

## BIZfact

4.39%

Average interest rate on a 30-year mortgage, up from 3.55 percent a year earlier.

Source: Freddie Mac

## IBT MEDIA TO BUY NEWSWEEK

Newsweek is being sold for the second time in just a few years.

The owner of the International Business Times said it's buying what is now an online-only brand for an undisclosed sum from IAC/InterActiveCorp. The publication, which once had a fierce rivalry with Time magazine, ran its last print edition at the end of 2012.

Newsweek had been struggling for years when The Washington Post Co. sold it for \$1 in 2010 to stereo equipment magnate Sidney Harman, who died the following year. Before he died, Harman placed Newsweek into a joint venture with IAC's The Daily Beast website, a move intended to help widen its online audience.

IBT Media said the purchase doesn't include The Daily Beast. It said the deal will close in the coming days, with IAC operating Newsweek during a transition period of up to 60 days.

The company said Newsweek will return to the newsweek.com site in the coming weeks.

IBT was founded in 2006 and owns online publications including Medical Daily, Latin Times and iDigitalTimes.

IAC/InterActiveCorp., based in New York, is a media and Internet company with brands including Ask.com, About.com and Match.com. In a Bloomberg TV interview earlier this year, Barry Diller, chairman of IAC, called the purchase of Newsweek a "mistake." — AP

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# Cost-benefit prognosis

Pitching probe's medical, economic value to hospitals

BY NICOLE LEVY

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By the time ImaCor Inc. received FDA clearance to sell its new medical device in 2010, the market wasn't exactly holding its arms wide open.

The Garden City-based company's small probe can monitor a patient's heart for up to 72 hours, solving a problem common in the intensive care unit: While experts had the tools to diagnose heart problems after surgery, their tools could not manage treatment over time. ImaCor's miniature transesophageal echocardiogram (hTEE) also improves on earlier models because health professionals other than cardiologists can quickly learn to use it, ImaCor co-founder Scott Roth said.

But hospitals across the country aren't snapping up useful inventions as they have in the past. They want products that resolve not only clinical problems, but financial ones, too.

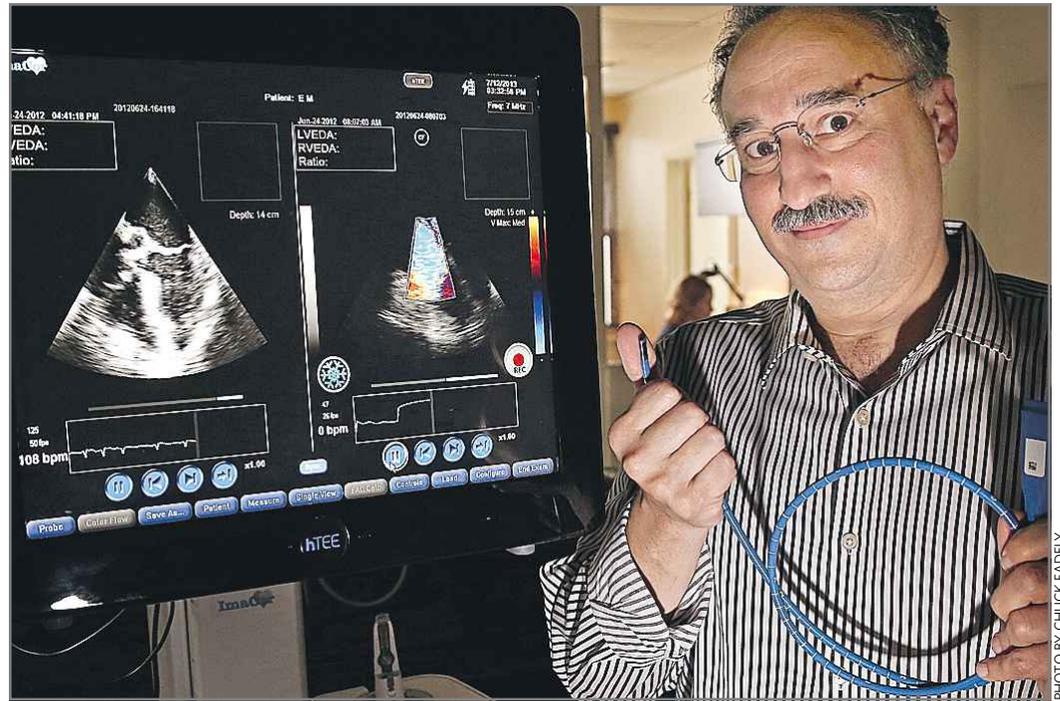
"The economic aspect of the product" has become much more important over the last five to eight years, said Eugene Schneller, co-director of the Health Sector Supply Chain Research Consortium at Arizona State University. And doctors, Schneller added, are evaluating new medical technologies in their capacity as not only individual experts, but as hospital stakeholders.

"Economics," according to ImaCor president Peter Pellerito, "is what's at the forefront of health care."

## A changing playing field

Twenty years ago, "if you brought a new technology or medicine or device to hospitals and doctors" — and it worked — "they could typically find a way to get it paid for," said Roth, also a cardiologist.

Today, hospitals buy medical supplies that not only improve patients' outcomes but also lower the institutions' overall costs. A more expensive product that prevents complications and readmissions may be more valuable than its lower-cost alternative.



Dr. Scott Roth holds the device ImaCor Inc. in Garden City has developed for extended heart monitoring. His company is collecting data on the probe's use to show it has saved hospitals money.

Hospitals now evaluate new technologies in "value-analysis committees," which include all ranks from nurse to administrator. When suppliers do market their goods directly to physicians, those physicians have the economic welfare of their hospital in mind, Schneller said.

"It's a much better, safer way to look at things," said William Daniel, a cardiologist who developed diagnosis-support software sold by a Dallas company. But a new product can take several months to cycle through a hospital bureaucracy, from doctor to mid-management to committee, and earn approval.

How does a medical device company like ImaCor face the challenges of this changing playing field?

"My advice would be to first continue to do the clinical trials that really show that your product is at the standard of care or superior," Schneller said. The second step: Carry out studies that show your product's economic advantages.

A 2012 study by the journal Intensive Care Medicine found that doctors using the hTEE probe altered their management of patient care in two-thirds of all studied cases. The probe, which has been used on more than 3,500 patients at some 50 locations worldwide, has that kind of impact because

it's thin and it's easily detachable from a mobile ultrasound machine: The single-use device, which costs \$1,250, is as narrow as a straw and is guided down the patient's throat. It can remain inside the esophagus and stomach for up to three days, allowing clinicians to evaluate the heart's pumping function and size reliably, repeatedly and quickly, Roth said.

## Proving value

He said health professionals, instructed by ImaCor employees, have found the probe easy to use because it snaps pictures at the press of a button and its tip — where the ultrasound transducer is found — conforms to a patient's physiology at the adjustment of a lever.

Roth said the probe is also economically efficient, because it can prevent complications that arise when the heart isn't pumping well or requires more fluids, and it can decrease time patients spend in the intensive care unit.

By collecting data from hospitals using the probe and comparing it with historical controls, ImaCor hopes to prove Roth's claim and show that the new patient monitoring device has saved money.

Doctors at Thomas Jefferson University Hospital in Philadelphia have found the

## AT A GLANCE

### Name

ImaCor Inc. in Garden City

### Founders

Dr. Scott Roth, Harold Hastings

### Product

Internal probe to monitor patients' hearts

### Year of first investment

2004

### FDA approval for sale

2010

### Units sold

More than 3,500

hTEE probe "both helpful and potentially economically usable," cardiac surgeon Nicholas Cavarocchi said. "It's not that easy to figure out the economics of anything," he added.

The obstacles of commercialization haven't dampened ImaCor innovators' enthusiasm. When they gather, Roth said, they think, "Right now there are probes in patients, with people standing next to those patients and helping them. How cool is that?"