

**NEW YORK**

# **HEALTHCARE INNOVATION REPORT**

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**H1 2023 – MIDYEAR REPORT**

## AS THE FIRST HALF OF 2023

comes to a close, it is clear that today's funding environment is much more challenging than we've seen in some time. We're not ones to sugarcoat the reality – raising funds for new ventures is much more difficult. Year over year, funding is down by 33% from H1 2022.

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That being said, it's important to remember that business cycles rise and fall. As entrepreneur and investor Kevin Ryan – fondly known as the godfather of NYC tech – has said frequently: down-times are often when great companies are built.

The majority of funding in the second quarter went to startups focused on tech-enabled services. Among the well-known names in digital health: Spring Health (\$71M), Memora Health (\$30M), Oshi Health (\$30M), Wellthy (\$25M) and Kindbody (\$25M). These companies represent mental health, women's health, specialty care and provider enablement.

One notable trend we've observed is that founders are stepping down to make way for the next generation of leaders who can scale the business for growth. We've seen this with Oscar, Particle Health and Valera Health.



We also continue to welcome new investors to New York hoping to meet promising founders and startups. Even in a down market, our city continues to maintain its spot as the epicenter of digital health.

Warmly,

A handwritten signature in black ink that reads "Bunny". The signature is fluid and cursive, with a large loop at the end.

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

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SAVE THE DATE

# DHNY SUMMIT

SEPTEMBER 21, 2023

Hosted at Quorum at Convne, New York, NY

For sponsorship details, contact Bunny Ellerin  
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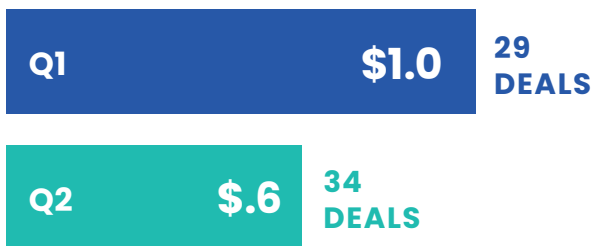
## BY THE NUMBERS

# 62 companies raised \$1.6B in H1 2023

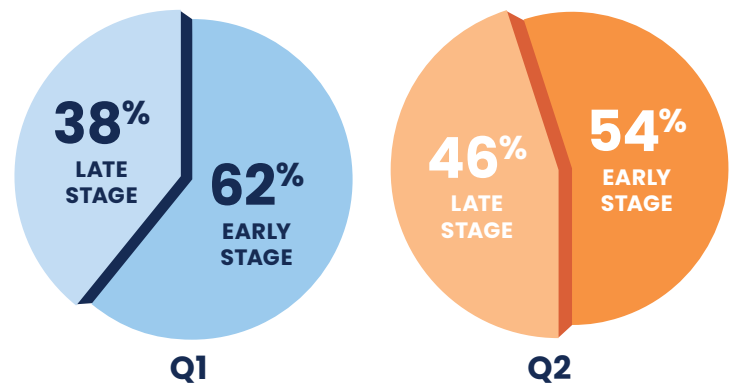
**YEAR OVER YEAR, FUNDING IS** down by 33% from 2022 H1, although second quarter investment is on par with Q4 2022. While it has been challenging for companies to raise money, there were some bright spots including organizations focused on provider enablement, care delivery and women's health.

### FUNDING BY QUARTER

FUNDING (IN BILLIONS)

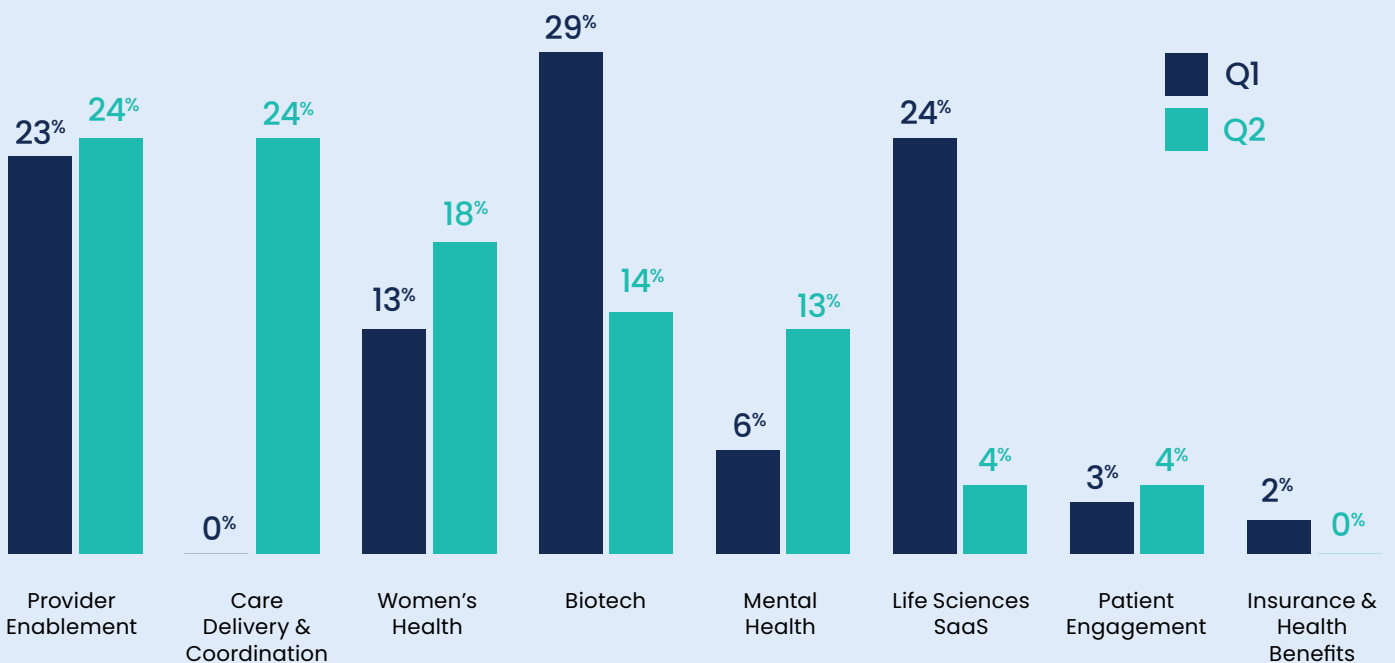


### FUNDING BY STAGE



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

### FUNDING BY SECTOR



# TOP 10 in Q2 2023

NO.	COMPANY	FOCUS	2023 (M)	STAGE	SELECT INVESTORS (in this round)
1	 initial	Biotech focused on stopping formation of difficult-to-drug protein targets	\$75	Early stage	Apple Tree Partners
2	 Spring Health	Digital platform providing employers and health plans with precision mental healthcare	\$71	Late stage	Undisclosed
3	 pomelo care	Virtual care to improve maternal and newborn health	\$33	Early stage	Andreessen Horowitz, First Round Capital, BoxGroup, Operator Partners, SV Angel, Allen & Co
4	 MEMORA HEALTH	Intelligent care enablement platform	\$30	Late stage	General Catalyst, Northwell Holdings, PagsGroup, Andreessen Horowitz, Transformation Capital, Frist Cressey Ventures
4	 OSHI HEALTH	Virtual specialty care for gastrointestinal health	\$30	Late stage	Koch Disruptive Technologies, Bessemer Venture Partners, Flare Capital Partners, Frist Cressey Ventures, CVS Health Ventures
6	 Wellthy	Personalized caregiving support for families	\$25.5	Late stage	Citi Impact Fund, Cercano Management, Stardust Equity, Hearst, Eldridge, ReThink Impact
7	 kindbody	Fertility clinic network and family-building benefits provider	\$25	Late stage	Morgan Health
8	 prognos health	Real-world data (RWD) company that unlocks the power of data to improve health	\$23	Late stage	Marshall Wace, Safeguard Scientifics, Cigna Ventures, Hikma Ventures, Hunt Holdings, Labcorp
9	 MEDIVIS	Medtech advancing surgical care with augmented reality and artificial intelligence	\$20	Early stage	Thrive Capital, Initialized Capital, Mayo Clinic
9	 yuvo	Focused on bringing value-based care to community health centers	\$20	Early stage	Mastry Ventures, AlleyCorp, AV8 Ventures, New York Ventures, HLM Venture Partners, Route 66 Ventures

# Partnering for Success

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Partnerships have been an important strategy for building and scaling successful digital health companies, and there is always much to be learned from these deals. Here are a few examples of success stories across the digital health ecosystem.



## CESAR HERRERA

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

As a value-based care organization, we partner with health plans on behalf of our FQHC providers. Resolving friction by aligning on common goals, we increased quality and decreased cost of care. Galvanizing around this shared interest, our successful first year reduced MER (medical expense ratio) by nearly 4% and increased our quality score by at least 20 points.



## RON VIANU

Founder & CEO,  
**Covera Health**

Covera's recent partnership with BCBS Michigan is likely the most extensive deployment of AI physician-enablement in the US, focused on diagnostic quality. Early success is gaining the support and confidence of providers across the state, but the challenge of transforming care in every community for all patients remains daunting.



## JULIEN DUBUIS

Chief Commercial Officer,  
**Nym**

A recent partner, one of the Top 100 health systems, located in Pennsylvania, has experienced significant increases in coding quality and speed since automating over 500K annual emergency department visits with Nym's engine. Initial challenges included configuring the engine to CMS guidelines and aligning with the health system's resource-strained IT team.



## RUTH POLIAKINE BARUCHI

Co-Founder & CEO,  
**MyndYou**

MyndYou's strategic partnership with Essen Health Care harnesses the power of MyEleanor to manage high-risk patients and enhance access to primary, specialty and urgent care services in the Bronx. Our collaboration allowed us to test, iterate and develop innovative care flows, revolutionizing Essen's service navigation and care team staffing models.



## SUNDEEP BHAN

CEO,  
**Prognos Health**

We recently formed a partnership with a specialty cancer diagnostics company, united by our shared purpose of unlocking the power of data to improve health. Through our platform, we enabled them to effectively utilize their data to identify patients in need and facilitate optimal treatment. This collaboration resulted in a multimillion-dollar agreement with a leading oncology pharma company, advancing patient outcomes.

# Women's Health

One of the bright spots in the second quarter was funding for women's health. With a holistic approach to care that serves women of all ages and life cycles, the new breed of women's health companies are poised for success and beginning to make a meaningful difference in the delivery of care.

## FOUNDER/FUNDER

**Define Ventures** is an investor in **Intrinsic**



### LYNNE CHOU O'KEEFE

Founder & Managing Partner,  
**Define Ventures**

Women make 80% of healthcare decisions. Women control all of the decisions from plan selection to choosing providers to implementing care plans for the entire family. We are the power buyers of the healthcare system.



### YADIN SHEMMER

CEO,  
**Intrinsic**

Becoming a pure-play women's health CPG company is a natural evolution for Intrinsic. Women have been underserved by the medical system and overlooked by big CPG for decades, creating a large gap in the market. Intrinsic exists to meet this need by building the first OTC company dedicated exclusively to women.

## WOMEN'S HEALTH



### PRIYANKA JAIN

Co-Founder & CEO, **Evvy**

We launched the first-ever NYC women's health initiative with Mayor Eric Adams, convening leaders from government, nonprofits, health systems, startups and more. We are encouraged by cross-sector dedication to women's health, but there's still much to do to secure the policies, dollars and commitments that will move the needle.



### ALYSSA JAFFEE

Partner, **7wireVentures**

The grossly underserved women's health segment will continue to grow, driven by companies delivering whole-person care. Companies such as Caraway, Maven and Parsley are taking a holistic approach through analysis that overlays lifestyle patterns with clinical context to deliver personalized treatment plans and more comprehensive diagnosis, yielding notable improvements over time.



### JADE KEARNEY

Co-Founder & CEO, **She Matters**

She Matters is driving positive change in women's health by actively reducing instances of Black maternal morbidity through comprehensive education. Our culturally competent certification equips healthcare professionals with the knowledge and tools to effectively address and support Black mothers, fostering cultural awareness and understanding.



### MARTA BRALIC KERNS

Founder & CEO,  
**Pomelo Care**

We're reimagining maternity and infant care to give everyone access to high quality, personalized, and holistic care previously only available to a select few. At Pomelo Care, we provide 24/7 multispecialty virtual care and proactively identify and treat individual risk factors to meet our patients where they are based on their individual circumstances and needs.

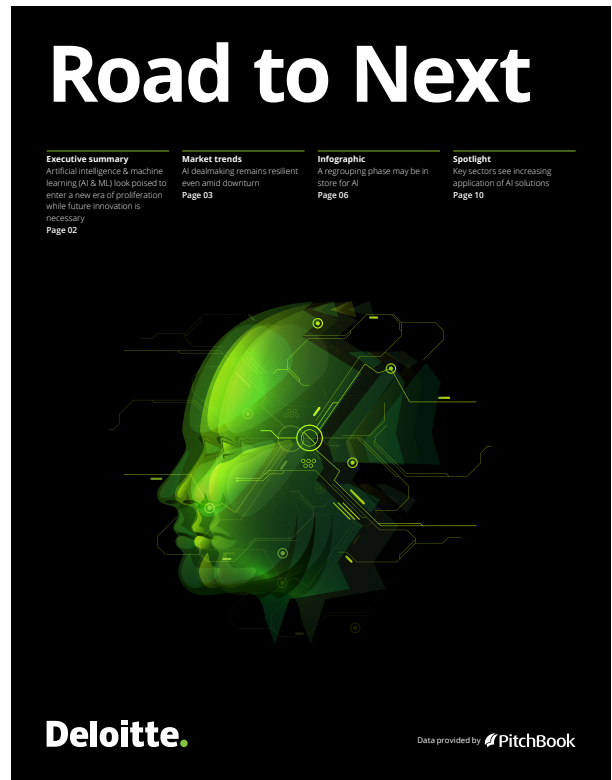


# Road to Next

Deloitte's recently published [Road to Next](#) report explores the current state of AI in business and the factors shaping the next wave of workforce innovation.

Healthcare organizations continue to invest in health tech as they see value in reducing a vast swath of manual tasks. Expansion-stage dealmaking hit a record in 2022 at 181 deals across \$5.8 billion in aggregate value. Although the pace of transaction closings slowed in the first quarter of 2023, this arena is seeing promising adoption. As more approaches to address patient confidentiality and privacy concerns are being spun up in response to current healthcare regulations, there remain significant advantages in deploying AI-driven solutions to expedite processing and pattern recognition in the massive streams of data generated by the healthcare sector. The most promising applications of AI within healthcare services more broadly seem to be concentrating in making practitioners more efficient and functional overall, thus aiding in quickening diagnoses based on datasets that are improving in anonymity, depth, and breadth.

[EXPLORE THE FULL REPORT HERE.](#)



[CLICK HERE](#)

**PETER  
MICCA**

National Health  
Tech Leader,  
**Deloitte & Touche LLP**



# What's on the Horizon?

As we head into the second half of the year, we asked select leaders to share which trends will drive change in healthcare. From generative AI to integrating data and digital tools, one thing is clear: there is still plenty of opportunity in healthcare to make a difference.

## FOUNDER/FUNDER

**Northwell Holdings** is an investor in **Optain**



**JEFF  
DUNKEL**

CEO,  
**Optain**

Low cost, portable retina cameras, coupled with breakthrough deep learning and AI, provide real-time screening information for clinicians in less than a minute. Optain's analysis of 140 physiological features will generate disease state reports that enhance decision-making, focus referrals, and minimize burdensome tests and follow-ups, benefiting both patients and providers.



**EDWIDGE  
THOMAS**

**DNP**  
VP, Clinical Solutions,  
**Northwell Holdings**

Optain's technology will revolutionize the standard of care in the U.S. by facilitating early detection of disease. This will lead to better care delivery and outcomes for some of the most prevalent conditions, including diabetes-related eye disease, the major cause of blindness in adults, and cardiovascular disease, the leading cause of death.

## WHAT'S ON THE HORIZON?



### NADAV SHIMONI

MD

Managing Director,  
**Arkin Digital Health**

No question we are seeing much more emphasis on business viability and scalability. GAI, though still in its first inning, may contribute here through more concrete utilization in the operational, non-clinical side of things.



### ERROL PIERRE

PHD

SVP, State Programs,  
**Healthfirst**

ConnectedCare - the ability to integrate data and digital tools to use insights to steer members to low cost/high quality healthcare options - will improve outcomes and overcome barriers driven by social determinants of health.



### MATT GRIFFITHS

Director - East Coast  
HealthTech and Medical  
Devices, **HSBC**

Capital preservation amidst a continued focus on scale will separate the top-tier companies from the rest. Those without runway through 2023 will be at-risk for acquisition or down rounds, especially if fundamentals aren't strong. Capital holders will have all the leverage so long as the public markets remain closed.



### LINDSAY JURIST-ROSNER

CEO, **Wellthy**

The market is tough and unpredictable. Glitzy 40-slide decks won't cut it, with practically everyone stretched to capacity. Instead two key factors feel more important than ever in 2023: a clear, concise narrative about impact - think head-turning ROI - and exceptional and authentic relationship-building.



### YAIR SAPERSTEIN

MD

Co-Founder & CEO, **AvoMD**

Generative AI is game changing, but it's impossible to trust it - yet. I love its ability to summarize important findings, draft notes, and rephrase (ex. translating jargon to patient-accessible language). As we get more automation, structure and trustworthiness will be key differentiators.

## METHODOLOGY

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 01/01/2023 to 6/30/2023. 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 01/01/2023 to 6/30/2023; (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.

## DISCLAIMER

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## 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 curating the future of healthcare, and brings people together to share ideas, spark new directions and create success. For more information, visit [www.dhny.co](http://www.dhny.co).

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