

# Orange County Business Journal

## Electronic Medical Records Startup Targets ER, Eyeing Venture Capital

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A Newport Beach-based provider of electronic medical records is going after the most expensive part of healthcare: the emergency room.

Four-year-old Vital Data Technology LLC sells software and computers that allow healthcare insurers and healthcare providers under the federal and state governments' Medicaid plan to track patients who are treated in emergency rooms. The company, which has about a dozen employees, recently landed its first major contract, with Health Plan of Michigan, a Southfield, Mich.-based Medicaid managed care plan with 190,000 members.

Health Plan of Michigan is set to use Vital Data's PlanLink software and computers at four Michigan hospitals. PlanLink tells doctors and other emergency room workers about existing health conditions, medications, allergies and other patient information.

Vital Data is a small part of what's seen as a growing industry of turning medical records into digital files that are easily accessible by doctors, insurers and others. Orange County is home to two big players in electronic medical records: TriZetto Group Inc., a Newport Beach company that provides data management software and services to health plans and benefits administrators, and Irvine's Quality Systems Inc., which makes software that doctors and dentists use to manage their practices.

Electronic medical records are predicted to grow as healthcare providers and insurers move to automate operations in a bid to lower costs. President Obama's economic stimulus package included about \$20 billion for healthcare information technology. Vital Data's focus is just on emergency rooms.

"No place in healthcare suffers more from a lack of information right now than the emergency department," said Matthew D'Ambrosia, Vital Data's chief executive. "And it also happens to be where costs are out of control."

Health Plan of Michigan hopes to use the software to track patients who frequently use emergency rooms.

"Certain patients do overuse the ER," David Cotton, Health Plan of Michigan's chief executive, told the Detroit Free Press newspaper. Cotton said that his plan's highest user of emergency room care went to the hospital 92 times in a single year.

Vital Data has other clients but Health Plan of Michigan is the only major one it's announced, according to D'Ambrosia.

The company is eyeing Medicaid providers—states and others that provide care for the needy with reimbursements from the federal healthcare plan—and commercial providers. Medicaid members use emergency departments four times as much as people with private insurance, according to D'Ambrosia.

Vital Data used money from individual investors to get started. It plans to seek venture capital "to help us connect the dots" in the coming months, D'Ambrosia said.

He declined to say what Vital Data's annual revenue is.

Vital Data got its start providing patient records to paramedics.

"What grew out of that is where we are now," said D'Ambrosia, whose background includes stints at Cognos, a software company that's now part of IBM Corp., and Smith & Nephew PLC, a British medical device maker.