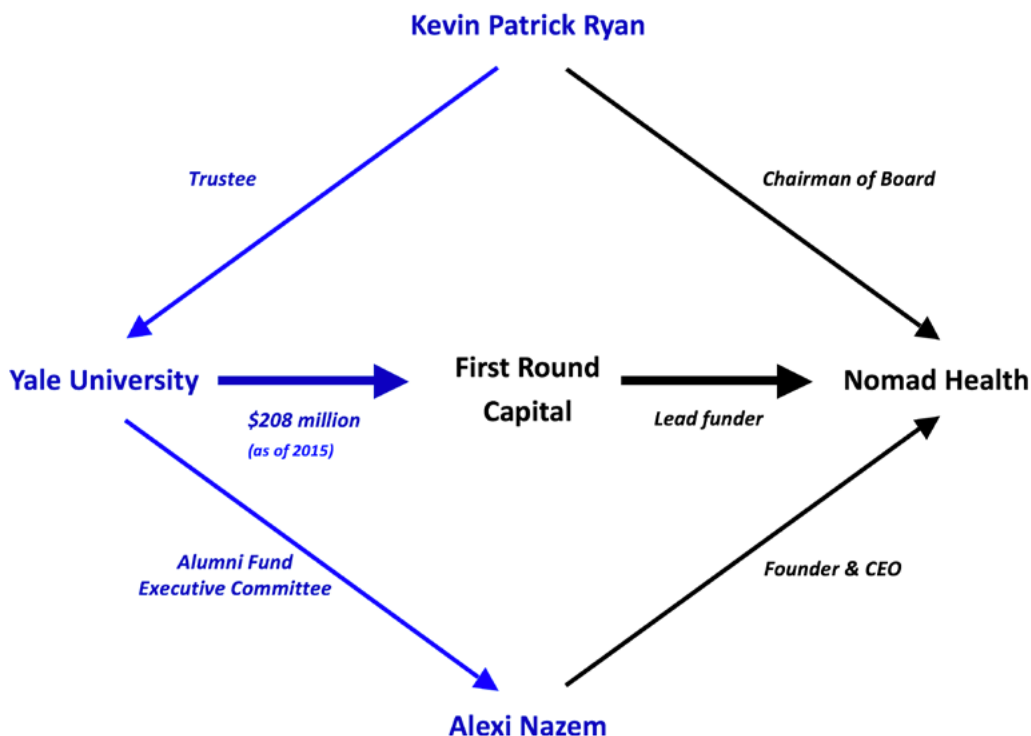


## Title: Yale Insider

Kevin Patrick Ryan has been a member of the Yale Corporation since 2012. In 2016, a new business co-founded and chaired by Ryan announced that it had completed its first major fundraising effort, led by two venture capital firms, including First Round Capital. Yale has been an investor with First Round Capital since 2008, and still has over \$200 million in the fund the firm manages.



### Corporation Trustee Launches a Firm from an Idea Born at Yale

After a speaking event at Yale, two Yale Neurosurgeons approached Kevin Patrick Ryan with the idea of building an “online marketplace connecting doctors with freelance clinical work,” facilitating short-term staffing for health care positions.<sup>1</sup>

Ryan co-founded the company and has been chairman of its board since at least 2016. According to press reports, in 2016 it completed a \$4 million fundraising effort, led by First Round Capital and RRE Ventures, to fund a nationwide product launch.<sup>2</sup>

### New Business Model in a Highly Regulated Industry

In an interview with Business Insider, company co-founder Alexi Nazem said he founded the company due to frustration with the application process for temporary physician assignments. Brokers for freelance physicians typically charge a 30% to 40% fee to hospitals.<sup>3</sup>

Similar fees and commissions paid to nurse staffing agencies are supposed to cover the costs of administrative work that hospitals would otherwise have to carry out. In the past two decades, the use of temporarily employed nurses has exploded. In 2011, KPMG consultants reported that 65% of hospitals use so-called “travel” nurses hired from staffing agencies to fill staffing gaps.<sup>4</sup> Nursing is a heavily regulated industry – workers must be licensed, and failures can result in significant liability for hospitals. Nurse staffing agencies market themselves to hospitals as providers

of thoroughly vetted candidates. One leading nurse staffing agency says its “compliance checks” include:<sup>5</sup>

- In-depth phone interviews with each candidate
- “Complete rebuilding” of candidates’ resumes to ensure the recruiter fully understands candidates qualifications and limitations
- Verification of academic credentials, employment history, licensure and certifications
- Completion of a comprehensive skills assessment.

When it comes to nursing services, it is not clear from Nomad’s website whether the company will conduct compliance checks or whether that work will have to be done by hospital human resource departments each time they hire a Nomad nurse.

### **Leveraging a Yale Network**

Ryan still chairs Nomad’s Board of Directors. The CEO and co-founder of Nomad Health, Alexi Nazem,<sup>6</sup> is a member of the 2016-2017 Executive Committee for the Yale Alumni Fund, which oversees important fundraising activity for Yale.<sup>7</sup> Nazem obtained his BS from Yale in 2004, and he obtained his MD from Yale in 2012.<sup>8</sup>

Four of five of Nomad Health’s Directors and Advisors also have important relationships with Yale. In addition to Ryan, the other two members of the three-person Board are First Round Capital partner Chris Fralic and Yale School of Medicine Professor Maxwell Laurans.<sup>9</sup> Ryan Grant is a Board Observer and he is also the Senior Neurosurgical resident at Yale. Grant and Laurans are the neurosurgeons who approached Ryan with the idea of Nomad Health in the first place.

### **Yale Investors, Yale Affiliates**

Yale invested in First Round Capital in 2008 via a fund called FRC II Holdings, LP, which at the time held \$3.5 million of Yale’s funds.<sup>10</sup> On Yale’s most recent form 990, for the fiscal year ending 2015, Yale still lists FRC II Holdings, LP, which is 99.6% owned by Yale and now holds \$208,193,377 of Yale money.<sup>11</sup>

On May 15, 2017, Yale’s federal SEC Form 990 is due for the fiscal year ending in June 2016.<sup>12</sup> If Yale was an investor in Nomad Health, it should disclose that investment as a related party transaction in that tax filing.

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5 “Screening and Credentialing,” Flexcare Medical Staffing. <https://www.flexcarestaff.com/screening-credentialing> Accessed May 20 2017.

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