

Today's News Wednesday, November 8 2017

Mount Sinai alum helps launch investment firm

Adam Henick, founder and former president of Mount Sinai Ambulatory Ventures, is using his health care investing expertise to launch a venture capital firm, New World Health. Henick is one of the Manhattan-based firm's six managing partners, who have collectively invested \$50 million to start the company. "After seven years of producing excellent returns on investment for both Continuum Health Partners and Mount Sinai, I determined it was time for me to go out on my own so I could have more capital to work with and the opportunity to do better for myself," said Henick. New World Health will focus on investing in health and wellness companies, but Henick said that field will be loosely defined. The firm has invested in three companies so far: Salt Lake City, Utah-based Owlet, which manufactures a sock that allows parents to remotely monitor their infants' vital signs; Epicured, a Manhattan-based meal delivery service catering to people with digestive illnesses; and San Carlos, Calif.-based BioTrace Medical, which has created a device to reduce complications in transcatheter aortic valve replacement surgery. New World Health's other managing partners are Isaac Oved, founder and chief executive of the Oved Group, a Manhattan investing firm; Dr. Ronald Mizrahi, president of Mizrahi Orthodontics; Dr. Paul Low, who previously led a group physician practice; Dr. Edward Lung, associate professor of medicine and gastroenterology at the Icahn School of Medicine at Mount Sinai; and Dr. Joseph Oved, a physician in hematology/oncology and president of the Oved Group's investment portfolio. —C.L.

Merged NJ system reaps profits

RWJ Barnabas Health, the 11-hospital New Jersey system formed in April 2016, is heading toward a highly profitable first full year. Based in West Orange, it earned \$175.3 million, with an operating margin of 4.7%, in the first nine months of the year, according to [unaudited financial statements](#). After investment earnings of \$222.5 million and other items, the system reported a net income of \$392.4 million. The health system had \$3.76 billion in operating revenue and \$3.59 billion in operating expenses through Sept. 30. RWJ Barnabas said it had an occupancy rate of 72% based on its beds in service and an average length of stay of 5.27 days. It did not compare its financial results in the first nine months of this year to the year-ago period because of the 2016 merger between Robert Wood Johnson Health System and Barnabas Health. —J.L.

Assemblyman calls on MTA to reject pharma ads

The board of the Metropolitan Transportation Authority [recently voted](#) not to accept alcohol advertising in subways, buses, commuter trains and stations. Assemblyman Ron Kim, a Democrat representing Flushing, Queens, took the move as an opportunity to call on the board to reject ads from prescription drug companies as well. "The pharmaceutical industry says ads are educational and empower consumers, but we have health care professionals trained to guide patients through the types of drugs they should be consuming," said Kim. Kim introduced a bill in the state Assembly in April that would prohibit the MTA from posting pharmaceutical ads. Sen. Diane Savino introduced a similar bill in the Senate. Neither came to a committee vote. Kim said his campaign against direct-to-consumer pharmaceutical ads is inspired by the increase in opioid addiction and overdose deaths. However, a recent email blast he sent out on the subject featured a photo of an advertisement for Vivitrol, which is used to treat opioid addiction. Kim said he wasn't aware of the drug's function, but he stood by his argument that such ads should not be allowed on subways and buses. "That's a great example of how pharmaceutical companies are taking advantage of people who are addicted," said Kim. Although Kim was not familiar with Vivitrol, he accidentally seized on an advertising campaign that [has been controversial](#). Alkermes, the manufacturer of Vivitrol, has received criticism for engaging in aggressive lobbying and marketing efforts despite having limited research to back up its product. —C.L.

BetterPT inks deal with Hospital for Special Surgery

BetterPT, an appointment-booking platform for physical therapy, has agreed to a partnership with Hospital for Special Surgery, New York's preeminent orthopedics provider. The deal links the Manhattan startup to the hospital's network of 154 affiliated rehab centers. The network is made up of independent practices that have completed a HSS review process for membership. The practices, which are located in the tri-state area, the suburban Philadelphia area and Palm Beach County, Florida, will now have the option to use BetterPT's software to attract patients. "The relationship with Hospital for Special Surgery is a great endorsement," said Dr. Stephen Fealy, co-founder and chief medical officer of BetterPT and a sports medicine surgeon at HSS. "We want to offer this to all physical therapy clinics in the country." BetterPT has raised \$3.6 million, including a \$1.5 million seed investment from Loeb Holding Corp., a private investment firm. HSS has committed to an investment in the startup, but Leonard Achan, the hospital's chief innovation officer, declined to disclose the amount while the deal is finalized. The investment will be unusual in that HSS' Global Innovation Institute, which Achan leads, was not set up to be a venture capital investor, but rather to serve in an advisory role to startups looking to solve problems that apply to musculoskeletal health. Achan said it only invests when startups demonstrate they've hit certain milestones and additional cash could further propel the company. "Prior to our involvement, they have been able to raise a seed round and get actual paying customers," Achan said. BetterPT started late last year as a concierge service to summon a physical therapist to one's home or office. But the company [shifted this year](#) to building an application that allows patients to find a clinic nearby that accepts their insurance and has available appointments. It rolled out the latest iteration of its app last month in the Apple App Store. The app's home screen now says it is "powered by HSS," and the default setting guides users to search for physical therapists in the HSS Rehabilitation Network, though users can opt to cast a wider net. More than 500 clinics in seven states are signed up with BetterPT, including agreements with the chains Professional Physical Therapy, Ivy Rehab Network and Spear Physical Therapy. Its pricing starts at \$150 per clinic per month for smaller practices. The company wants to make choosing a physical therapist a seamless process, Fealy said. Patients often receive a list with names of physical therapy clinics from their orthopedist. Other scheduling options include using Zocdoc, which enables appointment booking across numerous medical specialties, and finding a practitioner in an online directory offered by the American Physical Therapy Association. "Going forward, rather than calling 10 clinics to find out who has availability and who takes your insurance, you're going to go to your iPhone or iPad," Fealy said. Achan said he believes the startup will gain traction with physical therapy chains because it offers a singular way to book appointments across their clinics. "It's creating uniform technology and software that really is the first point of contact with potential consumers and patients," he said. —J.L.

At A Glance

WHO'S NEWS: Jason Ruda is the new director of patient experience at CareMount Medical, an independent multispecialty medical group. Ruda will be responsible for maintaining and improving a culture of patient-centered care and service across the practice's locations in Westchester, Putnam, Dutchess, Columbia and Ulster counties. Previously he served as coach and service line leader at Studer Group, an outcomes-based professional services firm that assists health care organizations.

'SOFT BIGOTRY': Seema Verma, head of the Centers for Medicare and Medicaid Services, on Tuesday criticized the Obama administration's opposition to work requirements for Medicaid recipients as "a tragic example of the soft bigotry of low expectations." Verma said the Trump administration intends to give states the latitude to impose such requirements on Medicaid enrollees and to expedite waiver requests, [The Washington Post reported](#).

OPEN ENROLLMENT: Also in the *Post*, health insurance marketplace officials said enrollment in states that use HealthCare.gov [more than doubled](#) on the first day of open enrollment compared with the first day of last year's cycle. A state Health Department spokeswoman wouldn't report sign-up numbers but said 140,000 people visited the New York State of Health website on Nov. 1, and 73,000 people called its customer service line.

FITBITS: The Scripps Translational Science Institute will outfit volunteers with Fitbit devices for part of the All of Us research program, an NIH project that looks at how individual characteristics can affect health and disease treatment, [reported Modern Healthcare](#). Scripps will give 10,000 people either the Charge 2 or Alta HR to wear for a year. The devices will collect data on metrics such as sleep and heart rate.

DIABETES SUMMIT: Enrollment is open for [Crain's fall 2017 Health Care Summit](#), on finding solutions to New York's diabetes crisis, on Nov. 16. The disease afflicts about 11.5% of the state's adult population and costs almost \$22 billion a year in New York state alone. Speakers include Brooklyn Borough President Eric Adams and physician leaders from EmblemHealth, the Albert Einstein College of Medicine and the Icahn School of Medicine at Mount Sinai.