



*The most important characteristics for
an entrepreneur are the same that
guide all of life:
Passion, Integrity
Courage and Resilience.*

*Ginny
Pribanic*

INTENSE

Pittsburgh Made

And Proud...



Entrepreneur

Serial Entrepreneur

Applying new technologies

To old problems.



It's a dialogue, not a lecture

MedRespond

CMU – Based Conversational AI
Simulates
Conversations with Patients

Fit for Surgery Outcomes

Case Study: 50% Cost Reduction

Open heart surgery program delivers unmatched outcomes with leading healthcare systems

50%

reduction in 30-day
post-discharge costs

30%

reduction in 180-day
post-discharge costs

90

average minutes of
engagement
per patient

**93-
99%**

Improved patient
satisfaction scores

Patients report that the Conversational Coach
eases their anxiety and provides their families
critical guidance to know how to support them



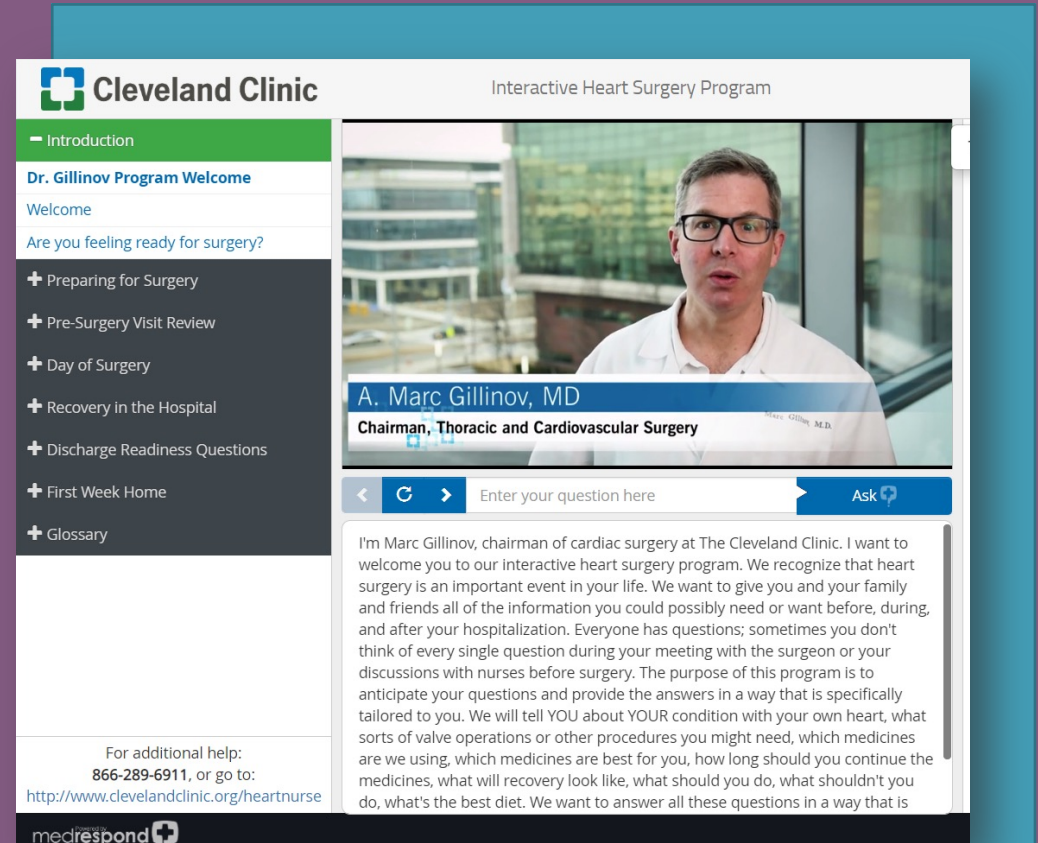
"This is a game changer"

- Cardiac Chair

100% of patients reported improved care experience

Cleveland Clinic valve repair/replacement surgery patients agree that the MedRespond program improved their overall experience of care:

- Strongly agree: 92.86%
- Agree: 7.14%
- Disagree: 0.00%
- Strongly Disagree: 0.00%

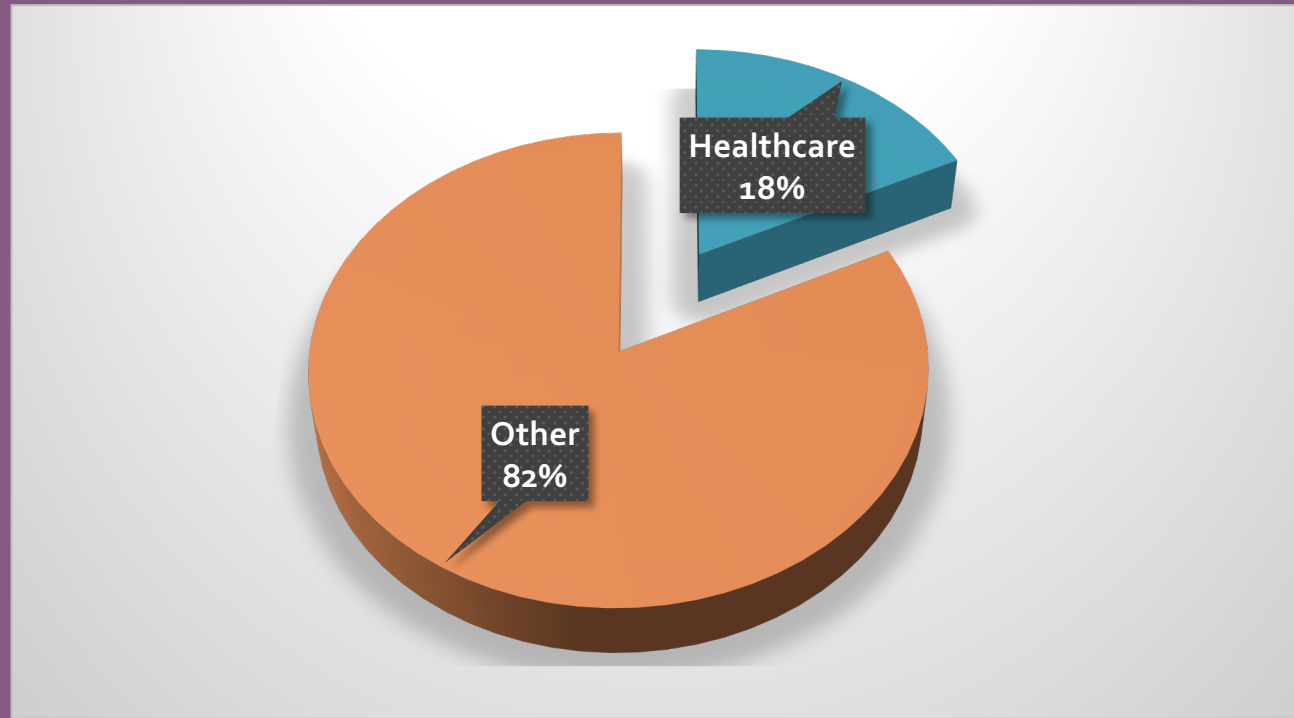


So ...

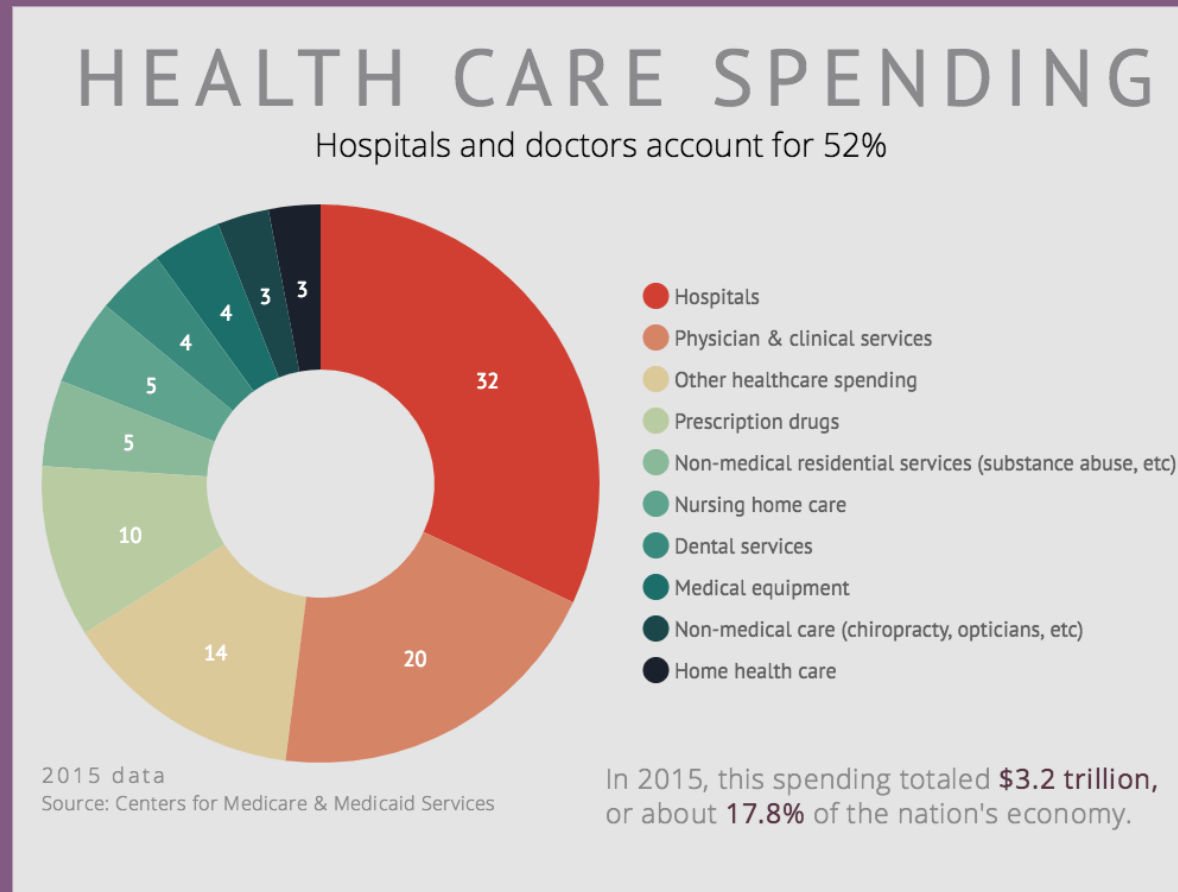
What's the Big Deal About Healthcare?

It's REALLY Big!

2017: U.S. Health Care Spending Reached \$3.5 Trillion 18% of GDP



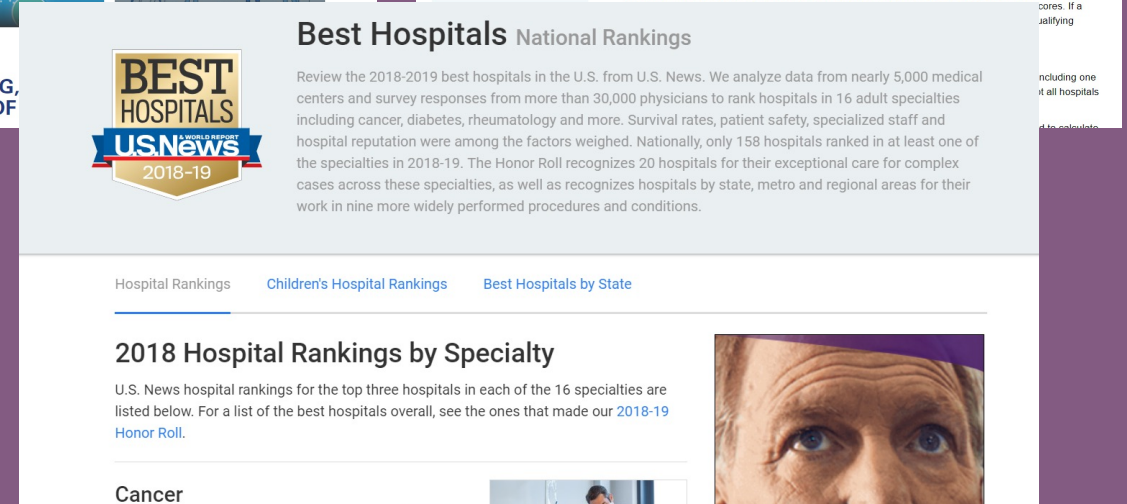
Two Key Sectors Represent Over Half Of All Spending



Service Delivery Is Well Understood And Accessible

Total Number of All U.S. Hospitals	6,210
Total Staffed Beds in All U.S. Hospitals	931,203
Total Admissions in All U.S. Hospitals	36,510,207
Total Expenses for All U.S. Hospitals	\$1,060,933,249,000

Industry Analytics are Plentiful

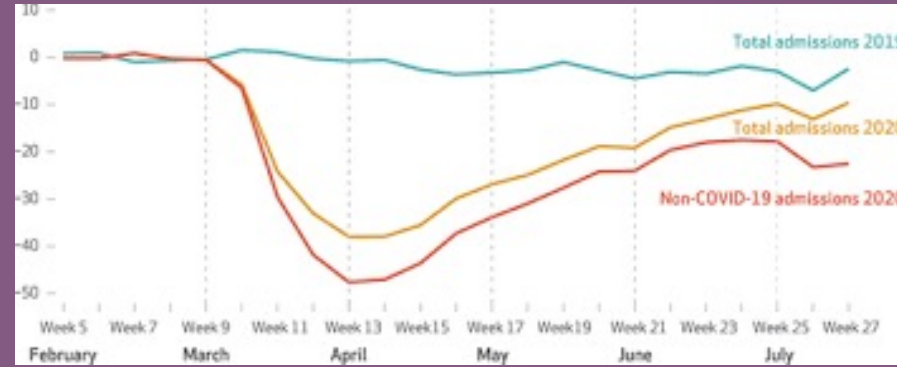


So ...

What's the Problem?

A new one COVID-19

March – June 2020, \$50 B Losses / Month Due to COVID



2020 Financial Impact:

Median Hospital Operating Margin -4.9%

With Relief Funds -1.2%

Note: Median hospital margin is 3.5 %

Staffing Crisis

- COVID surge, nurse burnout make mess out of hospital staffing
- “burnout, workload, fear of infection, anxiety or depression due to COVID-19 and the number of years in practice were associated with intent to reduce work hours or leave”
- Facing understaffed hospitals, health officials across U.S. let COVID-infected staff stay on the job
- Many hospitals are halting nonurgent procedures and relying on the National Guard as Covid-19 hospitalizations rise
- ‘It’s a war zone’: healthcare workers show signs of stress similar to combat veterans

Close to home:

“At this moment and for the past several months there has been a severe nursing shortage due to nurses leaving from COVID burnout, needing to stay at home, and other pandemic related effects. Our hospitals have fewer staffed beds, and those beds are occupied by predominantly unvaccinated COVID patients. As such we have been forced to delay needed surgery on many patients with dangerous heart conditions, cancers, and other conditions. Unvaccinated COVID 19 patients are clogging up the hospitals, and causing more burn out and more people to leave healthcare.

If you are unvaccinated, please get vaccinated as quickly as possible to help us. ”

Respectfully

Michael Culig MD

Director of Cardiac Surgery, Excelsa Health

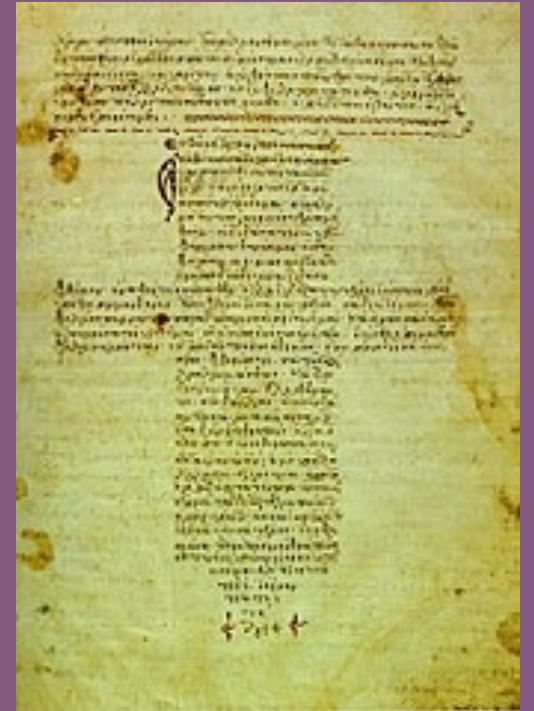
Healthcare Is:

- I. A Political Football – a privilege or a right?
- II. Responsible for lives
- III. Highly complex
- IV. Highly regulated
- V. Complex and evolving payment models
- VI. Under incredible pressure

I. Innovation Cannot Jeopardize Lives

1. Improve upon current standard of care
2. Above all – cause no harm
3. Improve efficiency

Key Challenge Is Proving It!



Challenge Proving It - Lack Of Data

1. Interoperability is still a challenge
2. Electronic health records are rigid
3. Critical data not coded
4. Clinical data separated from claims data
5. Lack of transparency of healthcare costs
6. Lack of defined standards – consistency

Proving Efficacy Is A Challenge!

II. Hospital Systems are Complex

1. Mergers and acquisitions create complex organizations
2. Several hospitals
3. Hundreds of practices, outpatient centers, labs and clinics
4. System level leadership
5. Hospital level leadership
6. Service line leadership
7. Layer in governing committees, clinical committees,

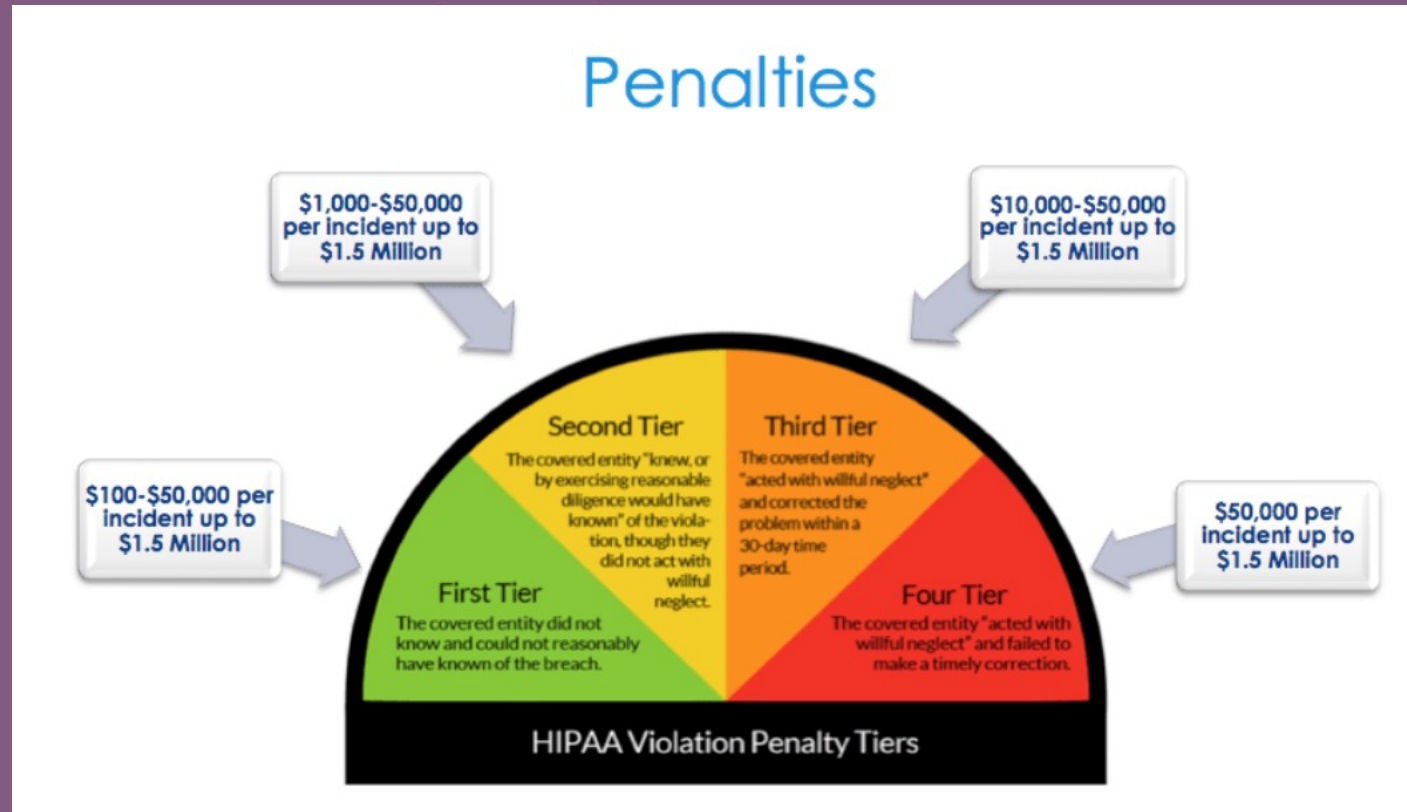
Who Is The Decision Maker And Process?

III. Healthcare Is Heavily Regulated

1. FDA
2. JAHCO
3. Legal requirements
4. Compliance
5. Internal Review Boards (IRB)
6. Confidentiality and HIPAA
7. Data security

The Scrutiny And Requirements Will Take Time!

Penalties can be significant – e.g.: HIPAA violations ...



Source: HHS, Federal Register.gov

Malpractice is Real

NY hospital mandated to pay \$62 million to women who underwent an ectopic pregnancy surgery and ended up in intensive care and suffered three heart attacks. She ended up with skin grafts, a colostomy, and two below-the-knee amputations. The jury found the responsible physician guilty of straying from the required care standards.

In 2010, a NY physician performed a thigh operation on a woman which ended up as a botched surgery. The jury found him guilty of failing to advise his patient on the risks associated with the surgery and using an inappropriate surgical technique, he was ordered to pay \$60 million.

In 2011, a 6-year-old boy was left with cerebral palsy and permanent brain damage after undergoing 25 surgeries in Chicago, Illinois. The boy was born with some health problems that were not life-threatening. It is alleged that the doctor used some unproven techniques to carry out several surgeries. They settled their medical malpractice case for \$30 million in 2016.

IV. Complex Buying Process

1. Decisions often siloed
2. Many decision makers and levels
3. Many decision influencers
4. Many gate keepers – supply chain, legal, IT-cybersecurity
5. Formularies limit treatment choices

Points To Very Long Sales Cycle: 18 -24 months

Evolving Payment Models

1. Formerly Fee-for-service
2. Evolving to value-based and bundled payments
3. Hybrid is negotiated payments, e.g. liver transplant
4. Who benefits from an innovation can shift

Strategy Must Support The Evolving Landscape!

V. Providers are incredibly stressed

1. Victims of doing more with less – overloaded
2. Operating under razor-thin margins
3. Innovation is an additional burden
4. Cynical that innovation will help workflow
5. Gaining support of those who will use it

Innovations must be easy to buy, easy to use!

Individual Interests Can Impede Adoption

1. Great investment in status quo
2. Physician culture – want control
3. Conflicting motivations within
4. teams
5. Not invented here
6. Nobody does it better

All Can Lengthen And/Or Stop Sales Process!

Complex System of Payments

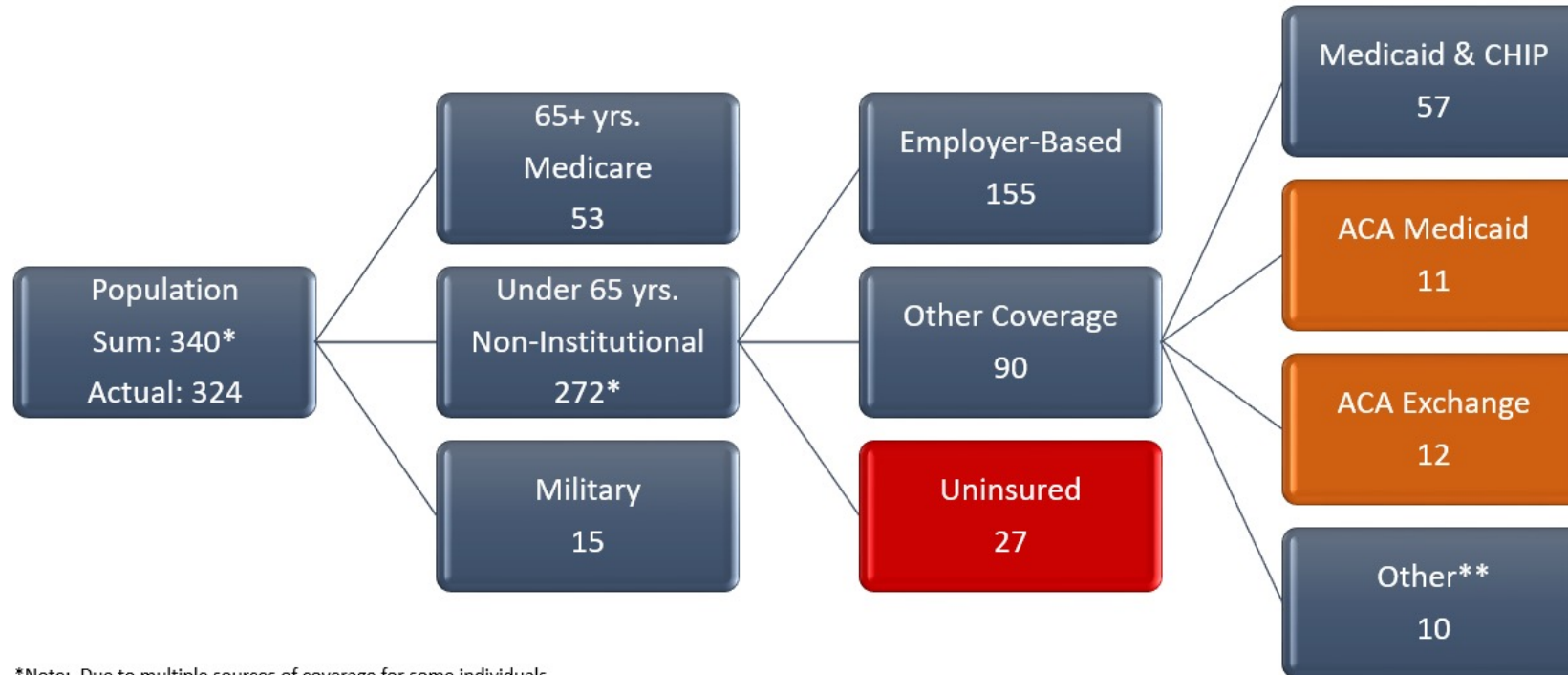
1. Third party – government or private or combination
2. Insurers must approve innovation and price
3. Insurers may disagree

Billing and insurance-related (BIR) costs for traditional Medicare and Medicaid hover around 2 percent to 5 percent, while those for private insurance is about 17 percent.

<https://www.americanprogress.org/article/excess-administrative-costs-burden-u-s-health-care-system>

Complicated Payor Network

Sources of Health Insurance Coverage in 2016 (Millions of Persons)



*Note: Due to multiple sources of coverage for some individuals, there is some double-counting in the components. The actual U.S. population in December 2016 was approximately 324m.

**Other: The 10m was reduced to tie to the total for "Other Coverage" of 90m. "Other" includes 23m persons (9m non-ACA marketplaces, 9m disabled in Medicare, 5m other).

Source data:

CBO "Federal Subsidies for Health Insurance Coverage for People Under Age 65: 2016 to 2026" (March 2016)
Census Bureau "Health Insurance Coverage in the United States: 2015 (September 2016)"

Healthcare Challenge:

*Address Healthcare Inequality
by Impacting the
Social Determinants of Health*

Economic Stability	Neighborhood and Physical Environment	Education	Food	Community and Social Context	Health Care System
Employment	Housing	Literacy	Hunger	Social integration	Health coverage
Income	Transportation	Language	Access to healthy options	Support systems	Provider availability
Expenses	Safety	Early childhood education		Community engagement	Provider linguistic and cultural competency
Debt	Parks	Vocational training		Discrimination	Quality of care
Medical bills	Playgrounds	Higher education			
Support	Walkability				
Health Outcomes Mortality, Morbidity, Life Expectancy, Health Care Expenditures, Health Status, Functional Limitations					

So What Is The Take Away ...

1. Target innovations that improve existing process rather than replace to ease adoption
2. Focus on ease of use
3. Map out workflows for all stake holders
4. Understand the buying process
5. Understand path to scalability early
6. Prepare for long sales cycle – need funds to survive
7. Prepare for low success rates – need deep pipe

Never give up!

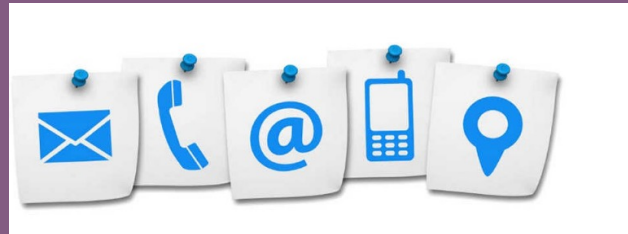
"It's hard to beat a person who
never gives up."

— Babe Ruth

Major League Baseball Hall of Famer.

Thank You!

Call if I can help you.



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Why Start Ups Fail

1. No market need	42 percent
2. Lack of cash	29 percent
3. Inappropriate team	23 percent
4. Strong competition	19 percent
5. Pricing and cost issues	18 percent
6. Bad core product	17 percent
7. Lack of a business model	17 percent
8. Bad marketing	14 percent
9. Customer neglect	14 percent
10. Bad timing	13 percent
11. Loss of focus	13 percent
12. Intra-team conflicts	13 percent
13. A pivot gone bad	10 percent
14. Lack of passion	9 percent
15. Bad location	9 percent

- A New Study Reveals the 20 Factors That Predict Startup Failure: Do Any Apply to You?
www.entrepreneur.com/article/308447