



New York City Investment Fund



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For Immediate Release

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New Health IT Initiative to Make NYS a Hub for High-Tech Jobs

NYeC, NYC Investment Fund and the DOH Join Forces to Create Digital Health Accelerator

\$4.2M Program to Encourage Health IT Innovation and Create 1,500 New Jobs in New York

New York, NY – Today the New York City Investment Fund (NYCIF) joined the New York eHealth Collaborative (NYeC) and the NYS Department of Health (DOH) to launch the [New York Digital Health Accelerator](#) (NYDHA), a program that will make New York a hub for the emerging digital health technology industry. Visit digitalhealthaccelerator.com for frequent updates.

The NYDHA is run by NYeC and NYCIF, which is the economic arm of the Partnership for New York City, the city's pre-eminent business leadership coalition. In upcoming months the program will choose 12 early- and growth-stage companies that are developing cutting-edge technology products in care coordination, patient engagement, analytics and message alerts for healthcare providers. Each chosen company will be awarded up to \$300,000 along with invaluable mentoring from senior-level executives at leading hospitals and other providers in New York. The focus areas of innovation will support the development of products that help the state's Medicaid Redesign Team and its new "Health Homes" program, an initiative intended to make the state's treatment of Medicaid patients more coordinated and efficient.

"Health information technology is helping us transform our healthcare system to provide high-quality, cost-efficient, and patient-centered care for the 21st century," said New York State Health Commissioner Nirav R. Shah, M.D., M.P.H. "The Digital Health Accelerator program will further advance New York's national leadership in health IT as it will attract leading-edge companies at the forefront of developing the technology necessary for robust electronic health records and digital care coordination systems."

"When the government and the private sector work hand-in-hand to encourage business growth in our state we see results. This Accelerator will help New York keep and attract businesses that grow our state's economy and create jobs in our communities," said Maria Gotsch, President and CEO of NYCIF. "Our initial investment will go a long way towards attracting additional investment into New York."

“The economy and healthcare are the two most important issues facing the state, and the New York Digital Health Accelerator will allow us to tackle them both at once,” noted David Whitlinger, Executive Director of NYeC. “This initiative represents the best kind of marriage between the public and private sectors. We are leveraging New York’s investment in our statewide health information exchange network and empowering it with the free market.”

The NYDHA’s unique feature is that it offers participants the opportunity to engage directly with a broad network of providers in New York State, including hospitals, long-term care providers, community health centers, and primary care providers. Tech companies accepted into the program will receive direct mentorship and feedback from senior-level executives with the participating providers. In addition, companies will have priority access to the technology platform that is connecting electronic health records across New York State, the Statewide Health Information Network of New York (SHIN-NY).

An application for this program, and more information, is available at digitalhealthaccelerator.com. An informational session for companies interested in participating will be held on May 10, 2012 in New York City. Applications for the NYDHA program are due June 1, 2012.

With its initial investment of \$4.2 million, the NYDHA program will create approximately 1,500 jobs over five years. In addition, it is expected that the companies will attract upwards of \$150 million to \$200 million in investment from the venture capital community post-program. The NYDHA will stimulate a new marketplace, creating the next generation of healthcare tools while positioning New York as the capitol of the health IT entrepreneurial sector.

The investment capital will be provided by a syndicate of investors, including Aetna, Milestone Venture Partners, New Leaf Venture Partners, New York City Investment Fund, Quaker Partners, Safeguard Scientifics, and UnitedHealth Group. The Empire State Development Corporation, Health Research Inc., and NYeC will provide additional funds and/or services to operate the NYDHA.

18 leading healthcare providers have agreed to participate in the program:

<ul style="list-style-type: none">• Albany Medical Center• Catholic Health System• Community Healthcare Network• Continuum Health Partners• Ellis Medicine• FEGS Health and Human Services System• Finger Lakes Community Health• Hometown Health Centers• Hudson Valley Initiative	<ul style="list-style-type: none">• Institute for Family Health• Maimonides Medical Center• NYC Health and Hospitals Corporation• New York-Presbyterian Hospital• North Shore LIJ Health System• NYU Langone Medical Center• Stony Brook University Medical Center• Visiting Nurse Service of Schenectady and Saratoga Counties• Winthrop University Hospital
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"Aetna is strongly committed to advancing healthcare information technology that will connect the healthcare system to help improve quality and outcomes," said Lonny Reisman, M.D., Aetna’s Chief Medical Officer and a member of board of the New York eHealth Collaborative. "The convergence of health IT and healthcare expertise will be extremely critical and powerful in making healthcare more

effective, convenient and affordable for everyone. Aetna has been actively involved in NYeC since its inception, and we are pleased to support this important initiative.”

“Albany Medical Center welcomes this important initiative that will help develop innovative approaches to improving patient outcomes at lower costs while helping to attract healthcare entrepreneurs to New York State,” noted James J. Barba, President and CEO. “Albany Med has long recognized that the type of collaboration this project is building between healthcare providers, government and the private sector will be the key to reforming our healthcare system.”

“Entrepreneurs require access to potential customers as much as they require access to capital,” said Todd Pietri, co-founder and General Partner of Milestone Venture Partners. “The New York Digital Health Accelerator is the first accelerator program we have seen which provides direct access to key decision makers at potential customers.”

“New York City is the place for the creation of next generation digital health companies. The combination of the digital alley talent, the deep healthcare infrastructure of the state and the availability of venture funding is truly unique,” said Philippe Chambon, Managing Director of New Leaf Venture Partners. “This accelerator effort will help us build further the IT tools that healthcare truly needs. New Leaf Venture Partners is honored to be part of the New York Digital Health Accelerator.”

“Quaker Partners is excited to participate in the NY Digital Health Accelerator program. New York is leading the way in healthcare innovation by bringing together hospitals, medical providers, payers, and investors with its rapidly growing Silicon Alley,” said Adele C. Oliva, Partner at Quaker Partners. “Quaker believes that this integrated approach will catalyze entrepreneurship and deliver the revolutionary technology the healthcare system requires to improve care and reduce costs.”

“We are looking forward to becoming a part of the New York Digital Health Accelerator,” said Gary J. Kurtzman, MD, Managing Director at Safeguard Scientifics. “New York is forging an unprecedented path by pulling together investors, hospitals, and other healthcare advisors to collaborate and offer healthcare IT start-ups access to capital, mentorship and expert insights to help them effectively grow their business.”

“Innovation is a key driver in helping make the health system work better for everyone,” said Tom Vanderheyden, Vice President, Emerging Businesses Group at UnitedHealth Group. “We believe the New York Digital Health Accelerator model will help bring practical solutions to market in a significantly shorter timeframe.”

"New health information technologies will help people get better care. Here in the Capital Region, the Visiting Nurse Service of Schenectady and Saratoga Counties, Ellis Medicine and Hometown Health Center are already working with other healthcare and social service organizations and physicians to ensure that we provide each person with the right care at the right time—and having the right information will help us do that," stated Joseph Twardy, President and CEO, Visiting Nurse Service of Schenectady and Saratoga Counties.

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