

WHAT IS GE'S HCIT FUTURE?

By Ben Brown

Post HIMSS'18 there is industry speculation of Walmart beginning acquisition discussions with Humana. The entire industry is waiting to see what will happen with the collaboration of JP Morgan, Amazon and Berkshire Hathaway on a new healthcare initiative. Will David Shulkin's firing as VA secretary impact the EHR deal with Cerner? Veritas Capital recently announced the acquisition of GE Healthcare's HCIT division for a billion dollars. It's tough to say what impact all of these changes will have on healthcare. What will this acquisition mean for GE Healthcare customers?



Over the years GE Healthcare has had a keen eye for identifying and acquiring numerous best of breed HCIT solutions. While GE is known for optimizing how businesses are run and efficiently managed, a meaningful percent of their customers would argue that innovation and R&D delivery post acquisition hasn't been one of GE's strengths.

I loved that Ramzi Musallam, CEO & Managing Director of Veritas Capital suggested that there is a "tremendous opportunity to invest in this business" and a plan to "be deeply customer-focused." GE's clients will be all too eager to realize these investments from the new organization. John Zimmerman's plans for "deepening our commitment and capabilities to help healthcare providers" is something the industry will be cheering for loudly.

GE's workforce management solutions from the API acquisition have been "Best in KLAS" winners and are some of the most well received systems from clients. Centricity EDI Clearinghouse is a highly rated revenue cycle (claims & clearinghouse) offering, as well. The Centricity Business hospital patient accounting solution has seen very few new wins or go-lives over the last five years. Best of breed hospital patient accounting systems are rarely purchased in today's integrated EHR/ Revenue Cycle market. The Centricity ambulatory EMR and Centricity Practice Solutions(CPS) EMR have a significant presence the physician practice EMR market. Centricity is usually used by larger physician practices and is retaining a high percentage of clients. CPS is typically adopted by smaller to mid-sized physician practices, but this client base has many clients looking to switch EMR's due to lack of satisfaction and expectations. (If you'd like to see where GE Healthcare ranks on any of these, please email me at ben.brown@KLASresearch.com for our recent Best in KLAS report.)

I'm sure there will be a rebranding and renaming of the company soon. In the meantime, KLAS and GE customers will be cheering loudly with high hopes that this acquisition delivers on Ramzi and John's commitment to the industry.

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HIMSS Analytics

WHAT DO YOU SEE AT HIMSS?

By Scott Holbrook and Terry Pitts

HIMSS has grown over the years to be more inclusive of additional disciplines. HIMSS started as a management engineering group and added information systems as the first big step. The early information systems were all financially based. Information systems (IS) generally reported to the CFO—IS leaders had titles like manager or director. In the 1980's larger organizations calling them VP's and the CIO term is only 20+ years old. As the application mix grew to non-financial, so did the number of people in the IT organizations supporting the organizations.

The first systems were first the billing, payroll, general ledger, accounts payable and other associated financial applications. They were the heart of all the processing. This was in the 1970's-mid 1980's. You may wonder what the most important application was? In the early 1980's when I was at Intermountain Health Care, we had some problems with our payroll application and the checks to some remote hospitals did NOT get out on-time. The CEO would seldom come to our floor. He stepped in my office and this dynamic leader said, "Scott, do you know the most important application in our industry?" He said, before I could answer, "It is payroll. If you are ever late again, you will be terminated." He got up and left. Even today this probably the most important application.

In the mid-1980's the focus was order entry and clinical departmental systems, these were the focus as HIMSS continued to grow. By the end of the 1990's the focus was integrated financial and clinical applications. In the physician's world, most systems were focused on specialized practice management. In the 2000's, the focus became the EMR, this world started to bring more nursing and physician focus

The last 10 years we have seen the integration of hospital, physician's offices, and other parts of the corporate entities integrated together.

to HIMSS. All parties started to integrate the financial and clinical data together. Although, the focus was with their owned systems—in other words, with disparate systems they are not easily integrated together.

The last 10 years we have seen the integration of hospital, physician's offices, and other parts of the corporate entities integrated together. We have seen "Meaningful Use" push the integration of community data. Prior to this many large IDN's had seen their data as a corporate asset. The push to share changed the industry. Today the big focus on the use of big data, analytics and security.

Innovation has created many niches with the advent of physicians use, tool to improve efficiency, and expand the use of data. This is all seen at HIMSS with 1300+ vendors on the floor. It is amazing to see the changes!

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BEYOND EMRAM: TWO TRANSFORMATIVE NEW MATURITY MODELS FROM HIMSS ANALYTICS

H-SIMM and INFRAM were introduced at HIMSS18

By Blaine Newton



HIMSS is a growing organization with a specific mission and vision to transform the healthcare landscape. To that end, we're always challenging ourselves to keep pushing the industry forward through new innovative frameworks for technology adoption and maturity. Our suite of maturity models – the EMRAM, O-EMRAM, AMAM, CCMM and DIAM – are well-regarded symbols of distinction, showing an organization's commitment to improving patient care through information and technology.

All of these models have helped create benchmarks and standards for successful technology implementations in a variety of specific, niche areas. At HIMSS18 we announced two new maturity models that complement our existing

offerings and will support the continuous use of sophisticated technology by healthcare providers.

The first model is the **H-SIMM: Health-Supply Information Maturity Management**. H-SIMM assesses the progress of healthcare organizations towards a strategic supply chain infrastructure that contributes to quality, safety and sustainability. We partnered with Dr. Anne Snowdon, Professor of Strategy and Entrepreneurship, Chair of the World Health Innovation Network (WIN) and CEO of the Supply Chain Advancement Network (SCAN Health) located at the University of Windsor, Ontario, Canada, who is studying the impact and value of supply chain maturity in health systems. Through her research, Dr. Snowdon has worked with health systems to design predictive artificial intelligence tools that support clinicians and assess the maturity of supply chain infrastructure across healthcare organizations.

We also partnered with Cisco to introduce the **INFRAM: Infrastructure Adoption Model**. This model was created to

help healthcare providers build successful digital infrastructure roadmaps and ensure they have all of the proper tools in place. This includes basic, enabling technologies – such as an intuitive network – that create differentiation, while also helping to define new business models for the organization. INFRAM will guide senior healthcare IT leaders as they map the technology infrastructure capabilities required to reach their facility's clinical and operational goals.

Both the H-SIMM and the INFRAM are natural extensions of our maturity model offerings and we're excited to see these transformative models take shape, and help drive the further improvement and growth of technology usage in healthcare.

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HIMSS '18 ONE BIG THING

By Howard Burde

Each year at the HIMSS Annual Meeting, themes emerge; topics which dominate the imagination and conversation of the attendees. A few observations from walking the tradeshow floor and participating in Venture Connect.



First, the presence of Uber and Lyft on the trade show floor. As anyone who has worked in public health will tell you, the access problem for the elderly and impoverished generally is not an absence of health care or of coverage, it is an absence of reasonable ways to access health care. Uber and Lyft, along with other smaller health care transportation companies like recently

funded RoundTrip, have identified health care transportation as a potentially fruitful market. To the extent that payers, public and private, agree to bear or share the cost of these rides for their beneficiaries, health care will be improved. Note also that the new Apple and JP Morgan, Amazon and Berkshire Hathaway health care endeavors all relate to making health care more accessible, either by creating physical or technological access. Improving access using technology requires a change in cultural expectation. Improving access by vehicle does not. Second, Security. Just, Security. The breaches, intrusions, ransomware, and other cyber-attacks on health information systems exposed a new vulnerability: as health care information functions are integrated, an attack on, say, financial systems, may debilitate healthcare operations. Cyber-attacks in the past year have revealed that in an integrated health care world an attack on information becomes an attack on the ability to provide care: the C-scans, MRIs and other integrated devices are vulnerable. While there is no sense that a particular patient's health has been threatened directly, the attacks have an indirect and immediate impact on care.

Note that the winner of the Venture Connect competition, MedCrypt, has a solution which addresses these security issues. The MedCrypt solution provides device security as a service by securing devices data and commands at the application layer and monitoring device behavior in real time.

Finally, solutions that support out-patient or ambulatory patient-provider interaction have shown remarkable strength. Fitbit's acquisition of Twine, a patient provider interaction solution, demonstrates the market potential for such companies. Another example is the award winning and clinically validated Wellpepper solution which continues to impress at the Mayo Clinic, Boston University and other places in which it is implemented.

Secure, accessible, interactive care: worthy themes for healthcare innovation. What do you think?

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HIT·IQ | THE LAST WORD

Featuring profiles of entrepreneurs and leading innovators



Adam Dakin

Adam Dakin, Dreamit Interview for HIT·IQ

HIT·IQ met with Adam Dakin, Managing Director of Dreamit Health, a venture fund that accelerates health tech companies. His diverse career includes building early stage venture-backed health-tech companies. To learn more, see www.linkedin.com/in/adamdakin/.

Adam, you've had a diverse and interesting career in healthcare, technology and investing. Based on your experience, what misconceptions do these new market entrants often have about the U.S healthcare sector?

Common misconceptions often fall into three categories: driving behavior change, workflow, and go-to-market.

The most frequent misconception is a major underestimation of the difficulty to drive behavior change in healthcare. Large systems have many layers with multiple decision makers each with veto power and different vested interest in the success or failure of a new platform or application. A benchmark for start-up solutions is that they must offer at least a 10x improvement or, at least, enough value to weather resistance to change.

In healthcare, it's tough to drive behavior change. As a result, the high-performance demands, competing initiatives, and differing agendas frequently results in long, complicated sales cycles that can be 12-18 months, or longer, which is a real surprise to new investors in the health-tech space. This surprise can create tension between the investors and the management team.

Among the most notorious are the challenges with EHR integration; most startups underestimate this difficulty. In fact, we euphemistically refer to the EHR as the "wood chipper" of digital health. Most IT departments are already consumed with EHR integrations and internal initiatives.

Founders and investors must consider how a new health tech solution fits into the workflow. You can have a great

solution, but if it adds 5 minutes to someone's day...it doesn't have a chance.

A high number of Dreamit's spring 2018 cohort are focused on AI. What are your thoughts on that percentage and what does it say about today's market?

With the trend towards value-based medicine and cost-shifting, we look for thoughtful enabling technologies that will help meet the goals and move towards more cost-effective care delivered in lower cost settings. We expect to see trends continue shifting from expensive ER and in-hospital care into the home and utilizing greater remote patient engagement. As a result, patient engagement and remote patient monitoring platforms are starting to demonstrate real value from AI.

Tell our readers about Dreamit.

Dreamit is not an accelerator that happens to invest; we are a venture fund that also accelerates companies. We only get returns by co-investing in our companies--we do not take any equity upfront. We focus on Coaching, Customers, and Capital. Our goal from day one is to get our companies customers and funded.

It's an exciting time to be in health-tech investing.

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Health 2.0 Annual Conference

September 16-19, 2018

Santa Clara Convention Center

<https://fall2018.health2con.com/>

KLAS Digital Health Investment Symposium

www.KLASresearch.com/DHIS18

August 15th, 2018 | Limited Seating

Snowbird Mountain Resort, Utah

Email ben.brown@klasresearch.com with inquiries about attendance.