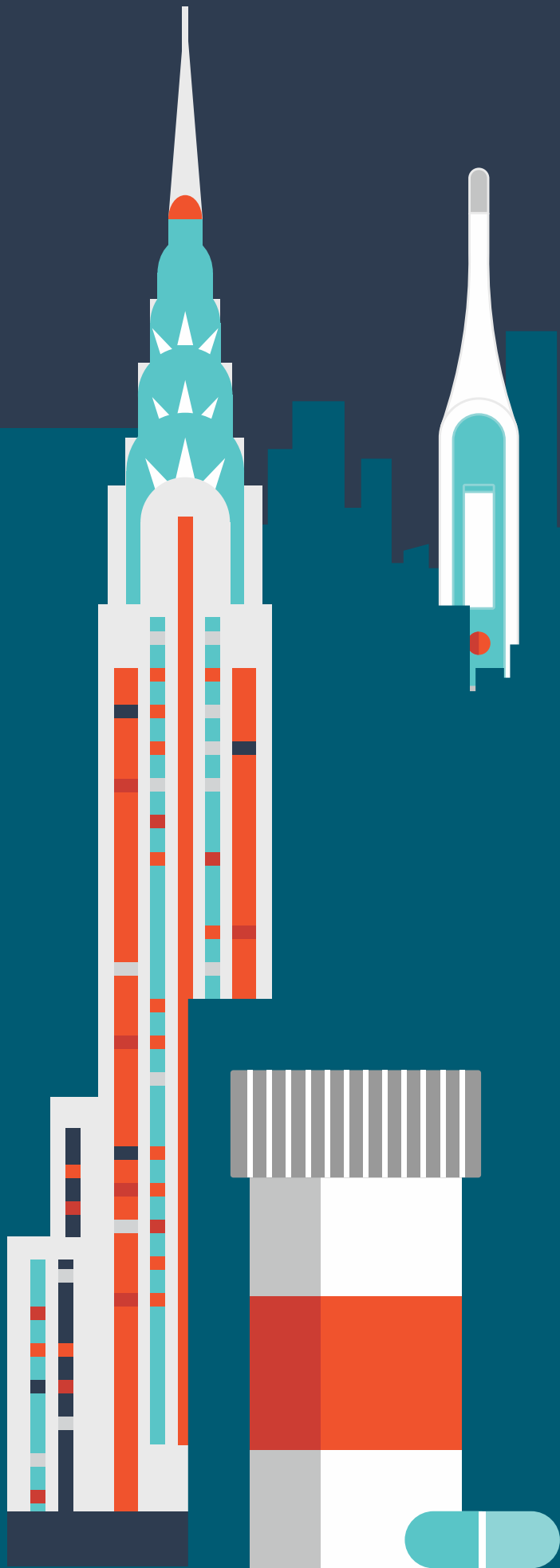


H1

2022



new health  
york business  
city leaders

# New York Healthcare Funding

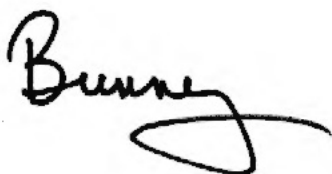
MIDYEAR REPORT

*The times they are a-changin'* is a tune for the first half of 2022. The heady days of 2021 have faded and a new reality has set in. While stock prices and valuations are down and fewer deals abound, H1 2022 was a time when entrepreneurs and their investors took the time to focus on fundamentals and learn the importance of managing costs and proving the business model.

Digital health, like all businesses, is cyclical. A softening of the market does not come as a surprise to industry veterans who have endured periods like these before. The savviest companies and management teams will not only survive, but use this as an opportunity to thrive.

It's also important to maintain perspective on the current market. While numbers are certainly down from 2021, they are still ahead of H1 2020 and far greater than 2019.

How can your company succeed? Use this time as an opportunity to stand out. Focus on your business. Keep open lines of communication with investors, customers and employees. And show this market the importance of your vision and business.



**Bunny Ellerin**

Co-Founder & CEO

**NYC HEALTH BUSINESS LEADERS**



# Contributors & Sponsors

## EDITOR:

Bunny Ellerin | Co-Founder & CEO, NYCHBL

## MANAGING EDITOR:

Jennifer Newman | Strategic Advisor, NYCHBL

## CONTRIBUTORS

**Allen Miller** | Founder & CEO  
**COPE HEALTH SOLUTIONS**

**Ariela Safira** | Founder & CEO  
**REAL**

**Ben Deverman, Ph.D.** | Founder  
**APERTURA**

**Bill Carey** | Partner  
**DELOITTE & TOUCHE LLP**

**Chris Lloyd** | Managing Director,  
Healthcare and Life Sciences  
**J.P. MORGAN**

**Dan M. Lee** | Co-Founder & President  
**AUXA HEALTH**

**Dave Greenwald** | Vice President, Business  
Development, **DEERFIELD MANAGEMENT**

**Derek Flanzraich** | Founder & CEO  
**NESS**

**Faris Ghawi** | Co-Founder & CEO  
**VYTALIZE HEALTH**

**Gil Addo** | Co-Founder & CEO  
**RUBICONMD**

**Jay Galeota** | CEO  
**KALLYOPE**

**Jon Swope** | Senior Managing Director  
**SVB SECURITIES**

**Laura Koman** | Associate  
**JONES DAY**

**Laura Laemmle-Weidenfeld** | Partner  
**JONES DAY**

**Peter MacRobert** | Founder & CEO  
**CAPABLE HEALTH**

**Rebecca Martin** | Partner  
**JONES DAY**

**Roshan Patel** | Co-Founder & CEO  
**WALNUT**

**Samarth Chandra** | General Partner  
**ENHANCED HEALTHCARE PARTNERS**

**Shilpa Patel** | Co-Founder; Chief Business &  
Legal Officer, **KINDBODY**

**Steve Gutentag** | Co-Founder & CEO  
**THIRTY MADISON**

**Susan Rosenthal** | Senior Vice President of  
Life Sciences, **NYCEDC**

**Taylor Goodspeed** | Associate  
**JONES DAY**

**Vanessa Risetto** | Co-Founder & CEO  
**CULINA HEALTH**

**Vijay Kedar** | Co-Founder & CEO  
**TOMORROW HEALTH**

## OUR SPONSORS

**Deloitte.**

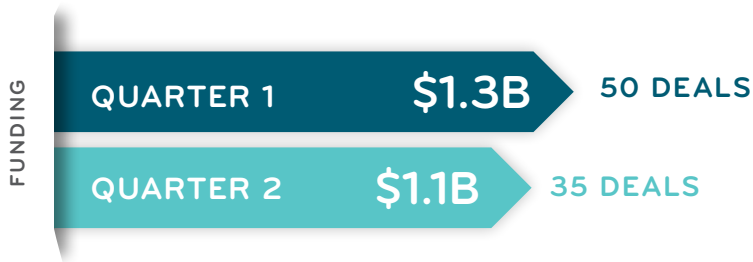
**J.P.Morgan**

# By the Numbers

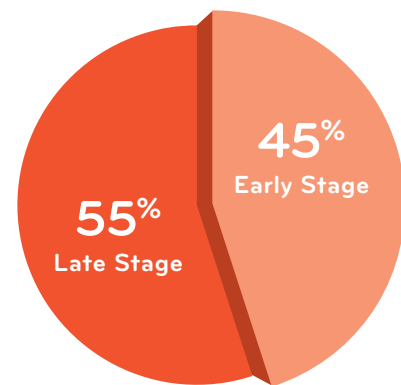
**85** COMPANIES  
RAISED  
**\$2.4B**  
IN H1 2022

While funding has slowed from the heady days of 2021, we're still seeing investment in NY healthcare. Biotech accounted for a quarter of the funding, with virtual care & coordination a close second at 21%.

## Funding by Quarter

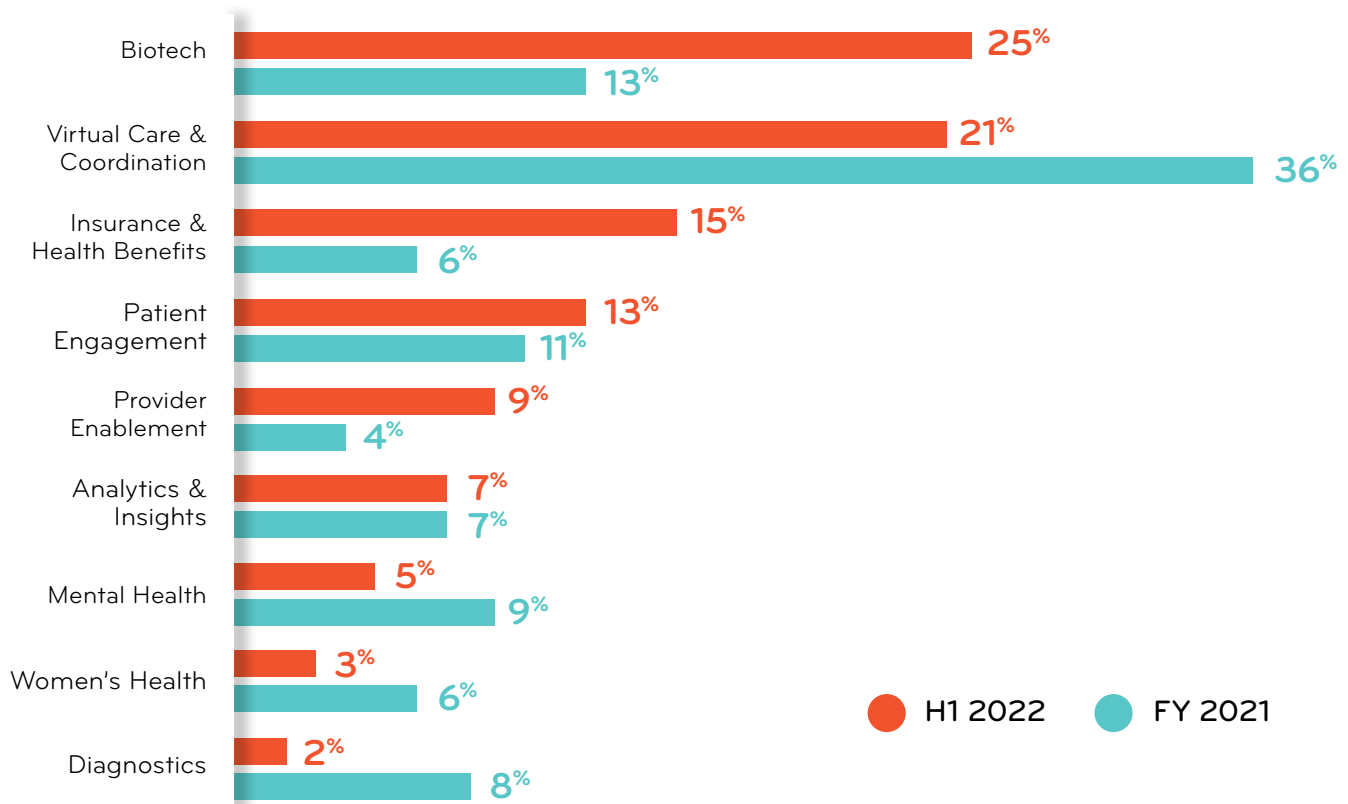


## Funding by Stage



Early stage includes pre-seed, seed and Series A. Late stage includes Series B and beyond.

## Funding by Sector



# Navigating the New Reality

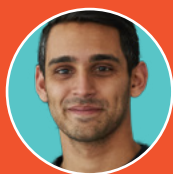
Here's where CEOs, investors and industry experts are focusing to drive growth during a period of uncertainty.



The demand for mental health care far exceeds our country's supply of therapists. We need a more scalable

solution, and that is exactly where technology thrives. Bringing innovation and investment to healthcare to build a mental health care system that actually impacts the lives of every American is what we're doing at Real.

**Ariela Safira**  
Founder & CEO, REAL



Everything we do starts with the patient. In practice this means every decision we make

starts by asking the question: "What is best for the patient?" I wish more companies in healthcare took this approach!

**Roshan Patel**  
Co-Founder & CEO  
WALNUT



**Vijay Kedar** | Co-Founder & CEO  
TOMORROW HEALTH

## FOUNDER & FUNDER

**ENHANCED HEALTHCARE PARTNERS** is an investor in **VYTALIZE HEALTH**



Our healthcare system is moving towards value-based care as the economic framework that aligns financial incentives with lower costs and better patient outcomes. Innovation is helping drive this transition while creating very exciting businesses and investing opportunities in the process.

**Samarth Chandra** | General Partner  
**ENHANCED HEALTHCARE PARTNERS**



Value-based care done correctly allows primary care physicians to take an expanded role in their high-risk patients' care. Data-driven insights, optimizing time spent with patients, and improved coordination across the care continuum are all examples of how that presents itself.

**Faris Ghawi** | Co-Founder & CEO, **VYTALIZE HEALTH**



Despite the volatility of the IPO market and funding environment, there's never a bad time to build a great company, especially if the solution is one that can withstand any choppy waters that might be ahead.

**Bill Carey** | Partner  
**DELOITTE & TOUCHE LLP**



**Our people** are the most important investment we can make as a company. The best ideas come from the teams closest to the problems. We believe in setting ambitious targets, and arming teams with resources that are technology-enabled and metrics-driven to make decisions autonomously and quickly.

# Funding in Q2 2022: **Top 20**

NO.	COMPANY	FOCUS	FUNDING (M)	STAGE	SELECT INVESTORS
1	 <b>walnut</b>	Fintech expanding financial access to healthcare	\$110	Early stage	Gradient Ventures, Newark Venture Partners, 2048 Ventures, Afore Capital, CityRock Venture Partners, Company Ventures
2	 <b>Capital Rx</b>	Changing the way prescription drugs are priced and patients are serviced	\$106	Late stage	B Capital, General Catalyst, Transformation Capital, Edison Partners
3	 <b>Nomad</b>	Digital marketplace for temporary healthcare jobs	\$105	Late Stage	HealthQuest Capital, Polaris Partners, .406 Ventures, AlleyCorp, RRE Ventures
4	 <b>DIANTHUS THERAPEUTICS</b>	Biotech advancing next generation antibody complement therapeutics	\$100	Early stage	5AM Ventures, Avidity Partners, Fidelity, Fairmount, Tellus BioVentures, Venrock
5	 <b>Apertura GENE THERAPY</b>	Biotech developing genetic medicines to treat debilitating diseases	\$67	Early stage	Deerfield Management
6	 <b>Tomorrow Health</b>	Home-based care company	\$60	Late stage	BOND, Andreessen Horowitz, Obvious Ventures, BoxGroup, Sound Ventures
6	 <b>Insilico Medicine</b>	AI-driven drug discovery company	\$60	Late stage	Warburg Pincus, B Capital Group, Qiming Venture Partners, Bold Capital Partners, Pavilion Capital, BHR Partners
8	 <b>ever/body</b>	Cosmetic dermatology	\$56	Late stage	Addition, Tiger Global, ACME Capital, Declaration Capital, Fifth Wall Ventures, Imaginary Ventures
9	 <b>Vytalize</b>	ACO accelerating transition to value-based care with Medicare	\$50	Late stage	Enhanced Healthcare Partners, Kittyhawk Ventures, Kawn Ventures, North Coast Ventures
10	 <b>NNAVA</b>	Modern employee benefits brokerage	\$40	Late stage	Thrive Capital, Avid Ventures, Quiet Capital, Sound Ventures, GV, K5 Ventures

NO.	COMPANY	FOCUS	FUNDING (M)	STAGE	SELECT INVESTORS
11	 LEVELS	Focused on metabolic health	\$38	Early stage	Andreessen Horowitz (a16z), Other founders and operators
12	 REAL	Mental health care company building a new therapy model	\$37	Late stage	Owl Ventures, Iyah + Sylvia Romm, Lightspeed Venture Partners, Forerunner Ventures, Female Founders Fund, BBG Ventures
13	 SESAME	Online medical care marketplace	\$27	Late stage	GV, Virgin Group, TeleSoft Partners, FMZ Ventures, General Catalyst, Industry Ventures
14	 Perry Health	At-home diabetes care	\$24	Early stage	Max Ventures, General Catalyst, Lerer Hippeau Ventures, Primary Venture Partners, CoBank
15	 H1	Global HCP platform	\$23	Late stage	Goldman Sachs Asset Management, Menlo Ventures, Transformation Capital, Novartis Pharma AG
16	 P	Digital platform for students with learning and thinking differences	\$20	Early stage	Tiger Global, Obvious Ventures, Barry Sternlich's JAWS, Vine Ventures
17	 Ness	Fintech offering credit cards to reduce cost of wellcare	\$16	Early stage	Will Ventures, Accomplish, Core Innovation Capital, Digitalis, Portage Ventures
18	 DUOS	Virtual service for older adults	\$15	Early stage	Imaginary Ventures, Forerunner Ventures, Declaration Partners, Optum Ventures
19	 ProofPilot	Clinical trial research SaaS platform	\$12	Late stage	Mitsui & Co. (USA), Sopris Capital, First Trust Capital Partners, Excelra
20	 OVIVA Therapeutics	Biotech dedicated to improving ovarian function	\$12	Early stage	Cambrian BioPharma

# Meet 5 Seed-stage Founders

New ideas are the lifeblood of innovation. We spoke with five founders whose companies raised seed funding during Q2 2022. Hear their perspectives on what differentiates their companies and how their experiences are shaping the next generation of start-ups in New York.



**WE'RE PARTICULARLY EXCITED ABOUT** the idea of building a consumer-first wedge into healthcare... on top of a fintech platform. Yes, it's a unique approach. But we're taking this big swing because we believe it might just be the only way to truly align long-term incentives in healthcare for the first time.

**Derek Flanzraich | Founder & CEO, NESS**  
\$15M seed

**LISTENING IS A CORE STRENGTH** of our company. We employ people in many locations with a variety of backgrounds, so we have tons of ideas being generated all the time. Our culture encourages ideas to bubble up through regular in-person jamborees, company-wide all hands, and open product planning sessions including customers.

**Peter MacRobert | Founder & CEO, CAPABLE HEALTH**  
\$6M seed



**BEFORE I BECAME A DIETITIAN**, I thought my only job as a provider was to provide great patient care. Eleven years in, I have recognized that access and health literacy are the main components to delivering care. Culina Health was born from the idea that everyone deserves access to sustainable nutrition care and education.

**Vanessa Risetto | Co-Founder & CEO, CULINA HEALTH**  
\$4.75M seed

**SUCCESS IN IMPROVING** the US healthcare system only comes if you understand how the money flows. It's important to learn the business and financial sides of healthcare to make your company and platforms valuable to payers and providers.

**Allen Miller | Founder & CEO, COPE HEALTH SOLUTIONS**  
\$7.5M seed



**LET'S BE HONEST:** Social Determinants of Health and older adults aren't necessarily the "it" things in our culture (vs. blockchain, web3, DTC, etc), but they touch and impact every single human being. Ensuring that social care is well coordinated and delivered impactfully—not just for older adults but everyone—is something we all need to care more about.

**Dan M. Lee | Co-Founder & President, AUXA HEALTH**  
\$1M seed



# Market Intelligence

**Chris Lloyd**, Managing Director, Healthcare and Life Sciences, J.P. Morgan, has a unique perspective on the current market. Despite the current headwinds, he's still bullish and optimistic on digital health's future given the incredible amount of innovation. Read on for his point of view.



## Q What are you seeing in the market?

Digital health trends mirror the trends we're seeing in the broader tech universe, in the respect that private markets are starting to catch up with the slowdown that's been going on in the public markets for the last several months. It's a more cautious environment where valuations are adjusting to the new reality. I think the days of revenue growth at all costs have started to fade into the rear-view mirror. We're seeing more conservative forecasts, a lot more scrutiny on expenses and some headcount reductions in order to extend cash runway.

## Q How will this impact founders looking to raise money?

Despite a tougher market backdrop, it's important to emphasize that we are still lots of innovation taking place in healthcare and attracting capital. There's plenty of capital in the industry, and great companies always get funded independent of business cycles. We continue to be bullish and optimistic about digital health and healthcare overall.

## Q What's an interesting trend we should know about?

We're seeing more risk-based care start-ups that go beyond primary care. We're seeing more entrepreneurs focus on bringing a value-based model to specialty lines of care, even to post-acute facilities.

## Q What's one piece of advice you'd like to share with founders?

Take the long view on valuation, especially at a time like this. Entrepreneurs are building long-term value, and picking the wrong partner can be a far worse outcome than a less-than-perfect valuation. Your investors and board members are usually the longest-tenured members of the team, so choose partners that not only understand your business but share your strategy, culture and philosophy. You want folks who you're able to work with, side by side, through the ups and downs.

# NY Life Sciences

New York biotech funding has been somewhat of a bright spot during the first half of 2022, accounting for 25% of total dollars invested. Companies with notable raises include Kalloype (\$236M, Series D); Dianthus Therapeutics (\$100M, Series A); Apertura Gene Therapy (\$67M, Series A) and EyeBio (\$65M, Series A).

## A FEW NYC METRO STATS:

**5,100** Life sciences companies

**150,000** Jobs

**\$23B** in wages in 2021

In June, NYC's Economic Development Corporation (NYCEDC) and Department of City Planning (DCP) published a new report: [Life Sciences in the NYC Metro](#) to showcase the thriving ecosystem that has developed in the region.\* Four factors have enabled NYC Metro to thrive: an exceptional talent pool, strong investment from private and public sources, accessible wet lab and office space and a concentration of small and large companies.

*\*The report defines NYC Metro area as NYC and 26 surrounding counties, stretching from New Haven, Connecticut to Princeton, New Jersey, and including a large chunk of the Hudson Valley.*



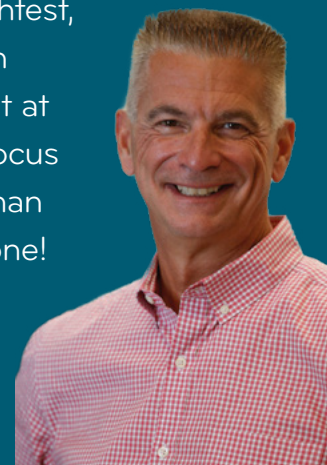
Ultimately the careers, medicines, and advanced technologies that we're creating for improved health from our \$1 billion investment in life sciences in New York City inspire me the most. We are excited Mayor Adams embraces this sector and through the doubling of our investment, we will create 40,000 jobs across research, business, operations workers, and more.

**Susan Rosenthal** | Senior Vice President of Life Sciences, NYCEDC



**The most exciting part** of building a life sciences company in NYC is the attitude! We are courageously curious, profoundly connected, and thrilled to be in NYC, among the brightest, most nimble and innovative people in every field. Our team brings their best at all times; we follow the science and focus on non-incremental advances in human health—and we have fun getting it done!

**Jay Galeota** | CEO, KALLOPE



## FOUNDER & FUNDER

**DEERFIELD MANAGEMENT** is an investor in **APERTURA**



Once I met Ben Deverman, our scientific founder, I knew that we had to work with him. We have a shared goal to address some of the most difficult challenges in gene therapy and believe that with Apertura we can develop gene therapies that treat a broad range of genetic diseases.

**Dave Greenwald** | Vice President, Business Development  
**DEERFIELD MANAGEMENT**



Gene therapy has tremendous potential to cure diseases that other modalities cannot. With the formation of Apertura, we aim to advance the field of gene therapy by combining two revolutionary delivery and expression platforms from the Broad Institute and Harvard Medical School.

**Ben Deverman, Ph.D.** | Founder, **APERTURA**

Senior Director of Vector Engineering and Institute Scientist at the Broad Institute of MIT and Harvard

## THE ART OF THE SALE:

# How M&A Is Reshaping Digital Health

Earlier this spring, we hosted our first in-person event of 2022 on digital health consolidation and related trends. It was a magical night with tons of networking and a robust panel discussion (highlights below) held on the roof terrace at Cure. Catch a replay of the event [here](#).



**Jon Swope**  
Senior Managing Director  
**SVB SECURITIES**



**Shilpa Patel**  
Co-Founder & Chief Business & Legal Officer  
**KINDBODY**



**Gil Addo**  
Co-Founder & CEO  
**RUBICONMD**



**Steve Gutentag**  
Co-Founder & CEO  
**THIRTY MADISON**

### M&A INSIGHTS

**JS:** There are generally three reasons mergers of private companies fail. Number one is relative valuation. Two is governance and figuring out board dynamics. Three is around leadership and "social issues" like who is going to assume the CEO role. And I'll add a fourth given what we've been talking about: common values.

**SP:** The strategy behind the recent acquisition was three-fold. First, we needed immediate growth to service our employer customers which the Vios clinics brought. Second, as a well-run, efficient company with revenues, they helped accelerate our path to EBITDA positivity. Third was alignment on vision: improve access to care, deliver a superior experience and control costs.

**GA:** We had the benefit of having Oak Street as a client for 5 years and had a strong relationship with them. For us to achieve our long-term vision for virtual specialty care, we needed capital but also needed to be much closer to providers and patients. Joining with Oak St. enabled us to go much faster to execute against the vision.

**SG:** When we first met with the Nurx team in San Francisco, we saw their values on the wall. Three out of their five values were almost word for word ours. And these weren't generic values. That was one of the biggest catapults that brought the deal forward: the combination of business and values validated that this was the right partner.

### PEARLS OF WISDOM

**JS:** Let's not lose sight of the fact that the mega trends have not disappeared. The triple aim of healthcare is alive and well in improving outcomes, optimizing costs and engaging consumers. Investors and consolidators will spend time where digital health enables the mega trends to thrive.

**SP:** Stay laser focused on your business model. If deals are not revenue-generating, and they won't make you profitable, then they're just nice to have but not meaningful.

**Moderator:** In a changing market, when should founders think about selling?  
**GA:** My advice: sell at the top of the market! (*Audience cracks up!*)

**SG:** Moving quickly is important to close the deal. You keep the tent small until it's done. Post-close, you have to go a little slower to bring people along.



**Rebecca Martin**  
Partner  
JONES DAY



**Laura Laemmle-Weidenfeld**  
Partner  
JONES DAY

**ADDITIONAL CONTRIBUTORS TO THIS ARTICLE FROM JONES DAY:**  
*Taylor Goodspeed, Associate; Laura Koman, Associate; Marielle Coutrix, Law Clerk.*

## What's Ahead: An evolving regulatory framework for telehealth, with greater federal scrutiny.

In April 2022, the Federation of State Medical Boards ("FSMB"), the representative body of medical boards across the United States, adopted new advisory [guidelines on the use of telemedicine technologies](#), updating its 2014 policy to incorporate lessons learned from the pandemic and enable wider adoption of telemedicine. In this regard, the guidelines acknowledge telemedicine as a core component of health care delivery and promote broad exceptions to licensure for physician-to-physician consultations, patient screenings, and episodic follow-up care. At the same time, however, the guidelines incorporate several modality limitations (e.g., limiting the use of audio-only communications and recommending the use of digital images, live video, or other modalities if the standard of care in-person would have required a physical examination) and other recommendations that could impact technology and

operational capabilities for many telehealth platforms. Though non-binding, advisory opinions from FSMB often influence medical practice standards reform.

FSMB's recommendations also reflect initiatives at the federal level aimed at expanding access to care and coverage for telehealth services. Pandemic flexibilities have, however, also triggered an escalation of enforcement activity in this area. The Health and Human Services Office of Inspector General (HHS-OIG)'s new [telehealth webpage](#) spotlights OIG reports that detail patterns and challenges in expanded telehealth use as well as plans for future OIG auditing of telehealth offerings. As licensure and coverage policies continue to evolve, the webpage may prove to be a valuable resource to industry stakeholders in their compliance efforts.



new health  
york business  
city leaders

## METHODOLOGY

Data used in the creation of this report was obtained from a variety of sources including but not limited to company press releases, EDGAR filings, Crunchbase, Pitchbook, CB Insights and covered the period from 01/01/2022 to 06/30/2022. A company was included in the analysis if it (1) listed New York City as its corporate headquarters and (2) the company received seed, angel, early-stage or late-stage funding of \$1M during the period 01/01/2022 to 06/30/2022.

Companies that won grant funding, prize money or acceptance into accelerators/incubators were not included in the analysis.

## DISCLAIMER

This report is provided for informational purposes only. Where possible, we verified information obtained through publicly available sources (e.g. company press releases, news reports). If you find an error in the report, please contact us at [info@nychbl.com](mailto:info@nychbl.com) so that we can correct it.

## ABOUT NYCHBL

New York City Health Business Leaders (NYCHBL) is the premier network of senior-level professionals, executives, entrepreneurs and leaders engaged in New York's healthcare ecosystem. Founded in 2009, the organization has played a key role in turning the city into a healthcare epicenter. What sets NYCHBL apart from other organizations is our focus on the people and companies driving the innovation – we support and promote their success. We started as a convener, yet we've become so much more – a trusted source of quality content, networking and leadership. NYCHBL is the gateway for every healthcare organization that wishes to make an impact on the NYC health scene.

---

## CONTACT US

Email: [hello@nychbl.com](mailto:hello@nychbl.com)

Visit us: [www.nychbl.com](http://www.nychbl.com)