



ModiHealth telehealth provider looking to raise up to USD 25m to expand, CEO say

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ModiHealth, a telehealth platform for integrative health and wellness programs, is in the process of raising between USD 15m to USD 25m to fuel corporate expansion, according to Rachel Dew, co-founder and CEO.

Los Angeles-based ModiHealth, which was founded in 2015 and launched services in December 2019, offers a range of virtual services on a subscription basis to individuals and corporate employees.

Like most telehealth providers, it offers access to traditional medical doctors and specialists, along with mental health services and will soon be licensed in all 50 states. But it also offers a range of alternative medicine programs, including naturopathy, nutrition, personal fitness training, yoga and cooking seminars and others in 13 different silos all under one roof.

“We aggregate everything that one person could need,” said Dew, including “finding the different types of care and support tools they need,” as part of “an integrative whole person care model.”

The company currently has around 150 medical and health practitioners and is adding 50 more in the coming months, said Dew. Providers are independent contractors who are offered “premium compensation” to participate in a highly competitive market for telehealth professional services, she added.

ModiHealth is posting strong growth in what Dew said is an exploding market in telehealth driven by the coronavirus pandemic, but she declined to provide revenue figures.

The company is expanding in a market that includes major players like **Teladoc** [NYSE:TDOC], **Amwell** [NYSE:AMWL], **Doctor on Demand** and dozens of smaller players, many of which serve niche markets like behavioral care or offer white-labeled services to healthcare systems

and others. **Amazon.com** [NASDAQ:AMZN] this week also disclosed it has entered the telehealth market.

Dew said the market has massive growth potential, even after the pandemic subsides as more practitioners and customers get accustomed to telehealth. She said there is huge patient demand for online virtual care, particularly among busy professionals who will never opt for in-person care when telemedicine is available to them.

“Telehealth will never fully replace in-person care but I believe it is here to stay in a big way,” she said.

The company is looking to raise capital from high net worth individuals, institutional investors, venture funds and others who support women and minority-owned businesses and have acute knowledge and a network in healthcare, the CEO said. It does not plan to use an investment bank for the raise, but may look for one in future raises. She declined to name ModiHealth outside investors or say how much the company has raised so far.

The raise would be used to expand custom streaming services in fitness and nutrition, increase membership and fuel general telemedicine growth, she said, declining to disclose how many customers it currently has.

ModiHealth services are not currently covered by major insurance carriers, but Dew said the company is in negotiations with various insurance companies to offer coverage by the end of 2021. The company is also looking to expand its corporate programs, offering wellness and fitness programs to employees.

Dew said the company is focused on organic growth and is not currently looking at acquiring competitors, but could have those conversations in the future. She said the company is also looking to expand internationally, but declined to name countries which it is targeting.

She said it is too early to discuss future exit plans for investors, such as through an IPO or trade sale, except to say "all options are on the table.”

by Dane Hamilton



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