

Happify Health bags \$73M to pursue payer tie-ups—here's what payers want in a partner like Happify

Article

Digital therapeutics (DTx) mental health platform **Happify Health** **scored \$73 million** in Series D funding, which it'll use to build specialized digital therapies for pharma companies and payers, while pursuing global business development opportunities.

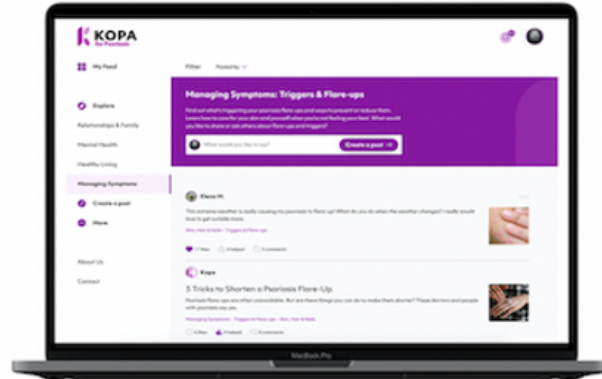
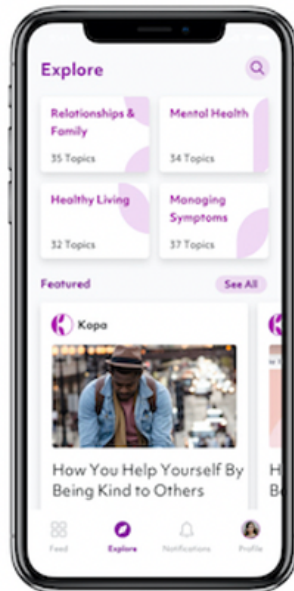
Payer tie-ups will give Happify Health's patients greater coverage and offer providers reimbursement for using its tools, thereby increasing wide scale consumer adoption.

- **Happify Health already partners with four massive US payers, including Cigna.** It began providing mental health DTx to **Cigna** members in 2018, shortly after Cigna **reported** that almost 59% of people used a mental health app like Happify Health to track their health.
- **Given its goal to expand internationally, it wouldn't be far off to imagine Happify Health securing reimbursement from payers in Europe, where there are less regulatory hurdles for DTx.** . Unlike the US, reimbursement **pathways** for digital therapies in countries like the United Kingdom are more digital health friendly—which would give Happify Health a better chance of getting its tools in the hands of a wider range of consumers.

But in order for payer-DTx partnerships to be successful, DTx companies will be mindful of two elements:

- **DTx companies will have to ensure payers their platforms prioritize patients' privacy.** Blake Wilkerson, **Blue Cross Blue Shield Association** VP of Strategic Partnerships, **told** Insider Intelligence that in addition to financial factors, “since many [DTx] companies are newer, the privacy and security of the technology are important” when evaluating a new payer-DTx partnership. This concern makes sense, given that mobile health apps have become increasingly **susceptible** to data breaches over the past year. DTx companies like **Virta Health** are responding by beefing up their privacy practices: Last year, it **announced** its platform received HITRUST CSF certification, which essentially demonstrated its tech met industry-defined requirements for protecting personal health information.
- **DTx companies need evidence that they can deliver cost-savings for both the DTx and payer.** Ensuring a partnership is lucrative for both parties likely guarantees payers that DTx cos won't pull out of the partnership prematurely: If all “savings fall on one side, the [payer-DTx partnership] is not going to last very long,” **according to Dr. Kenneth Snow**, medical director at **CVS Health**, who helped build a partnership between **Aetna** and DTx firm **WellDoc**. And the key to ensuring high ROI on both the payer and DTx side is patients' positive health outcomes: For example, WellDoc's digital therapy for type 2 diabetes helps patients **improve** their A1C levels, leading up to cost savings of up to \$250 per month.

Happify Health Kopa Platform Interface



Source: Happify Health

INSIDER
INTELLIGENCE