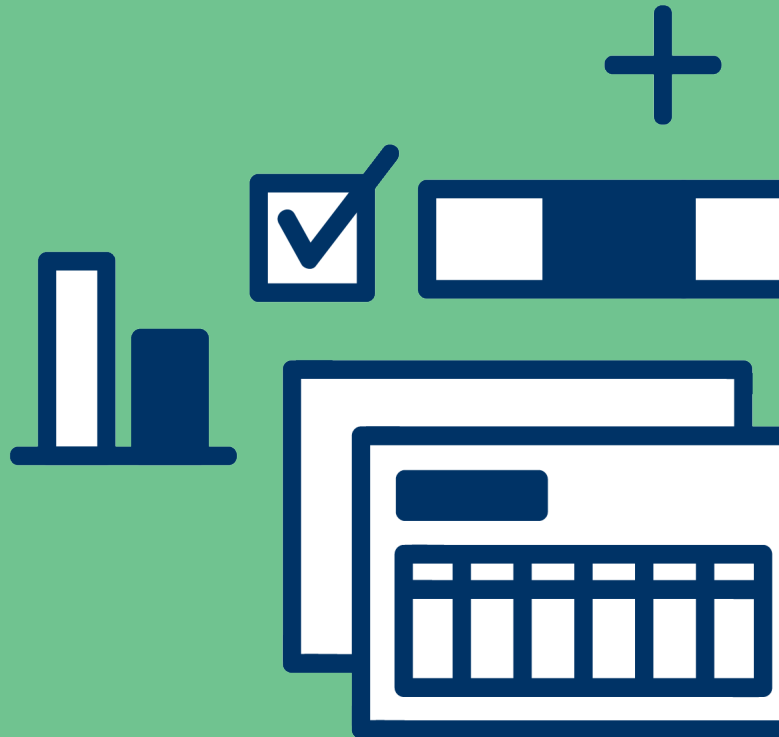




State Of Healthcare Q1'21 Report: Investment & Sector Trends To Watch



WHAT IS CB INSIGHTS?

CB Insights helps the world's leading companies make smarter technology decisions with data, not opinion.

Our Technology Insights Platform provides companies with comprehensive data, expert insights and work management tools to drive growth and improve operations with technology.

[CLICK HERE TO SIGN UP FOR A FREE TRIAL](#)



With CB Insights, Froedtert Health is able to move quickly when assessing the market or evaluating potential partners. We can then dive deeper into a certain topic and collaborate across our organization all within one platform.

Mike Anderes

Chief Innovation and Digital Officer, Froedtert Health



Our Most Popular Client-Exclusive Research



[Digital Therapeutics: The \\$9B Market Redefining Disease Prevention, Management, & Treatment](#)

[Healthcare Anywhere: 170+ Telehealth Startups Transforming Patient Care](#)

[How Quantum Tech Could Change Drug Discovery, Diagnostics, And Patient Privacy](#)

[Where Pharma Giants Are Betting On Artificial Intelligence In Healthcare](#)

[How Digital Biomarkers Can Help Advance Precision Medicine](#)

[Inside Google's Ambitions To Become The Go-To Vendor For Healthcare IT](#)

[How Consumer Health Tech Could Improve Aging In Place For Seniors](#)

[The Omics Market Map: 60+ Companies Defining The Future Of Biological Data](#)

[90+ Companies Driving Digital Transformation In Health IT](#)

[Medicare Advantage Partnerships And What They Tell Us About Competition Between Insurers](#)

[AI In Healthcare Heatmap: 1.2K+ Deals Across Genomics, Drug Discovery, And More](#)

[The Hospital Of The Future: 90+ Companies Reimagining How Healthcare Is Delivered](#)

[150+ Private Companies Driving The Transformation To Value-Based Care](#)

[Apple's AI Strategy In Healthcare](#)

[Femtech Outlook: The Technology Shaping The Future Of Women's Health](#)

Contents

| | | | | |
|---------|----------------|-------------------|-------------------|----------|
| 7 | 9 | 15 | 25 | 73 |
| Summary | Market Drivers | Investment Trends | Sector Highlights | Appendix |

WHAT THE STATE OF HEALTHCARE COVERS



AI

Companies selling AI SaaS to healthcare clients or using AI to develop products for the healthcare market



TELEHEALTH

Companies using technology to remotely deliver clinical health services to patients



MEDICAL DEVICES

Companies developing medical devices that aid in the diagnosis, cure, mitigation, treatment, monitoring, or prevention of disease



MENTAL HEALTH

Companies applying technology to problems of emotional, psychological, and social well-being



WOMEN'S HEALTH

Companies focused specifically on providing healthcare products and services to women



OMICS

Companies involved in the capture, sequencing, and/or analysis of genomic, transcriptomic, proteomic, and/or metabolomic data



HEALTH IT

Companies that market software solutions to healthcare provider organizations

Summary of findings

Overall healthcare industry trends

Global healthcare funding hit a new quarterly record in Q1'21 with a total of \$31.6B in equity funding. The quarter also saw a record 96 mega-rounds (\$100M+). Deal count grew by 9% to 1.5K+ deals, the second-highest in the last 12 quarters.

Funding in Asia declined by 12% quarter-over-quarter (QoQ) in Q1'21 to \$7.6B. North America and Europe saw increases in funding QoQ, with North America's total boosted by over 2x growth in the number of mega-rounds.

Early-stage deal share picked up slightly in Q1'21, while the proportion of mid-stage deals stayed consistent from the previous quarter and late-stage deals declined by only 1 percent.

Global digital health funding jumped by 9% QoQ in Q1'21. Equity funding to digital health companies reached an all-time high of \$9B+ in Q1'21, while deal count increased by nearly 13%.

The pace of consolidation activities held steady from Q4'20 through Q1'21. Healthcare incumbents such as UnitedHealth Group and Cigna made acquisition plays to strengthen their market positions. In particular, data insights & analytics software was a key M&A category in Q1'21.

Digital health companies went public via traditional IPOs and SPACs. Tech-enabled Medicare Advantage companies Oscar Health and Alignment Healthcare went public in Q1'21. A range of digital health companies, from consumer health to omics, announced plans to go public via SPACs.

Summary of findings

Healthcare sector-specific trends

AI in healthcare: Q1'21 saw a new funding record with nearly \$2.5B raised, largely propelled by mega-rounds totaling about \$1.5B. These rounds spanned applications from drug discovery to patient payments. Deal count increased 9% in Q1'21 to reach 111.

Telehealth: Global telehealth companies raised a record \$4.2B in equity funding in Q1'21. Deal count increased 10% QoQ with over 130 deals from 32 countries – the most on record. Six telehealth companies became unicorns (\$1B+ valuations).

Medical devices: Medical device companies raised \$4.6B in Q1'21, a 23% decline from Q4'20's peak. Deal count fell QoQ by nearly 11%. Mega-rounds in the digital pathology and point-of-care testing (POCT) space contributed to the quarter's funding.

Mental health: Funding increased by nearly 54% QoQ to \$852M, buoyed by mega-rounds raised by late-stage mental health and wellness benefits platforms geared toward the employers market. Deal count grew 14% to 64 deals.

Women's health: Funding increased to \$964M in Q1'21, spurred by Ro's \$500M round. Nearly 70% of Q1'21's deals were early-stage. However, regulatory updates and product launches indicate burgeoning interest in the space.

Omics: Funding and deals declined QoQ in Q1'21, with nearly \$1.8B raised across 39 deals. However, the space continues to receive significant mid- and late-stage funding. The US saw over 60% of omics deals – an uptick after a 3-year downward trend.

Health IT: Funding doubled year-over-year (YoY) with Q1'21 seeing over \$1.8B raised. Total deal count inched upward to 52. Early-stage deals hit an all-time low, making up 7% of total deal share, compared to 18% in Q4'20.

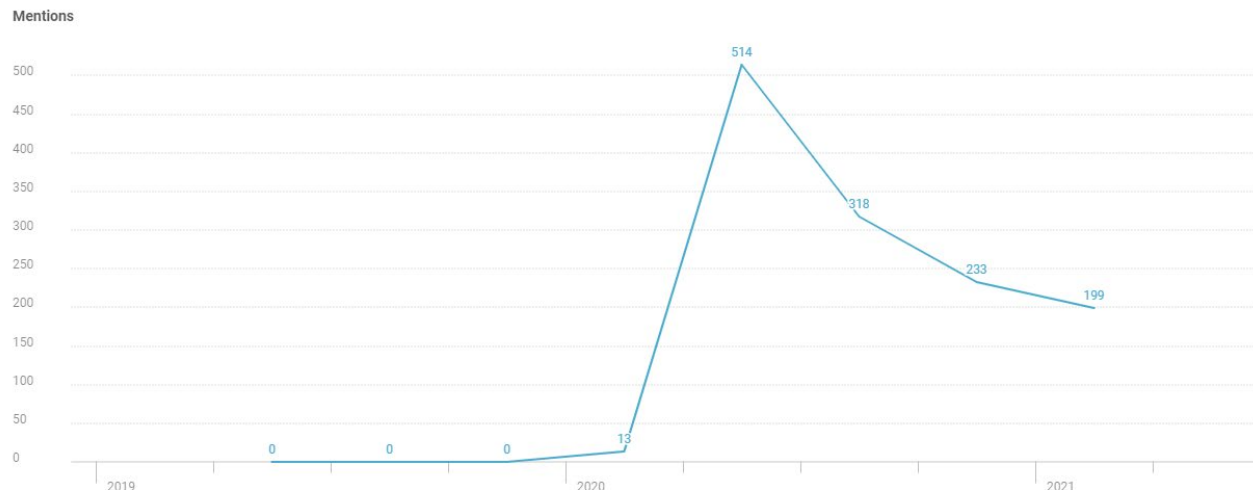
Q1'21 Healthcare Market Drivers



The long-term effects of Covid-19

As Covid-19 vaccines roll out, industry executive discussions on the topic are starting to taper off. The focus is shifting toward the pandemic's long-term effects, especially around telehealth and its role in care delivery from here on out. As operations resume across the industry, the pandemic's lingering impact on key market shifts will be interesting to watch.

Earnings calls mentions of healthcare and Covid-19, Q2'19 – Q1'21



“The transformation in the market's view of telehealth from a service to a platform is **fast and profound**.”

As the pandemic stabilized late in 2020, most of our clients began preparing to significantly expand the frequency and scope of use of our platform.

In reaction to this **tectonic market shift**, we decided to accelerate our investment in innovative technology that powers our platform.

Ido Schoenberg

CEO, American Well
[Earnings Call](#) (3/25/2021)

A growing focus on Medicare & Medicaid populations' needs

Medicare and Medicaid recipients are becoming increasingly targeted patient populations for cost reductions. This has resulted in a growing interest in solutions tackling key gaps in care delivery such as social determinants of health (SDOH) disparities and lack of access to innovative technology.

CMS unleashes innovation to ensure our nation's seniors have access to the latest advancements

January 12, 2021 | **CMS.gov**

With \$50M, Circulo will tackle Medicaid insurance using Olive's AI tech

February 26, 2021 | **CIRCULO**

SOCIAL DETERMINANTS OF HEALTH



Latest round: \$150M
Series C (3/16/2021)

Valuation: \$1.6B



Latest round: \$192M
Series C (3/29/2021)

Valuation: \$1B

MEDICARE ADVANTAGE PROVIDERS



IPO (3/3/2021)

Valuation: \$7.9B



Alignment Healthcare

IPO (3/26/2021)

Valuation: \$3.4B

Consumer-centric healthcare solutions gain more traction

Healthcare solutions that prioritize the consumer or patient experience are gaining more traction as they bring more accessibility, transparency, and personalization to the overall experience. From flexible patient payment plans to clinical exams done remotely, consumer-centric solutions are growing in importance.



We see significant **opportunity** over the long term to make the experience much better for both patients and physicians by providing an integrated seamless technology solution that is easy to use...

In fiscal '22, we plan to **expand the consumer health product assortment** and additional devices and services to our active aging business and add new remote patient monitoring offerings and a new technology platform in virtual care.

Corie Barry

CEO, Best Buy
[Earnings Call](#) (2/25/2021)

HEALTH INSURANCE



sidecar health

Latest round: \$125M
Series C (1/26/2021)

Valuation: \$1B

PAYMENTS



Latest round: \$200M
Series D round (3/9/2021)

Valuation: \$3.2B

REMOTE MONITORING



Latest round: \$50M
Series D – II (3/4/2021)

PRIMARY CARE



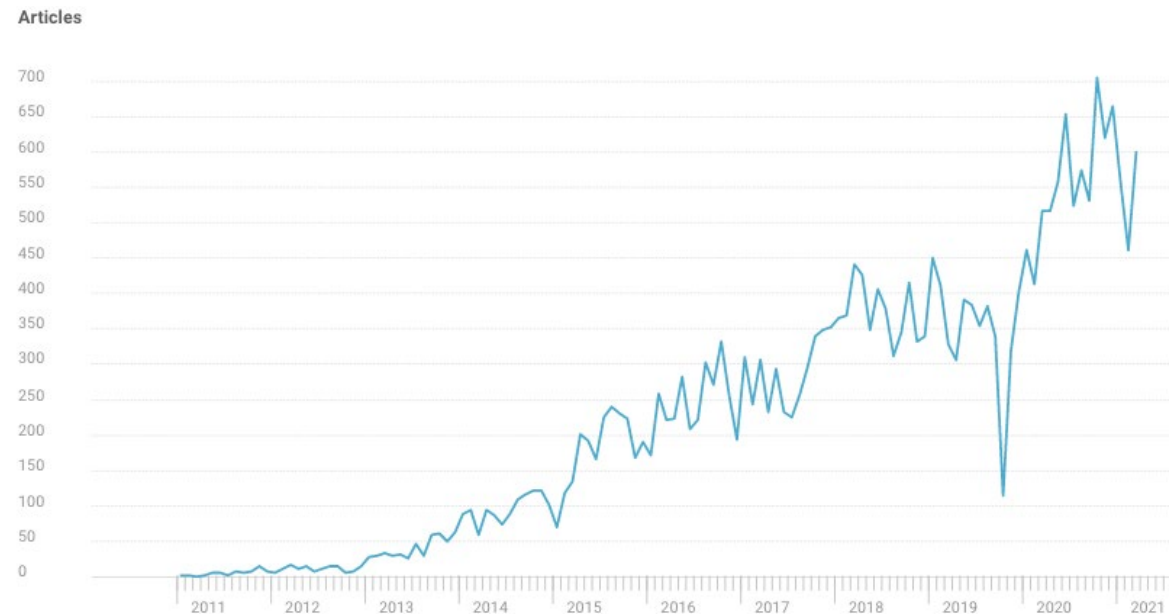
Latest round: \$225M
Series D (3/11/2021)

HEALTHCARE MARKET DRIVERS

Data aggregation & analytics remain a key priority across stakeholders

Interoperability mandates are driving increased market activity in health data platforms, providing methods for payers and providers to comply with emerging data sharing requirements. Going well beyond compliance, these solutions are now helping health systems push insights, with clinical and financial impact, to providers at the point of care.

News mentions of data analytics in healthcare, 2011 – 2021 (as of 3/31/21)



KEY ACQUISITIONS



Lucina

Unified Women's Healthcare acquired **Lucina Health**, a maternity analytics platform that seeks to reduce preterm birthrates and reduce costs.

January 13, 2021



UnitedHealth Group








CHANGE
HEALTHCARE

UnitedHealth Group announced its plans to acquire data analytics company **Change Healthcare**, valued at \$13B, to combine with its OptumInsight platform.

January 6, 2021

Big tech's healthcare initiatives in Q1'21

| | |
|---|---|
|  | <ul style="list-style-type: none"> • Partnership: Partnered with Boston Children's Hospital to connect users to a Covid-19 vaccination tool. |
|  | <ul style="list-style-type: none"> • Partnership: Announced a research study with Biogen on cognitive health using the Apple Watch and iPhone; launched a study on heart failure with University Health Network in Toronto. |
|  | <ul style="list-style-type: none"> • Product: Launched Microsoft Vaccination Management. • Partnership: Announced a multiyear partnership with UCB for drug discovery & development. • Investments: Its venture arm M12 co-led computational medicine platform 1910 Genetics' \$22M Series A round and participated in data platform Innovaccer's \$105M Series D round. <p><i>*In April 2021, Microsoft announced its acquisition of Nuance Communications for \$19.7B.</i></p> |
|  | <ul style="list-style-type: none"> • Product: Expanded its pilot of Care Studio, an EHR tool for providers; Google Cloud launched vaccine management tools; introduced a new sleep sensing feature to its Nest Hub smart device. • Partnership: Announced Beth Israel Deaconess Medical Center's participation in Care Studio's early access program; partnered with Boehringer Ingelheim to use quantum computing in drug R&D. • Investments: GV invested in several biopharma companies, including Insitro's \$400M Series C round. Verily Life Sciences led rapid diagnostic platform Genalyte's \$50M Series E financing. |
|  | <ul style="list-style-type: none"> • Product: Amazon Care expanded services nationwide; received emergency use authorization for Covid-19 test with home sample collection. |

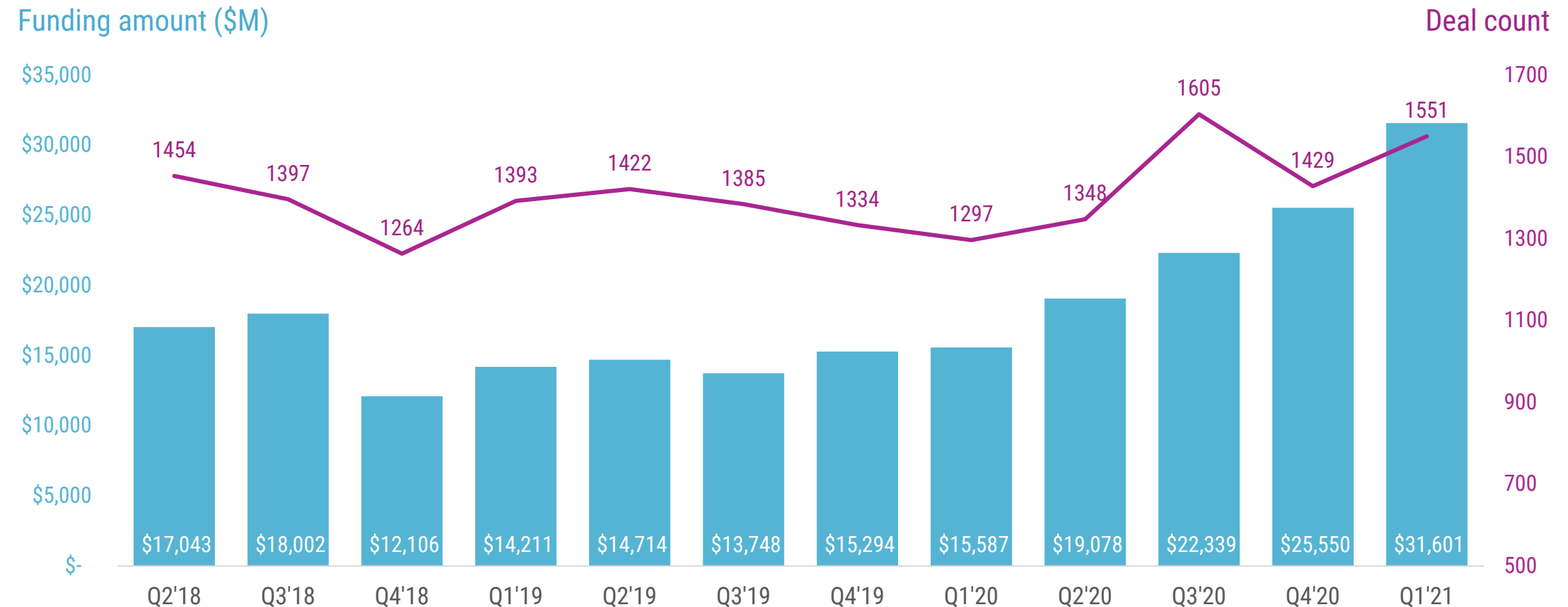
Q1'21 Healthcare Investment Trends



HEALTHCARE INVESTMENT TRENDS

Healthcare funding hit a new high in Q1'21

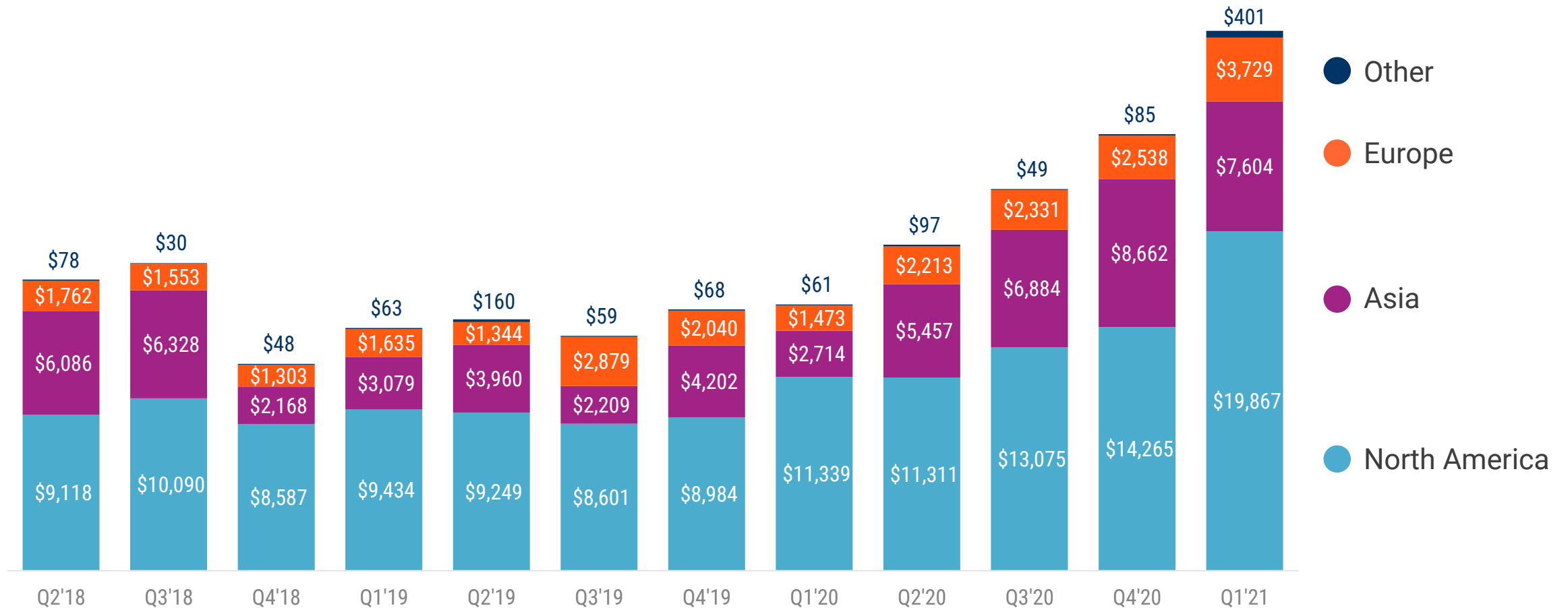
Quarterly global healthcare funding and deal count, Q2'18 – Q1'21



HEALTHCARE INVESTMENT TRENDS

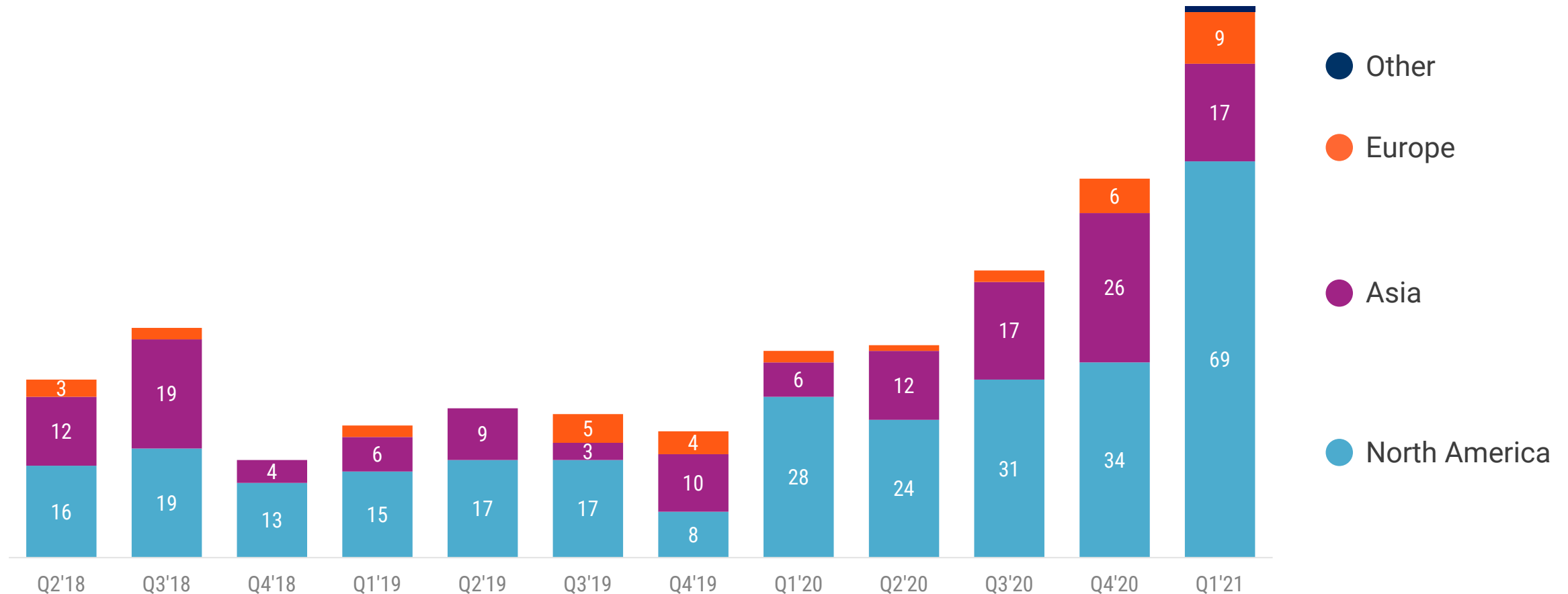
Funding dipped in Asia for 1st time since Q1'20

Quarterly global healthcare funding (\$M) by continent, Q2'18 – Q1'21



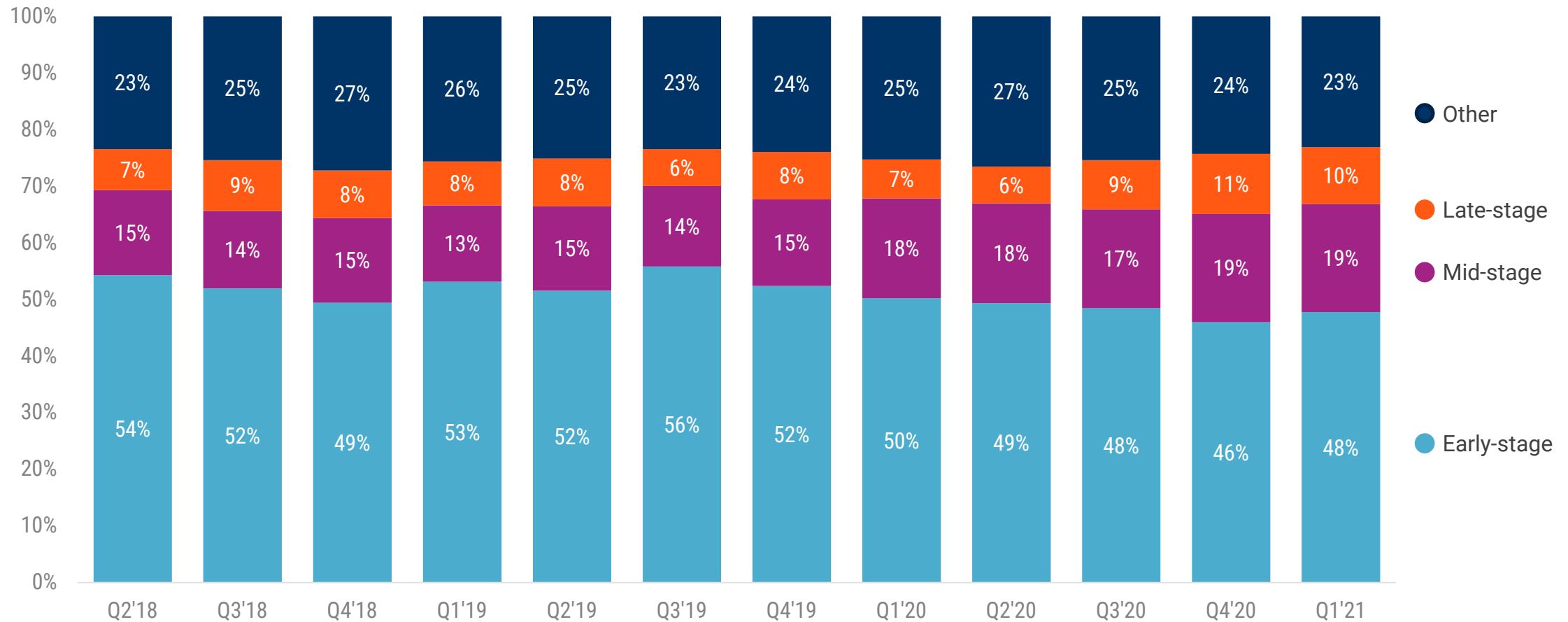
Mega-rounds doubled in North America

Quarterly healthcare mega-round deal count by continent, Q2'18 – Q1'21








Q1'21 saw a slight uptick in early-stage deals

Percentage share of global healthcare deals by stage, Q2'18 – Q1'21



Life sciences companies saw top healthcare deals in Q1'21

| Company | Deal date // Amount raised (\$M) | Total disclosed funding (\$M) | Select investors | Description |
|---|----------------------------------|-------------------------------|--|---|
|  | Mar '21 // \$535M | \$535M | Nordic Capital | Denmark-based LEO Pharma develops medical dermatology products. |
|  | Mar '21 // \$525M | \$845M | Fidelity Investments, SoftBank Group, Matrix Capital Management | ElevateBio develops and operates cell and gene therapy companies. |
|  | Jan '21 // \$500M | \$700M | Google Ventures, ARCH Venture Partners, Andreessen Horowitz, Casdin Capital | EQRx is a biotechnology company that seeks to develop medicines that are at lower price points. |
|  | Mar '21 // \$500M | \$877M | General Catalyst, FirstMark Capital, Seven Seven Six, Altimeter Capital | Ro provides telehealth, online pharmacy, and in-home care services. It operates 3 digital platforms: Ro, Rory, and Zero. |
|  | Feb '21 // \$466M | \$739M | OrbiMed Advisors, Sequoia Capital China, Tencent Holdings, Qiming Venture Partners | China-based Miaoshou Doctor offers an online healthcare platform for doctors and patients to communicate about prescription management and consultations. |

Select digital health M&As of Q1'21

CARE COORDINATION



Appriss Health acquired **PatientPing**, a patient care coordination platform.

March 22, 2021

TELEHEALTH



Clinical navigation platform **Grand Rounds** merged with **Doctor On Demand**.

March 16, 2021

PROVIDER WORKFLOWS



Nuance Communications acquired AI clinical documentation solution **Saykara**.

February 8, 2021



Cedar Gate Technologies acquired **Enli**, a population health solution for value-based analytics and coordination.

January 5, 2021



Cigna's subsidiary Evernorth is acquiring **MDLIVE**.





February 26, 2021




GetWellNetwork acquired patient engagement platform **Docent Health**.

January 28, 2021

Consumer digital health companies announced SPACs

| Company | Announcement date | Acquirer | Total disclosed funding (\$M) | Description |
|---|-------------------|---------------------------------|-------------------------------|---|
|  | Jan'21 | Hudson Executive Capital | \$109M | Talkspace provides telebehavioral healthcare services through its web and mobile platforms. |
|  | Feb'21 | VG Acquisition | \$878M | 23andMe is a personal genomics company that develops direct-to-consumer DNA testing kits. |
|  | Feb'21 | Falcon Capital Acquisition Corp | \$182M | Sharecare offers a virtual health platform that aims to unify and manage consumers' health. |
|  | Feb'21 | Sandbridge Acquisition | \$62.5M | Owlet Baby Care develops a health monitor that lets parents track vital signs of sleeping infants in real-time. |
|  | Mar'21 | Motion Acquisition | Undisclosed | DocGo offers mobile medical services and transportation, allowing at-home medical care. |

Top 5 new unicorns in Q1'21 by valuation

| Company | Deal date // Amount raised (\$M) | Total disclosed funding (\$M) | Select investors | Description |
|---|----------------------------------|-------------------------------|--|--|
| PointClickCare® | Jan '21 // Undisclosed | \$87M | Hellman & Friedman, Dragoneer Investment Group | PointClickCare's EHR platform for the long-term care industry helps automate complex administrative processes for providers. Valuation: \$4B |
|  | Mar '21 // \$200M | \$351M | Tiger Global Management, Andreessen Horowitz, Thrive Capital, Concord Health Partners | Cedar develops a patient payment platform that integrates with existing patient portal and back office workflows. Valuation: \$3.2B |
|  | Jan '21 // \$310M | \$454M | Insight Partners, Bessemer Venture Partners, Tiger Global Management, Atomico, Coatue Management | Hinge Health's Digital Musculoskeletal Clinic, which combines sensor-guided exercise therapy with virtual health coaching. Valuation: \$3B |
|  | Mar '21 // \$157M | \$415M | Highline Capital Management, Thiel Capital, Falcon Edge Capital, Pura Vida Investments | Atai Life Sciences develops both psychedelic and non-psychedelic therapeutics for mental health treatments. Valuation: \$2B |
|  | Jan '21 // \$100M | \$295M | Venrock, Meritech Capital Partners, Biomatics Capital Partners | Aledade partners with providers to build and lead Accountable Care Organizations (ACOs) in primary care. Valuation: \$1.9B |

Globally there are

58 HEALTHCARE UNICORNS

Valued in aggregate at

\$147 BILLION

Q1'21 Healthcare Sector Highlights



WHAT THE STATE OF HEALTHCARE COVERS



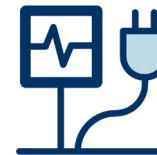
AI

Companies selling AI SaaS to healthcare clients or using AI to develop products for the healthcare market



TELEHEALTH

Companies using technology to remotely deliver clinical health services to patients



MEDICAL DEVICES

Companies developing medical devices that aid in the diagnosis, cure, mitigation, treatment, monitoring, or prevention of disease



MENTAL HEALTH

Companies applying technology to problems of emotional, psychological, and social well-being



WOMEN'S HEALTH

Companies focused specifically on providing healthcare products and services to women



OMICS

Companies involved in the capture, sequencing, and/or analysis of genomic, transcriptomic, proteomic, and/or metabolomic data



HEALTH IT

Companies that market software solutions to healthcare provider organizations

WHAT THE STATE OF HEALTHCARE COVERS



AI

Companies selling AI SaaS to healthcare clients or using AI to develop products for the healthcare market



TELEHEALTH

Companies using technology to remotely deliver clinical health services to patients



MEDICAL DEVICES

Companies developing medical devices that aid in the diagnosis, cure, mitigation, treatment, monitoring, or prevention of disease



MENTAL HEALTH

Companies applying technology to problems of emotional, psychological, and social well-being



WOMEN'S HEALTH

Companies focused specifically on providing healthcare products and services to women



OMICS

Companies involved in the capture, sequencing, and/or analysis of genomic, transcriptomic, proteomic, and/or metabolomic data

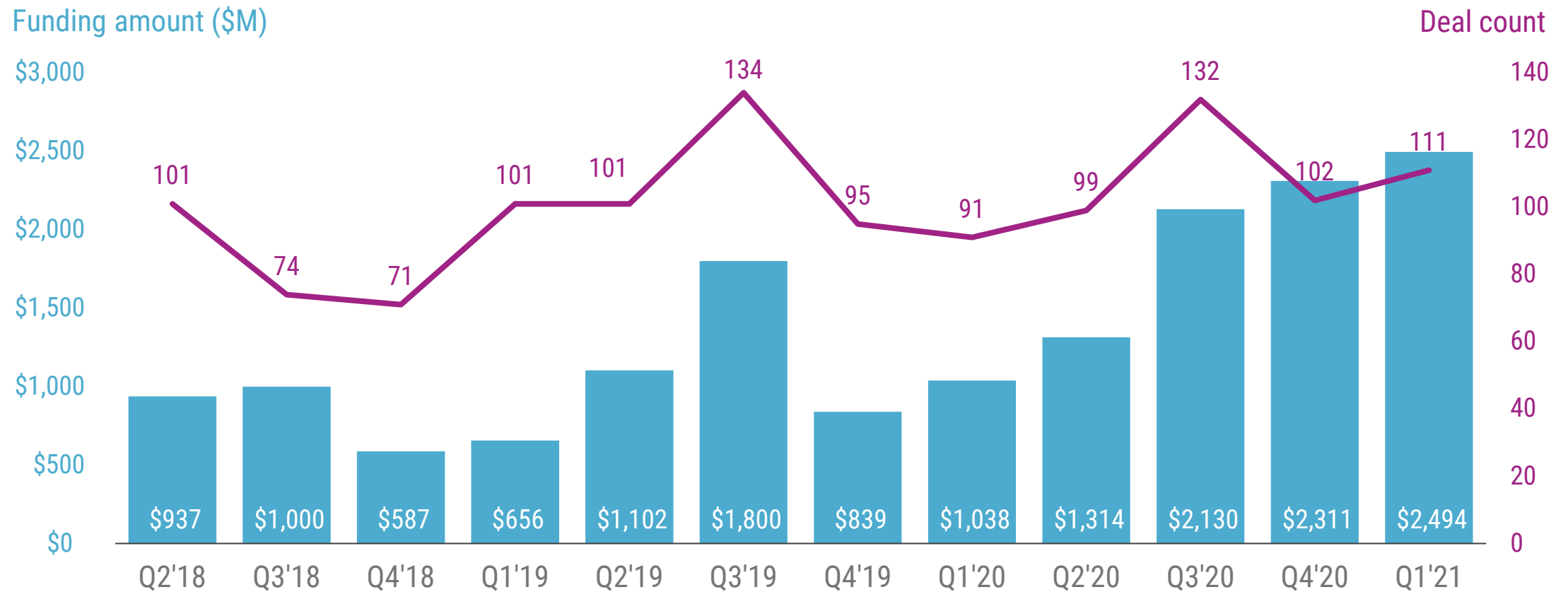


HEALTH IT

Companies that market software solutions to healthcare provider organizations

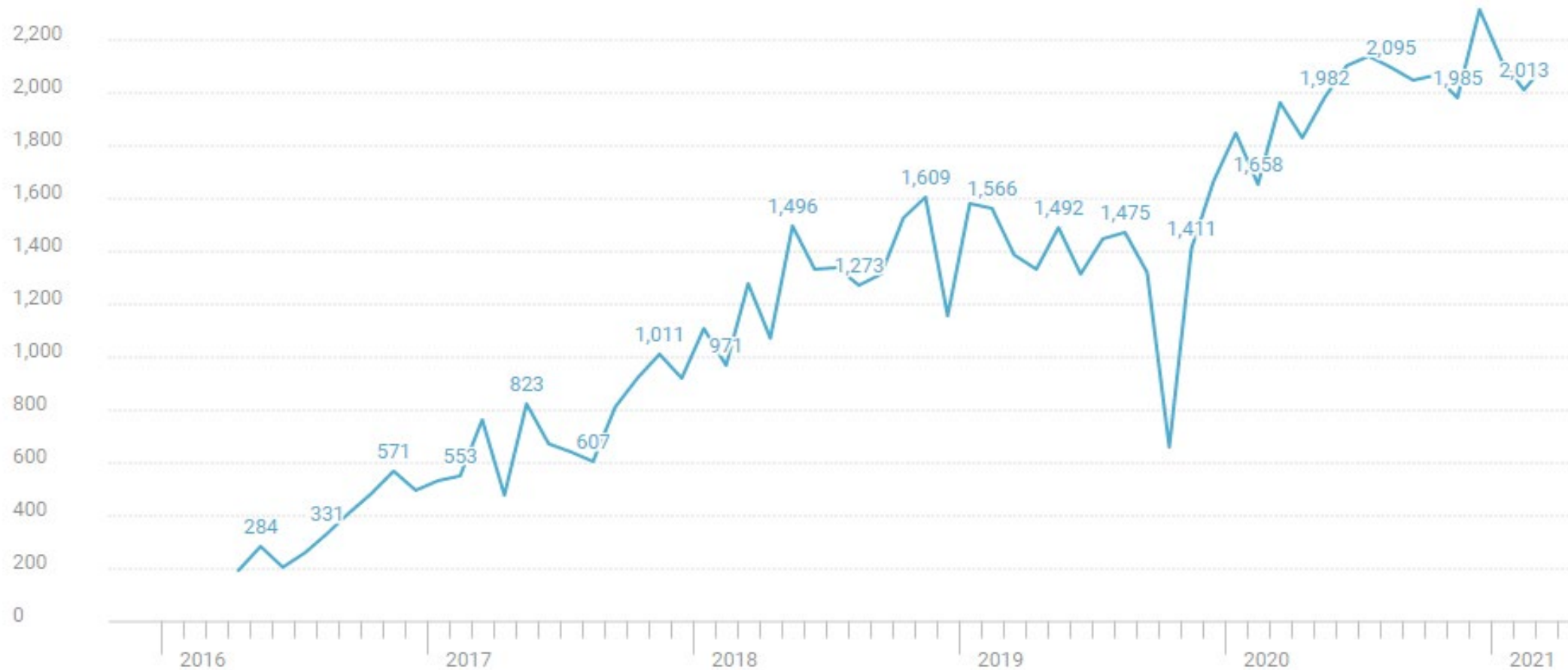
Healthcare AI broke another funding record

Quarterly global healthcare AI funding and deal count, Q2'18 – Q1'21








Healthcare AI continued to gain attention

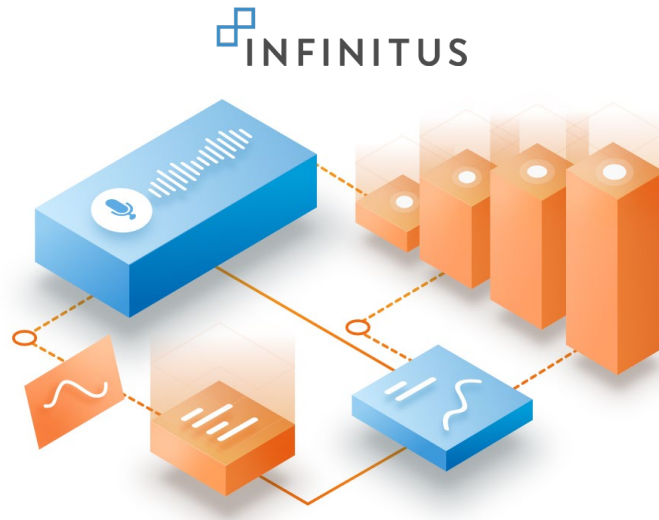
News mentions of AI and machine learning in healthcare, Q2'16 – Q1'21



Mega-rounds spanned healthcare applications

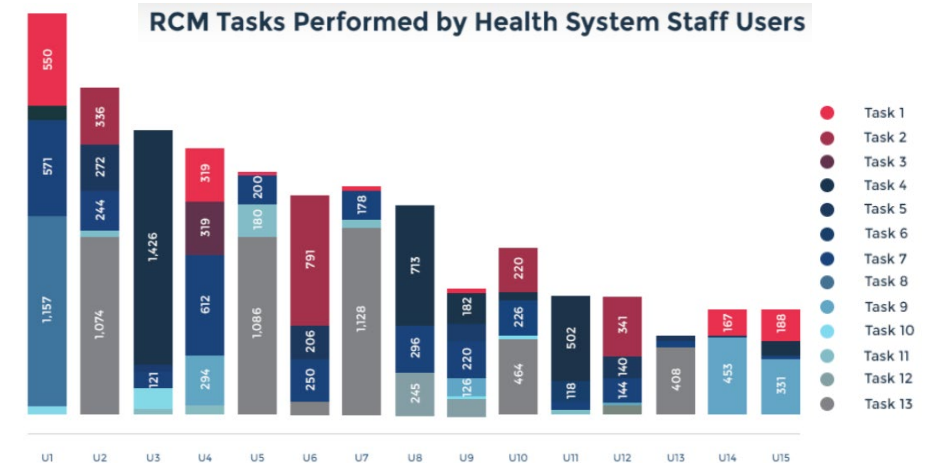
| Company | Deal date // Amount raised (\$M) | Total disclosed funding (\$M) | Select investors | Description |
|---|----------------------------------|-------------------------------|---|---|
|  insitro | Mar '21 // \$400M | \$643M | Google Ventures, ARCH Venture Partners, T. Rowe Price, BlackRock, Andreessen Horowitz, SoftBank Group, Two Sigma Ventures | Insitro is developing an ML platform to accelerate drug R&D and predict the success of drug targets in clinical trials. |
|  cedar | Mar '21 // \$200M | \$351M | Tiger Global Management, Andreessen Horowitz, Thrive Capital, and Concord Health Partners | Cedar is a digital health company using a machine learning-powered payment platform to help healthcare providers engage patients with personalized messages |
|  Valo | Jan '21 // 190M | \$400M | HBM Healthcare Investments, Flagship Pioneering, Invus Group, Atinum Investment, and Mirae Asset Capital | Valo is developing a machine learning platform to analyze clinical data and drug molecule data for discovering novel therapeutics. |
|  strive HEALTH | Mar '21 // 140M | \$220M | New Enterprise Associates, Redpoint Ventures, capitalG, Echo Health Ventures, Ascension Ventures, and Town Hall Ventures | Strive Health uses healthcare data, such as clinical information, dialysis machines, claims data, demographics, and more, to monitor and predict kidney health. |
|  k health | Jan '21 // \$132M | \$278M | GGV Capital, Valor Equity Partners, BoxGroup, 14W, Kaiser Permanente, Max Ventures, and Atreides Management | K Health uses a combination of chatbots and AI to remotely diagnose symptoms and recommend treatment. |

Back-office automation attracted major funding



Latest round: Series A (2/4/2021) **Amount:** \$21.4M

About: Infinitus Systems uses conversational AI to automate phone calls for providers as they collect data or check status updates in pre-auth, claims, and more. Its most recent round included investors such as Kleiner Perkins and Google's Gradient Ventures.



Latest round: Series B (3/23/2021) **Amount:** \$60M

About: RCM startup AKASA uses AI-powered RPA to automate and spot efficiencies in revenue cycle management (RCM). The Andreessen Horowitz-backed company has published research on using neural networks, trained on historical claims data, to identify at-risk claims.

Big pharma continued to partner with AI companies in drug discovery and development

Iktos announces collaboration with Pfizer in AI for drug design

March 2, 2021 |  

Cambridge Quantum to develop quantum algorithms with Roche for drug discovery and development

January 28, 2021 |  

Mila collaborates with AstraZeneca to maximize the potential of AI for drug discovery and development

February 16, 2021 |  

Valence Discovery announces multi-target AI-enabled drug design collaboration with Servier

March 24, 2021 |  Valence 

WHAT THE STATE OF HEALTHCARE COVERS



AI

Companies selling AI SaaS to healthcare clients or using AI to develop products for the healthcare market



TELEHEALTH

Companies using technology to remotely deliver clinical health services to patients



MEDICAL DEVICES

Companies developing medical devices that aid in the diagnosis, cure, mitigation, treatment, monitoring, or prevention of disease



MENTAL HEALTH

Companies applying technology to problems of emotional, psychological, and social well-being



WOMEN'S HEALTH

Companies focused specifically on providing healthcare products and services to women



OMICS

Companies involved in the capture, sequencing, and/or analysis of genomic, transcriptomic, proteomic, and/or metabolomic data



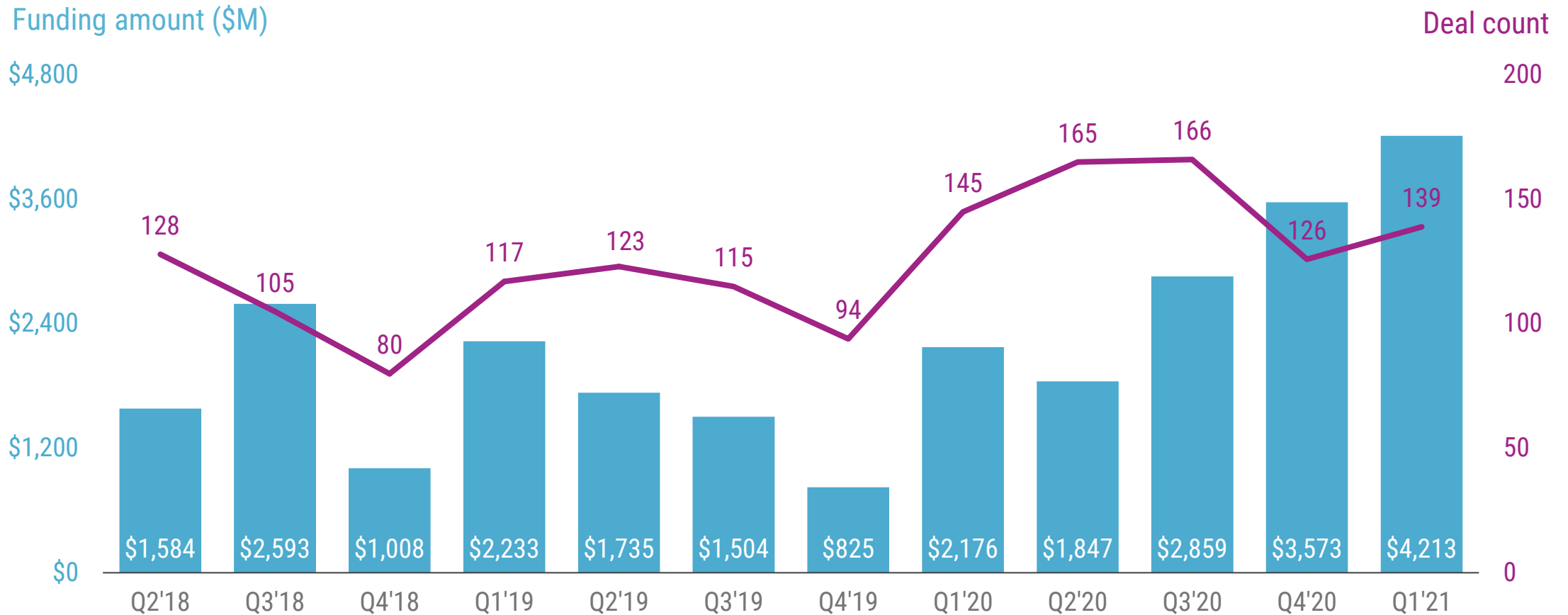
HEALTH IT

Companies that market software solutions to healthcare provider organizations

TELEHEALTH

Funding climbed higher, surpassing \$4.2B

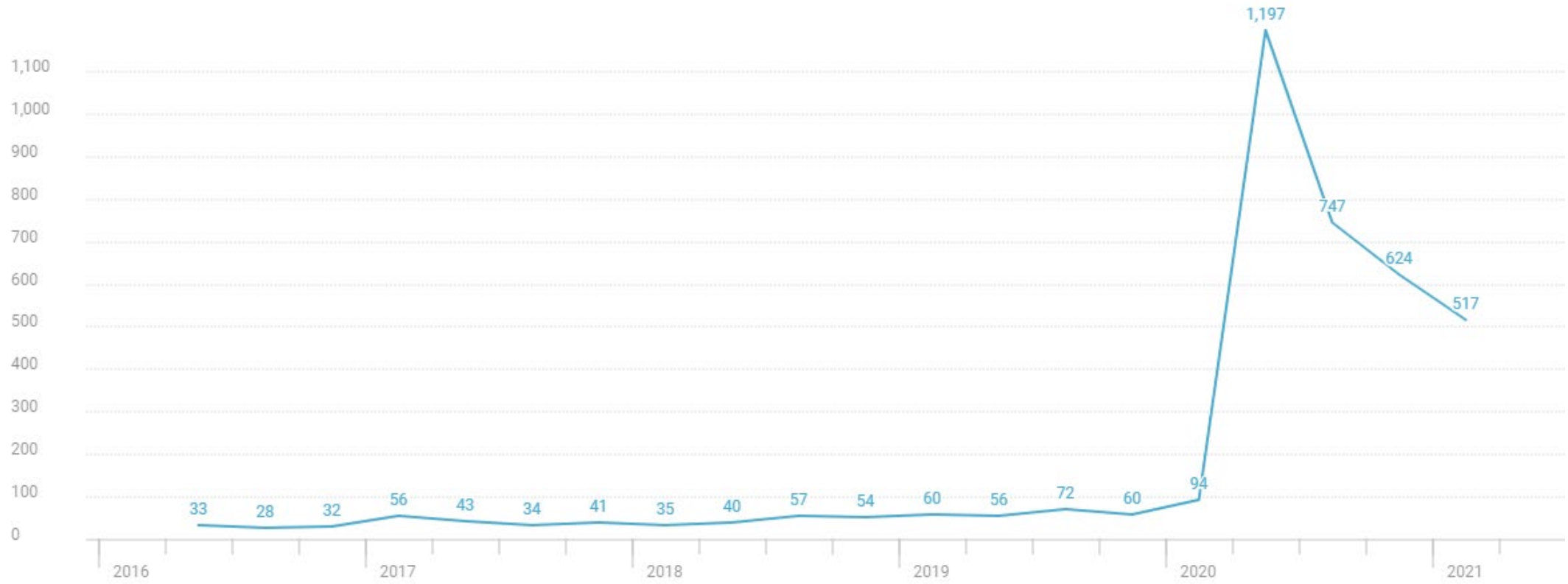
Quarterly global telehealth funding and deal count, Q2'18 – Q1'21



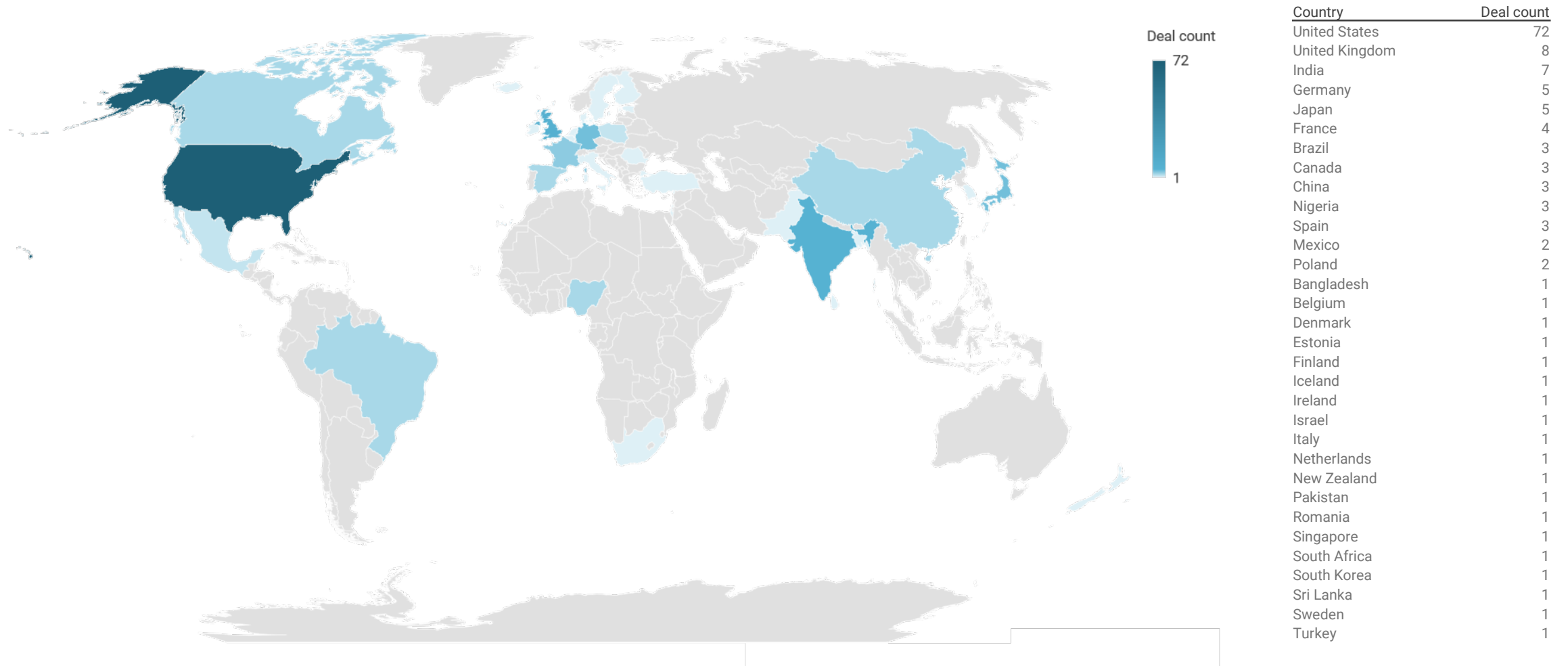
Telehealth remained topical among execs

Earnings calls mentions of telehealth, Q2'16 – Q1'21






Mentions



Deals spanned 32 countries, the most on record



6 companies joined the unicorn club

| Company | Deal date // Amount raised (\$M) | Disclosed valuation (\$M) | Telehealth segment | Description |
|---|----------------------------------|---------------------------|---|---|
|  Hinge Health | Jan '21 // \$310M | \$3,000 | Teletherapy, wellness coaching, and chronic care management | Hinge Health's Digital Musculoskeletal Clinic combines sensor-guided exercise therapy with virtual health coaching to enable physical therapy completely from home. |
|  dispatch HEALTH | Mar '21 // \$200M | \$2,700 | Telemedicine providers and platforms | DispatchHealth aims to offer on-demand acute care and advanced medical care for people of all ages in the comfort of their own home. |
|  K | Jan '21 // \$132M | \$1,500 | Telemedicine providers and platforms | K Health is an AI-driven, asynchronous primary care provider. Its free symptom checker allows users to see how doctors diagnose and treat similar people with similar symptoms. |
|  innovaccer | Feb '21 // \$105M | \$1,300 | Telehealth software and connectivity solutions | Innovaccer's Data Activation Platform creates a unified patient record for healthcare provider and payer use to enable collaborative, patient-centric care delivery. |
|  Modern Health | Feb '21 // \$74M | \$1,100 | Teletherapy, wellness coaching, and chronic care management | Modern Health is a personalized, preventive mental health benefits platform for employers. |
| evidation | Mar '21 // \$153M | \$1,000 | Remote monitoring, diagnostics, and patient data collection | Evidation is a two-sided real-world evidence platform connecting individuals and enterprises looking to better understand health and disease outside clinic walls. |

Hybrid in-person/virtual care providers closed late-stage mega-rounds

PRIMARY CARE



Latest round: Series D (3/11/21)

Amount: \$225M

About: Forward is a membership-based primary care network that leverages technology to enable personalized, preventive healthcare.

HOSPITAL-AT-HOME

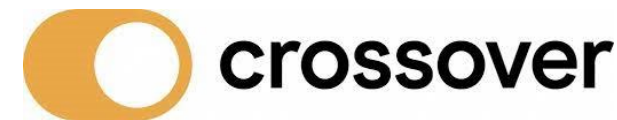


Latest round: Series D (3/3/21)

Amount: \$200M

About: DispatchHealth provides an array of in-home care services spanning from urgent care house calls to telehealth-enabled, hospital-at-home acute care.

INTEGRATED CARE



Latest round: Series D (3/29/21)

Amount: \$168M

About: Crossover provides primary care, mental healthcare, health coaching, and other services to employees through virtual channels and onsite or near-site clinics.

The space has attracted large-cap acquirers

Boston Scientific acquires remote cardiac monitoring company Preventice Solutions for \$1.2B

January 21, 2021 |  

Stryker buys sensor maker in bet on wearables in orthopedics

January 5, 2021 |  

Cigna subsidiary Evernorth to acquire telehealth provider MDLive

March 1, 2021 |  

WHAT THE STATE OF HEALTHCARE COVERS



AI

Companies selling AI SaaS to healthcare clients or using AI to develop products for the healthcare market



TELEHEALTH

Companies using technology to remotely deliver clinical health services to patients



MEDICAL DEVICES

Companies developing medical devices that aid in the diagnosis, cure, mitigation, treatment, monitoring, or prevention of disease



MENTAL HEALTH

Companies applying technology to problems of emotional, psychological, and social well-being



WOMEN'S HEALTH

Companies focused specifically on providing healthcare products and services to women



OMICS

Companies involved in the capture, sequencing, and/or analysis of genomic, transcriptomic, proteomic, and/or metabolomic data



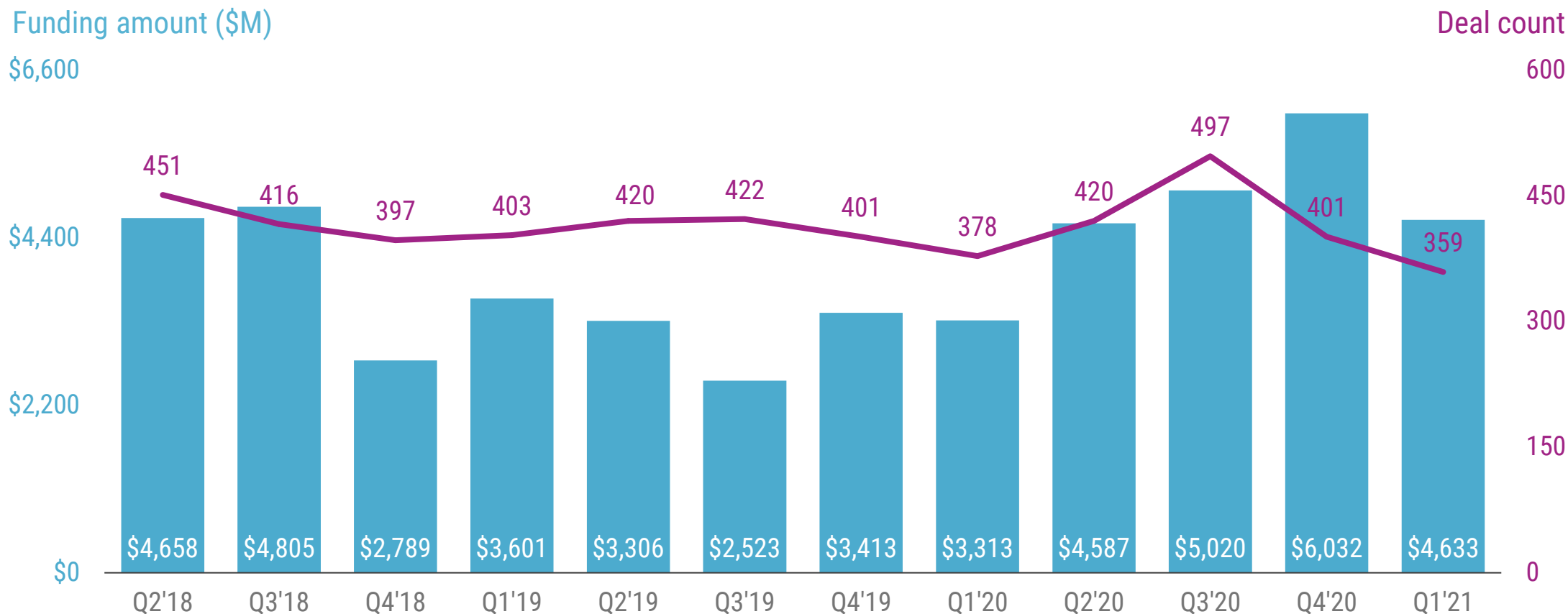
HEALTH IT

Companies that market software solutions to healthcare provider organizations

MEDICAL DEVICES

Funding declined from Q4'20 peak

Quarterly global medical device funding and deal count, Q2'18 – Q1'21



Industry execs pointed to early signs of recovery

Medtronic

"The use of our capital equipment is tied directly to procedures. So, it's telling that hospitals are prioritizing spending on this type of equipment...It is, in our mind, a signal to a step back [up] in patient volumes that we expect over the coming months. And that's consistent with conversations we've had with hospital CEOs [recently]."

Geoff Martha, CEO

[Earnings Call](#) (2/23/2021)

Johnson & Johnson

"We remain very confident in the long-term prospects around the medical device market. We would expect to see continued impact certainly in Q1'21, although [based on] the early signs, we're encouraged by what we're seeing...We would expect to see expansion over the course of 2021, and beyond that, see a return to a market...growing in the mid-single-digits."

Alex Gorsky, CEO

[Earnings Call](#) (1/26/2021)

stryker®

"On the large capital front, we're actually very excited. From an order book standpoint, it's continuing to be very strong...We have enough confidence now with the hospitals being ready to do these procedures as soon as the pandemic starts to subside...They will turn on [capital investment] pretty quickly, and they'll be pretty agile, and that's why we feel pretty confident of being able to give a healthy guide."

Kevin Lobo, CEO

[Earnings Call](#) (1/28/2021)

Rehab and mobility-assistive robotics companies raised early-stage funds



Headquarters: Hong Kong

Latest round: Series A – II (1/1/21)

Amount: \$17M

About: Cornerstone Robotics develops healthcare robotics technology with a particular focus on potential applications in rehabilitation and surgery.



Headquarters: India

Latest round: Series A (1/27/21)

Amount: \$9M

About: Makers Hive's flagship product, KalArm, is a customizable, 3D-printed, app-enabled bionic arm for the movement-impaired.



Headquarters: US

Latest round: Series A (3/31/21)

Amount: \$7.4M

About: Harmonic Bionics' intelligent, bilateral exoskeleton optimizes upper extremity rehabilitation for patients with movement disorders and injuries.



Headquarters: Spain

Latest round: Angel (3/31/21)

Amount: \$1.2M

About: Marsi Bionics develops modular, lower extremity exoskeletons to aid gait rehabilitation. It currently has 2 products: MAK Active Knee and ATLAS Pediatric Exo.

Digital pathology and POCT companies were focal points in the IVD space*

Paige announces Series C funding round of \$100M to accelerate transformation of digital pathology

January 14, 2021 |  Paige

Ibex Medical Analytics Raises \$38M to accelerate adoption of AI-powered cancer diagnostics in pathology

March 9, 2021 | 

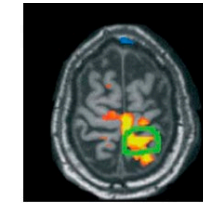
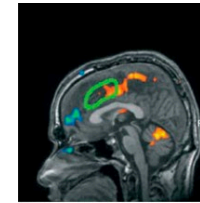
Truvian raises \$105M, plans to submit benchtop blood-testing tech to FDA

February 26, 2021 |  truvian™

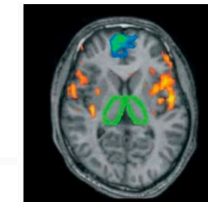
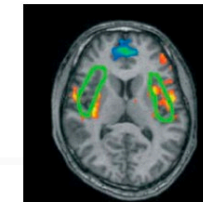
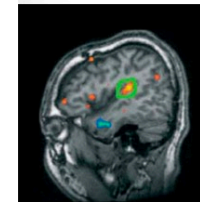
Inflammatix nets \$102M to advance its immune system tests for infectious diseases

March 16, 2021 |  Inflammatix

AppliedVR scored \$29M to pursue FDA approval



VR Has Been Shown to Reduce Pain-Related Activity in all 5 Regions of the Brain Associated with Pain



Source: Hoffman, H.G., et al. Modulation of thermal pain-related brain activity with virtual reality: evidence from fMRI. Neuroreport, 8. 2004, 1245-8

| | |
|-------------------------|---|
| Latest round: | Series A (3/23/21) |
| Amount: | \$29M |
| Round investors: | F-Prime Capital, GSR Ventures, Cedars-Sinai Medical Center, Sway Ventures, Jazz Venture Partners, Magnetic Ventures |

About: AppliedVR develops VR-based, drug-free alternatives to help patients manage pain and anxiety. The company intends to use its Series A financing to pursue FDA approval for its EaseVRx product, which received Breakthrough Device Designation from the agency last October for treatment-resistant fibromyalgia and chronic intractable lower back pain.

Surgical navigation tech saw funding and exits

Augmedics



Latest round: Series C (3/30/21) **Amount:** \$36M

About: Augmedics' xvision Spine is the first and only AR-based surgical guidance system cleared by the FDA. Augmedics' Series C financing will support the commercial roll-out of xvision in the US, expansion into new markets, and development of new products.

7D SURGICAL



Latest round: Acquired (3/22/21) **Amount:** \$110M

About: SeaSpine Holdings acquired its strategic partner 7D Surgical for \$110M in March 2021. 7D's machine vision-based image guided surgical system is designed to improve workflow and reduce radiation exposure in spinal and cranial surgeries.

WHAT THE STATE OF HEALTHCARE COVERS



AI

Companies selling AI SaaS to healthcare clients or using AI to develop products for the healthcare market



TELEHEALTH

Companies using technology to remotely deliver clinical health services to patients



MEDICAL DEVICES

Companies developing medical devices that aid in the diagnosis, cure, mitigation, treatment, monitoring, or prevention of disease



MENTAL HEALTH

Companies applying technology to problems of emotional, psychological, and social well-being



WOMEN'S HEALTH

Companies focused specifically on providing healthcare products and services to women



OMICS

Companies involved in the capture, sequencing, and/or analysis of genomic, transcriptomic, proteomic, and/or metabolomic data



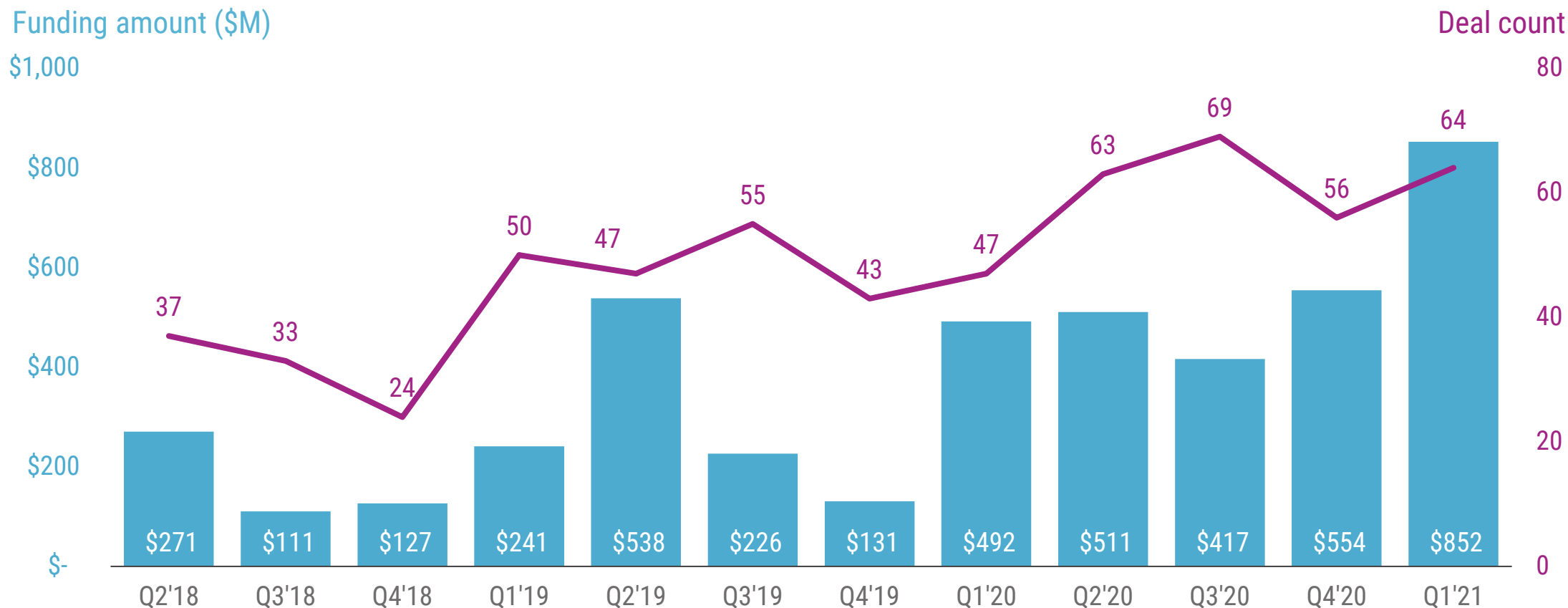
HEALTH IT

Companies that market software solutions to healthcare provider organizations

MENTAL HEALTH

Funding jumped, buoyed by mega-rounds

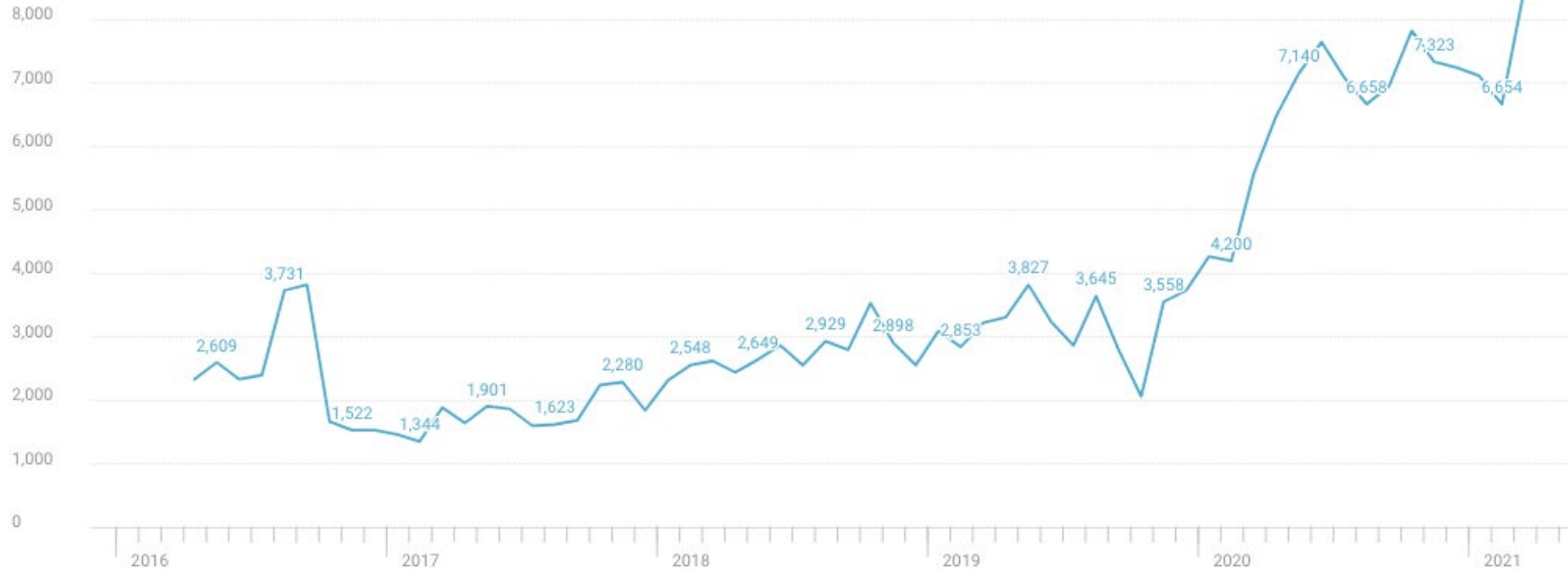
Quarterly global mental health funding and deal count, Q2'18 – Q1'21



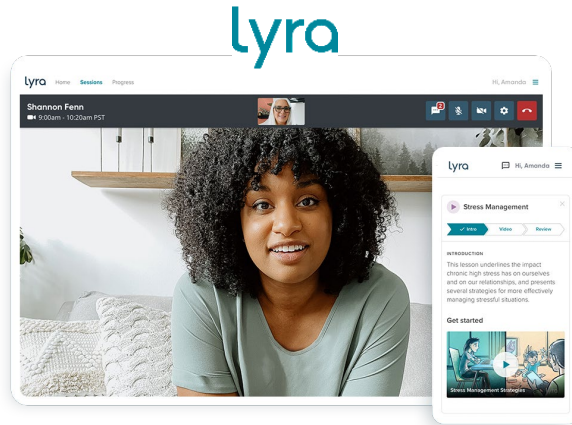
March 2021 saw an all-time high in interest

News mentions of mental health, April 2016 – March 2021

Articles



Late-stage mental health benefits companies saw valuation boosts



| | |
|----------------------|---|
| Valuation: | \$2.3B |
| Latest round: | Series E (1/28/2021) |
| Amount: | \$187M |
| About: | Lyra Health offers a mental health platform for employees and their dependents, which includes therapy, coaching, medication support. |



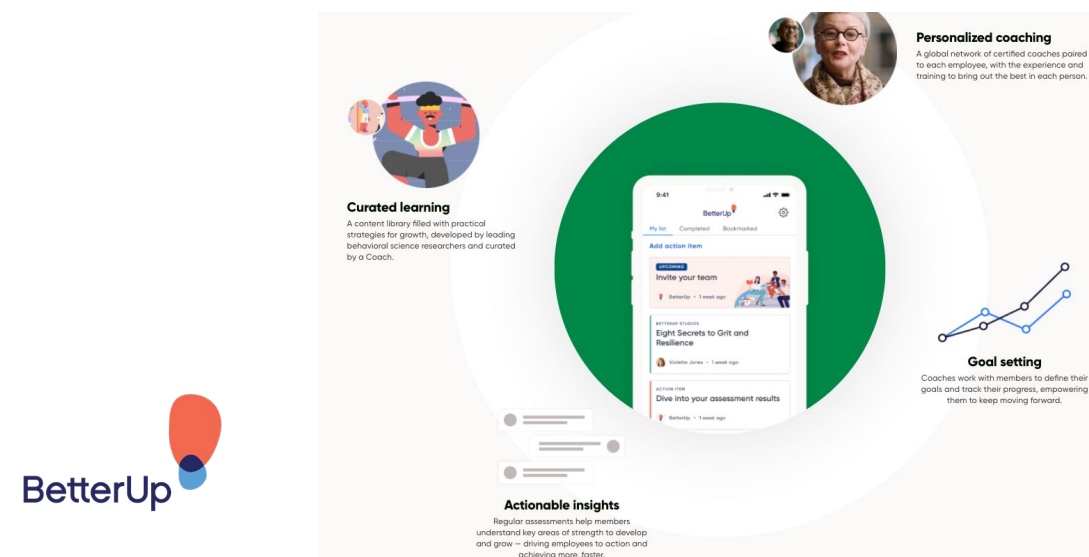
| | |
|----------------------|---|
| Valuation: | \$1.17B |
| Latest round: | Series D (2/11/2021) |
| Amount: | \$74M |
| About: | Modern Health offers digital mental health programs including therapy and coaching. In February, it acquired Kip, which develops a virtual tool to match users with therapists. |



| | |
|----------------------|---|
| Valuation: | \$1.1B |
| Latest round: | Series E (3/24/2021) |
| Amount: | \$100M |
| About: | Ginger provides an on-demand virtual mental health platform for employers. With its latest raise, it plans to expand its partnerships with insurers and health plans. |

MENTAL HEALTH

BetterUp raised \$125M and launched BetterUp Care

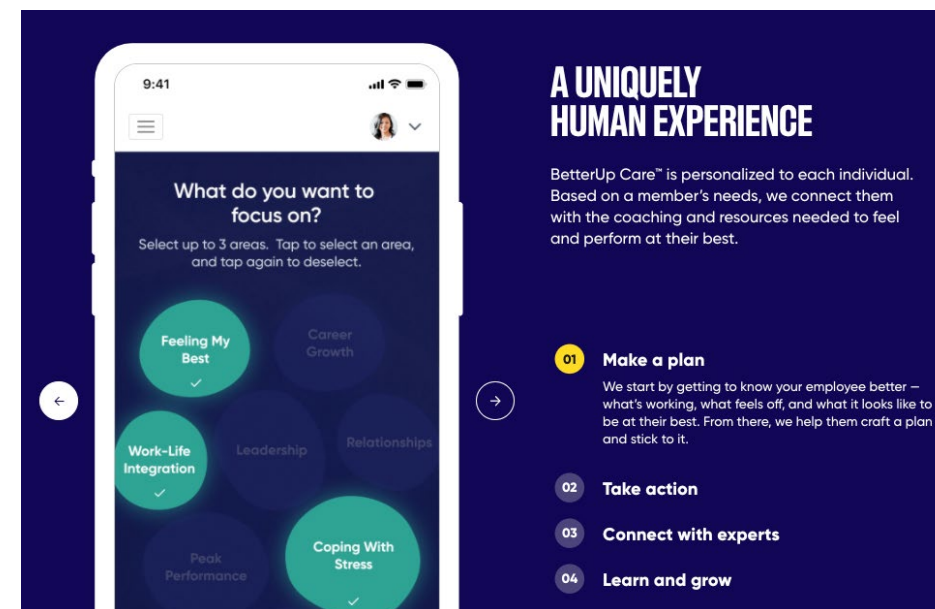


Valuation: \$1.73B

Latest round: Series D (2/25/2021)

Amount: \$125M

Round investors: F-Prime Capital, GSR Ventures, Cedars-Sinai Medical Center, Sway Ventures, Jazz Venture Partners, Magnetic Ventures



About: BetterUp offers a leadership development platform through coaching. Its new BetterUp Care solution is an integrated mental fitness offering and includes access to coaching with specialists in behavioral health, nutrition, and sleep. It aims to bring a comprehensive approach to improving employees' well-being.

Early-stage deals focused on expanding access across communities

Hurdle

Latest round: Seed VC (1/7/21)

Amount: \$5M

About: Hurdle offers digital mental health services that aim to support culturally diverse populations. Its offerings include teletherapy, wellness workshops, and self-care apps.

Mantra Health

Latest round: Series A (1/14/21)

Amount: \$2M

About: Mantra Health provides digital mental health programs for college students. It integrates with universities to offer custom programs based on specific needs.



Latest round: Seed VC (2/9/21)

Amount: \$1.8M

About: Daybreak Health offers an online counseling platform for teenagers to connect with specialized therapists.



Latest round: Convertible Note (2/2/21)

Amount: \$100K

About: Euphoria LGBT offers a suite of digital products for the transgender community, such as Catharsis, which is a mental and emotional health platform.

Digital therapeutics in mental health continued to gain traction

Happify Health raises \$73M to advance and expand digital health platform

March 17, 2021 |



Akili presents more positive trial data for ADHD gaming therapy

March 26, 2021 |



Highmark health expands access to Freespira's digital therapeutic treatment for panic attacks, panic disorder and PTSD

February 3, 2021 |



Otsuka, Click Therapeutics kick off decentralized pivotal trial for depression digital therapeutics

February 24, 2021 |



WHAT THE STATE OF HEALTHCARE COVERS



AI

Companies selling AI SaaS to healthcare clients or using AI to develop products for the healthcare market



TELEHEALTH

Companies using technology to remotely deliver clinical health services to patients



MEDICAL DEVICES

Companies developing medical devices that aid in the diagnosis, cure, mitigation, treatment, monitoring, or prevention of disease



MENTAL HEALTH

Companies applying technology to problems of emotional, psychological, and social well-being



WOMEN'S HEALTH

Companies focused specifically on providing healthcare products and services to women



OMICS

Companies involved in the capture, sequencing, and/or analysis of genomic, transcriptomic, proteomic, and/or metabolomic data

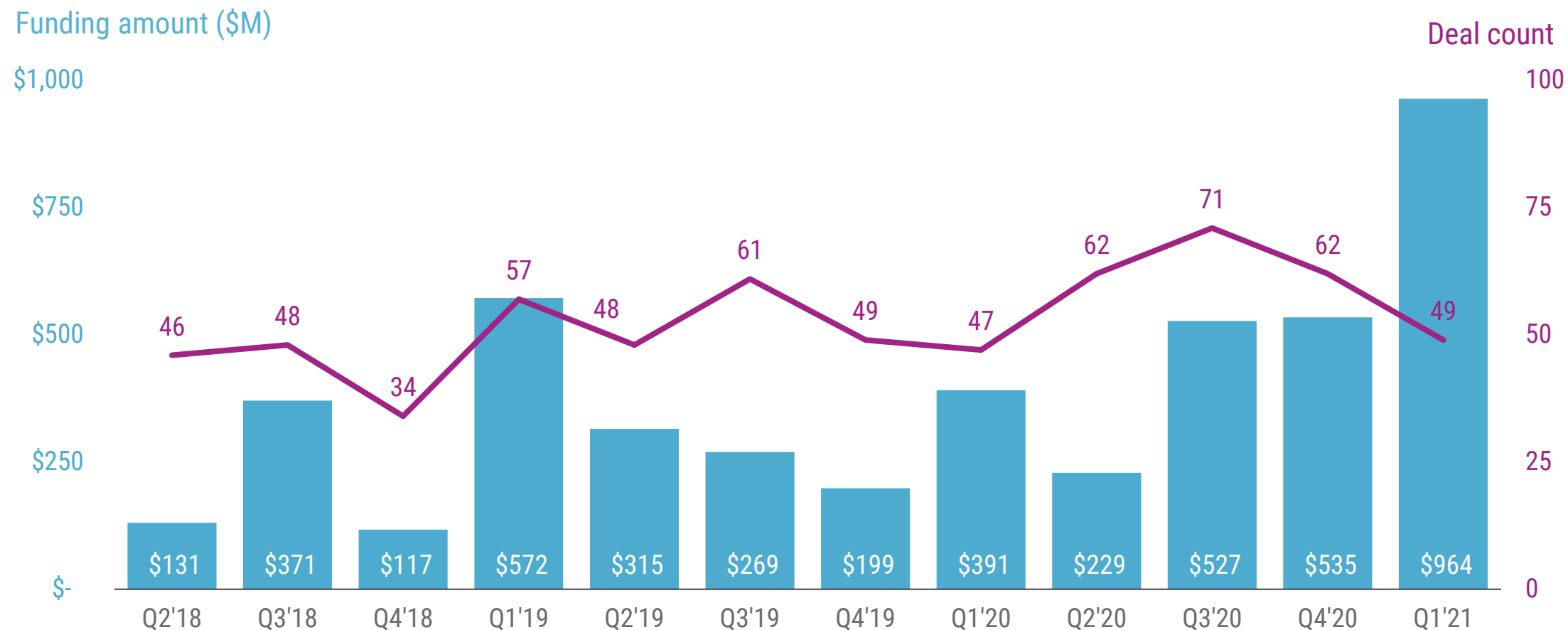


HEALTH IT

Companies that market software solutions to healthcare provider organizations

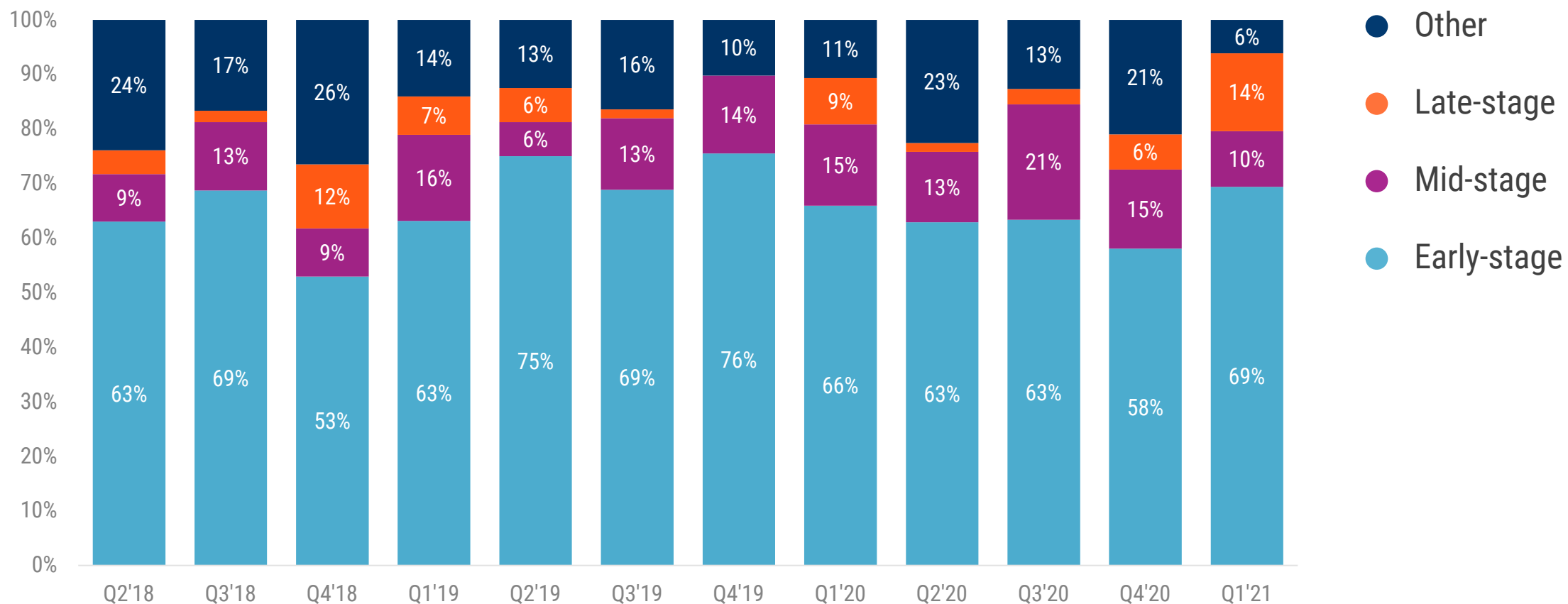
Q1'21 funding boosted by Ro's \$500M round

Quarterly global women's health funding and deal count, Q2'18 – Q1'21



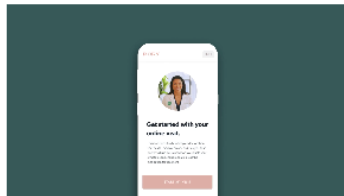
Early-stage deal share saw an uptick QoQ

Quarterly global women's health deal share by stage, Q2'18 – Q1'21



Ro's telehealth offering for women's health: Rory

RORY



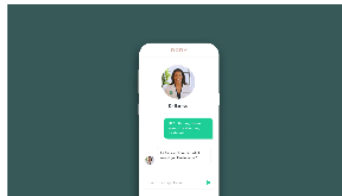
1. The online visit

The visit generally takes 10-15 minutes to complete. You'll answer questions about your medical history, symptoms, and lifestyle.



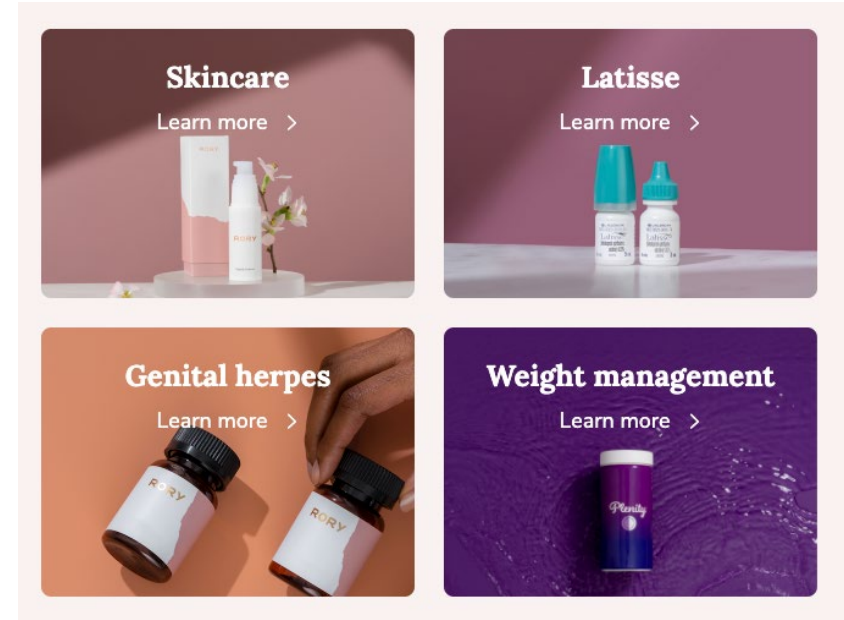
2. Free (and discreet) shipping

Treatments will always arrive in an unmarked package, with free 2-day shipping.



3. Ongoing care

You'll get free and unlimited follow-ups with a healthcare professional.



| | |
|-------------------------|--|
| Latest round: | Series D (3/22/2021) |
| Amount: | \$500M |
| Round investors: | Seven Seven Six, FirstMark Capital, Altimeter Capital, General Catalyst, TQ Ventures, Dragoneer Investment Group |

| | |
|---------------|--|
| About: | Ro offers telehealth, online pharmacy, and in-home care services. Among its offerings, it also operates Rory – a digital clinic for women. Launched in 2019, Rory offers telehealth visits for prescription dermatology, sexual health, daily health, and menopause. |
|---------------|--|

Fertility tracking tech received FDA clearances

WEARABLE

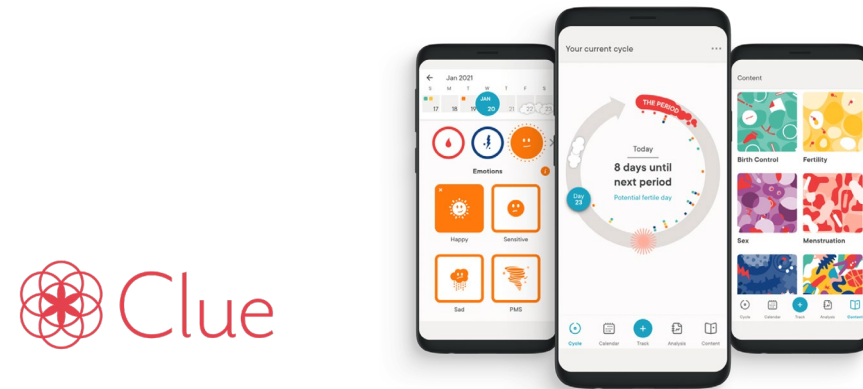


Total disclosed funding: \$42.5M

About: Switzerland-based Ava develops a fertility tracking sensor bracelet and its companion mobile app. It uses machine learning to predict ovulation.

In February, Ava received FDA clearance for its fertility tracking wearable.

DIGITAL CONTRACEPTIVE



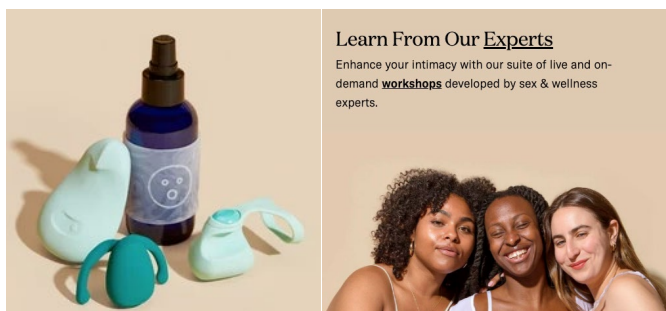
Total disclosed funding: \$29.7M

About: Germany-based Clue develops a mobile app to help women track their fertility and monthly cycles.

In March, it received FDA clearance for its Clue Birth Control, a digital form of contraceptive that relies on an algorithm that only requires users to track their period start date. It claims to be up to 97% effective with perfect use.

Corporate & investor interest in sexual wellness grew

EARLY-STAGE DEALS



Dame

Latest round: Seed VC (2/3/21)

Amount: \$4M

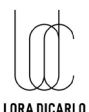
About: Dame creates sexual wellness products based on user testing and research from its Dame Labs members. It also offers educational content and workshops.



Lora DiCarlo

Wellness Group Coaching

🕒 25 min 🗣️ Web conferencing details provided upon confirmation.



We are here to empower your path to pleasure. Each product purchase comes with a complimentary coaching consultation with a Lora DiCarlo Wellness Coach.

Latest round: Seed VC (1/12/21)

Amount: \$3.5M

About: Lora DiCarlo develops personal massager products and provides educational resources on sexual wellness. It also offers wellness group coaching as a complimentary service.

ACQUISITION



Latest round: Acquired (1/21/21)

Amount: Undisclosed

About: In January, Queen V was acquired by Reckitt Benckiser Group, a multinational consumer goods company, for an undisclosed amount.

Workplace benefit programs for women are on the rise

Milk Stork adds new corporate partners to its family benefits platform, supporting working mothers

March 4, 2021 |



Maven launches MavenRx, a fertility drug delivery program, in partnership with 2 specialty pharmacies

February 26, 2021 |



Cleo, a family benefits platform from preconception to early childhood, raises a \$40M Series C round

March 30, 2021 |



WHAT THE STATE OF HEALTHCARE COVERS



AI

Companies selling AI SaaS to healthcare clients or using AI to develop products for the healthcare market



TELEHEALTH

Companies using technology to remotely deliver clinical health services to patients



MEDICAL DEVICES

Companies developing medical devices that aid in the diagnosis, cure, mitigation, treatment, monitoring, or prevention of disease



MENTAL HEALTH

Companies applying technology to problems of emotional, psychological, and social well-being



WOMEN'S HEALTH

Companies focused specifically on providing healthcare products and services to women



OMICS

Companies involved in the capture, sequencing, and/or analysis of genomic, transcriptomic, proteomic, and/or metabolomic data

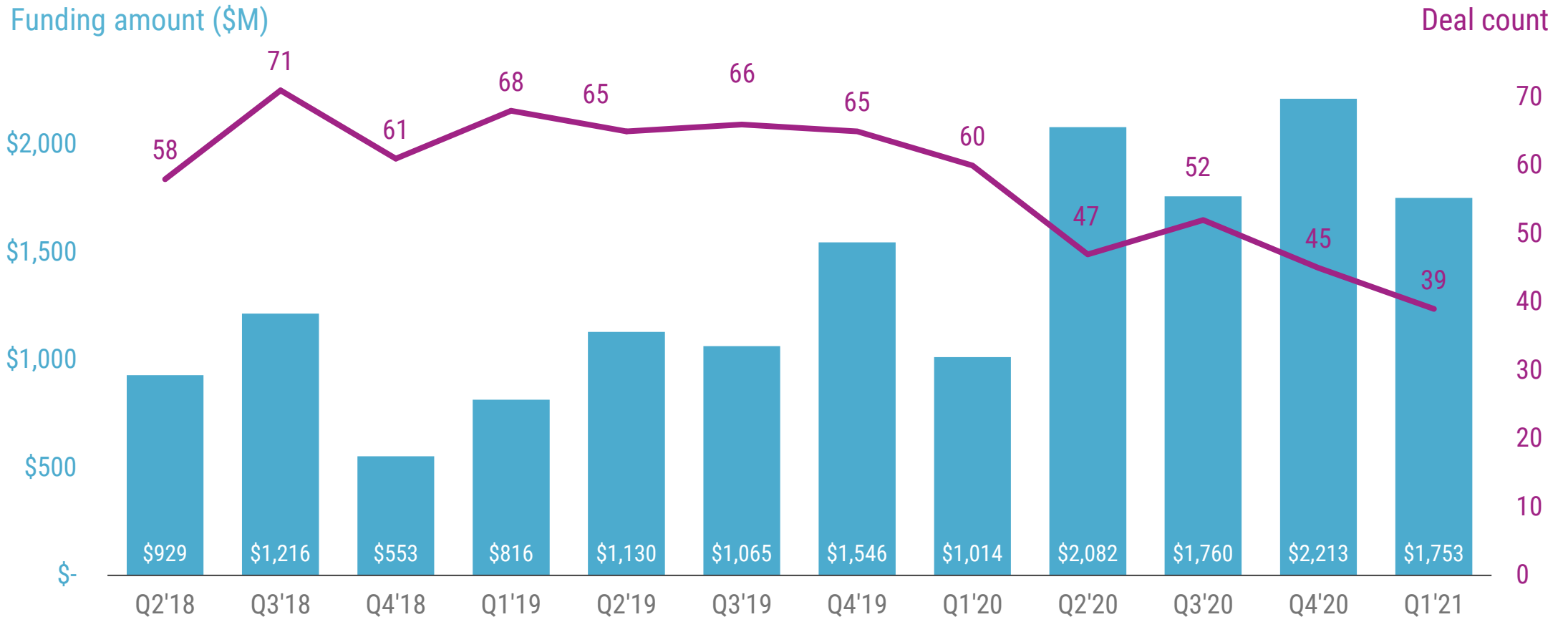


HEALTH IT

Companies that market software solutions to healthcare provider organizations

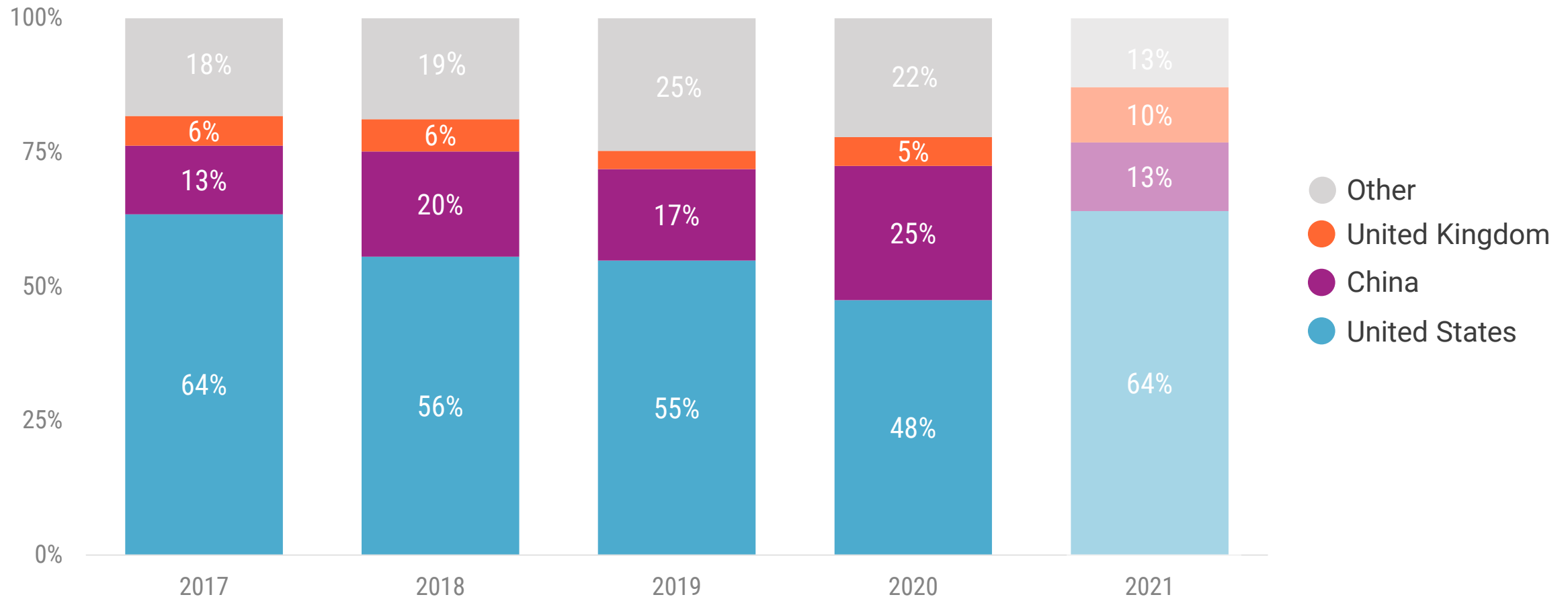
Funding dropped in Q1'21 as deals continued to fall

Quarterly global omics funding and deal count, Q2'18 – Q1'21








US deal share up after 3-year downward trend

Annual global omics deal share by geography, 2017 – 2021 (as of 3/31/21)



Mega-rounds spanned omics use cases

| Company | Deal date // Amount raised (\$M) | Total disclosed funding (\$M) | Select investors | Description |
|---|----------------------------------|-------------------------------|--|---|
|  | Mar '21 // \$400M | \$643M | Google Ventures, ARCH Venture Partners, Andreessen Horowitz, SoftBank Group, Foresite Capital, Casdin Capital | Insitro is a multiomics-driven drug discovery and development platform. |
|  | Jan '21 // \$167M | \$396M | T. Rowe Price, General Catalyst, Viking Global Investors | Color develops a population health platform for high-throughput disease screening and population genomics. |
|  | Mar '21 // \$126M | \$211M | Flagship Pioneering, BlackRock, Fidelity Investments, Cowen, Point72 Ventures, Logos Capital, Invus Group | Omega Therapeutics makes an epigenomic programming platform to control gene expression regulation, enabling a new form of therapeutics. |
|  | Feb '21 // \$103M | \$260M | New Enterprise Associates, Northpond Ventures, Cowen, Kern Capital Management, Windham Venture Partners | Personal Genome Diagnostics provides a non-invasive liquid biopsy and tissue-based genomics profiling for early cancer diagnosis. |
|  | Jan '21 // \$100M | \$106M | Menlo Ventures, OrbiMed Advisors, Illumina Ventures, AV8 Ventures, Foresite Capital, Rock Springs Capital, Cowen | Delfi makes a liquid biopsy test that can detect 7 types of cancer based on cell-free DNA in the blood. |

Liquid biopsies earned FDA breakthrough designation

MINIMAL RESIDUAL DISEASE



Inivata earned breakthrough designation for its test to identify minimal residual disease (MRD) in early-stage cancer patients. The test identifies up to 48 tumor-specific variants in order to quickly spot relapsing patients.

MINIMAL RESIDUAL DISEASE



Natera secured 2 breakthrough designations for its MRD test. The test has been validated across colorectal, non-small cell lung, breast, and bladder cancers to date.

PANCREATIC CANCER



Bluestar Genomics received breakthrough designation for its pancreatic cancer test for patients with new-onset diabetes. The test enables screening for 1M adults diagnosed with new-onset diabetes annually in the US.

Omics SPACs abounded in Q1'20



Consumer genomics company **23andMe** is merging with **VG Acquisition**, a group led by Richard Branson, to go public at a valuation of \$3.5B.

February 4, 2021



Health intelligence and precision medicine company **Sema4** is merging with **CM Life Sciences** to go public at a valuation over \$2B.

February 10, 2020



SomaLogic, a biomarker discovery and clinical diagnostics company, is merging with **CM Life Sciences II** to go public at a \$1.23B valuation.

March 29, 2021



Nautilus Biotechnology, which is developing a proteomics platform, is merging with **ARYA Sciences Acquisition III** to go public at a valuation of \$900M.

February 8, 2021

WHAT THE STATE OF HEALTHCARE COVERS



AI

Companies selling AI SaaS to healthcare clients or using AI to develop products for the healthcare market



TELEHEALTH

Companies using technology to remotely deliver clinical health services to patients



MEDICAL DEVICES

Companies developing medical devices that aid in the diagnosis, cure, mitigation, treatment, monitoring, or prevention of disease



MENTAL HEALTH

Companies applying technology to problems of emotional, psychological, and social well-being



WOMEN'S HEALTH

Companies focused specifically on providing healthcare products and services to women



OMICS

Companies involved in the capture, sequencing, and/or analysis of genomic, transcriptomic, proteomic, and/or metabolomic data



HEALTH IT

Companies that market software solutions to healthcare provider organizations

Health IT funding doubled YoY

Quarterly global health IT funding and deal count, Q2'18 – Q1'21

Funding amount (\$M)

2,000

1,500

1,000

500

Deal count

70

60

50

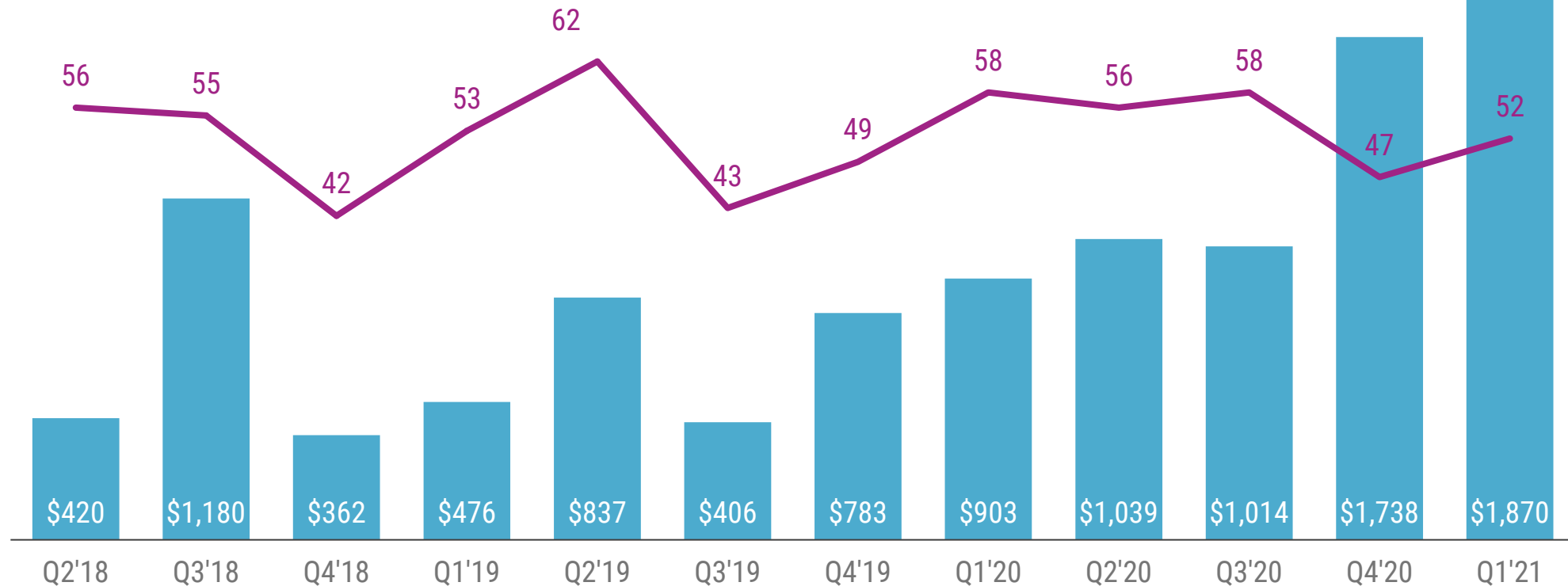
40

30

20

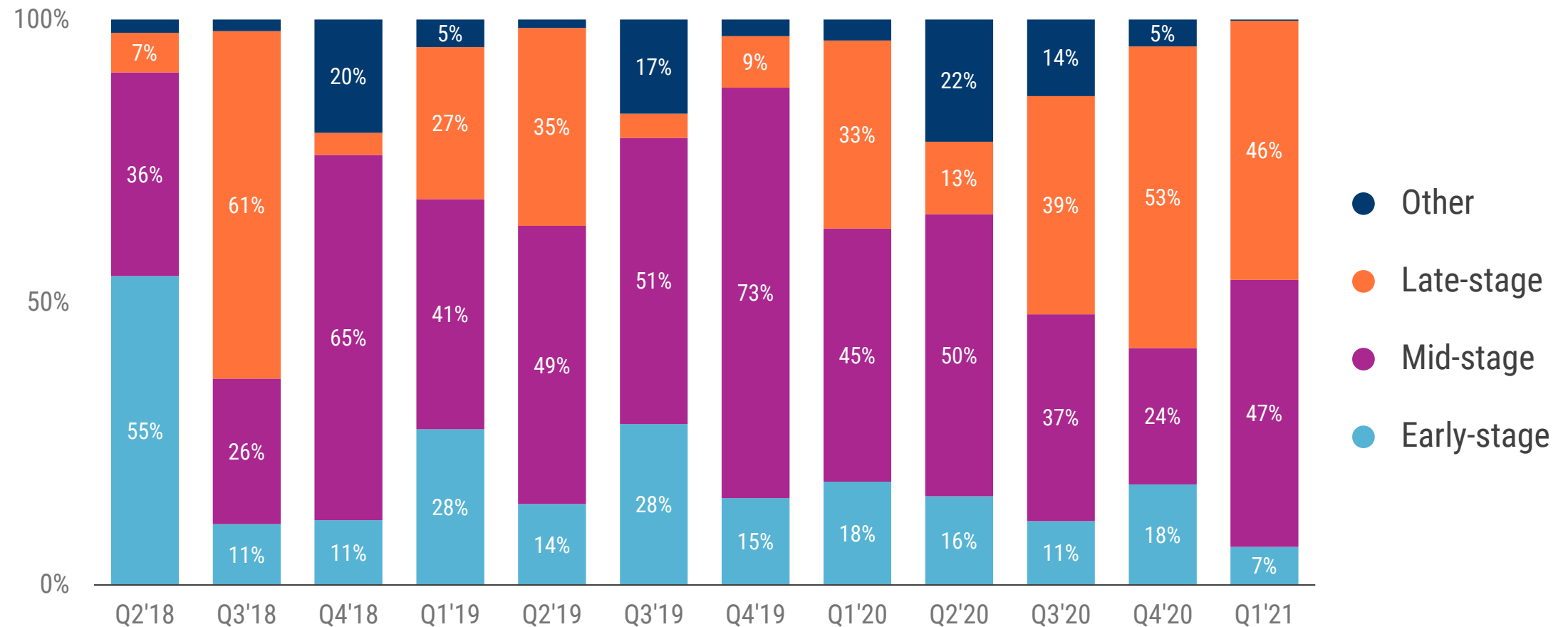
10

0



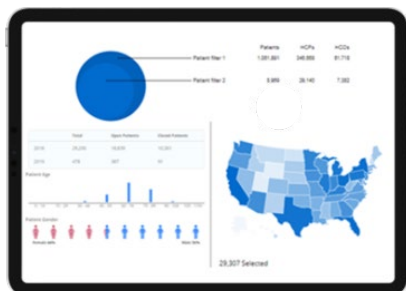
Early-stage deal share hit an all-time low

Quarterly global health IT deal share by stage, Q2'18 – Q1'21



Health data platforms raised mega-rounds in Q1'21

GEOSPATIAL HEALTH DATA



Latest round: Series E (3/22/2021)

Amount: \$220M

About: Komodo Health helps payer, provider, and life sciences organizations improve analytics with a data platform built on 350M deidentified patient records.

DATA ACTIVATION PLATFORM



Pre-built Interfaces

Comes with out-of-the-box integrations to all major IT vendors



EMPI

We run our matching algorithm to assign each patient a unique master patient index



Unified Data Model

We clean and standardize all healthcare data and bring it to a unified data model

Latest round: Series D (2/19/2021)

Amount: \$105M

About: Innovaccer markets a data activation platform with prebuilt connectors to payer and provider IT systems to support data-driven clinical decision making.

PATIENT-LEVEL DATA GRANULARITY



Trusted data

The Clarify platform brings together 15+ billion government and commercial claim records and Rx data covering 300+ million lives with 400+ factors on social determinants of health in secure, HIPAA-compliant data lakes.



Transparent insights

We train thousands of models, cut data in countless ways, and ensure optimal case-mix adjusted predictive values to produce clear and actionable insights.



Powerful platform

All business applications for payers, providers, and life sciences are powered by a single, modular platform relying on the same core technologies, data science models, and methodologies.

Latest round: Series C (3/16/2021)

Amount: \$115M

About: Clarify Health leverages a patient-level data set with clinical, claim, prescription, lab and SDOH data to support analytics use cases for payer, provider, and the life sciences.

Patient payment tech also drew mega-rounds



Latest round: Series D (3/9/2021) **Amount:** \$200M

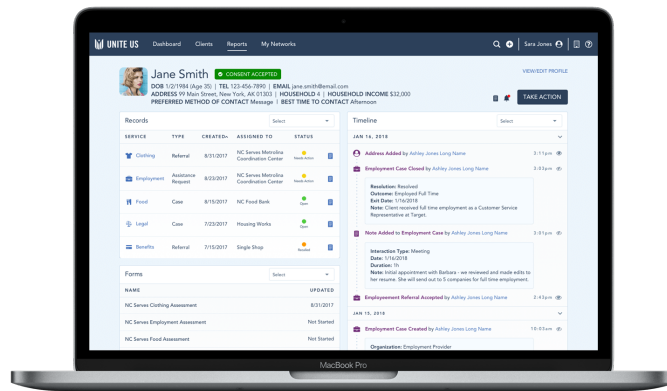
About: Cedar markets a patient payment platform that integrates with existing patient portal and back office workflows to support personalized communication and simplified online payment processes for patients.



Latest round: Series B – II (3/5/2021) **Amount:** \$155M

About: China-based MediTrust Health is a financing service provider for the healthcare industry, helping patients pay their medical bills and manage medical expenses through installments. The company has created a payment network between patients, PBMs, retail pharmacies, and pharmaceutical companies.

SDOH tech received major funding



Easily refer and connect your clients to local services they need in the community.

Improve your clients' health and well-being through strengthened collaboration with partners offering a wide array of services.

Track the outcomes of all referrals and services delivered for your clients.

Measure the impact of your organization and the services you deliver.

Improve organizational capacity through accurate referrals and access to a wealth of data on local service delivery.

Latest round: Series C (3/16/2021)

Amount: \$150M

Round investors: Emerson Collective, Salesforce Ventures, Town Hall Ventures, Define Ventures, ICONIQ Growth

About: Unite Us markets a platform designed to support payers, providers, and community-based organizations working to screen and address social determinants of health (SDOH) issues. The platform provides screening and referral management solutions and a pre-built network of community-based organizations.

Appendix



Methodology

CB Insights encourages you to review the methodology and definitions employed to better understand the numbers presented in this report. If you have any questions about the definitions or methodological principles used, we encourage you to reach out to CB Insights directly. Additionally, if you feel your firm has been under-represented, please send an email to info@cbinsights.com and we can work together to ensure your firm's investment data is up to date.

What is included:

- Equity financings into emerging healthcare companies. Equity financings include: convertible notes, seed, Series A, Series B, Series C, Series D, Series E+, private equity, growth equity, other venture capital, and other investment rounds.
- Fundings of only private companies. Funding rounds raised by public companies of any kind (including Pink Sheets) are excluded from our numbers, even if a company received investment from a venture firm.
- Only includes the investment made in the quarter for tranching investments. If a company does a second closing of its Series B round for \$5M and previously had closed \$2M in a prior quarter, only the \$5M is reflected in our results.
- Round numbers reflect what has closed – not what is intended. If a company indicates the closing of \$5M out of a desired raise of \$15M, our numbers reflect only the amount which has closed.
- Only verifiable fundings are included. Fundings are verified via various federal and state regulatory filings, direct confirmation with firms or investors, or press releases.
- For the purposes of this report, digital health is defined as companies in the healthcare space that use technology/software as a key differentiator vs. their competition. This includes everything from disease diagnostics to tech-enabled health to AI-driven drug discovery, and more.
- Historical funding data is subject to change as our technology & data operations explore data sets globally and refine company classifications.

What is excluded:

- No contingent funding. If a company receives a commitment for \$20M subject to hitting certain milestones but first gets \$8M, only the \$8M is included in our data.
- No business development/R&D arrangements, whether transferable into equity now, later, or never. If a company signs a \$300M R&D partnership with a larger corporation, this is not equity financing, nor is it from a venture capital firm. As a result, it is not included.
- No buyouts, consolidations, and/or recapitalizations. All three of these transaction types are commonly employed by private equity firms and are tracked by CB Insights. However, they are excluded for the purposes of this report.
- No private placements. These investments, also known as PIPEs (Private Investment in Public Equities), are excluded even if made by a venture capital firm.
- No debt/loans of any kind (except convertible notes). Venture debt or any kind of debt/loan issued to emerging startup companies, even if included as an additional part of an equity financing, is not included. If a company receives \$3M with \$2M from venture investors and \$1M in debt, only the \$2M is included.
- No government funding. Grants, loans, or equity financings by the federal government, state agencies, or public-private partnerships to emerging startup companies are not included.

Get All The Data Used In This Report



AI IN HEALTHCARE
COLLECTION

TELEHEALTH COLLECTION

MEDICAL DEVICE
COLLECTION

MENTAL HEALTH &
WELLNESS COLLECTION

WOMEN'S HEALTH &
WELLNESS COLLECTION

OMICS COLLECTION

HEALTH IT COLLECTION