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Clinic invests in remote monitoring

'Telemedicine doctors' keep watch over patients

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The Cleveland Clinic's commercialization unit and a local venture capital firm, Glengary LLC, are partnering with a telemedicine doctor in New Hampshire and an information technology veteran in Massachusetts to develop remote monitoring systems for patients who have chronic illnesses.

The resulting company, VitalStream Health Inc., which is considered a CCF Innovations spin-off, is likely initially to develop technology that monitors a patient's blood pressure via telephone lines, generating online report cards of the patient's condition.

Eventually, VitalStream Health could be used to monitor other vital signs, such as heart rhythms.

"When you look at the elements of this team, you've got to feel that we've got a great opportunity for being a real leader in this emerging market of remote monitoring and management of patients," said Chris Coburn, executive director of CCF Innovations.

The idea for VitalStream Health came from Glengary and Dr. Dan Carlin, who founded the telemedicine practice WorldClinic in New London, N.H., in 1998.

Drawing from his experience as a medical officer in the Navy and as an expatriate volunteer, Carlin designed WorldClinic to be the "teledoctor" for patients who are far from modern medical care. "My patients who are scattered around the world are getting older," Carlin said.

"I needed a way to do a better job of taking care of them," Carlin said.

Monitoring patients' vital signs through VitalStream Health might be a way to do that.

"Dan was our telemedicine doctor when I sailed around the world in 2000, and when I took my kids to Antarctica," said Larry Rosenfeld, a software veteran and Glengary partner who is another force behind VitalStream.

Rosenfeld, a Cleveland native who moved to Boston to go to college, started Concentra Corp. there in 1984. He took Concentra public in 1995, then sold it to software giant Oracle Corp. in 1998.

Concentra developed knowledge-based engineering software, called ICAD, which enabled people to write rules about how to design large and complex systems, such as Boeing airplanes.

The doctor and the software veteran felt they needed "a strong institutional partner to make this thing work," Rosenfeld said.

Enter Steve Haynes and Glengary, the "venture catalyst" firm and educational partner with Baldwin-Wallace College in Berea.

Glengary invests in early-stage companies, largely in Northeast Ohio, like any venture capital firm would. But the firm also offers operating support and merchant banking services to its portfolio companies in applied technologies, business services, consumer products, health care services and products, and software.

As one of Glengary's operating partners, Rosenfeld invests in and runs some of the companies in which Glengary invests.

Haynes connected Rosenfeld and Carlin with the Clinic. "We put this partnership together in a way that makes sense for everybody," the Clinic, Glengary and the region, Haynes said.

Carlin and Rosenfeld are collaborating with Coburn at CCF Innovations and C. Martin Harris, the Clinic's chief information officer, to launch VitalStream Health.

Dr. Marc Penn, director of the Clinic's Bakken Heart-Brain Institute and medical director of its coronary intensive care unit, has signed on as lead clinical principal on the project, Coburn said.

"They're going to be supplying the clinical knowledge and doing the studies," Rosenfeld said. "And we're going to be supplying the knowledge of the software world."

The partners are raising money and hiring the management team to run VitalStream Health, Rosenfeld said.

Glengary also will invest in the startup. "We will also help the company raise money from other strategic sources," Haynes said.

Carlin said that VitalStream has found the right medical and venture capital partners.

"When you're thinking about going in a new direction, in terms of caring for people, you're talking about innovation," Carlin said.

A few other prominent medical institutions were interested in partnering with Carlin and Rosenfeld to create VitalStream Health. But the partnership was born from Glengary's urging and the Clinic's worldwide reputation in cardiology.

"At the Cleveland Clinic, people looked me straight in the eye and said, 'This is a great innovation. How can we support it?' "

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