

# How are Health Systems Doing This? Different Structures

## In House

### Ad Hoc

- Staff with existing employees
- Invest in deals you come across
- Generally, invest from balance sheet
- Least formal and resource intensive

Numerous  
Examples

### Investment Arm

- Essentially build an in-house investment arm
- Hire professionals focused solely on investing
- Often, create a separate entity or investment vehicle



### Full Fund Manager

- Create fund and manage capital from other investors
- Requires separate team
- Some independence in terms of investment decisions and governance
- More common with large health systems



Can  
complement  
in-house  
model

## Partner Models

### Partner with a Venture Capital Firm

- Often small fund commitment, called over multiple years (or can be “thought partner” model)
- Leverage resources and processes of existing VC fund (sourcing, deal evaluation and negotiation, portfolio monitoring)
- Health systems can focus on how to best utilize resources and insights from VC fund to support internal innovation initiatives
- Health systems able to invest in deals outside of the fund, when desired
- Potential risk mitigant
- Health systems can partner with more than one firm



### Create a Branded Fund with a VC Firm

- Some VC firms will manage a fund with a health system’s name on it
- The health system has more control, determining mandate and shaping areas of focus
- Participates in investment decisions (often on IC)
- Usually requires a larger financial commitment



# Why are Health Systems Participating in the Health Venture Landscape?

**Discussion Question:** For those organizations either investing (or considering doing so), what is the rationale?

## Potential Strategic Reasons

Investment efforts serve as a natural extension and amplifier of innovation initiatives:

- Provides information flow on:
  - Innovative companies, technologies and trends
  - Where other health systems are investing and potentially looking to innovate
  - Where the healthcare innovation economy is deploying capital (rightly or wrongly)?
- Can enhance a health system's image as a thought leader / adoption leader
- Can help to shape innovation and enable companies to address areas of need
- Able to support technology developed within a health system:
  - Help find funding and commercialize in-house solutions
  - Allow for value extraction, in some cases

## Able to Participate in Value Creation

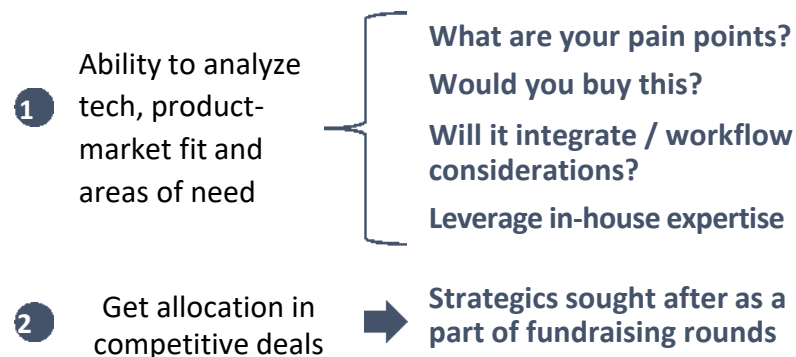
Commercial contracts for earlier-stage companies can be very accretive to value, in terms of both:

- Added revenue – which is **often valued at 10x+**
- A signaling impact to market

*Why not participate in that value creation?*

## Well Suited to Identify Promising Solutions

Health systems have some unique advantages:





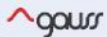



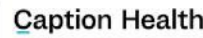















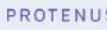










































*Why not capitalize on these unique advantages?*

# Health Systems are Active Participants in Digital Health Investing









































Representative list of health systems investing in digital health (not comprehensive)

## System Stage Sector Selected Investments

	<ul style="list-style-type: none"> <li>Early Stage • Private Equity</li> </ul>	<ul style="list-style-type: none"> <li>Digital Health / HCIT</li> </ul>	     
	<ul style="list-style-type: none"> <li>Early Stage • Growth Stage</li> </ul>	<ul style="list-style-type: none"> <li>Digital Health / HCIT</li> <li>Medical Devices</li> <li>Diagnostics</li> </ul>	  
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<b>Payor &amp; Pharma Examples:</b>      <p>A member of the AstraZeneca Group</p>  <p>FUNDED BY NOVARTIS</p>  <p>Connecting Innovation to Value</p>			

# Health Systems are Active Participants in Digital Health Investing

Representative list of health systems investing in digital health (not comprehensive)

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# Is Compliance on the Diligence List?

October 4, 2023

SPEECH

## Deputy Attorney General Lisa O. Monaco Announces New Safe Harbor Policy for Voluntary Self-Disclosures Made in Connection with Mergers and Acquisitions

Wednesday, October 4, 2023

Share



### Location

Washington, DC

United States

**Policy Designed to Encourage Disclosure of Misconduct and Hold Individual Wrongdoers  
Accountable**

***Remarks as Prepared for Delivery at the Society of Corporate Compliance and Ethics' 22nd  
Annual Compliance & Ethics Institute***

Good afternoon. Thank you for that warm welcome. And thank you, Brett, for that kind introduction.

Thank you for inviting me to talk with you today – this is an important audience for the Department of Justice because your voice – and your work – to promote a culture of compliance across your companies is more important today than ever.

If you've been paying attention to the policies we've implemented over the past two years, you've probably noticed that I talk a lot about empowering general counsels and compliance officers – to make the case in the board room and the c-suite for investments in compliance – and to make the case that investing in strong compliance programs is good for business.