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## Omada Health launches Prevent for underserved populations: Medicaid, Medicaid eligible, uninsured; clinical trial to publish data in 2017 - February 17, 2016

### Executive Highlights

- Today, Omada Health [announced](#) the launch of Prevent for underserved populations (Medicaid, Medicaid eligible, and uninsured). A 12-month clinical trial will enroll up to 300 English and Spanish-speaking participants, with data to be published in 2017.
- The same digital Prevent program will be augmented for underserved populations, including the addition of bilingual health coaches and an adapted curriculum for low-level literacy and English as a second language.
- Omada has now enrolled more than 40,000 participants since its founding, up from "more than 25,000" as of our [November update](#). The company's goal is 100,000+ Prevent participants by the end of 2016 (cumulative), representing a tripling from 2015.

Today, Omada Health [announced](#) the launch of Prevent for underserved populations (Medicaid, Medicaid eligible, and uninsured), expanding its digital diabetes prevention program to the people that arguably need it most. The launch will begin with a 12-month clinical trial enrolling up to 300 English and Spanish-speaking participants at three sites in Washington and California. Independent evaluators will track outcomes, with data to be published in peer-reviewed literature in 2017. Even as a startup, Omada has always shown a commitment to publishing data - part of that stems from a pay-for-outcomes pricing model, which puts Prevent on the hook to show results to Omada customers like Kaiser, Humana, and Costco.

Underserved populations will experience the same Prevent (12-month behavioral counseling program, wireless scale, online health coaches and peer network), but with three meaningful additions: (i) situational and recipe awareness sensitive to food access, neighborhood safety, and economic insecurity; (ii) bilingual health coaches and staff experienced in working with underserved populations; and (iii) an adapted curriculum for low-level literacy and English as a second language. Such customization is a rarity in health technology and is outstanding to see from a small company.

Omada has now enrolled more than 40,000 participants since its founding, up from "more than 25,000" as of our [November update](#). The company still hopes to hit over 100,000 Prevent participants by the end of 2016 (cumulative), representing a tripling from 2015. Omada is doing some impressive things for a digital health startup of only ~200 employees:

- **Tackling high-need populations** not traditionally served with technology (underserved with today's news and [Medicare with Humana](#)) - this is especially impressive for a startup, since the business model is presumably more challenging in these groups.
- **Appealing to big-name payers** like Kaiser and Humana, who wouldn't put their names behind Prevent unless it worked.
- **Securing funding from well-regarded investors** like Andreessen Horowitz and Norwest Venture Partners. Some VCs may be taking a step back from digital health, given the [flattening in 2015 vs. 2014 funding](#).
- **Publishing clinical data** and using a pay-for-outcomes pricing model - Omada is really on the hook to show results.

*Naysayers might criticize digital health as overhyped, unproven, or simply a solution for the young and wealthy. Today's news gives us hope that certain companies and products will fit into important niches - tackling really hard problems (e.g., diabetes prevention) with great technology and scaling it to address populations in need. We could use a lot more of that in diabetes, obesity, and prediabetes!*

- **The 12-month clinical trial will enroll up to 300 English and Spanish-speaking participants (Medicaid, Medicaid eligible, uninsured) at three sites in Washington and California:** The Wellness Center at LAC+USC Medical Center in Los Angeles; Northeast Valley Health Corporation in San Fernando, California; and Providence Health & Services in Washington.
- **Omada Health is also currently offering Prevent for Underserved Populations to Medicaid and uninsured populations through partners [Petaluma Health Center](#) and [Neighborhood Healthcare](#).** We're not sure how the pricing model differs in these cases, but assume Omada is offering some kind of discount.
- **Omada first received a \$950,000 grant back in [September 2014](#) to develop Prevent for underserved populations**, and it's great to see that vision come to fruition. We salute the California Health Care Foundation and The Kresge Foundation for supplying the early funding to help scale Prevent to reach the underserved.
- **Omada entered 2016 riding impressive momentum from last year:**
  - **[In November](#), Omada Health announced topline results from a pilot trial of its digital diabetes prevention program (Prevent) in 491 Humana Medicare Advantage beneficiaries.** Six months after beginning the program, Prevent "graduates" (completed 9+ lessons) lost an average 8.7% of body weight (baseline not provided). More than 85% of enrolled participants were still weighing in at six months via the wireless scale, exceeding the average for all Prevent users to date.
  - **[In September](#), Omada raised \$48 million in Series C funding.** Northwest Venture Partners led the round, and in a clear vote of confidence, two Omada customers also invested: juggernaut payer Humana and Providence Health & Services, a large non-profit health system. Highly respected VC Andreessen Horowitz returned for the round following its lead investment in Omada's \$23 million Series B round [in April 2014](#).
  - **[In April](#), Omada published peer-reviewed two-year results**, a first for a digital health company with this kind of program. Participants lost an average of 4.7% of baseline body weight at one year and maintained weight loss of 4.2% at two years. The one-year A1c reduction of 0.4% was maintained into the second year as well
  - **[In March](#), Prevent became one of three digital programs** to receive pending recognition from the CDC.
  - **[In February](#), Fast Company named Omada** one of the 50 most innovative companies in the world, and one of only ten companies in the healthcare category (Google was also named).

### Close Concerns Questions

**Q: How will results from this trial compare to Omada's previous data?** (~5% body weight loss at one year; see our [April 2015 coverage](#))

**Q: Does Medicaid currently pay for Prevent?**

**Q: How will Omada cover the cost for those that are uninsured? Is this pro-bono out of Omada's own pocket, or are these trials supported through a grant?** (the announcement mentions Kresge and CHCF are covering the "evaluators," but it's unclear if they are also covering the trial costs)

**Q: What was the #1 hardest part of adapting Prevent for underserved populations?**

**Q: What fraction of the 86 million Americans with prediabetes are likely to take part in something like Prevent?**

**Q: What is sitting on Omada's back burner? What would the company do with \$150 million in funding?**

**Q: Could Omada develop a behavioral program for type 2 diabetes? What combinations would be compelling: WellDoc's BlueStar, Abbott's FreeStyle Libre Pro, etc.?**

**Q: Will Omada stay independent or eventually be acquired?**

**Q: Will diabetes technology and drug companies eventually move to outcomes-based pricing? What can established companies learn from Omada's business model?**

*-- by Adam Brown and Kelly Close*