

Redesign Health Gathers \$175 Million to Launch Healthtech Startups

Healthcare investor says it has helped founders start more than 60 businesses since 2018

By [Brian Gormley](#)

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Healthcare investor Redesign Health has built a network of advisers and healthcare collaborators to help it vet ideas for companies. Photo: Redesign Health

Redesign Health has raised \$175 million for a new venture fund aimed at launching dozens of technology companies serving the healthcare market, including those applying tools such as artificial-intelligence agents to make medical practices more efficient.

New York-based Redesign is a company builder that says it has helped founders launch more than 60 health-technology startups since its [formation in 2018](#).

Investors in the new fund include Declaration Partners, Euclidean Capital and True North Ventures, according to the firm.

Redesign develops ideas for startups with the help of a research team and has built relationships with hundreds of outside executive advisers and organizations, such as health systems, insurers and pharmaceutical and medical-device companies, said founder and Chief Executive Brett Shaheen.

These relationships also help Redesign put its portfolio companies on track for success by landing pilot projects and other partnerships, he said.

Several trends are creating opportunities for healthtech startups to tackle, such as labor shortages in healthcare and physician burnout, he said. Redesign's model is to develop ideas, recruit founders to turn them into companies, and provide initial capital and other resources to scale the businesses.

"There is a truly historic opportunity for healthcare innovation," Shaheen said.

Redesign last year teamed with entrepreneur Rajesh Voddiraju to launch San Francisco-based Stitch PEO, a startup that bands together independent healthcare groups to give them the leverage to offer benefits on par with larger competitors. A healthcare specialist, Stitch PEO offers services tailored to medical clients, Voddiraju said.

Stitch formed in July 2023 and launched its services in December of that year. It now has more than 50 customers that it provides services to, such as payroll, human resources and compliance, Voddiraju said.

Redesign in August of this year helped launch Translucent AI, a New York-based company seeking to use AI agents to help physician practices and other organizations that deliver healthcare to focus less on back-office tasks and more on the business's operations.

Adopting an AI agent is like hiring a junior business analyst, said CEO Jack O'Hara. For example, the technology could be used to track inventory and automatically order supplies. The goal, he said, isn't to replace humans but to allow existing employees to focus more on other tasks, he said.

"We are not in the business of replacing labor," O'Hara added.

Write to Brian Gormley at brian.gormley@wsj.com