



UP AND COMERS

Leadership, Vision & Strategy for the CIO

Up and Comers

SIX COMPANIES TO WATCH

SMALLER, NIMBLE COMPANIES ARE DEVELOPING NICHEs IN AREAS OF PATIENT ENGAGEMENT, POPULATION HEALTH AND NEXT-GENERATION PATIENT REGISTRIES THAT ARE HAVING AN OUTSIZE EFFECT ON PATIENT CARE DELIVERY BY DAVID RATHS

To accompany our *Healthcare Informatics* 100 list of the largest companies in health information technology, we like to give readers a heads-up on some fast-growing companies that could very well make the *HCI* 100 in years to come. These six companies have caught the attention of investors and analysts by addressing pressing needs in the industry with elegant, sophisticated solutions. So far they have been able to execute on the business side, managing the challenges of growing from startups to well-established companies.

ARBORMETRIX

Throughout his career, the research of John Birkmeyer, M.D., a professor of surgery at the University of Michigan, has been focused on how much variation exists in acute and specialty care settings and how the use of registries and transparency can improve quality and ultimately reduce costs.

In 2011, Birkmeyer and some colleagues co-founded Ann Arbor, Mich.-based ArborMetrix Inc., with the mission of offering a next-generation patient registry combined with the ability to adjust for acuity of cases. "For the first time, you can look at acute and specialty care with a real-time service delivered via the web that allows you to input cases and have it come back with some sort of meaningful benchmark on clinical performance," says Brett Furst, ArborMetrix's CEO, who joined the company in 2012. (He was previously vice president of healthcare for Covisint.)

"By deeply configuring the tool specialty by specialty, we are able to get the clinical granularity to make it actionable for the clinician and to address that risk adjustment concern," he adds. "We have been able to move the needle on quality through this approach."

"Specialty societies want a registry tool very specific to their specialty," Furst says. For instance, thyroid surgeons try to measure nuances of that particular surgery to understand complication rates, case mixes, and different approaches to procedures based on co-morbidities. The American Hernia Society has used ArborMetrix's tools to study the performance of expensive bio-based mesh devices versus less expensive traditional meshes. "The evidence they gathered in the registry shows that the traditional meshes are outperforming the newer, more expensive ones," he says.

ArborMetrix is the engine running seven quality initiatives in Michigan that involve statewide registries for measuring areas of



Brett Furst

specialty and subspecialty care. "They have been able to reduce sepsis 34 percent, pneumonia by 29 percent, length of stay by 15 percent, and mortality by 10 percent," Furst says. "It shows that when you provide good, actionable intelligence to surgeons, they will change behavior."

The company, which is currently powering the initiatives of 15 specialty

societies and quality organizations, is in growth mode. In 2013, it raised a second round of funding, bringing the total investment raised to date to \$9.8 million. ArborMetrix currently has 36 employees and should top 50 by the end of 2014, Furst says. Revenue growth has been 300 percent year over year, and the company will be cash-flow-positive by 2015, he adds.

Furst believes ArborMetrix is well-positioned for the changes taking place in healthcare. The attention health systems pay to episodic analysis because of payment reform is going to increase dramatically, he says. "They are going to scrutinize where variations in cost and performance are within their own networks and run to ground inefficiencies before they are not reimbursed for re-admissions and complications. Acute and specialty care is the single largest segment of healthcare spending where we can move the needle in the right direction," Furst says. "If ArborMetrix stays in that realm, we are going to be just fine."

