

Is AI the Cure for Cancer?

Research has expanded the use of *Artificial Intelligence* (AI) to further revolutionize healthcare, specifically in personalized cancer diagnosis and treatment.¹ In April 2015, the *International Business Machine Corporation* (IBM) announced the development of a cognitive computing software called “*Watson Healthcare Cloud*,” a cloud database where “*providers and researchers can share and analyze health data for greater insights into trends to improve individual and overall patient outcomes.*”² With its ability to process data, the Watson Healthcare Cloud has the potential to revolutionize cancer treatment in the near and distant future. Nevertheless, skeptics are concerned that the use of this newest AI technology may lead to negative consequences, including security breaches resulting in *Health Insurance Portability and Accountability Act* (HIPAA) violations as well as potential white-collar job losses.³ This Health Capital Topics Article will describe the Watson Healthcare Cloud, its current utilization, and the potential benefits and barriers to its development for the future.

Watson’s essential feature is its ability to process and compare patient data to large data sets on an unprecedented scale. After inserting diagnostic information provided by clinicians – including genetic sequence, patient symptoms, and laboratory results – Watson utilizes the latest computer processing capabilities to match a patient’s data with relevant medical literature and clinical trials to determine the proper treatment pathway.⁴ This data processing tool has already had clinical impacts. First, doctors in certain health systems have begun to use Watson in the creation of personalized cancer treatments based on personally identifiable markers in a patient with cancer, commonly known as “*genetic fingerprints.*” IBM has partnered with Mayo Clinic to integrate Watson’s cognitive computing mechanisms to match a cancer patient to the appropriate clinical trial.⁵ Second, care teams are inputting information from a patient’s *electronic health record* (EHR) to improve and personalize oncology care by “*connecting traditional sources of patient information with the growing pools of dynamic and constantly growing healthcare information.*”⁶ The end goal is for Watson to completely replace the way decisions are made by a committee of doctors and

increase the focus on personalized treatments for each individual patient.⁷

From the clinician’s perspective, managing the challenges relating to the provision of quality oncology care is essential yet often difficult. These challenges include:

“(1) *managing the sheer quantity and heterogeneity of the data and knowledge involved – encompassing millions of medical records, genomewide datasets, and documents;* (2) *planning thousands of complex, multistep treatment strategies that ethically balance the needs of the individual with those of science;* (3) *capturing and analyzing the results of these treatment experiments in diverse causal and empirical models of cancer biology and drug response;* (4) *continuously testing and refining these models to account for new clinical and laboratory findings;* (5) *generalizing the models across patients and cancers and integrating them to improve decision making;* and (6) *integrating human and machine planning, learning, and decision making to exploit their respective strengths.*”⁸

While these challenges are unavoidable and often insurmountable, many see that the utilization of “*super-intelligence*” such as Watson could overcome these challenges and support the ultimate goal of curing cancer.⁹ For example, IBM has announced its collaboration with 14 cancer centers using Watson’s Genomic Analytics.¹⁰ The goal of this collaboration is to give clinicians the capability to identify more personalized and precision-based cancer treatments for a broader patient population.¹¹ For example, the Genome Institute at Washington University in St. Louis has partnered with IBM’s Watson to compare the genetic data of individual cancer patients with various cancer gene databases and every published scientific paper regarding cancer genetics.¹² What typically takes experts hours or days to analyze has now been accomplished in a matter of minutes.¹³ Consequently, Watson may replace current decision-making protocols regarding which drugs to give a patient based on his or her genetic information, as well as information from scholarly articles/research already available.¹⁴

Even with the potential benefits of utilizing AI in the diagnosis and treatment of cancer, there is still heated debate regarding whether the various disadvantages and risks could overshadow its potential clinical and research benefits. One major factor has been the potential loss of white-collar jobs. In many instances in history, as technology progressed, certain occupations became obsolete. *“The original ‘computers’ were drudges, often women, who performed endless calculations for their higher-ups. Just as transistors took their place, so AI will probably turf out whole regiments of white-collar workers.”*¹⁵ However, researchers at the *Massachusetts Institute of Technology* (MIT) have emphasized that Watson will only be used to *“mak[e] doctors’ jobs easier,”* not to replace them.¹⁶ Another major risk of AI in cancer research is security in the Watson Health Cloud’s features. In the healthcare context, improperly secured patient information may subject both a covered entity (i.e., the healthcare provider) and their business associates (i.e., the operator of Watson) to potential liability under HIPAA.¹⁷ In response to this concern, IBM is continuously working to modify the cloud’s platform to allow massive amounts of confidential personal health information to be anonymized and shared in a secure setting.¹⁸ Additionally, IBM has begun implementing the *“IBM QRadar,”* which is a security intelligence software used by the Watson Health Cloud to help organizations quickly target, identify, and prioritize security threats.¹⁹ The application of AI has significantly expanded over the past few years and, considering the above developments, will likely progress further in years to come. AI’s extensive capabilities can ultimately transform the healthcare industry and significantly impact cancer research.²⁰ The U.S. spends billions of dollars each year on gene sequencing and targeting genetic mutations.²¹ However, cancer may involve thousands of mutations, and Americans spend an average of \$2.6 billion to identify the proper drug treatment for a patient.²² Additionally, the U.S. *Food and Drug Administration* (FDA) preclinical and clinical testing phases can take an additional 12 to 15 years after the initial identification of the treatment.²³ The use of AI, specifically Watson, can substantially decrease the drug discovery time and cost through its ability to synthesize trillions of data points in a matter of days, in contrast to years.²⁴

Moreover, there have been announcements of other partnerships to aid in the *“Watson-in-medicine business pursuit.”*²⁵ For example, IBM is utilizing Watson in its collaborations with: (1) Apple to develop apps and tools systems for data collection in clinical trials; (2) Johnson & Johnson to create a personal concierge service to prepare patients for knee surgery and recovery; and, (3) Medtronic to collect data regarding patients’ personal use of implantable heart devices and diabetes products and understand how well the implants are working.²⁶ With today’s technological advancements in healthcare, the likelihood of discovering a cure for cancer, or any

other chronic disease, has increased exponentially. Despite the potential risks, the emerging utilization of AI, specifically Watson, can be a means to an end for cancer, and other chronic diseases, and have a positive life-altering effect on patients, as well as their providers.

- 1 “Is AI the Killer App for Cancer?” By Caleb Garling, *Wired*, 2015, <http://www.wired.com/2015/04/ai-killer-app-cancer/> (Accessed 4/30/15).
- 2 “IBM launches Watson Health global analytics cloud” By Lucas Mearian, *ComputerWorld*, April 14, 2015, <http://www.computerworld.com/article/2909534/ibm-launches-watson-health-global-analytics-cloud.html> (Accessed 5/12/15).
- 3 “IBM Watson Dives Further Into Cloud, Healthcare Analytics” By William Terdoslavich, *Information Week*, May 5, 2015, <http://www.informationweek.com/big-data/big-data-analytics/ibm-watson-dives-further-into-cloud-healthcare-analytics/d/d-id/1320291> (Accessed 5/7/15); “The Dawn of Artificial Intelligence” *The Economist*, May 9, 2015, <http://www.economist.com/news/leaders/21650543-powerful-computers-will-reshape-humanitys-future-how-ensure-promise-outweighs> (Accessed 5/11/15).
- 4 “Transforming Cancer Patient Care with IBM Watson for Oncology” IBM, 2015, <http://www.ibm.com/smarterplanet/us/en/ibmwatson/watson-oncology.html> (Accessed 5/13/15).
- 5 “IBM’s Watson Takes on Cancer Screening Challenge” By Michael Moore, *Tech Week Europe*, May 6, 2015, <http://www.techweekeurope.co.uk/data-storage/ibm-watson-cancer-screening-167680> (Accessed 5/7/15).
- 6 *Ibid.*
- 7 “AI Being Used to Help Cancer Patients” By Sead Fadilpasic, *IT Pro Portal*, May 6, 2015, <http://www.itproportal.com/2015/05/06/ibm-ai-watson-help-cancer-patients/> (Accessed 5/7/15).
- 8 “Cancer: A Computational Disease that AI Can Cure”, By Jay Tenenbaum and Jeff Shrager, *AI Magazine*, Vol. 32, No. 2, Summer 2011, p.14-26, <http://www.aaai.org/ojs/index.php/aimagazine/article/view/2345/2213> (Accessed 4/30/15).
- 9 “Artificial Intelligence Raises New Hope for Cancer Patients”, By James Temple, *Re/Code*, June 7, 2014, <http://recode.net/2014/06/07/artificial-intelligence-raises-new-hope-for-cancer-patients/> (Accessed 4/30/15).
- 10 “IBM Announces Watson Genomic Analytics; Collaboration with 14 Cancer Centers” *Bio-IT World*, May 5, 2015, <http://www.bio-itworld.com/2015/5/5/ibm-announces-watson-genomic-analytics.html> (Accessed 5/11/15).
- 11 *Ibid.*
- 12 “IBM’s Watson Enters Market for Analyzing Cancer Genetics” By Matthew Herper, *Forbes*, May 5, 2015, <http://www.forbes.com/sites/matthewherper/2015/05/05/ibm-watson-enters-market-for-analyzing-cancer-genetics/> (Accessed 5/11/15).
- 13 *Ibid.*
- 14 *Ibid.*
- 15 *The Economist*, May 9, 2015.
- 16 “MIT developing cancer-diagnosis AI software” By Chuck Bednar, *RedOrbit*, April 25, 2015, <http://www.redorbit.com/news/health/1113378507/mit-developing-cancer-diagnosis-ai-software-042515/> (Accessed 5/11/15).
- 17 “HIPAA Privacy and Security Basics for Providers” Centers for Medicare & Medicaid Services, July 2014, <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/HIPAAPrivacyandSecurity.pdf> (Accessed 9/23/14) p. 2.
- 18 “IBM Expands Watson Ecosystem with New Partnerships, Cognitive Computing Apps and Services” *IT News Online*, May 5, 2015, <http://www.itnewsonline.com/prnewswire/IBM-Expands-Watson-Ecosystem-with-New-Partnerships-Cognitive-Computing-Apps-and-Services/376942> (Accessed 5/11/15).

-
- 19 “IBM Brings Security Intelligence to the Cloud” By Darryl Taft, E-Week, April 23, 2015, <http://www.eweek.com/security/ibm-brings-security-intelligence-to-the-cloud.html> (Accessed 5/11/15).
- 20 “Identifying Cancer Research Studies” Artificial Intelligence in Medicine, Inc., 2015, <http://www.aim.ca/cancer-research/> (Accessed 5/6/15).
- 21 “Artificial Intelligence and the Transformation of Healthcare” By Niven Narain, Wired Innovation Insights, January 22, 2015, <http://insights.wired.com/profiles/blogs/artificial-intelligence-and-the-transformation-of-healthcare#axzz3ZNUytHN> (Accessed 5/6/15).
- 22 *Ibid.*
- 23 *Ibid.*
- 24 *Ibid.*
- 25 “IBM Is Collaborating With Apple On Artificial Intelligence Health Program” WT Vox, April 14, 2015, <https://wtvox.com/2015/04/ibm-is-collaborating-with-apple-on-artificial-intelligence-health-program/> (Accessed 5/11/15).
- 26 *Ibid.*



(800) FYI - VALU

*Providing Solutions
in the Era of
Healthcare Reform*

Founded in 1993, HCC is a nationally recognized healthcare economic financial consulting firm

- [HCC Home](#)
- [Firm Profile](#)
- [HCC Services](#)
- [HCC Experts](#)
- [Clients & Projects](#)
- [HCC News](#)
- [Upcoming Events](#)
- [Contact Us](#)
- [Email Us](#)

HEALTH CAPITAL

CONSULTANTS (HCC) is an established, nationally recognized healthcare financial and economic consulting firm headquartered in St. Louis, Missouri, with regional personnel nationwide. Founded in 1993, HCC has served clients in over 45 states, in providing services including: valuation in all healthcare sectors; financial analysis, including the development of forecasts, budgets and income distribution plans; healthcare provider related intermediary services, including integration, affiliation, acquisition and divestiture; Certificate of Need (CON) and regulatory consulting; litigation support and expert witness services; and, industry research services for healthcare providers and their advisors. HCC's accredited professionals are supported by an experienced research and library support staff to maintain a thorough and extensive knowledge of the healthcare reimbursement, regulatory, technological and competitive environment.



Robert James Cimasi, MHA, ASA, FRICS, MCBA, CVA, CM&AA, serves as Chief Executive Officer of **HEALTH CAPITAL CONSULTANTS (HCC)**, a nationally recognized healthcare financial and economic consulting firm headquartered in St. Louis, MO, serving clients in 49 states since 1993. Mr. Cimasi has over thirty years of experience in serving clients, with a professional focus on the financial and economic aspects of healthcare service sector entities including: valuation consulting and capital formation services; healthcare industry transactions including joint ventures, mergers, acquisitions, and divestitures; litigation support & expert testimony; and, certificate-of-need and other regulatory and policy planning consulting.

Mr. Cimasi holds a Masters in Health Administration from the University of Maryland, as well as several professional designations: Accredited Senior Appraiser (ASA – American Society of Appraisers); Fellow Royal Institution of Chartered Surveyors (FRICS – Royal Institute of Chartered Surveyors); Master Certified Business Appraiser (MCBA – Institute of Business Appraisers); Accredited Valuation Analyst (AVA – National Association of Certified Valuators and Analysts); and, Certified Merger & Acquisition Advisor (CM&AA – Alliance of Merger & Acquisition Advisors). He has served as an expert witness on cases in numerous courts, and has provided testimony before federal and state legislative committees. He is a nationally known speaker on healthcare industry topics, the author of several books, the latest of which include: "[Accountable Care Organizations: Value Metrics and Capital Formation](#)" [2013 - Taylor & Francis, a division of CRC Press], "[The Adviser's Guide to Healthcare](#)" – Vols. I, II & III [2010 – AICPA], and "[The U.S. Healthcare Certificate of Need Sourcebook](#)" [2005 - Beard Books]. His most recent book, entitled "[Healthcare Valuation: The Financial Appraisal of Enterprises, Assets, and Services](#)" was published by John Wiley & Sons in 2014.

Mr. Cimasi is the author of numerous additional chapters in anthologies; books, and legal treatises; published articles in peer reviewed and industry trade journals; research papers and case studies; and, is often quoted by healthcare industry press. In 2006, Mr. Cimasi was honored with the prestigious "[Shannon Pratt Award in Business Valuation](#)" conferred by the Institute of Business Appraisers. Mr. Cimasi serves on the Editorial Board of the Business Appraisals Practice of the Institute of Business Appraisers, of which he is a member of the College of Fellows. In 2011, he was named a Fellow of the Royal Institution of Chartered Surveyors (RICS).



Todd A. Zigrang, MBA, MHA, ASA, FACHE, is the President of **HEALTH CAPITAL CONSULTANTS (HCC)**, where he focuses on the areas of valuation and financial analysis for hospitals, physician practices, and other healthcare enterprises. Mr. Zigrang has over 20 years of experience providing valuation, financial, transaction and strategic advisory services nationwide in over 1,000 transactions and joint ventures. Mr. Zigrang is also considered an expert in the field of healthcare compensation for physicians, executives and other professionals.

Mr. Zigrang is the author of the soon-to-be released "[Adviser's Guide to Healthcare – 2nd Edition](#)" (AICPA, 2014), numerous chapters in legal treatises and anthologies, and peer-reviewed and industry articles such as: [The Accountant's Business Manual](#) (AICPA); [Valuing Professional Practices and Licenses](#) (Aspen Publishers); [Valuation Strategies; Business Appraisal Practice](#); and, [NACVA QuickRead](#). Additionally, Mr. Zigrang has served as faculty before professional and trade associations such as the American Society of Appraisers (ASA); the National Association of Certified Valuators and Analysts (NACVA); the Physician Hospitals of America (PHA); the Institute of Business Appraisers (IBA); the Healthcare Financial Management Association (HFMA); and, the CPA Leadership Institute.

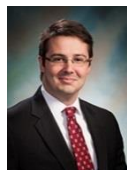
Mr. Zigrang holds a Master of Science in Health Administration (MHA) and a Master of Business Administration (MBA) from the University of Missouri at Columbia. He is a Fellow of the American College of Healthcare Executives (FACHE) and holds the Accredited Senior Appraiser (ASA) designation from the American Society of Appraisers, where he has served as President of the St. Louis Chapter, and is current Chair of the ASA Healthcare Special Interest Group (HSIG).



John R. Chwarzinski, MSF, MAE, is Senior Vice President of **HEALTH CAPITAL CONSULTANTS (HCC)**. Mr. Chwarzinski holds a Master's Degree in Economics from the University of Missouri – St. Louis, as well as, a Master's Degree in Finance from the John M. Olin School of Business at Washington University in St. Louis. Mr. Chwarzinski's areas of expertise include advanced statistical analysis, econometric modeling, and economic and financial analysis.



Jessica L. Bailey, Esq., is the Director of Research of **HEALTH CAPITAL CONSULTANTS (HCC)**, where she conducts project management and consulting services related to the impact of both federal and state regulations on healthcare exempt organization transactions and provides research services necessary to support certified opinions of value related to the Fair Market Value and Commercial Reasonableness of transactions related to healthcare enterprises, assets, and services. Ms. Bailey is a member of the Missouri and Illinois Bars and holds a J.D., with a concentration in Health Law, from Saint Louis University School of Law, where she served as Fall Managing Editor for the Journal of Health Law and Policy.



Richard W. Hill, III, Esq. is Senior Counsel of **HEALTH CAPITAL CONSULTANTS (HCC)**, where he manages research services necessary to support certified opinions of value related to the Fair Market Value and Commercial Reasonableness of transactions related to healthcare enterprises, assets, and services, and conducts analyses of contractual relationships for subject enterprises. Mr. Hill is a member of the Missouri Bar and holds a J.D., with a concentration in Health Law, from Saint Louis University School of Law.