

# Why is the US pouring billions more into health tech funding than any other country?

Article

**The news:** The US leads health tech funding so far this year, with **\$31.9 billion** in VC investment, per TechCrunch.

- **China trails second with \$4.1 billion** in health-tech VC funding.
- **And the UK is third with \$3.8 billion.**
- While the US is spending much more than its counterparts, they're catching up: Since 2016, the UK's health tech investment grew ninefold from \$420 million, while US investment grew 3.4 times.

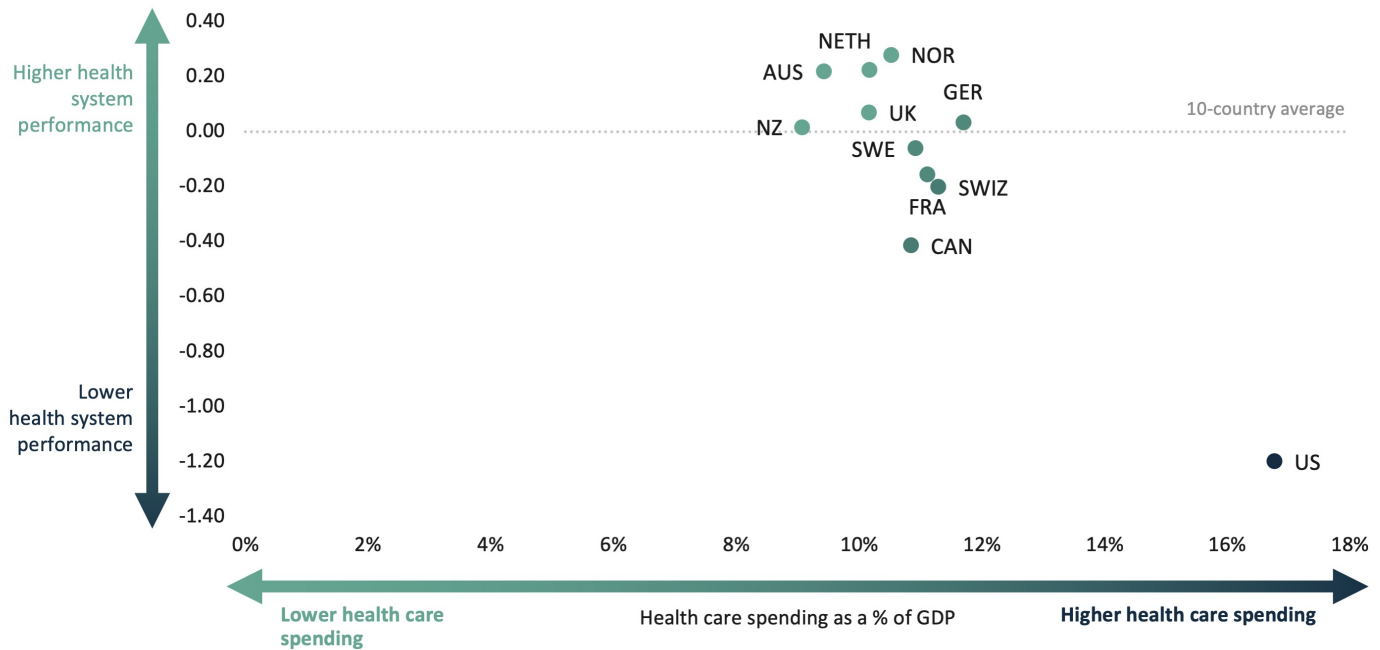
### **Why is the US investing nearly 8X more in digital health than other countries?**

- **US healthcare costs and spending are the highest in the world.** The US' per capita healthcare spending is already almost **2X the average** of other wealthy countries.
- **Yet it ranks last in quality of care and health system performance** when stacked up against other high-income countries (like Canada, the UK, and Australia), [per](#) The Commonwealth Fund's August 2021 analysis.

**Digital health solutions could help save a ton on healthcare spending in the long haul, and is likely the motivating factor for high investments.**

- For example, remote patient monitoring companies like **Vivify Health** and **Current Health** have already been able to demonstrate value in the form of better health outcomes and cost-savings for their health system partners.
- To add, digital health tech that improves operational efficiency can help reduce US healthcare costs by around [\\$180 billion](#).

## Health Care System Performance Compared to Spending



Note: Health care spending as a percent of GDP. Performance scores are based on standard deviation calculated from the 10-country average that excludes the US. See How We Conducted This Study for more detail.  
Data: Spending data are from OECD for the year 2019 (updated in July 2021).

Source: Eric C. Schneider et al., Mirror, Mirror 2021 — Reflecting Poorly: Health Care in the U.S. Compared to Other High-Income Countries (Commonwealth Fund, Aug. 2021).

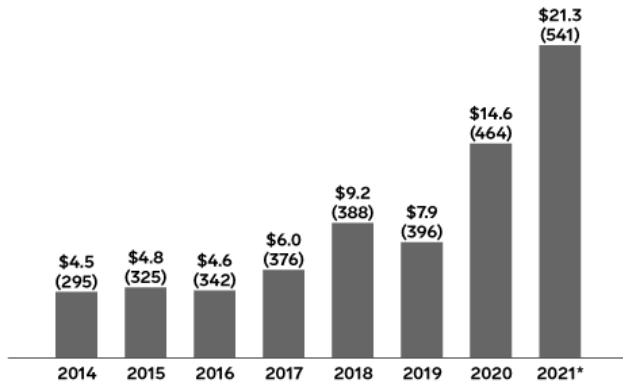


**What's next?** More international digital health startups might eye the US market to score funding dollars—we're already starting to see this happen with some AI and RPM startups.

- For example, UK-based AI-driven digital health company **Babylon Health** expanded to the US market last year via a tie-up with NY-based health system, **Mount Sinai**.
- And more recently, Swedish telehealth startup **Kry** raised \$312 million to help it expand its global footprint beyond the European market it operates in (Sweden, Norway, Germany, the UK, and France).

## US Digital Health Venture Funding and Deals, 2014-2021\*

billions and number of deals



Note: only includes deals greater than \$2 million; data comes from Rock Health's Funding Database; \*Q1-Q3

Source: Rock Health as cited in company blog, Oct 4, 2021

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