



OVERHEARD AT ROCK HEALTH SUMMIT 2018

This past October, we had the distinct pleasure of sponsoring and attending an elite gathering of digital health entrepreneurs, health care executives, and industry insiders, hosted by Rock Health, a highly regarded Bay Area firm dedicated to funding and supporting entrepreneurs working at the intersection of health care and technology.

As you might expect when you bring together bold, innovative, and creative thinkers hyped up on Red Bull and kale to talk about how technology can transform a health care system badly in need of transformation, there was no shortage of enthusiastic, insightful, and downright pithy observations on the state – and challenges of – digital health.

Here, then, are some of what we overheard at Rock Health. Note that the quotes are paraphrased, and attribution has been left out to protect the innocent.

“Health care is the only field where we use the most sophisticated technology to hire more people.”

A none-too-subtle quip about how technology – notably electronic health records and other digital interfaces designed to make documentation, diagnostics, and reimbursement easier – well, hasn't.

“When it comes to raising capital, the best technology doesn't always win.”

Although you could almost feel the collective breath of all the captains of code leave the room, the observation was a sobering reminder that business model validation, scalability, viability across multiple platforms, speed to market, and ease of articulating the value proposition, among others, are all just as important – and arguably more so – in predicting which solutions are most likely to thrive in a complex market.

“It's essential to figure out what you can do to create a sense of urgency in your team, other than just running out of money.”

Clearly spoken by someone who's been there, done that, and got the thumb drive, once you have to dip into the swear jar to keep the company afloat, you may have to do things that blunt the trajectory and perhaps **contribute** to the downfall of the company – like severely discount your services, or take on less than ideal customers that require more customization than your product is designed for, or redirect resources to consulting projects, or release it to market before it's ready. You get the picture. Better that you create real – or artificial – deadlines to reach various milestones, and in so doing, perhaps **institutionalize** a culture of urgency.

“It takes longer for strategic buyers to complete a transaction than financial buyers.”

This observation is particularly noteworthy in that we see the exact opposite in the other verticals we serve – verticals in which, unlike digital health there is **mass** consolidation of highly **uniform** companies.

As panel members discussing the challenges of raising capital explain it, from a very real and practical perspective, strategic partners simply have far more stakeholders to satisfy. VCs and PEGs “only” need to convince their investment committee. But strategics? They may need to consult with finance, medicine, technology, billing and collections, the butcher, the baker, and the gloomy deal breaker.





“Don’t tell me you have artificial intelligence, machine learning, or blockchain. Tell me how you are going to make a difference in a person’s health care.”

A sobering reminder not to fall too much in love with the elegance of your code.

“In developing health care policy, there can be a delicate balance between establishing guardrails to maximize societal benefits and setting a ceiling for innovation.”

A frank and introspective acknowledgment by a health care policy expert that when the government establishes guidelines or standards in the delivery of care to increase access, affordability, and quality of care, it can stifle the viability and adoption of alternative pathways that could ultimately be more effective.

“The increase in data liquidity has made life easier for providers to deliver the right care to the right patient at the right time, as well as bad actors who seek to profit from its unauthorized use.”

Like Uncle Ben cautioned his web-spinning nephew, “With great power comes great responsibility.”

“Eighty percent of health care is determined by social determinants of health.”

An eye-popping reminder that while clinical data is certainly important in predictive analytics, it’s the non-clinical data – data that typically can’t be extracted from EHRs, billing files, or caregiver documentation – that is, well, substantially more predictive. Kind of recalls James Carville’s irreverent campaign mantra, “It’s the economy, stupid.”

“Hyperportalosis.”

The unwieldy proliferation of disconnected patient portals.

And finally...

“Walmart is considering placing health care sensors on their shopping carts.”

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DIGITAL HEALTH: THE CASE FOR UNPRECEDENTED INNOVATION & CONSOLIDATION



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