it’s often quite the opposite. Bertolini said this feed of converging, contradictory datasets creates “multiple versions of the truth.” Data collected decades ago exists in one dataset, conflicting with information recorded last week in another.

Bertolini explained that Oscar Health’s platform has just “one version of the truth” which enables them to have a platform that “improves efficiencies, the quality of work, and the member experience.” He sees AI’s potential to harness data more

efficiently and to connect the consumer directly to needed care.

Another example of this is in diabetes management where members are quickly and efficiently onboarded and paired with the right clinicians for their needs. His goal is to make the user experience “hassle-free and frictionless,” compared to the long process of endless doctor referrals and pre-certifications.

Bertolini views Oscar Health as a standard for how 21st century payers should operate — clear and user friendly, unburdened by the complexities that often define the cumbersome platforms used by legacy insurers. He sees the consumer as the end-goal, always.



ONE-ON-ONE WITH

Cheryl Pegus, MD

Dr. Cheryl Pegus, Managing Director of Morgan Health, has worked with some of the biggest names in both the healthcare and consumer sectors, including Walmart, Walgreens, Aetna and Pfizer. **Bunny Ellerin** had a chance to hear her perspective on the trends driving healthcare.

What are you focused on right now?

At Morgan Health, we're focused on organizations that are driving permanent change in payment systems, from fee-for-service to value-based care. While there's been a fourfold increase in investment in value-based care from 2019 to 2021 (generating an enterprise value of around \$500 billion), only 10 to 15% of the total population is currently in value-based care in the U.S. With CMS projecting that 100% of Medicare will be in value-based care contracts by 2030, we know that this sector is poised for incredible growth. We're also focused on preventive care and team-based care because we know a doctor cannot do everything alone. In sum, we're looking at companies that are filling the gaps in healthcare and doing it differently.

What are some of your proudest achievements from your time at Walmart?

I joined Walmart as its Executive Vice President for Health & Wellness in late 2020 and was asked to help roll out the new COVID-19 vaccines. What I learned at Walmart more than anything else is that institutions that understand consumers can get a lot done in healthcare. Eighty percent of Walmarts are located in HRSA-designated medically underserved areas and we provided 85% of the COVID-19 vaccines to those Americans during the health crisis.

As a country, we would not have been able to manage COVID vaccines without retail pharmacies and pharmacists. In fact, a key lesson I learned



was that pharmacists can do a whole lot more than we're letting them do. Retail pharmacists provide many people with their most accessible — often only — direct interaction with a healthcare professional. In this value chain, we have to empower pharmacists to do this needed work.

What's your perspective on longevity?

We talk a lot about prevention in terms of longevity but haven't focused on where prevention leads us. What are we trying to do with prevention? There are lots of learnings from Blue Zones, and it gets interesting when you add treatments like metformin into the mix of getting enough sleep, avoiding stressors, including the people who cause stress, along with healthy eating. At the Atria Academy of Science and Medicine, we've brought together the top 100 scientists in the world and are looking at research that ties all of this, plus brain and heart health together. Our goal is not just discovering the treatments, but we also want to make sure that clinicians incorporate these treatments into care beginning today. That's the opportunity.



Peter Micca, Sonny Goyal, Karen Ignagni, David Stark, MD and Richard Mulry



What do Customers Want from Digital Health?

At DHNY Summit, leaders from top payers and providers came together to share what they're looking for in new digital health solutions. **Karen Ignagni**, CEO at Emblem Health, said the ideal product for her is one that will integrate seamlessly into her company's claims platform and go the distance for the customer — it has to be personalized and tailored to the customer's needs, meet security and privacy requirements for an increasingly complex world, and always have use case relevancy front of mind.

There was a debate around the value of pilots for purchasers and startups. Ignagni stressed that it all goes back to being presented with "smart ideas" that will make a company like Emblem Health's purchasing "more effective." She feels pilots of potential products can offer evidence that will be in the best interest of both the startup and the purchaser. "We have different point solutions that we can build into our frame that will help us quickly close gaps, reduce costs and be more engaged with our customers."

David Stark, MD, Chief Medical Officer and Global Head of Benefits at Morgan Stanley, pushed back on that notion. From his perspective, time is precious. While the mindset in a perfect world would be "we love working with early-stage startups, let's run a pilot," that ideal runs aground of the reality that "we can't put into place programs and services and then rip them away."

Richard Mulry, President & CEO of Northwell Holdings, brought multiple perspectives to the conversation. When looking to invest or partner with a company, the bar is high. Not only should the solution fill a large gap in the market and be led by an experienced team, ideally it should "better serve the communities in which we work," reflected Mulry.

Sonny Goyal, SVP, Diversified Business Group and Chief Strategy Officer at Blue Cross Blue Shield North Carolina, echoed those points, hammering home that when he thinks about digital health, he always goes back to "the experience of the end user." He seeks bold collaborators who are willing to enter the unknown with him and put skin in the game. "We're looking for partners who are willing to take risk with us and to understand that if it goes sideways, we do this collectively."

STATE OF THE MARKET &

Investment Trends

At DHNY Summit, our experts weighed in on the digital health market and provided insights into the latest investment trends.



Chris Lloyd, the Head of Healthcare Technology, JP Morgan, provided a comprehensive look at where the digital health market is today. He offered a clear-eyed view of a robust ecosystem in New York, but also pinpointed the reality that this is an industry heading into a period of evolution.

When it comes to areas of growth, he cited value-based care, the push toward hospital-to-home care and the continued momentum behind telehealth — it's here to stay — with virtual delivery platforms on the rise for mental health and behavioral care services.

While there's been growth, it hasn't been smooth sailing. "The market is a bit choppy right now and has been challenging for many companies to raise money. Still, healthcare is a great place to be — there's just such low-hanging fruit still ripe for innovation," he explained.

With that state of the market in mind, where are VCs investing today? **Brenton Fargnoli, MD**, Managing Partner at AlleyCorp Healthcare, spoke with three leading investors to get their perspectives.

Lynne Chou O'Keefe, Founder and Managing Partner at Define Ventures, described the startups that make for successful investments. She said 85% of the companies she works with are enterprise businesses. Her sweet spot rests in the "the intersection points" where enterprise models converge with consumer engagement. At her firm, a major focus is getting enterprise to think more in terms of how consumers will interact with the product. You can't grow unless there is that direct engagement.

Chris Booker, Partner at Frist Cressey Ventures, pointed to health system innovation and women's health as two areas to watch in today's market. When thinking about companies aiming to address disparities in women's health care, he said, "There's so much opportunity to improve women's health. We must listen to their experiences in the current system and do better to deliver the services they need."

Vijay Patel, VP & Managing Partner at CVS Health Ventures & Insights, said health equity is now a core part of his company's strategy, particularly investing in rural populations enrolled in Medicaid. The right strategies and products to reach these vulnerable communities have yet to be fully developed. "There's an opportunity to deliver real value there," Patel added. "Seeing both business model innovation and care model innovation gets us really excited."



Brenton Fargnoli, MD, Vijay Patel, Lynne Chou O'Keefe and Chris Booker

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DIGITAL HEALTH NEW YORK

SEPT 18, 2024

DHNY SUMMIT

SAVE THE DATE

ABOUT DHNY

Digital Health New York (DHNY) is the premier network of CEOs, founders, investors, payers and providers driving New York's healthcare ecosystem. DHNY works to increase the visibility of New York as a leader in healthcare innovation, showcases the organizations and leaders creating the future of healthcare, and brings people together to share ideas, spark new directions and create success. For more information, visit www.dhny.co.



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