

VR can take digital therapeutics to the next level—but clinical validation, cost, and murky reimbursement remain barriers to adoption

Article

The news: Virtual reality (VR)-based digital neurotherapeutics startup **MindMaze** scored **\$125 million** in funding.

- MindMaze delivers FDA- and CE mark-approved gamified VR-based therapies to patients with neurological conditions (like acute stroke, Parkinsons, Multiple Sclerosis, Alzheimer's, and traumatic brain injury).
- MindMaze collaborates with around 90 healthcare providers, including Mount Sinai, UCSF, and Johns Hopkins.
- It's using the funding to accelerate commercialization of its neuro-rehab platform in North America and Europe, and to expand the applications of its neuro-restorative products by doing more clinical trials.

More on MindMaze: Currently, MindMaze's business is divided into two parts:

- **Rehab DTx** is focused on gamified neuro-rehab tasks and helping physical therapists deliver customized treatments to patients remotely.
- **Restore DTx** is focused on gamified VR therapies that promote recovery of motor skills and cognitive function.

The bigger picture: Digital health investments in VR have been ramping up this year and are slated to soar.

- Most healthcare VR startups are still in their early stages of funding, but many have been able to secure significant funding dollars this year.
- **AppliedVR** raised \$29 million in March, **Proximie** raised \$38 million in April, **XR Health** nabbed \$9 million in June, and **OssoVR** scored \$27 million in July, as examples.
- And while in January 2021, **only 23% of healthcare executives** said they were using VR in their organization—in **June, 51% said** they planned on ramping up their VR investments within the next year, per BDO's 2021 Healthcare Digital Transformation survey.

The challenge: VR companies have to tackle three main obstacles to hit the wider market.

- 1. Clinical validation.** Since VR for healthcare is still relatively new, physicians will likely want more evidence on the clinical effectiveness of the tech before they prescribe it to their patients. For example, some docs at Stanford Health [say](#) there still needs to be more research done on how the use of VR affects the reduction in long-term use of pain medication—in addition to whether or not the tech can reduce the amount of opioids a doctor can prescribe.
- 2. Cost of VR equipment/deployment.** VR headsets and software aren't cheap, so providers that do decide to try VR-based DTx take on a high risk and uncertain return on their investments . especially given concerns around clinical validation of the tech.).
- 3. Reimbursement.** More payers will need to step up to provide reimbursement pathways for VR DTx so that more doctors are willing to use the tech—but that'll likely only happen once more clinical evidence comes out.

Go deeper: Check out our [5G in Healthcare report](#) to learn more about how 5G will transform VR-based digital therapies.

Current vs. Planned Technology Deployment in Healthcare Organizations According to US C-Level Healthcare Executives, Jan 2021

% of respondents

	Current	Planned
Cloud computing	78%	20%
Data analytics	66%	30%
Enterprise resource planning software	60%	31%
Internet of things (IoT)	59%	35%
Blockchain/digital ledger technology	46%	37%
AI/machine learning	38%	61%
AR/VR	23%	51%
3D printing	23%	17%
Robotic process automation	21%	64%
5G	20%	57%

Source: BDO USA, "2021 Healthcare Digital Transformation Survey" conducted by Rabin Research Company, June 15, 2021

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