

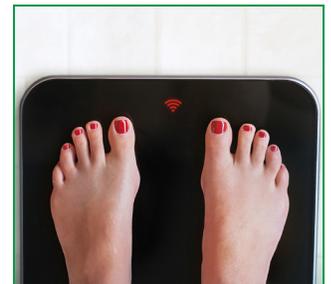
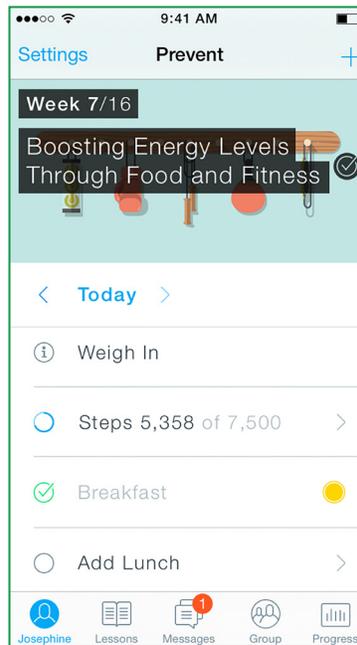


Omada Health

omadahealth.com

ABOUT THIS PROJECT

This investment incentivized and accelerated the entry of a leading-edge digital care provider to address a critical need of low-income communities served by community health centers (CHCs) and other safety net providers. Omada creates digital programs for disease prevention based on clinical evidence and human-centered design. This investment was part of the Partnering for Impact (P4I) Initiative between Kresge and the California HealthCare Foundation (CHCF), through which the two foundations invested a combined \$3.5 million in seed-stage companies with services or technology that could reduce health care costs, improve health outcomes or increase health center capacity. The investment supported Omada’s pilot deployment of Prevent to the Medicaid market, testing its efficacy in reducing risks that lead to diabetes among low-income participants.



WHY WAS THIS NEEDED?

Challenge: Omada’s first product offering, Prevent, is a lifestyle and weight loss program that reduces the incidence of diabetes in those with pre-diabetes by 58 percent in three years. Though effective, diabetes prevention programs (DPP) have reached only a limited number of at-risk individuals due to cost and reliance on “brick-and-mortar” facilities. These programs are not typically covered by insurers.

Solution: Omada’s virtual platform brings together small groups of pre-diabetics with trained health coaches, increasing convenience for participants and significantly reducing cost. Progress is tracked using a cellular-connected scale. Ultimately, the goal is to ensure that virtual DPP is a covered benefit.

IMPACTED LOCATION



National

YEAR APPROVED

2014

TYPE OF TRANSACTION

PRI Loan

KRESGE PROGRAM

Health

AMOUNT OF INVESTMENT

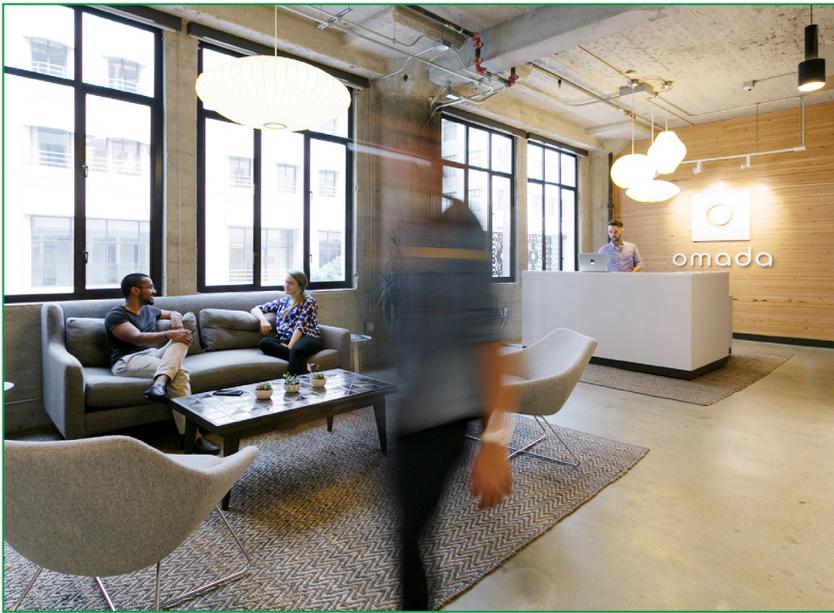
\$500,000

GRANT SUPPORT

\$70,000

TERM OF INVESTMENT

5 years



ABOUT THE BORROWER

Omada is an early mover in “digital therapeutics,” a newer category of healthcare that applies information technology and behavioral science to help people make the changes necessary to reduce their risk for a host of chronic conditions in an engaging, affordable, and effective way. Omada’s team brings a combination of experience in healthcare, design, technology and general management. These skills have enabled them to identify and develop effective products, demonstrate results through clinical trials and gain traction in client acquisition. Omada, founded in 2011, has attracted top-tier investors, including highly regarded social impact investors in its seed investment round and top profile venture capital firms.

IMPACT MEASURE

In 2019, 3 states (CA, OR, MD) installed diabetes prevention programs as a covered benefit for all Medicaid members, inclusive of online delivery. Also, a soon-to-be published clinical study will demonstrate meaningful clinical outcomes for Medicaid patients enrolled in Omada’s program.

KEY PARTNERS:

California HealthCare Foundation (CHCF)

Key Considerations



Kim Dempsey

Deputy Director
Social Investment Practice

- » As this was one of Kresge’s first venture-stage PRIs, we benefitted significantly from partnering with a more experienced partner in CHCF
- » Kresge and CHCF used grant funds to evaluate the efficacy of the virtual program in serving low-income patients
- » The pilot included development and testing of a Spanish language version of the product and development of a mobile platform to make the product more accessible to low-income individuals.
- » Reforms under the Affordable Care Act provided incentives for disease prevention while extending access to care in low-income communities, offering an opportunity to provide preventative programs to these communities at scale for the first time.
- » The American Diabetes Association estimates the cost of care for people diagnosed with diabetes at \$13,700 per year, with \$7,900 of that cost attributable to diabetes. Based on analysis of claims data, Omada estimates a lower differential of \$2,800 for the total cost of care for a diabetic vs. a non-diabetic. At this level, Omada could achieve the P4I goals by delivering at least \$25 million in annual savings by preventing approximately 9,000 cases of diabetes.