

Digital health ventures to "serve the patient and serve the provider"

MAKING THE ROUNDS

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Featured topic and speakers

In this episode of Making the Rounds, Aaron Martin shares his experience launching digital platforms that help manage patient care. Aaron Martin serves as executive vice president and chief digital officer at Providence and is managing general partner of Providence Ventures. This episode is part of the Health IT series by the MSS Committee on Health Information Technology, hosted by Skyler Burke, medical student at Washington State University College of Medicine.

Speaker

- **Aaron Martin**, executive vice president, chief digital officer and managing general partner, Providence Ventures

Host

- **Skyler Burke**, medical student, Washington State University College of Medicine

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Transcript

Burke: Hello and welcome to Making the Rounds, a podcast by the American Medical Association. Today's episode is part of our Health IT series from the AMA Medical Student Section Committee on

Health Information Technology. My name is Skyler Burke. I'm a medical student at the Washington State University College of Medicine and I'll be your host for today.

Today, we're joined by Mr. Aaron Martin, executive vice president, chief digital officer for Providence St. Joseph's Health and managing general partner for Providence Ventures, which manages around \$300 million in venture capital across two funds. This VC group focuses on investing in and partnering with innovative companies and spaces related to health IT, including software devices, diagnostics and more. Thanks for being with us, Mr. Martin.

Martin: Yeah, thank you.

Burke: To get us started, can you explain to our listeners how you're involved in the health information and technology space? What are some things you're currently working on?

Martin: Yeah, my role at Providence, I've been here eight years, we're a large health system based in Seattle. I've got three components to my team. The first is marketing, so our in-and-outbound marketing and brand. The second is digital, which is there's an operating component to that and a venture studio component to it. The operating component to it is my team runs all the websites, the apps, anything the consumer, the patient sees.

Then we also have a venture studio that creates new companies. We've done that three times so far. We actually have invented technology and then spun it out, created, paired it up with management teams and created new companies, and spun them out of the organization.

Then the third part of what we've done is we've launched a venture fund now on our second fund, so \$300 million in total, two \$150 million funds with 28 portfolio companies, three of which again that we created but the other 25 we've found out in the market and invested in. That's a broad discussion about what my role is within the organization.

Burke: Thank you. Yeah, I wonder if you could talk a little about maybe a few of these companies that you are either on the board on or affiliated with that you're particularly excited about?

Martin: Yeah, absolutely. I mean, the most recent one that we've launched and we spun out is a company called DexCare. We spun that out last March. We've been working on that company for four years prior to spinning it out. Then after we spun it out, they signed another six health systems in a very rapid succession and then obviously grew very quickly, and then raised another 50 million in their second round just recently, so it's been kind of fast and furious there.

What they do that's really exciting is they allow patients who are seeking care sometime in the next, call it five minutes, so instantaneous care, all the way out to call it 48 hours, so think low acuity, same-day care. It's a platform that allows health systems to serve those patients incredibly efficiently, both in

a virtual way, through video visits, et cetera but then also scheduling them in appointments in retail health or urgent care and those types of things.

It's really this combined platform that really works. What it does is it goes out into the internet. It looks for patients through SEO, SEM and local, so basically, the different ways that people search on Google, et cetera, seeking care. It aggregates that demand, it routes them to the right venue of care that makes sense for them and then it does load balancing on back end, so that it makes sure that when the patient actually is looking for care within, say, a retail health setting or in a virtual visit, that they'll actually get access to the appointment that they need or they'll have very low wait times. It's a really efficient platform for this kind of same-day care use case. It's been growing really, really quickly. That's one example.

Another example is the second company that we spun out; a company called Wildflower Health. I think that's an example of how businesses can kind of evolve towards bigger and bigger offerings. They started off as a women's health platform, helping women navigate pregnancy in partnership with their OB, so it basically took everything you need to know about the pregnancy journey and then kind of T+3 years into pediatrics as a woman and then parsed that information out when it was relevant, right? Then what that did is it helped the OBs the physician side get the information that their patients need to them support them incredibly well during that journey and make their practice more efficient as well, so it's a good example of serving the patient and serving the provider.

Then the exciting that they've done recently is they're now moving into what are called "care bundles." What that means is they've taken that very high-level engagement. Most of their patients work with the app three or four times a week, for instance, because it's a very intense time during pregnancy, and they're starting to put care management around that and take risks and create these things called "pregnancy bundles," where it's insured episodes of care, working with the providers and with the insurance plans, and so they've become an even bigger business than they were day one.

Then the first company that we spun out four or five years ago was a company called Zealth. This was very relevant to clinicians. I think it's a really exciting technology, it's been adopted by 20 health systems so far. What it allows you to do is prescribe anything that is not a pharmaceutical like it was a pharmaceutical directly from the EMR, so if you've ever been, obviously, when you're in practice and you're prescribing through, say, Epic or Cerner or something like, say, atorvastatin, you can now prescribe an app, content, products or services that you're otherwise probably recommending to patients. Then you can see if the patient actually used that app, watched that video, read the article, et cetera, directly in the EMR and you don't have to go out of the EMR. It shows up in their Providence app as a card and it says, "Your physician has recommended that you watch this video," or you use this app or you buy this thing, this knee brace or whatever it might be.

We basically captured a lot of the interactions digitally, made it easier for physicians to do what they're already doing on a daily basis, which is recommending things outside of just the typical, "Take this

drug," or ... It just made it a lot easier. Typically, they're handing over a piece of paper, let's say, or a patient loses it or what not, they can now prescribe it and see if the patient followed up. This is three examples. I got 28, so I could go on forever but those are three good examples.

Burke: Sure, sure. Yeah, it sounds somewhat similar to the Twistle platform.

Martin: Yep, yep. Yeah, we were also investors in Twistle. They do pre- and post-care management. A little bit different. It texts the patient to make sure that they're prepped correctly for the encounter and then it also follows up with them afterwards, yep.

Burke: Well, thank you for those examples. I think that's really helpful to indicate some of your experiences. Speaking of, I know you worked for Amazon for quite some time. I'm curious how that experience in traditional venture capitalism has compared and contrasted with what you're doing in health care VC. What would you say are some of the major differences between the two?

Martin: Yeah, Amazon is a large tech company. What I would say that I learned there was how does technology function at a very, very large scale? You could try things very quickly with very little effort. You can kind of plug-in new ideas into a demand stream that was already there, like a huge customer base. You can try ideas very rapidly, right?

When I started at Providence eight years ago, patients were barely online with us. As a matter of fact, I don't know if you know this but when I first started, you couldn't schedule as a new patient online. You had to already have an existing relationship with us, which was just absolutely crazy and absurd. What other industry do they make you come in and see them first before you can do something online with them? So, we changed that. We, of course, innovated pretty rapidly. But a lot of the digital platform that we built that now we are now seeing millions of patients per month on the Providence platform, it took a long time just to build that basic infrastructure and technology. That was one huge difference.

In terms of in the venture world, outside of health care, I did this podcast a while back with a good friend of mine named Julie Sandler. She runs a tech startup accelerator called Pioneer Square Labs based in Seattle. They do an incredible job and they mainly focus outside of health care. We compare it and contrast; how do you start and incubate businesses outside of health care versus within health care? There's several huge differences. One is it's a lot easier and a lot faster to test ideas outside of health care because people's lives aren't at stake, their health isn't at stake. The information is not as critical. You're not messing around with PII, typically, those types of things. So you can do, what are called "smoke tests" to determine if there's even interest in a product by running Facebook ads, right, like a product idea, for instance, right? That's a trick used outside of how health care. Within health care, you can't do that. You have to be a lot more playful, those types of things, I think.

But the flip side is within health care, there's a lot of obvious stuff that is, if you just pay attention to what goes on outside of health care, you can bring into health care. There's still a lot of really block-and-tackling basics to where you don't really have to determine whether or not there's demand for it. For instance, going back to online scheduling eight years ago, we didn't have to test the notion as to whether or not people wanted to schedule online with us, right? I mean, it's pretty obvious that people would want to do that because they do it every other part of their lives, when they're booking a table on OpenTable, when they're booking with Uber to take a ride or for a flight or a hotel reservation, et cetera.

It's kind of intuitive that these things would work within health care. I think we're still, for a lot of these services, pretty much in that area where we're just able to kind of cheat a little bit and see what's going on outside of health care and just bring it into health care. I mean, a lot of the technologies that my team is applying, well-worn outside of health care, now just being applied to health care.

Burke: Yeah. Thinking about some of those changes, what are some changes that you have maybe seen accelerated by COVID that you think are really going to be here to stay?

Martin: Yeah, I think digital-first health services are here to stay. There was this weird debate that I would have from time to time with folks in health care about, "Do patients really just want to come into the office and see their clinician all the time, versus is telehealth really needed, right?" I think that's been conclusively answered because you can see even post-COVID, when in-between spikes, you still see a much, much order of magnitude higher rate of telehealth adoption versus what it was kind of pre-COVID. I think that's a big part of it. I think it's also proven that health systems, if they're focused on a single objective, they can really, really execute well on technology challenges.

I think the other thing that's going to stick around is the use of AI, especially on a patient-facing basis. One of the things that we saw really scale in our response to the pandemic, especially in the early days, was Providence saw the first confirmed COVID case in the United States, so we've been at this the longest than pretty much anybody. When that first happened, we had no real scalable response for the amount of patients that were calling us or were going to be concerned about contracting COVID. It was a very scary situation. You got to think back to?—there was no PPE, there were no vaccines and there's very little known about the disease and its effects, so we had a lot of very concerned patients.

One way that we scaled our response was we built a partnership with Microsoft and with our clinical teams, we built an AI bot called Grace that we fortunately had built a couple of years before COVID or about a year before COVID and we scaled to respond to consumers or to patients who are concerned about, "What do I do? How do I kind of determine my level of risk? Should I go and get a telehealth visit? What should I do next?" Right, giving them advice in a conversational manner. It was far more scalable than, say, for instance, people trying to call into a call center for instance or, certainly, and we did not want them showing up at the ED because if they were healthy, we didn't want them getting infected and if they're infected, we didn't want them in, they're in reasonably good health, we wanted

to stay home until and so, that was another kind of technology that was really important.

The third kind of technology is remote patient monitoring. We use remote patient monitoring to remotely monitor thousands of COVID patients at scale to where we could have a single nurse keep an eye on hundreds of patients who, again, early in COVID were at-risk patients who had who may have had COVID symptoms but were doing well. We didn't want them coming into the hospital, we wanted them to stay at home and so what we did is we sent them a pulse ox and a thermometer, and this technology would reach out to them three times a day, check-in with them through SMS and through text, and then ask them to check their oxygen level and check their temperature. Then it would bring that information into a panel that allowed a nurse to determine if anybody's starting to decline, if they did decline, then we would reach out to them with a telehealth visit and then if they became severely ill or were concerned, we'd have them come in through the ED. These are the three technologies that really helped us get through in a meaningful way, telehealth, AI and remote patient monitoring. I think those three technologies are going to be very important in the future.

Burke: Yeah, that's a great point and it relates to this next question, in a blog post you mentioned earlier, you outlined some of the ways that health care systems and big tech companies work together. What do you envision this partnership might look like in the future?

Martin: Yeah, I wrote an article a few months back about when Google pivoted its health work and there was a bunch of stuff going on in the industry about, "Oh, big tech learned how hard health care is and they're retreating." My point was like, "God, I hope not," because if you don't have that level of technology being applied into a massive industry like health care that frankly is lagging way behind from a productivity standpoint relative to other industries, we're going to be in serious trouble as a society. I mean, there's just no way. These technology companies have the critical mass to develop very sophisticated AI, machine learning that can help the industry. My hope is that they'll continue to be engaged. I think what you're going to see them do is partner. Very few of them will compete in a meaningful way because their business is software and technology, their business isn't delivering health care services, right? Honestly, being a software vendor is a lot more profitable than being a health care service provider, so it doesn't even make any sense for them from an economic standpoint otherwise. I think you'll see a lot of that.

I think what you see with respect to Microsoft, they bought Nuance, which I think was a brilliant acquisition that's giving them access to really detailed information in terms of how AI could work meaningfully to support clinicians through voice-enabled AI. It also gets them really to understand clinical workflow because Nuance is typically embedded within these EMRs, right? I think you'll see more of those types of acquisitions, hopefully, from big tech that will get them to really understand health care at a deeper level. I'm hopeful that they'll be able to contribute meaningfully to the industry.

Burke: Great. Well, Mr. Martin, what are some of the ways that people can connect with you and follow some of your work?

Martin: Sure. Best way to connect with me is either through LinkedIn or follow my Twitter account at @AaronMartinFC. That's Aaron Martin Frank Charlie, that's my handle. Those are the two best ways to kind of keep an eye on what we're up to and that kind of thing.

Burke: Okay. Great. Well, everyone, that's all for today. Thank you for listening in and thank you, Mr. Martin, for taking the time to join us. This has been Making the Rounds, a podcast by the American Medical Association. You can subscribe to making the rounds and other great AMA podcasts wherever you listen to yours or visit ama-assn.org/podcasts. Thank you for listening.

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