

# Founders Fund Leads \$23 Million Practice Fusion Financing Round

**SAN FRANCISCO, CA** – April 5, 2011 – Practice Fusion, the fastest growing EMR and healthcare community, today announced closing a \$23 million Series B round of financing led by Founders Fund, with participation from Artis Capital Management and Glynn Capital Management, as well as returning investors Morgenthaler Ventures and Felicis Ventures. The round brings the company's total funding to \$30 million.

"Practice Fusion revolutionizes our interactions with the medical community, just as Facebook did for social networking," said Peter Thiel, managing partner at Founders Fund, founder and former chairman and CEO of PayPal, and the first investor and board member of Facebook. "Practice Fusion advances our health and well-being by bringing the benefits of information technology to medicine: it connects patients to doctors and real-time data, creating life-saving applications that are a total departure from the dominant, often archaic, healthcare paradigm. Practice Fusion represents the future of medicine: healthcare married to the efficiency of information technology."

Founders Fund is a leading Bay Area venture capital firm run by former entrepreneurs from PayPal and Facebook. Practice Fusion joins Founders Fund's portfolio of radically innovative companies, including Facebook, Halcyon Molecular, Pathway Genomics, Palantir Technologies, and SpaceX. "We back companies that will radically change the world for the better, and Practice Fusion can do just that," said Thiel.

"Our vision is for every doctor in America to be using an electronic medical record system instead of paper charts and for every patient to have real-time access to their own health data," said Ryan Howard, CEO and founder of Practice Fusion. "Today, with the support of this investment dream team, we are creating the largest interconnected health community in the world and ushering in a new era in healthcare."

## Key facts:

- Practice Fusion's \$23 million Series B financing led by Founders Fund
- Returning investors include Morgenthaler Ventures and Felicis Ventures, with new investors Glynn Capital Management and hedge fund Artis Capital Management
- Launched in 2007, Practice Fusion is the first free, web-based EMR system available to US doctors
- More than 75,000 healthcare professionals serve 9.5 million patients through Practice Fusion's network
- More than 350 new health professionals join Practice Fusion each day
- Practice Fusion helps doctors across the country securely chart patient visits, review records, schedule appointments, e-prescribe, order and receive labs, share records with other providers and connect patients to their health data in real time online
- Practice Fusion recently announced CFO appointment of Jason Portnoy, who previously served in key financial roles at PayPal, Clarium Capital, and Palantir Technologies
- Practice Fusion's previous funding round included \$7 million from Morgenthaler Ventures, Felicis Ventures and Band of Angels

## **Transforming healthcare from the ground up**

Practice Fusion launched in 2007 with a vision to create a healthcare revolution for the 80 percent of US doctors practicing in groups of nine or fewer.

At the time, the health technology sector was dominated by legacy Electronic Medical Record (EMR) systems charging over \$50,000 per physician and taking months to implement. More than 95 percent of doctors were still using paper charts in their practices.

Practice Fusion's innovative free, web-based EMR was quickly recognized as a disruptive industry force. By removing the cost and technology barriers to EMR adoption, Practice Fusion quickly spread among small medical offices.

Fueled by rapid product development, buzz among doctors, and the \$44,000 economic stimulus incentive program for EMR use, the company has experienced triple-digit annual growth in users for the past two years and continues to be the fastest growing patient-doctor community in the country.

Recently voted the No. 1 EMR in customer satisfaction in an independent national survey, Practice Fusion is designed to carefully match the workflow of primary care and specialty physicians through the entire patient-visit lifecycle, while giving patients access to their personal records. The company has become a critical testing ground for innovations in health data visualization and application development through its API platform.

Today, Practice Fusion supports more than 60,000 patient visits each day. A Practice Fusion doctor recently shared a life-saving story from his practice:

“...just wanted to let you know PF saved a patient's life. I admitted through the emergency room a patient seen by one of my partners and needed to start a blood thinner. Had I not had her electronic info on [Practice Fusion] and seen that she had a history of a clotting disorder, I likely would have killed her. It was not found anywhere else.”

### **From the investors:**

“When I started in venture capital, I was told to go for big opportunities and I saw nothing bigger than health technology,” said Rebecca Lynn, partner at Morgenthaler Ventures. “Practice Fusion has dominated the field of EMR by out-innovating and out-implementing others. As our signature portfolio company in this sector, we are extremely proud to have joined in 2009 as their first VC investor.”

“We are in the midst of a paradigm shift in healthcare,” said Aydin Senkut, founder and managing director, Felicis Ventures. “By leveraging the cloud and the web, Practice Fusion is delivering a new standard in patient care, streamlining doctors' access to health data and facilitating better communication with their healthcare partners and patients.”

“Practice Fusion has emerged as a clear frontrunner in next generation healthcare technology,” said David Lamond, Artis Capital Management. “Our investment decision was driven by the company's growth, unique business model and strong management team. We believe Practice Fusion is extremely well positioned and will continue to capture an increased share of the EMR and peripheral market.”

## **About Founders Fund**

Founders Fund provides capital to transformational businesses run by world-class entrepreneurs. Companies the firm has backed include Facebook (managing partner Peter Thiel was Facebook's first outside backer), Quantcast, SpaceX, Palantir Technologies, RoboteX, Spotify, Yammer, Mint.com, and Slide. The firm, which pursues a founder-friendly investment strategy, is overseen by four managing partners, all of whom have founded companies worth more than \$1 billion: Peter Thiel (PayPal); Ken Howery (PayPal); Luke Nosek (PayPal); and Sean Parker (Napster; Plaxo, Causes; founding president, Facebook).

For more information visit <http://www.foundersfund.com>.

### **Press Contacts:**

Helen Phung  
Media Relations Specialist, Practice Fusion  
San Francisco:  
415.992.7726 (p) | 619.245.1681 (c)  
[helen@practicefusion.com](mailto:helen@practicefusion.com)

Emily Peters  
Director of Communications, Practice Fusion  
San Francisco:  
415.692.7179 (p) | 805.801.8317 (c)  
[emily@practicefusion.com](mailto:emily@practicefusion.com)