

A nighttime photograph of a cityscape, likely New York City, featuring a large bridge with illuminated arches and a body of water in the foreground. The scene is lit with a cool blue light, and the city lights are reflected in the water. The background shows several tall buildings with lit windows.

Q1

NEW YORK HEALTHCARE INNOVATION REPORT

2024

INTRODUCTION

RESEARCH WE PUBLISHED earlier this year indicated that the digital health community was feeling better about 2024 than they did about 2023. The uptick in funding in the first quarter seems to reflect that optimism: in Q1, 29 companies raised \$914M, exceeding the previous two quarters combined. That said, raising money is still difficult so we sought advice from six founders who share what helped them successfully close recent fundraising rounds.

We were overwhelmed at the excitement surrounding the launch of the Digital Health 100 among the DHNY community. To capture some of this energy, we spoke to ten honorees about what it means to them to be a part of DH100 – and there is inspiration in their responses.

Also, this quarter you'll hear about the evolving AI regulatory environment from two thought leaders at King & Spalding who weigh in with recommendations and best practices for overseeing the adoption and use of AI tools.

We closed out March with a networking event and panel on healthcare investment trends. Our speakers agreed that market realignment is coming with consolidation on the horizon. They also stressed that buyer expectations



have changed considerably, with a shorter time horizon to prove ROI. One big takeaway: we're still in the early stages of the digital health industry, and fertile ground exists for startups that can solve meaningful problems.

Now, more than ever, I continue to hear how vibrant our New York digital health scene has become. Thank you for your ongoing support.

Warmly,

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

Bunny Ellerin

Co-Founder & CEO, **DHNY**

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National Health Tech Leader, **DELOITTE & TOUCHE LLP**

For the past four years, the Deloitte Center for Health Solutions has analyzed the health innovation landscape. This year, we focused on investment trends among innovators focused on women's health but also explored investment trends more broadly across the overall health market (this includes health care services, health care technology systems, pharmaceuticals, biotechnology, and medtech companies). To supplement the data analysis, we interviewed a cross-section of investors and startup executives from November 2023 to January 2024 to explore how the health investment landscape has changed, particularly as it relates to women's health. Explore our findings

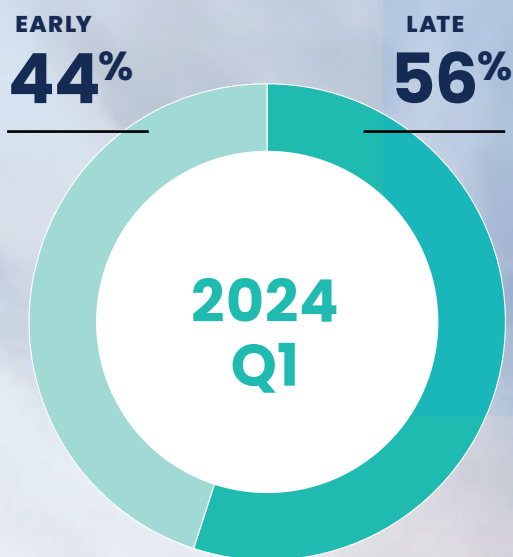
[Women's health investment trends | Deloitte Insights.](#)

By the Numbers

29 COMPANIES RAISED \$914M IN Q1 2024

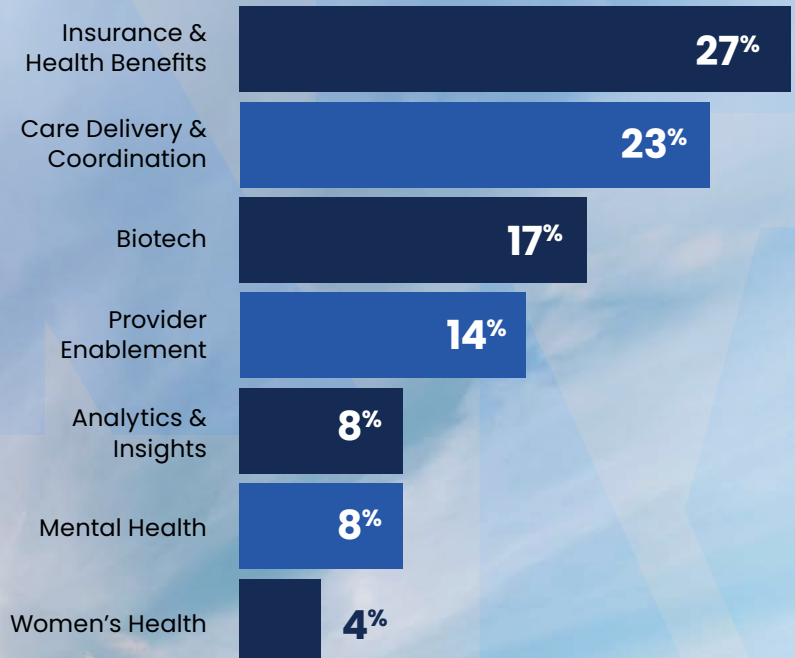
Funding ticked upward in Q1, exceeding the previous two quarters combined. Insurance and health benefits topped the list, followed by care delivery and coordination and biotech. Late-stage funding edged out early-stage, primarily driven by two large raises.

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 Q1 2024

NO.	COMPANY	FOCUS	Q1 2024 (M)	STAGE	SELECT INVESTORS (IN THIS ROUND)
1	 RapidSOS	Intelligent safety platform	\$150	Late stage	BlackRock
2	 Capital Rx	Pharmacy benefit manager	\$115	Late stage	Prime Therapeutics
3	 OnCusp THERAPEUTICS	Oncology biotech	\$100	Early stage	Novo Holdings, OrbiMed, F-Prime Capital, Sofinnova Investments, Catalio Capital Management
4	 fabric	Conversational AI to streamline care	\$60	Early stage	General Catalyst, Thrive Capital, GV, Salesforce Ventures, Box Group
5	 Pelago	Virtual clinic for substance use	\$58	Late stage	Atomico, Kinnevik AB, Octopus Ventures, Y Combinator, Eight Roads, GreyMatter Capital
6	 CLARIS BIO	Ophthalmology biotech	\$57	Early stage	Novo Holdings A/S, RA Capital, Mass General Brigham Ventures, Janus Henderson Investors
7	 hume	AI voice products	\$50	Late stage	EQT Ventures, Union Square Ventures, Metaplanet, Northwell Holdings, Comcast Ventures
8	 empathy.	Assisting with grief and loss	\$47	Late stage	Index Ventures, General Catalyst, Entrée Capital, Latitude, Brewer Lane
9	 Nourish	Virtual telenutrition platform	\$35	Early stage	Index Ventures, Maverick Ventures, TCV, Y Combinator, Thrive Capital, BoxGroup
10	 Healthee	Platform to streamline employee health benefits	\$32	Early stage	Fin Capital, Gliot Capital Partners, Group11, TriNet

Meet DH100 Founders

NOW IN ITS FIFTH YEAR, THE NEW YORK DIGITAL HEALTH 100 has become a coveted recognition that highlights the most innovative and exciting companies in New York. We asked select DH100 CEOs (six of whom were recognized for the first time) to share what it means to them to be a part of the DH100.



Ami Kumordzie

Founder & CEO,
SIKA HEALTH

We are committed to health access and empowering people to invest in their health by leveraging their health benefits. We're also committed to building in the New York ecosystem and creating the next generation of innovative digital health companies.



Lavi Kwiatkowsky

Founder & CEO, **CANOPY CARE**

Canopy provides cancer centers across the nation with comprehensive solutions to care for their patients between visits.

In tandem, we partner with life sciences organizations to increase patient benefit through a personalized approach by developing drug-specific modules. To be part of the Digital Health 100 in a city as competitive as New York is an unparalleled achievement.

LIVED EXPERIENCE WITH MENTAL HEALTH CHALLENGES is our company's superpower. Everyday our team is bringing recovery to thousands of individuals who otherwise had fallen through the cracks: social, healthcare and economic. We are humbled and honored to be part of such an incredible cohort of companies making a difference

in healthcare, and amongst an outstanding entrepreneurial ecosystem here in NYC.



Samir Malik

Co-Founder & CEO,
FIRSTHAND



Peri Avitan

CEO, **CLINII**

Clinii is thrilled to be part of the DH100, a testament to our dedication in advancing digital health, particularly in care and team management. Our AI-driven solutions streamline care, enhance workflows and facilitate clinical delivery to optimize value-based care.



Nicole Bocskocsky

Founder & CEO, **ELABORATE**

Building a business takes a village. We're lucky to be in one of the best villages in the world, especially for digital health, where we've been fortunate to have been helped by many partners on this list. Elaborate's proprietary clinical technology relieves doctors of tiresome messaging workflows while simultaneously helping them engage with patients between visits.



Robbie Felton

Co-Founder & CEO,
INTUS CARE

Being recognized within the growing NY ecosystem is a significant honor for Intus Care,

which is dedicated to revolutionizing care for frail older adults through support of the PACE model. Our technology and expertise aim to minimize administrative burdens and standardize clinical operations, ensuring scalable, high-quality outcomes.



Raj Amin

Co-Founder & CEO,
ARCADE THERAPEUTICS

New York is where dreams and great companies are made! Digital

interventions will increasingly become part of a new standard of mental health care. We are pursuing FDA clearances as the first game-based treatments for anxiety and depression. This will give providers confidence to use Arcade as first-line intervention across a range of populations.



Steven Blocker

CEO, **MURU**

Founded by paramedics, Muru is an offline, natural language decision support tool that not only aids healthcare providers

in making critical clinical decisions but also offers organizations insights into clinician uncertainties. Being recognized in the Digital Health 100 is a profound honor for Muru, especially given our role as the official decision support tool for New York's 72,000 paramedics.



Sloan Saunders

Co-Founder & CEO,
INTELLIHEALTH

Dr. Katherine Saunders

Co-Founder and EVP,
INTELLIHEALTH

We are honored and thrilled to be part of the incredible DHNY community of NY's top innovators. This is a network that fosters powerful collaboration. As a leading managed clinical services and medical technology software company, Intellihealth is dedicated to scaling and democratizing access to effective medical care for obesity.

HAVING SPENT OVER 20 YEARS in and around New York City, it is a privilege to be part of this thriving healthcare ecosystem. Summus is about people: our team, our physician partners and the families we support across the country. Our goal is to drive better insights, better decisions and better outcomes.

Julian Flannery

Founder & CEO,
SUMMUS



Riding the AI Wave Amidst a Churning Legal Landscape



Richard Zall
Partner,
KING & SPALDING



Kyle Gotchy
Partner,
KING & SPALDING

AT KING & SPALDING'S RECENT HEALTH LAW & POLICY FORUM, a medicolegal panel of thought leaders weighed in on how AI-powered tools are increasingly being adopted by providers to capture new efficiencies, improve care, and elevate the experience of providers and patients. Panelists discussed the promise of these applications while also observing this is occurring during a dynamic time when U.S. lawmakers are showing immense interest in AI but have yet to establish a significant body of binding authorities in direct response to the use of AI in the healthcare setting. Faced with this evolving landscape, progressive providers are investing in their organizational competency and establishing workable internal processes for overseeing the adoption and use of AI tools.

Providers are increasingly integrating AI tools to make incremental but impactful changes for clinicians and their patients. For example, clinical documentation applications leverage natural language processing to ease the burden of completing medical notes, while increasingly powerful coding programs can facilitate the assignment of accurate procedure and diagnosis codes. Providers are also using AI to generate pre-visit summaries of the patient's medical history, allowing patients to avoid answering the same questions at each visit. Health systems that deploy these technologies are achieving meaningful reductions administrative burden and freeing up clinicians to focus on their patients, helping enhance the patient experience.

Despite the current absence in the U.S. of a comprehensive regulatory framework that is specific to using AI in the healthcare setting, providers must keep their eye on how traditional legal authorities may be applied and adapted to

One thing is certain: The legal and risk assessment of any particular AI tool will always be highly dependent on the particular use case.

new technologies. One thing is certain: The legal and risk assessment of any particular AI tool will always be highly dependent on the particular use case. Thus, it is critical for providers that are considering a particular tool to clearly define the problem they are trying to address and how the tool will help them achieve their desired outcome. Providers must also establish diverse internal teams for evaluating and overseeing the use of AI tools, with appropriate representation from leadership, IT, legal, compliance, clinical, and other stakeholder categories depending on the particular use case.



Raising Money in 2024

WHILE IT'S NO SECRET that it's been a challenging fundraising environment recently, that's not to say that there aren't companies that are thriving. We asked six entrepreneurs who've been successful in raising money this quarter to share advice with us. What made the difference? Their insights will enlighten you.



James Jiang

Co-Founder & CEO, **SPARK**

The same fundamentals matter regardless of fundraising environment: stay close to your customers and solve real

problems for them. Our team is literally talking to and working with our customers every day, giving us insight into their most pressing needs so Spark can earn their trust to solve their biggest problems.



Jannine Versi

Co-Founder & CEO, **ELEKTRA HEALTH**

We got to know our investors well before the investment took place. Our existing investors also played a

major role in making introductions on our behalf. It was important to dedicate time to getting to know one another and also to meet in person.

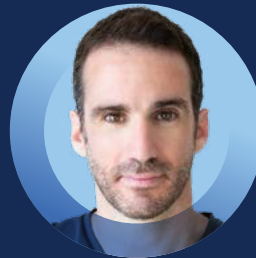


Julius Bruch

Co-Founder & CEO, **ISAAC HEALTH**

The main elements that resonated with investors were having meaningful traction with clients

and a large addressable market. We also presented early reads on clinical outcomes and revenue.



Guy Benjamin

Co-Founder & CEO, **HEALTHEE**

Aim high and dream big: target significant customers, partnerships, and ambitious product features. Balance focusing on current traction with seizing future opportunities, creating a product that appeals to both existing and prospective customers. Crucially, seek investors who believe in your potential, those who see beyond your current state to what you could achieve.



Eric Rosow

Co-Founder & CEO, **CONDUCE HEALTH**

Build a compelling narrative around your healthtech solution's

unique value proposition, emphasizing how it solves a significant, unaddressed problem in healthcare. Focus on product-market fit, evidence of traction, and a clear path to profitability. Be resilient, and seek investors who share your vision for transforming healthcare.

1. Find a niche you understand deeply, and then find a niche within that niche. Be laser-focused.
2. Unit economics rule.
3. As always, killer execution is vital.
4. Start conversations and relationship-building way before you need the funds.
5. Not all money is good money. Choose your partners wisely.



Danny Aronson

CEO, **TUNED CARE**

DHNY

DIGITAL HEALTH NEW YORK

REPORT METHODOLOGY

Data was obtained from a variety of sources including but not limited to company representatives, press releases, Crunchbase and HolonIQ, and covered the period from 01/01/2024 to 3/31/2024. A company was included if it (1) listed New York City as its corporate headquarters or an office with at least 10 people; (2) the company received seed, angel, early-stage or late-stage funding of at least \$1M during the period 01/01/2024 to 3/31/2024; (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.

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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