

Cityblock Health raises nearly \$200M as investors bet on tech's ability to tackle social determinants of health

Article

Social determinants of health (SDOH)-focused digital health startup Cityblock Health **scored \$192 million** in Series C funding (shortly after earning **unicorn** status in December 2020) to expand its community and value-based care model to underserved communities across the US.

Startups like Cityblock Health give care teams a way to analyze the healthcare risks and variables of underserved communities. Cityblock Health chief executive Iyah Romm **told** STAT that there's a "... deeper lack of understanding of [undeserved] populations and the structural factors that surround poverty." Cityblock Health's model tackles SDOH that prevent many Medicaid and lower-income Medicare beneficiaries from receiving proper care: It teams up with community-based organizations and health plans to offer members virtual, in-home, and in-clinic medical care, as well as mental health tools and social services.

Cityblock Health has nabbed the attention of private insurers looking to boost member engagement and cut costs by better tackling SDOH. For example, early last year, CityBlock Health **collaborated** with **Tufts Health Plan** to address SDOH for Medicare and Medicaid-eligible members under the age of 65, a population that is typically "the most hard to reach," **according to** Tufts Health Plan executives. And it appears its approach is paying off: It **reported** a 20% reduction in costly inpatient hospital stays and boasts a 70% member engagement rate compared with average health plan engagement rates (5-7%).

Investors are also betting on startups using tech to help healthcare entities tackle SDOH:

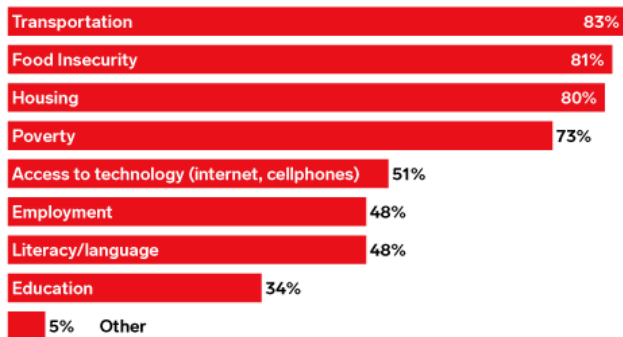
- **Just this month, investors poured \$150 million** into SDOH platform **Unite Us** to help it create **more comprehensive analytics**. The startup provides the technical backend linking community organizations, providers, plans, and local government centers. For example, if a patron of a food bank indicates a medical issue, Unite Us helps workers direct the individual to a primary care doctor.
- **SDOH-focused startups could present a big opportunity for investors**, especially since these platforms will reach a massive audience: In 2019, there were over **71 million** individuals **enrolled** in Medicaid alone.
- **Payers and providers want to address SDOH, but they don't have the tools in place to do it effectively—mainly due to the fact that they're keeping tabs on patients with paper.** The "industry...continues to operate with paper-based tools and resources," **according to** execs at Salesforce Ventures (which invested in Unite Us' most recent raise). For example, if a provider wants to get their patient access to a social worker or an external care facility to address an

SDOH issue, they typically wade through a ton of back-and-forth faxes, phone calls, and emails.

- **SDOH-focused startups like Cityblock Health are making it easier for medical, mental health, and social providers to collaborate.** Cityblock Health’s software system, Commons, enables a patient’s social and medical providers to quickly message each other to discuss care, flag notes from virtual visits, and upload medical records from each provider into one place.

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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