

# UnitedHealthcare, Kaia Health launch a new virtual physical therapy program

Article

**The news:** UnitedHealthcare (UHC) partnered with digital therapeutics startup Kaia Health to launch a new virtual physical therapy program for UHC's self-funded employer health plans,

according to a press release shared with Insider Intelligence.

**Here's how it works:** Eligible members recovering from surgery or injury can receive a referral to virtual physical therapy through Kaia Health's app.

- The app gives patients AI-based feedback on their physical therapy (PT) exercises to help them complete PT movements correctly.
- Participants can also access one-on-one health coaching by phone or through an in-app chat feature to encourage adherence to their PT.

**This isn't UnitedHealth Group (UHG) and Kaia Health's first tie-up:** UHG's venture arm (Optum Ventures) is a long-time investor in Kaia Health.

Optum Ventures has invested in Kaia Health since its 2019 Series A funding round, according to Crunchbase.

And since its Series A round, Kaia Health has released multiple clinical studies to convince insurers that its tech can improve health outcomes. That's likely what prompted UHC to offer Kaia's program to its members this year.

- For example, Kaia Health recently boasted that its digital treatment offered stronger pain reduction than the control group (33.3% vs. 14.3%) in a study of 1,245 patients.
- Positive clinical results are important in winning over payers like UHC—they're a top factor in determining whether health plans will **include** digital therapies as a benefit.

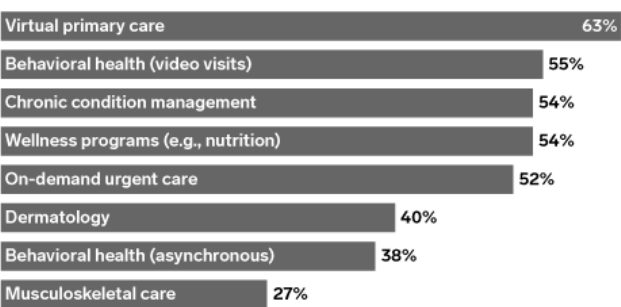
**The bigger picture:** Virtual physical therapy entrants like Kaia Health and Hinge Health could help mitigate long-term insurer spending.

Musculoskeletal (MSK) pain makes up a sizable portion of healthcare spending claims paid for by employer health plans like UHC's. **MSK conditions represented 13% (\$477 million) of UHC's expenditures** from 2018 to 2021 alone, according to a report by Health Action Council and UHC.

- Spending on MSK conditions even surpassed the costs of cardiovascular and gastrointestinal conditions, which respectively composed 9% and 7% of UHC's costs during the same time period.
- But Kaia Health's latest trial demonstrated its MSK solution **could cut costs by 80%** compared with standard-of-care treatments.

Virtual Healthcare Offerings/Programs that Health Plans Have in Place According to US Health Plan Leaders, July 2021

% of respondents



Source: Amwell, "2021 Survey of Health Plans, Hospitals and Health Systems, and Clinicians" conducted by HIMSS Analytics, Sep 28, 2021

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