

THE WALL STREET JOURNAL.

Prognos Picks Up \$20.5 Million for Disease-Prediction Technology

Startup applies artificial intelligence to diagnostic data to forecast disease risk

By Brian Gormley

November 27, 2017 7:30 a.m. ET

Prognos has secured \$20.5 million in expansion financing after answering health insurers' call for technology that could help them predict diseases instead of just responding to them.

A shift toward value-based health care has increased emphasis on disease prevention and wellness. Health plans can use claims data to learn about the health of their members, but this analysis looks back on services rendered for diseases that already exist.

Given the cost of treating chronic conditions such as diabetes, insurers now aim to use data analysis to head off illnesses and deliver effective interventions.

This is driving investor interest in startups with technology to aid that effort. They include companies like GNS Healthcare, whose causal machine-learning platform is designed to help match patients with the right treatments. GNS, which picked up \$6 million in August, works with drug companies and health plans and counts groups like Amgen Ventures and Horizon Blue Cross Blue Shield of New Jersey among its shareholders. Prognos, formed in 2010, has used relationships with diagnostic laboratories to amass data on 180 million patients. By applying artificial intelligence to this repository, the company says it can identify patterns and predict diseases. The New York company, whose customers include Cigna, has about a thousand machine learning-enabled algorithms used to predict 50 conditions, including diabetes, asthma and lung cancer. Today, insurers are "looking back in the rearview mirror [at] where they spent money," co-founder and Chief Executive Sundeep Bhan said.

Prognos flips that around by predicting illnesses based on diagnostic information, he said, adding that the company can help health plans better understand the new members they take in and track existing members to spot warning signs.

One emerging opportunity is helping pharmaceutical companies identify patients for clinical trials, according to Mr. Bhan. Prognos is working with some drug companies now and expects to expand that business.

Investors in this Series C financing include Cigna, Guardian Life Insurance Co. of America, Hermed, Hikma Pharmaceuticals, Maywic, Merck Global Health Innovation Fund and Safeguard Scientifics. Prognos has raised \$42 million in total.

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