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Free Electronic Health Record Provider Practice Fusion Raises Total \$64 Million

Practice Fusion, a provider of free cloud-based electronic health records announced today it raised \$34 million in a Series C round led by low profile Artis Ventures, bringing the total amount raised to \$64 million. Other returning investors include Felicis Ventures, Band of Angels, Ali and Hadi Partovi, Founders Fund, Morgenthaler Ventures, and SV Angel.

The total amount raised represents one of the largest funding for a health IT start-up. Others



include Castlight Health, which raised \$100 million in May and ZocDoc. GoHealth, a health insurance comparison website raised \$50 million in June. Investors are stepping up funding in digital health companies. According to health IT accelerator Rock Health, total VC funding amounted to \$1.2 billion in 2011, a 21% increase over 2010.

Practice Fusion belongs to a small group of companies that target doctors—in this case small practices representing 150,000 doctors, nurses, and office staff. Revenues come from selling advertising, but the company is also in the data business. Chief executive Ryan Howard plans to mine what he says is a database of 40 million patients by, for example, helping pharmaceutical companies enroll patients in clinical trials, or monitoring a drug following its release on the market. He has funded two start-ups, 100Plus and Ringadoc which tap into Practice Fusion's database to build predictive models based on health data, and to connect doctors with their patients, respectively. The company won't disclose revenues, but last year Howard said they were less than \$10 million.