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**WellDoc Closes \$20M for Mobile Diabetes-Management Therapy**

Timothy Hay | January 10, 2014  
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WellDoc Inc., a company attempting to combine behavioral science with mobile technology to manage Type 2 diabetes, has raised \$20 million in a Series A round that could grow considerably larger before it closes in the next six months, the company said.

The Baltimore-based company previously raised \$35 million worth of debt and equity from individual investors, including a high-net-worth individual who suffers from diabetes and loves the company's product, Chief Executive Ryan Sysko said.

The first tranche of Series A funding was provided by Merck Global Health Innovation Fund and Windham Venture Partners. Mr. Sysko said the round remains open, and that WellDoc will turn to strategic investors and venture capitalists in the hope of adding about another \$10 million to the funding.

WellDoc is among a small group of companies to get a software application--available by prescription only--approved by the Food and Drug Administration as legitimate medical product. The company is among an even smaller group that has convinced insurance companies to reimburse doctors for prescribing the software.

The company's BlueStar software product is used by sufferers of Type 2 diabetes who carry glucose meters to frequently test the levels of sugar in their blood. Mr. Sysko said this patient group is often at a loss to interpret the data from glucose meters, and keep running logs of glucose readings that they later submit to a doctor.

BlueStar enables the patient to type in readings from their glucose meters and find out if their blood sugar falls in the normal range. If a patient's blood sugar is too high or too low, the application recommends certain actions--including eating carbohydrates or administering insulin--to return to normal levels, the CEO said.

The company considers BlueStar a behavioral-health product, because it prompts the user to attain information and then act upon it, Mr. Sysko said.

WellDoc is one of a handful working in a nascent area of health-care technology, one recently highlighted by digital-health accelerator Rock Health as an area on the brink of a boom in 2014. Rock Health calls the area "digital therapy," and says such companies use technology and behavioral science to keep patients compliant with health regimens outlined by doctors.

Thursday was a good day for technologies that aim to help diabetes sufferers; Palo Alto, Calif.-based Glooko Inc. raised \$7 million in Series A-1 funding. While Glooko's product also is FDA approved, it returns glucose readings to doctors, who in turn make recommendations to patients. This takes the behavioral-science component off the table, and makes Glooko's product more of a cloud-based medical tool than a digital therapy.

WellDoc does not disclose the names of health insurers that reimburse for the use of its product. Companies that offer BlueStar as a pharmacy benefit include Ford Motor Co. and Rite Aid Corp., Mr. Sysko said.

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