

David Burda:

Welcome to the 4sight Health Roundup podcast. 4sight Health's podcast series for healthcare revolutionaries. Outcomes matter customers count and value rules. Hello again, everyone. This is Dave Burda, news editor at 4sight Health. It is Thursday, February 5th. I don't know about you, but I found it difficult to concentrate these past two weeks after US Customs and Border Protection Agents shot and killed Alex Pretti in Minneapolis. It hit me hard. Maybe it's because what happened is so clearly captured on video. Maybe it's because Pretti was a nurse, and I know a lot of nurses. Maybe it's because it was Minneapolis where two of my kids went to school. I also worked for a company in Minneapolis, and I have a lot of friends there. Maybe it's because Pretti worked for the VA, which took great care of my father-in-law when he was sick. Maybe it's because my wife, who's a nurse, volunteers in the hospice unit of our local VA here outside of Chicago. Maybe it's because all these parts of my life collided in one tragic moment. Maybe I should ask an AI powered healthcare chat bot to diagnose me and recommend a treatment plan that doesn't include red wine and doom scrolling social media. And that's what we're gonna talk about on today's show. Not red wine and scrolling social media, but the burst of AI healthcare chatbots on the market. We're gonna talk about their impact with Dave Johnson, founder and CEO 4sight Health, and Julie Merchants and partner at Transformation Capital. Hi Dave. Hi, Julie. How are you doing this morning, Dave?

David W. Johnson:

You're right, Dave. There is a lot going on. I read yesterday that the Nation magazine is formally going to nominate the city of Minneapolis for the Nobel Peace Prize in recognition of their nonviolent and effective response to the thousands of ICE and border control agents rampaging through the Minneapolis streets. Never thought we'd see that in America.

Burda:

That'll speak volumes. That's great, Dave. Thank you, Julie. How are you?

Julie Murchinson:

I know how everyone else is handling all of this, but I find myself compartmentalizing more than ever. Like, part of me is great, and part of me is outraged, and part of me is actually quite scared, and part of me is also really emboldened. So I don't know. That's how I am.

Burda:

Yeah, I like that last one. I'm, I'm voting for that last compartment.

Murchinson:

Oh, great.

Burda:

Emboldened. All right.

Murchinson:

I'll try, I'll try to skew it up.

Burda:

Now let's dispense with our usual icebreakers as it would come off as trivial, you know, given the events of the past few weeks. And let's hop right into our topic. I'm gonna rattle off a few headlines, and then I'm gonna ask you how what's happening will affect various segments of the healthcare market. So here it goes. On January 7th, OpenAI, the San Francisco based AI company announced chat GPT for Health, which lets consumers connect all their medical records and health and wellness apps to open AI's technology platform. A day later on January 8th,

OpenAI announced chat GPT for healthcare, which lets providers like health systems use open AI's tech platform to carry out various administrative, clinical, and operational tasks. On January 11th, anthropic, the AI company based in San Francisco announced Claude for Healthcare, which enables providers, payers, and consumers to use Claude Anthropic's AI platform for various medical and healthcare tasks. On January 21st, Amazon One Medical, the primary care platform introduced its AI Health Assistant, which offers 24/7 personalized health and medical guidance to one medical members. And confirming once again that there are no coincidences on January 21st, equity, the patient safety organization named the misuse of AI chatbots as the number one health technology hazard for 2026. How about that, Dave, there's a lot going on in a short period of time. If I'm a healthcare provider, like a doctor or health system, what should I be thinking right now and what should I be doing right now?

Johnson:

Well, just to add to your list, and I know it was a long list, Dave; Be Well Connected Health has recently signed partnership agreements with both Google and OpenAI to be the interoperability hub for the tech giants, both tech giants which essentially connects their AI models to real world medical data. Way to go Kristen Valdez,

Burda:

Right? Right. One of our, one of our healthcare revolutionaries.

Johnson:

Right? Yeah. She's, she's awesome.

Burda:

Amazing <laugh>.

Johnson:

But anyway what should providers be thinking you know, in two words? Oh, shit. And what should they be doing? Getting off the pot and engaging with the tech, with the chat bots. Machines won't replace doctors. Doctors who know how to work with the machines will replace those who don't. Dave, I, I know you can't get enough of, of Hal and Space Odyssey 2000.

Burda:

That's true.

Johnson:

<Laugh>. So it's, it's okay to not fully trust the machines yet. On the other hand, doctors make mistakes and misdiagnose all the time, and I think we tend to overlook that. And in a sort of fundamental sense, why shouldn't the medical profession use the power of AI and chatbots appropriately to diagnose and treat illness and disease better, more effectively earlier? All of those things. What I'm about to say I can say because my wife Terry won't listen to this podcast, <laugh> but every time I bring <laugh> <laugh>, every time I bring up autonomous Waymo cars, which you both know I love Waymo. Mm-Hmm <affirmative>. I just love Waymo. She says that a Waymo car killed a cat, so she'll never ride in one. Well, how many manually driven cars kill cats run over cats every day? Hundreds, maybe a thousand. The point is that we hold machines to unrealistic performance standards. Doesn't mean we shouldn't pay attention, but let's not just go crazy because one bad thing happens and happens actually far less frequently than it does in the real world. But I digress. Back to the central question. Why are consumers using these tools at such scale? And, you know, it's really three things. They're clearly getting information and answers they're not receiving from their provider interactions. It's often an easy first stop for understanding the implication of symptoms. That's how I tend to use it.

And the tools are generally speaking far more right than they are wrong. So providers can't ignore this AI trend. It's, it's here, it's at scale. And I've been saying for a long time, the providers, and this is both doctors as well as hospitals if they wanna remain relevant in the marketplace, they have to reconfigure their operations. So they're creating value and they're serving end users far more effectively. Stop making the end user experience so miserable. Another sort of offshoot of this is, it's gonna be interesting or curious to see how brand strength influences the marketplace with these chatbots. The Cleveland Clinic is working on a \$10 AI primary care visit. That could be very powerful. I mean, imagine paying 10 bucks and getting algorithms using all your medical data to assess what you need to do and where your risks are. And on what will Amazon do with its one medical vertical? Will they start infusing AI chatbots in a much more vigorous and active way than they currently do? That could be intriguing. But just to wrap it all up one final word of advice to providers, 'cause that's who you asked me to counsel. Here's what I'd say. You have to figure out how to use medical chat bots to improve end user consumer experience. Or the marketplace will figure it out for you and you won't like the results.

Burda:

Hop on the train or get in the Waymo <laugh>.

Johnson:

It'll be Waymo better.

Burda:

There you go. There you go. <Laugh>. Thanks, Dave. Julie, any questions for Dave?

Murchinson:

If you are your regular run of the mill system, I was gonna ask you how you'd start engaging the consumer to build, you know, market share in this area. Is that what you would do, \$10 AI bot visits, or do you go further?

Johnson:

I'd probably start figuring out which intelligence platform I was going to align with. Maybe it's Google, maybe it's Amazon, maybe it's, maybe it's Cleveland Clinic. Maybe it's some combination of those. But I, one thing I would not do is try to develop it myself. I gotta tell you, when I was a banker, Julie, I used to get so frustrated because I would go around to these different health systems, and this was the age of, of protocol development. And they all were developing their own protocols for the same diseases that afflict us all. And I thought it was just ridiculously duplicative. So don't do that. Don't try and do it yourself. Understand there's a need to fill here and consider your alternatives and <laugh> go move with all deliberate speed. So that would, that would be my advice.

Burda:

Yeah. I've taken a buy not build philosophy here with home projects too, right? <Laugh>.

Johnson:

Exactly. <Laugh>.

Burda:

They'll wise up. Good advice. Thanks Dave. Julie, you're the one who brought up this topic on last week's show, or I should say two weeks ago. Thanks for the idea. What's the market impact on health technology? If I'm running a health tech company, but what should I be thinking right now and what should I be doing right now?

Murchinson:

Well, I think the first thing to understand is that, I mean, as Dave basically said, this is not a feature to bolt on. It's a business model and a market shift. So you need to reorient now. If I'm a digital health company that's been giving wellness advice or something, you know, fairly commoditized at this point, I'd be pretty concerned if I'm, you know, much deeper in a clinical specialty. I definitely think there's hope. It's, it's interesting, I just saw a PWC stat that they estimate that 1 trillion with a t of our annual healthcare spend could shift by 2035. So that's less than 10 years from our fragmented facility centric care to digital first AI driven systems, 1 trillion. So, you know, it's moving fast. So today's point, the time is now, and if I were a company today, I'd be asking myself, am I a care delivery company with tech, or am I a technology company enabling care? And where I sit in this AI first tech stack really matters. Like, am I at the experience care delivery layer, you know, the AI first virtual primary specialty care? Or am I into the workflow and productivity part, or do I get down into the data and intelligence layer? Or am I part of the infrastructure that's the connectivity layer with our source systems and, you know, others outside my four walls? And understanding where you sit and the role you play with that AI first input coming your way, I think is gonna be really important. And there's a whole new crop of companies that I find amazing. Like I've been hearing about QI for a long time, but a company called Lowes AI, it was just in the news this week for raising around, I've seen a company called Council Gen Health Future Clinic, and more, I feel makers sprouting up every day. And some of these models are like pure ai, doctor chatbot, and some have physicians, you know, on the ready to step in for diagnosis, prescriptions, referrals, et cetera. But, you know, others are designed, which I think is interesting to be your doctor's tool, as Dave was saying, to enable your doctor to use these AI bots to be an extension of them. So the question will be, you know, will, will the physician to adopt this be the winners? Or will we see these AI bot first technology companies enabling care win? And, you know, it's maybe not an either

or, but get this, I found an article about a hospital in China, an AI hospital with AI doctor agents across multiple specialties. So 42 AI doctors across 21 specialties, treating over 300 diseases. So while that's much broader than primary care, it effectively prototypes a fully agent AI native model. So China's, China's on it, we need to get on it. But you know, that to us I definitely think consumer acquisition and trust are gonna be huge. And I wonder how many of these companies are going to need to get into the referral system or the belly of the beast, because function health has yet to refer me to a doctor for anything. Maybe there's nothing that wrong with me, hopefully <laugh>. But it'll be interesting to see how many of these models go beyond access and, and convenience and play in the broader delivery system.

Burda:

It gets back to a phrase we've used before, where you stand depends on where you sit, right? It seems to permeate a lot of what we're talking about. Thanks, Julie. Dave, any questions for Julie?

Johnson:

Well, that great analysis per usual, Julie, I think a trillion is, is modest. I mean, it's a \$6 trillion market right now to think that 13 15% will switch to digital over 10 years? That seems easily achievable. I'd, I'd probably go for a higher, higher number. But, you know, PWCs being conservative, trying to be provocative and conservative at the same time. And you know, the great thing about agentic chatbots prototypes in China is the people can't kill the doctors when they misdiagnose <laugh>. So, but anyway. Anyway, Julie, I'm, I'm, I'm not gonna let you off the hook because one, one of the things I loved that you did was talk about the wide range of activities that's, that's occurring in this space. The different models, the different types of companies. And so we're clearly in the early stages of medical chatbots flowing into the marketplace. And as always happens with maturation, as markets

mature, the relative fitness of competing products separates winners from losers. Here's where I'm not letting you off the hook. So how do you think that fitness process will evolve with the medical chatbots? How will the winners separate themselves from the pack? And do you have any early favorites?

Murchinson:

It's funny, your question makes me think of this cartoon that I've seen more than once of the two robots basically talking to each other and saying, no, you go first. No, you go first. <Laugh>. No, you go first. <Laugh>. And I mean, you can totally imagine that, right? But I, it's actually, I think how the bots make decisions that really matters, right? And I have heard on the payment side discussions with pretty tech forward CEOs who talk about, you know, auto adjudication, a way that feels like submitting your taxes to the IRS. You know, the IRS puts the rules out there. You follow the rules, you submit your taxes according to the rules, and you know exactly what your refund or your rollover or your payment's gonna be. And that is that, and I personally see way too many business models that rely on our mess today. But I think that is how the bots, you know, many of the, the tech world, imagine how the bots will, will evolve. And you know, I look at you know, personalization to me might be part of your fitness question, Dave, if you think about the Cleveland Clinic example, like, we're gonna be in a place where personalization could really win. So it's the access to data that will really make a difference in terms of how you can do the best with the bots. Right? So that might, that might be the way, but I, I can't say I have any winners yet to pick Dave.

Johnson:

You know, one, was it 15 years ago, Cleveland Clinic and IBM came up with Watson and went to the marketplace, and the marketing <laugh> got way ahead of the actual performance. But I wonder if there won't be some combination of strong medical brand with strong tech brand that

helps define the parameters of the marketplace. But you're right. I think it's, and maybe that's the great thing, right? The market will evolve in the bottom up sort of way, and the better companies will win. And if we knew who they were it wouldn't be worth having the, the investment in the competition, right?

Murchinson:

So, that's right, <laugh>, that's the fun of it.

Johnson:

Yeah.

Burda:

As someone whose brain was wired by multiple viewings of 2001 Space Odyssey, like you mentioned, Dave I'm not quite ready to trust AI with my life. And that's why I threw that equity item in there. I'm not alone. But on the other hand, I have embraced telemedicine and physician assistants I'll get there. And if AI can make the service aspect of healthcare delivery better, I'm all for it. Now let's talk about other big healthcare news that happened this past week. Julie, what else happened that we should know about?

Murchinson:

Well, you probably saw this, both of you, 'cause you're on it, but the PBM legislation finally dropped. And I don't pretend to say that I've read it and I know what it says, but I think a lot of people have been waiting for this legislation for a long time. On the same day you see that the FTC settles with Express groups <laugh> or something that doesn't sound like, you know, too too ominous for express groups. So I don't know, maybe the PBM issue is working its way through.

Burda:

Dave, what's your big healthcare news of the week?

Johnson:

Well, I've, I've got two of them. The first is I'm watching that measles outbreak in South Carolina, like a hawk. They're up to 876 cases as of yesterday growing fast. And over 800 of them are with unvaccinated kids. South Carolina's not that far from Disney World. So are we looking at a, you know, totally preventative crisis you know, sometime soon. And then the second one's just kind of fun. There was a study that came out in science this last week that said that our longevity is based 55% on our genes. A much higher percentage than many had previously thought which is bad news for all these biohackers out there. So <laugh>, if you wanna, if you wanna live over a hundred, you gotta win the genetic lottery. Oh,

Burda:

Yeah. Good luck. Good luck. Thanks Dave. And thanks, Julie. That is all the time we have for today. If you'd like to learn more about the topics we discussed on today's show, please visit our website at 4sighthealth.com. You also can subscribe to the roundup on Spotify, Apple Podcast, YouTube, or wherever you listen to your favorite podcasts. Don't miss another segment of the best 20 minutes in healthcare. Thanks for listening. I'm Dave Burda for 4sight Health.