

Mobile Health Market News

Venture Capital Report

Q3 2012



Mobile
Health Market News
Tracking the Regulated Wireless Health Sector

October 2012

Dear Reader:

Earlier this month, a post on Forbes.com highlighted the conflicting numbers floating around when it comes to mHealth venture capital investment. We completely agree. A rapidly evolving sector like mHealth suffers from a lack of consensus of what qualifies as an mHealth company and what doesn't.

So to kick off our second report, it's worth restating our parameters up front. We include venture and angel investments in mHealth companies, which we define as those that employ wireless technology in a health-related product. We have categorized these investments into seven sub-sectors:

- Consumer Apps – Reference tools for consumers and caregivers
- Diagnostics – Mobile or wireless tools for diagnosing disease
- Health Care IT Services – Infrastructure IT systems that support mobile data input or retrieval
- Monitoring – Wireless patient monitoring products for use either in clinic or by out-patients
- Service – Services that coordinate care using mHealth tools
- Therapeutic – Products that treat diseases
- Wellness – Apps and devices that support health and wellness

Based on these categories, \$150 million in venture investment went to mobile health companies in Q3, 2012. That brings the total for the first three quarters of the year to \$616 million. You will find details on Q3 investments in the Key Findings section that follows along with charts tracking investment quarter-by-quarter for all of 2012. Details on individual investments are included in our list of investor funded mHealth companies starting on page 4.

Key Findings

In Q3, venture capital investment in the mobile health sector totaled \$150 million, a level comparable to the \$163 million invested in Q1. The blockbuster Q2 saw a total of \$303 million in mHealth investments thanks to a \$100 million investment round that went to Castlight in July.

Year-to-date, venture investment in the sector stands at \$616 million. Here are the highlights:

- Monitoring technology dominated the quarter netting \$89 million or nearly 60% of total investments. The monitoring sub-sector included the two biggest deals for the quarter, \$36 million to [Tandem Diabetes Care](#) and \$25.5 million to [Telcare](#), a wireless glucose monitor provider. This subsector also included the fifth largest deal of the quarter, a \$12 million round to [Affectiva](#).

Category	Investment Value (\$Mil)	% of Total Investment	Number of Deals
Consumer Apps	4.4	3%	3
Diagnostic	1.0	1%	1
Health Care IT Services	34.5	20%	6
Monitoring	88.9	59%	5
Services	3.2	2%	2
Therapeutic	1.5	1%	1
Wellness	17.1	10%	2
Total	150.6	100%	20

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- Health Care IT services came in second among sub-sectors in Q3 with a total of \$34.5 million invested in the space or 20% of the total dollars invested. The third largest deal of the quarter was \$17 million to [Doximity](#), a physician social network provider. In comparison, in Q2, HCIT service accounted for almost half of all investments.
- The wellness subsector came in third in Q3 with \$17 million in investment most of which is accounted for by a \$15.6 million round to [Netpulse](#). The Netpulse investment ranked as the fourth largest of the quarter.
- The most active investors in Q3 were First Round Capital and Sequoia Capital. They join Khosla Ventures, Felicis Ventures, Austin Ventures, HLM Venture Partners, Qualcomm Life Fund, The Social+Capital Partnership and Venrock all of who have funded more than one mHealth startup in 2012.

List of Investor Funded mHealth Companies • Q3/2012

CONSUMER APPS					
Companies: 3 Total Funding: \$4.4 Mil					
Company Name	Round	Round Amt., Est. (US Mil)	Investors	Date	Note
MyHealthTeams Inc. (San Francisco, CA), A provider of social networks for chronic health conditions	Seed	\$1.75	Adams Street Partners, 500 Startups and multiple undisclosed angel investors	Aug, 2012	The funding will help the company develop mobile apps for its social networks.
Agile Health LLC (Nashville, TN), A provider of personal health engagement tool to quit smoking	First	\$2	Undisclosed	Aug, 2012	
BetterDoctor, Inc. (San Francisco, CA), A mobile-based physician search service provider	Seed	\$0.65	Angel investors include physicians and angels Steve Wolf, Jason Johnson, Dr. Philip Settimi, Dr. Charles Lim, Devon George, Erik Engelson, Dr. Joseph Andresen and Chris Burggraave	Sept, 2012	

DIAGNOSTIC					
Companies: 1 Total Funding: \$1 Mil					
Company Name	Round	Round Amt., Est. (US Mil)	Investors	Date	Note
EyeNetra (Somerville, MA), An eye diagnostics provider	Seed	\$1	Undisclosed investors	July, 2012	

HEALTH CARE IT SERVICES

Includes telecommunications platforms, electronic health records

Companies: 6 | Total Funding: \$34.5 Mil

Company Name	Round	Round Amt., Est. (US Mil)	Investors	Date	Note
PatientKeeper Inc. (Waltham, MA), Provider of physician-centered health care information systems (HIS)		\$6.25	Flybridge Capital Partners, New Enterprise Associates, Whitney & Co. and others.	July, 2012	
WellFX (Petaluma, CA), Secure platform provider for providers and patients	First	\$5	CMT Ventures	July, 2012	
Doximity Inc. (San Mateo, CA), A provider of a physicians social network platform	Second	\$17	Morgenthaler Ventures	Aug, 2012	
InCrowd Inc. (Cambridge, MA), A provider of a physician opinion research/feedback tool	First	\$2.2	Nauta Capital	Aug, 2012	
HealthLoop Inc. (San Francisco, CA), A provider of automated physician email to correspond with patients	Seed	Undisclosed	Founders Fund, TomorrowVentures and Altos Health Management, Kapor Capital, Physic Ventures, and entrepreneurs John Battelle, Esther Dyson and Ted Meisel	Aug, 2012	These investors may also join a \$5 million to \$10 million Series A round expected to close this year
Life Image (Newton, MA), A cloud-based e-sharing medical imaging service provider		\$4	Cardinal Partners, Galen Partners, Massachusetts Technology Development Corp., and Partners Innovation Fund, among its 13 investors.	Aug, 2012	

MONITORING

Companies: 5 | Total Funding: \$88.9 Mil

Company Name	Round	Round Amt., Est. (US Mil)	Investors	Date	Note
Affectiva Inc. (Waltham, MA), A provider of emotion measurement monitoring technologies	Third	\$12	Horizons Ventures and Kleiner Perkins Caufield & Byers (KPCB) Digital Growth Fund, with participation from existing investors.	Aug, 2012	Frank Meehan of Horizons Ventures will join Affectiva's BOD & KPCB partner, Mary Meeker, will join Affectiva's observer board observer.
Healthsense (Mendota Heights, MN), A provider of health-monitoring systems for seniors	Fourth	\$7	Led by new investors Merck Global Health Innovation Fund, LLC (GHIF) and Fallon Community Health Plan. They are joined in the round by existing Healthsense investors.	Sept, 2012	
Telcare, Inc. (Bethesda, MD), Provider of FDA-cleared wireless glucose monitoring system for diabetics	Second	\$25.5	Sequoia Capital and Qualcomm Life Fund	Aug, 2012	Investment proceeds will fund Telcare's marketing and sales efforts, research and development initiatives, and ongoing operations.
Movea Inc. (Pleasanton, CA), A provider of motion sensing tools	Third	\$8.02	Intel Capital	Aug, 2012	
Tandem Diabetes Care Inc. (San Diego, CA), An insulin pump maker		\$36.4	Undisclosed	Sept, 2012	The FDA cleared the company's wearable insulin pump in November. The latest cash infusion brings total venture capital funding for the company to more than \$100 million.

SERVICES

Companies: 2 | Total Funding: \$3.2 Mil

Company Name	Round	Round Amt., Est. (US Mil)	Investors	Date	Note
Sherpaa, Inc. (Brooklyn, NY), 24/7 email and phone access to NYC-based doctors		\$1.85	O'Reilly Alpha Tech Ventures, First Round Capital, Collaborative Fund, and angels including, John Maloney, and Scott Switzer	Aug, 2012	
PingMD (New York City, NY), A communication platform provider between parents & pediatricians		\$1.33	Undisclosed	Sept, 2012	

THERAPEUTIC

Companies: 1 | Total Funding: \$1.05 Mil

Company Name	Round	Round Amt., Est. (US Mil)	Investors	Date	Note
iSonea Ltd (Australia) A provider of asthma management solutions		\$1.05	Investment Holdings Pyt, Ltd	Sept, 2012	

WELLNESS

Companies: 2 | Total Funding: 17.1 Mil

Company Name	Round	Round Amt., Est. (US Mil)	Investors	Date	Note
Mango Health (San Francisco, CA), Focused on developing mobile applications that use game design principles to help consumers improve and manage their health.	Seed	\$1.45	Floodgate Fund, First Round Capital, Steve Anderson with Baseline Ventures, Zynga co-founder and CEO Mark Pincus and Square COO Keith Rabois.	Aug, 2012	
Netpulse Inc. (San Francisco, CA), A developer of a personalized consumer media platform focused on health and exercising	Third	\$15.6	August Capital, Javelin Venture Partners, DFJ Frontier, and Parkview Ventures	July, 2012	

About Mobile Health Market News

The convergence of health care, communications and technology has created a lot of noise and clutter as conflicting business models, cultures, and regulatory regimes work to sort out a new landscape.

[Mobile Health Market News](#) is a new on-line news channel that helps busy executives find the news and information they need easily. Mobile Health Market News collects the best news from the web and combines it with our own insight and original research in a concise, easy-to-read format. We focus on the part of the mHealth market that will be subject regulation and potentially insurance reimbursement.

The founders of Mobile Health Market News bring over 75 years of experience in marketing and research in the technology and health care markets. Our specialty is delivering high-value news and commentary in a format designed for busy executives.

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