

Virta Health bags \$133M —putting it on track to expand its diabetes reversal program to 100M users by 2025

Article

Digital therapeutics (DTx) company **Virta Health** scored \$133 million in a Series E funding round led by Tiger Global, which it'll use to expand its telehealth-powered diabetes reversal program across and support R&D of its products. Virta currently works with over 100 healthcare organizations and treats patients across all 50 states.

Virta Health's pandemic-era growth underscores how chronic disease treatment is shifting beyond traditional medication—and that's translating into massive savings for payers:

- **Virta saw 200% year-over-year growth from 2020 to 2021—largely driven by demand from large employers, insurers, and government payers after they saw the platform was backed by clinical evidence.** Unlike traditional diabetes treatments, DTx platforms drive lifestyle changes conducive to reversing diabetes and eliminating the need for medications. For example, **94%** of diabetes patients using insulin were able to decrease or eliminate their dosage after just one year of using Virta's platform, per a 2019 peer-reviewed study.
- **And since Virta is able to prove its DTx can dramatically improve health outcomes, payers in particular—a key channel for DTx distribution—are becoming interested in the potential for massive cost savings.** Virta's diabetes program can save payers up to \$10,000 in medical expenses associated with typical diabetes treatment per patient over two years.

But most DTx solutions target chronic diseases—we think DTx players would be wise to support payers' social determinants of health (SDOH) initiatives to reach underserved communities.

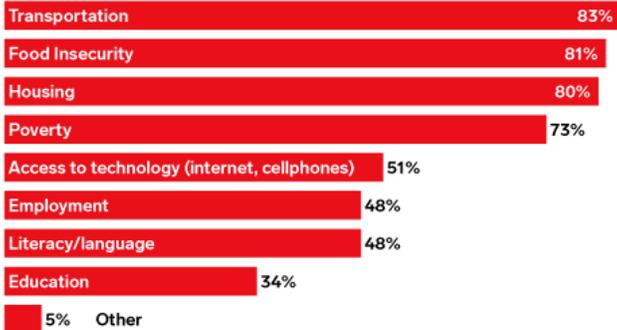
- **Although the pandemic increased digital health adoption among consumers overall, digital health companies are largely still reaching the same demographics of users.** Digital health consumers are still disproportionately middle aged and high income earners. Meanwhile, consumers who live rural areas, are 55+, or are lower-income earners have been less likely to adopt virtual care solutions, per Rock Health's 2020 Digital Health Consumer Adoption Report.
- **DTx companies can address this gap by catering their platform to SDOH needs of untapped consumers.** For example, Virta says it's been able to reach underserved populations by offering continuous, round-the-clock remote care and by building health literacy and broadening channels of access.

And DTx platforms that address SDOH will appeal more to payers. SDOH like lack of access to broadband, digital and health literacy, and affordability of care have been linked to higher

prevalence of chronic conditions like **diabetes**—and addressing these factors can help payers cut down on high healthcare costs associated with these conditions.

Social Determinants of Health that Most Impact Health Plans According to US Health Planners, Aug 2020

% of respondents



Note: n=177; plan types represented among respondent organizations included commercial (large group, small group, individual), Medicare Advantage, Marketplace, Medicaid, D-SNP or MMP, and MLTSS
Source: Altruista Health, "2020 Annual Payer Index Survey," Nov 9, 2020

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