

Why We Invested in Turquoise Health – Breaking Down the Financial Complexity of Healthcare



Adams Street is pleased to announce our investment in the \$30 million Series B of Turquoise Health, a vertical software platform for healthcare price transparency data and managed care contracting.

As we spent time learning about the market opportunity, several factors gave us strong conviction that Turquoise Health, equipped with impressive technological innovation and deep domain expertise, is well-positioned to address the pain points embedded within healthcare transactions.

Regulatory Tailwinds

The recent bipartisan push for more healthcare price transparency¹ underscores the timeliness and necessity of Turquoise’s solution in helping to overcome the long-standing narrative of opaque pricing negatively impacting patients. Over the past few years, [several notable news sources](#) have positioned Turquoise Health as an early authority on price transparency.

As price transparency legislation continues to take shape, a number of key regulations have positively impacted Turquoise’s opportunity to benefit consumers and healthcare organizations by pushing healthcare price transparency forward.

 Turquoise Health

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- The Hospital Price Transparency Rule requires hospitals to provide clear, accessible pricing information online via machine-readable files (MRF) with all items/services, or by displaying shoppable services in a consumer-friendly format.² In November 2023, the Centers for Medicare & Medicaid Services released a new Final Rule with required schemas for hospital MRFs,³ and Turquoise is mentioned in the footnotes of the adopting release multiple times.
- The Payer Price Transparency Rule requires health plans to post pricing information for covered items/services.⁴
- The No Surprises Act provides patients with the right to receive a good faith estimate showing the reasonably expected cost of a service.⁵ The act paves the way for accurate real-time pricing to guide patients and physician referrals.

Driving Value from Rate Disclosures

As regulations spur the release of never-before-seen negotiated rates, Turquoise has figured out how to make this data actionable for healthcare organizations and consumers. Leveraging sophisticated artificial intelligence-powered infrastructure, Turquoise users have pricing data cleansed of outliers and enhanced with myriad third-party data sets that are both refreshed and available to query in real time.

Empowered by the easy-to-use platform, healthcare organizations can improve negotiations for insurance contracts while also ensuring they remain competitive from a pricing perspective in their respective markets.

Turquoise's consumer friendly website also allows patients to "shop" for care based on upfront pricing, something that's taken for granted in other aspects of life. As word of mouth spreads among healthcare consumers that Turquoise is a reliable source for cost certainty, healthcare organizations have sought to directly verify published prices on the platform, creating a positive feedback loop and superior data set.

Verticalization of Healthcare Transaction Workflows

While Turquoise has witnessed impressive inbound demand from providers and payers seeking a seamless solution to comply with rate disclosure requirements, the company has also introduced a contracting product suite with the goal of ultimately reducing friction in healthcare transactions. The comprehensive software stores pricing contracts, making analysis simpler, and facilitates the ability to directly negotiate terms with counterparties.

In addition to further cementing Turquoise as a source of reliable pricing data, the contracting software creates the possibility of real-time payments in healthcare, as in other industries, driven by transparency. Ultimately, the result is a more efficient healthcare transaction that is less costly for a system historically burdened with administrative waste from billing processes.

Adams Street is excited about our partnership with Turquoise Health as it works to demystify the cost of healthcare and empower consumers to make well-informed, cost-conscious decisions when seeking care. Congratulations to Turquoise Health on its Series B raise. ■

1. Sources: Fierce Healthcare "[House price transparency legislation passes with bipartisan support](#)", December 11, 2023; Office of Senator Chuck Grassley (R-Iowa) [Grassley, Bipartisan Colleagues: Patients Should Know The Cost Of Hospital Services Up Front](#), January 10, 2024
2. Source: [Centers for Medicare & Medicaid Services](#)
3. Source: [Federal Register](#)
4. Source: Centers for Medicare & Medicaid Services "[Transparency in Coverage](#)" September 6, 2023
5. Source: [Centers for Medicare & Medicaid Services](#)

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