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Ohio near top in medical VC

Business First of Columbus

Only Minnesota drew more venture capital investments for medical companies than Ohio among Midwest states in the third quarter, but Columbus didn't fare as well in the competition for VC funding among cities in the region, a report from BioEnterprise disclosed Tuesday.

Ohio saw \$178 million go to 37 companies during the quarter, second only to the \$289.9 million attracted by 20 businesses in Minnesota, the report said. More than \$896 million in venture capital funding was made in the 12-state region, that extends from western Pennsylvania to Kansas, BioEnterprise reported. That was down from more than a \$1 billion that went to 104 companies in that area a year earlier.

Also a year earlier, Ohio had 35 companies attract \$261.2 million from venture capitalists, a big improvement from the third quarter of 2006, when \$67.8 million was pumped into 19 health care enterprises.

"Despite the broader economic downturn, Midwestern health-care start-ups continue to attract record levels of venture," BioEnterprise President Baiju Shah wrote in a release. "The Midwest continues to thrive because the region has a strong health-care technology and talent base that is just starting to be discovered by national investors."

BioEnterprise, based in Cleveland, promotes and supports new health-care businesses and helps them commercialize products. Among its partners are [Case Western Reserve University](#), the [Cleveland Clinic](#) and two hospital systems in the Cleveland area.

Among the 17 cities or regions monitored by BioEnterprise, Columbus ranked fifth from the bottom, seeing \$6.4 million go to nine companies in the third quarter – less than half as much as city medical businesses attracted in the third quarter of 2007, BioEnterprise said.

Atop the list was Minneapolis, which drew all of the VC investments made in that state. Cleveland was second among Midwest cities, seeing \$152.4 million invested in 26 companies, and Pittsburgh was third, with 12 companies attracting \$101.1 million from investors.

Cleveland has consistently led Ohio cities in drawing VC funding for health-care operations.

Two companies in metro Cincinnati took in \$19.2 million in the quarter, far below the \$61 million