OSF Ventures Launches Second Venture Capital Fund

$75 Million Fund II will continue focus on emerging technologies

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For Immediate Release
Contact: Colleen Reynolds| Media Relations Coordinator – OSF HealthCare | 309.825.7255

OSF Ventures, the corporate investment arm of OSF HealthCare, has launched a second venture capital fund of $75 million to continue its strategy of supporting new technology, devices and services that offer improved and more cost efficient health care.

Three and a half years following its first investment, OSF Ventures has directly invested in 15 companies and is preparing to close on investment in another. Additionally, investments in two venture capital funds – Ascension Ventures and LRV Health round out the initial OSF Ventures portfolio.

"Our venture program is strategically focused. We are only investing in technologies that improve patient care and outcomes, or reduce costs to our health care system," said Stan Lynall, vice president of Venture Investments for OSF Ventures. The approach includes looking for opportunities to collaborate with start-ups for deployment of their technology at OSF HealthCare.

"OSF Ventures is an integral part of our Innovation strategy," according to Michelle Conger, Chief Strategy Officer and CEO St. Gabriel Digital Health, OSF HealthCare.

> ***"The Ventures team brings an understanding of the changing landscape, and introductions to emerging technologies as we ramp up our work in areas such as digital transformation, the deployment of advanced analytics and adoption of precision medicine platforms."-Michelle Conger***

One example of a strategic investment includes Regroup, a Chicago-based start-up that provides telemedicine solutions to eradicate mental healthcare shortages across the country. A pilot program using the platform was launched at OSF HealthCare Saint Elizabeth Medical Center in Ottawa, Illinois in the fall of 2017. It allowed most patients in need of mental health care to be seen within two weeks and 93.5% of patients reported they felt seen and heard by their provider during the live video appointment. Regroup is now being rolled out to other communities through primary care providers.

"It has been a pleasure to work with OSF Ventures, which is a key member of our investment syndicate," said David Cohn, founder and CEO of Regroup. He observed, "As an early adopter, OSF HealthCare provided us valuable insights as we developed our technology and service offerings."

Lynall and his four-person team have been busy since OSF HealthCare launched its first $75 million dollar venture fund in 2016 as part of its overall innovation strategy. The small group has vetted more than 700 medical startup companies at early or mid-stage development. The team includes members with business, clinical and strong analytical skills as well as venture experience.

As the OSF Ventures brand has grown across the country, an ever-increasing list of startups seek OSF investment because of the access to clinical expertise and ability to test effectiveness and usability in a health care setting. As Lynall points out, entrepreneurs appreciate having early adopters of their technology.

OSF Ventures specializes in venture optimization, partnering financially and operationally in companies that improve patient outcomes and reduce costs to health care systems. OSF Ventures is a division of OSF HealthCare. More at www.osfventures.org.

OSF HealthCare, headquartered in Peoria, is owned and operated by The Sisters of the Third Order of St. Francis, and consists of nearly 21,000 employees in 126 locations, including 13 hospitals, 11 Centers for Health and 15 OSF PromptCares throughout Illinois and Michigan. OSF Innovation, ranked among the top 10 innovation centers in the country, is located in Jump Trading Simulation & Education Center. Launched in 2016, OSF Innovation is a multidisciplinary innovation center focused on internal and external innovation to solve the largest health care challenges. More at www.osfinnovation.org and www.osfhealthcare.org.

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