

Axios Pro Exclusive Content

# Exclusive: Vision benefits startup XP Health nabs \$17M



Erin Brodwin  
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Illustration: Gabriella Turrisi/Axios

Digital-first benefits startup XP Health raised \$17.1 million in Series A financing, CEO Antonio Moraes tells Axios exclusively.

**Why it matters:** Employers are increasingly using benefits to attract and maintain talent and investors are taking note, funneling capital into startups focused on everything from hearing and vision care to supplemental benefits.

**Details:** HC9 Ventures, Valor Capital Group and ManchesterStory led the round, bringing XP's total funding to \$22.6 million.

- Canvas Ventures, CameronVC, Core Innovation Capital, GSR Ventures and Plug and Play also participated.
- Individual backers including former Oracle CFO Jeff Epstein, former Anthem EVP Ken Goulet, former UnitedHealth regional CEO Kevin Hill and former General Atlantic managing partner Brett Rochkind participated as well.
- Moraes says XP will likely raise its Series B in the second half of next year.

**How it works:** Employers and insurance carriers pay XP a per-member per-month subscription fee. Users fill out an online questionnaire that directs them to either in-person or virtual care.

- Offerings include an AI-powered tool that maps users' faces to recommend glasses.
- Users can also renew prescriptions entirely online.

**The backstory:** Moraes and cofounder James Wong met at Stanford — where, after spending far too much money on glasses, they started researching the cost of prescriptions outside the U.S.

- "We found that in China and Korea, even expensive, brand-name frames cost \$10, and we said to ourselves there's something wrong here," Moraes tells Axios.

**Context:** XP's main rivals are established vision insurance plans such as VSP. The marketplace also includes players like Warby Parker and Zenni Optical, both of which have made waves in the direct-to-consumer segment of the prescription eyeglass market.

**Yes, but:** When it comes to digital-first, vision-only benefits startups, XP doesn't have a ton of competitors, says HC9 general partner Richard Lungen.

- "Virtual vision care is not at all commoditized," Lungen says.

**What's happening:** XP's client roster ballooned to 1,500 this year from 30 in 2021, says Moraes.

- Current customers include Palantir, DocuSign and 23andMe, translating to roughly 250,000 individuals who use its services.
- He aims for the company to reach 1 million users by year's end and 10 million users by 2025.

**State of play:** While XP's been around since 2018, the employer-facing benefits sector is red-hot with two startups emerging this month:

- Tuned, a virtual hearing care company raised \$2.5 million in seed funding.
- Soda Health, a supplemental benefits-matching startup collected \$25 million in Series A financing.