

Alma scored \$130M to tackle major psychiatrist admin woes of insurance paperwork and billing

Article

The news: Alma, a mental health startup that helps therapists and psychiatrists manage their practices, scored **\$130 million** in Series C funding. Notable investors included Cigna Ventures

(Cigna's VC arm).

Here's how it works: Alma provides mental health clinicians with access to insurance support, teletherapy software, automated billing, and scheduling tools to help scale their private practices.

- Alma handles paperwork like eligibility checks and claims submissions, for instance. It also guarantees payment within two weeks of each appointment.
- The startup offers its digital tools for a monthly subscription of \$125.

Why it's worth watching: Some private practices have a hard time managing the admin burden of billing and insurance paperwork. Alma wants to tackle that headache.

The proportion of clinicians working in a private practice dropped from 54% of physicians in 2018 to 39% of physicians in 2020 alone, per the AMA's Physician Practice Benchmark Survey. Part of the reason for this decline is the difficulty in balancing clinical and admin work like coding and prior authorization.

- Some physicians even report that admin barriers become so overwhelming that physician partners decide to sell their practice to a health system, according to the AMA.

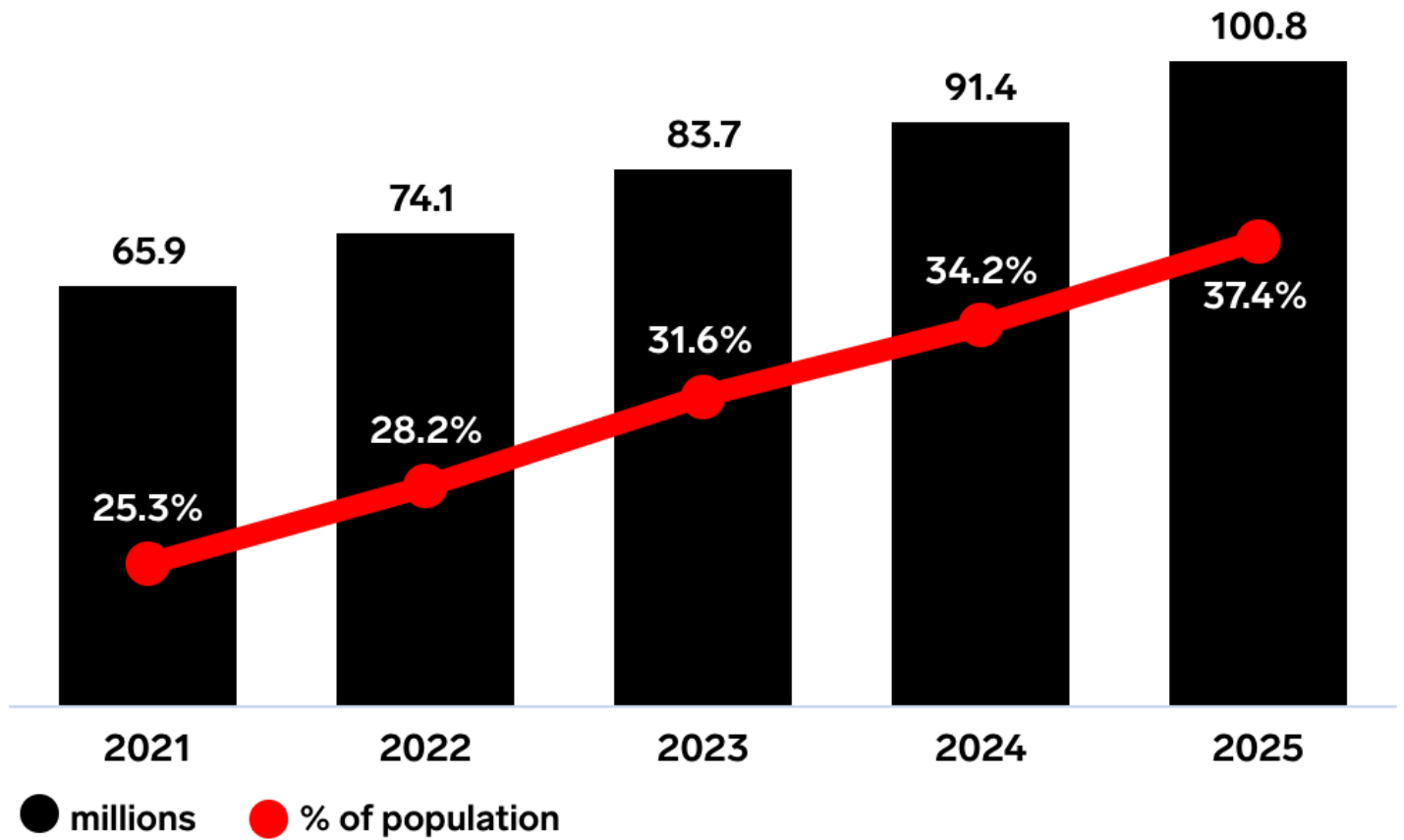
Zooming out on the VC funding landscape: Investments in mental health startups like Alma's aren't slowing down anytime soon, despite investor caution in other areas.

During the first half of 2022, digital health startup funding dropped to **\$10.3 billion** from **\$29.1 billion** compared with the same time last year, according to a Rock Health Report. Despite the drop, investors still made strong bets in areas like mental health—a top-funded segment that reeled in a collective **\$1.3 billion** during H1 22.

- Mental health startup **Lyra Health** nabbed **\$235 million** in January and mental health EHR company **Osmind** bagged **\$40 million** in May, for instance.
- The cash infusions into mental health startups will likely continue as consumer adoption of virtual mental health visits remains strong.
- In fact, Insider Intelligence expects telemental health users to skyrocket from **74 million consumers this year** to nearly **101 million consumers by 2025**.

Telemental Health Users

US, 2021-2025



Source: eMarketer, August 2021

[InsiderIntelligence.com](https://www.insiderintelligence.com)