

Axios Pro Exclusive Content

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



Erin Brodwin
43 mins ago



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.