Humedica poised for success in health data sector

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Data that help doctors and life sciences companies improve patient care and reduce costs will be their most valuable asset in five years, according to a survey by PricewaterhouseCoopers. If so, then Boston-based Humedica, Inc. stands to be a big winner.

The company produces health analytics tools for hospitals, physician practices and life sciences companies that aggregate raw health data. The early-stage company landed a $30 million funding round in the summer of 2008, from Boston-based Bain Capital Partners and General Catalyst Partners, North Bridge Venture Partners of Waltham and San Mateo, Calif., and Boston-based boutique investment bank Leerink Swann. But Humedica didn't officially launch until September 2009. In the past year, the company has doubled to 50 employees. Humedica officials would not disclose revenue but said the company would double head count again, to 100 employees, by the end of 2011.

The Obama administration has put a sharp focus on the widespread adoption of electronic medical records, committing $19 billion to health IT expansion in the federal stimulus act last year. But analysts say that achieving the cost savings and quality improvements the administration is counting on as part of national health reform requires the next wave of the health IT revolution. That is, the secondary use of that data to analyze trends, improve best practices, identify inefficiencies and potentially speed drugs to market.

Humedica is focused on bridging the gap between where we are now — with about 20 percent of providers using any kind of electronic medical records — and a tomorrow when data is aggregated and crunched, not only to improve an organization internally, but to transform the whole health care system by sharing data across organizations.

"The good news is — that 20 percent is not evenly distributed. Large provider groups have about 80 percent EMR adoption," Humedica CEO Michael Weintraub said. Many of those hospitals and provider groups are part of the American Medical Group Association, a nonprofit industry organization that has signed a long-term exclusive agreement with Humedica that will help the company build a database of 10 million Americans' health data. Providers will have free basic access to that information, which will help determine which treatments work best for which patients, and which investments yield the most revenue or cost savings. Providers can purchase a full product suite for "five to six figures per year" Weintraub said. The AMGA data will make up about half of the health information contained in the database.

Pharmaceutical and medical device firms also are interested in getting their hands on this information. The PricewaterhouseCoopers survey found that 90 percent of pharmas currently have no access to information from electronic medical records.

“Pharmaceutical companies haven’t had a new data source in decades,” Weintraub said.

Humedica provides subscription access to a dashboard, through a Web portal, that is continually updated with new analytic information to help drug companies assess the safety, usage and market penetration of already-approved drugs, and to guide launch strategies for drug targets that are close to approval.

“There is definitely a demand for having robust analytics capabilities,” said Lynne Dunbrack, program director at Framingham-based IDC Health Insights. Dunbrack said that in the health care industry, business intelligence information technology will have a compound annual growth rate of 11 percent from 2008 to 2012, compared with 6.9 percent for information technology as a whole. She said downward price pressure is driving the need for better analytical information.

“There is a lot of pressure on health care organizations to reduce costs, much more so than before. Employers are putting pressure on insurers, who are putting pressure on providers.”

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