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NYU Langone refocuses on growing outpatient services in 2021

SHUAN SIM □ □ □

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Plus:

- Summit CityMD partners with SoHo tech startup to improve billing
- Concierge health service nabs \$60M in Series C round
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Because outpatient care is such a big component of NYU Langone Health's revenue and operations, the health system was hit especially hard by pandemic-related service shutdowns. But with its business showing signs of recovery, the Kips Bay-based health system is committed to shoring up its ambulatory service lines again.

At the height of the pandemic, NYU Langone experienced a burn rate of about \$450 million a month, said Dan Widawsky, chief financial officer. About two-thirds of that was lost revenue, and more than half of the lost revenue was from ambulatory and outpatient services, he said. The other third came from increased expenses in acquiring additional staffing and personal protective.

In the six months preceding the height of the pandemic, NYU Langone had operating margins of 5% and expected to maintain those margins throughout the year, Widawsky said.

"Considering that in the hospital industry 3% to 4% is considered a good year, we had some of our strongest performance yet," he said.

By the end of 2020, NYU Langone had 2% margins. "We were very fortunate to end up with gains by the end of the year where many hospitals were in the red," Widawsky noted. Government assistance helped some, but it was all hands on deck to streamline expenditures to remain fiscally sound, he said.

All noncritical expenses—including travel—were scrapped, and hiring and raises were frozen. Because the pandemic is not over, those spending controls are not fully off yet. The health system managed to get through the year without any significant layoffs or furloughs, Widawsky said.

NYU Langone has lost about 80% of service volume during the pandemic, but telehealth has helped soften the edge. Prepandemic, the health system handled about 25 calls a day, but that surged to over 1,000 a day at the height of the pandemic, Widawsky said. That number has mellowed to about 600 a day in 2021.

When elective procedures reopened during summer, pent-up demand led to a surge of about 20% for ambulatory services in July. NYU Langone returned to prepandemic levels in late fall for most service lines except emergency room visits, which were still down by about 20%, Widawsky said.

NYU Langone had been building out its ambulatory care in recent years. Although the pandemic had delayed some capital projects, it largely resumed them in the fall, Widawsky said. Key projects include an emergency facility in Cobble Hill and continued investments on Long Island, he said.

In fact, NYU Langone's commitment to investments in ambulatory health was one of the reasons for Moody's ratings upgrade of its debt to positive from stable in January, Widawsky said.

"It speaks to our ability to live through the worst of times, indicating that we'll do well during good times," he said. "Our ambulatory footprint that continues to be stronger every year will continue to be a source of stability for the system." —Shuan Sim

Summit CityMD partners with SoHo tech startup to improve billing

Summit CityMD on Wednesday announced a partnership with a city tech startup to improve its patients' financial experience.

Cedar, headquartered in SoHo, has a technology platform that offers patients pre- and post-visit payment-management solutions, including price estimates, eligibility verification and payment notifications and plans.

The partnership involves integrating Cedar's tools into Summit CityMD's patient app, enabling pre-visit registration and prepayment and automated post-visit outreach and billing. Financial terms of the partnership were not disclosed. The upgraded app is expected to go live later this year.

"With Cedar's platform, our patients can better understand and manage their financial responsibility at every point in their care journey, and we are seeing improved patient satisfaction and revenue collection as a result," said Lankford Wade, chief financial officer at Summit CityMD.

The move follows Cedar's September partnership with Waystar, based in Illinois and Kentucky, which built out the company's pre-visit capabilities.

Cedar has over 35 clients and has raised \$157 million to date, said Florian Otto, CEO and co-founder of the company. Its revenue is undisclosed.

Summit CityMD is the result of a merger of two medical providers in 2019. The combined organization has more than 1,600 providers in nearly 200 locations in New Jersey and New York. —S.S.

Concierge health service nabs \$60M in Series C round

A concierge health care provider used by employers and commercial real estate landlords announced it has raised \$60 million in Series C funding.

Eden Health, a national medical practice that combines telehealth, in-person primary care, insurance navigation and a chat-and-video interface service, announced the new funds Wednesday. This latest round brings the company's total amount raised from venture capital to \$100 million. The \$60 million came from new investors including Insight Partners—the lead investor this round—and Flexcap Ventures, and returning investors Amigos Health, Aspect Ventures, Company Ventures, Flare Capital, Max Ventures and PJC.

"Our company is at an exciting growth phase where we are focused on scale," said Matt McCambridge, co-founder and CEO of Eden Health.

Eden Health, whose New York office is near Madison Square Park, mainly works as a concierge health service that uses a virtual platform to arrange care for clients at brick-and-mortar locations. Clients are assigned dedicated teams to help plan and arrange health care on an individual basis.

The company plans to use the proceeds from its latest round of funding to expand its physical presence first in Chicago, and then into Boston, Los Angeles, Houston and Washington, D.C. It also aims to use the money to improve its virtual platform by doubling its engineering team to allow for the integration of third-party health services such as Fitbit and glucose monitors.

"The idea is to implement features so the patient can do everything within the app," McCambridge said. "We want to make it simpler and make it more capable."

Eden Health was founded in 2016 and launched its first virtual product the next year. With locations in New York, Chicago, and Berkeley Heights, N.J., the company covers more than 40,000 members from over 100 employers.

McCambridge declined to disclose revenue. —Brian Pascus

Westchester Visiting Nurse Services launches care-navigation company

Westchester Visiting Nurse Services Group on Tuesday announced the launch of Visiting Nurse Services in Westchester Community Care Navigation, or CCN.

The company will be based in White Plains, where its parent firm is headquartered, and it will be the group's fourth agency. The others provide home health care services, health aide services and a foundation to fundraise for the group.

CCN began in September 2019 as a team within Westchester Visiting Nurse Services that helped elderly individuals navigate Medicare, Medicaid and other programs.

"As we grew from 50 clients to over 240, it became clear we needed to be a separate corporation," said Regina Melly, administrator of CCN.

As a formal entity, CCN will provide support services, such as accompanying individuals on trips to the doctor or emergency room, assisting with telemedicine visits, and providing home safety assessments.

"Our goal is creating an environment where people can age safely in place," Melly said.

CCN operates on a private pay model, in which clients pay out-of-pocket for the services they choose. The company hopes to scale its client reach by 25% this year, Melly said.

The company is also partnering with an existing vendor to launch a client-engagement pilot program, which would provide tablets for social and informational engagement, Melly said. The program will launch March 1. —S.S.

AT A GLANCE

WHO'S NEWS: Leaders of local health care organizations and companies were honored in *Modern Healthcare's* Top 25 Women Leaders in Health Care. These include Dr. Laura Forese, executive vice president and chief operating officer of New York-Presbyterian; Angela Hwang, group president of Pfizer; and Pat Wang, president and CEO of Healthfirst. Kristin Myers, executive vice president and chief information officer of Mount Sinai and Dr. Debbie Salas-Lopez were also listed as Women to Watch nominees.

Gretchen Tegethoff has joined Ellkay as regional vice president of strategic relationships, the Elmwood, N.J.-based health care software company announced Wednesday. Tegethoff had been chief information officer of the George Washington University Hospital in Washington, D.C.

POP-UP SITES: Gov. Andrew Cuomo on Wednesday announced an additional 13 community-based pop-up vaccination sites set to come online this week at community centers, public housing complexes and cultural centers. These sites are expected to vaccinate 3,850 people this week.

Inline Play

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