

# 2hr Screener: Cityblock

## HQ Location: New York, NY

<b>Year Founded</b>	2017
<b>Latest Valuation (post money)</b>	\$6.03B
<b>Total Raised</b>	\$886.00M
<b>Notable Investors</b>	Goldman Sachs Asset Management, General Catalyst, Softbank Investment Advisers, Wellington Management, Redpoint Ventures, Tiger Global Management, Citigroup Alternative Investments, Citi Impact Fun, MicroVentures, Thrive Capital, Maverick Ventures
<b>Product Overview</b>	<ul style="list-style-type: none"> <li>• Cityblock Health is a healthcare provider that focuses on serving lower-income communities, particularly Medicaid and Medicare beneficiaries.</li> <li>• The company offers a comprehensive approach to healthcare by providing primary care, behavioral health services, and addressing social determinants of health.</li> <li>• Cityblock delivers care through a combination of virtual and in-person visits, including home visits and community-based clinics.</li> <li>• Their model emphasizes personalized, accessible care that aims to improve health outcomes and reduce healthcare inequities.</li> <li>• Cityblock utilizes technology, including a custom-built platform called Commons, to support their care teams and enhance member interactions.</li> <li>• By focusing on underserved populations and taking a holistic approach to healthcare, Cityblock aims to fill gaps in the current healthcare system and provide comprehensive, community-oriented care.</li> </ul>
<b>Core Technology</b>	<ul style="list-style-type: none"> <li>• At its core, Cityblock's technological backbone is their proprietary platform called Commons. This platform serves as a central hub for care coordination, data integration, and analytics. Commons allows Cityblock interdisciplinary care teams to communicate effectively, track patient progress, and make data-driven decisions. It likely incorporates electronic health record (EHR) functionality, care management tools, and social determinants of health data to provide a comprehensive view of each patient.</li> <li>• The real innovation lies in how Cityblock leverages this technology to enable their care model. They use advanced analytics and machine learning algorithms to identify high-risk patients and predict potential health issues. This proactive approach allows them to intervene early and potentially prevent costly hospitalizations. Additionally, Cityblock has developed virtual care capabilities, including telehealth solutions and mobile apps, to increase accessibility for their patients. While the technology itself isn't groundbreaking, it's the application of these tools in a coordinated, community-focused model that sets Cityblock apart. They're essentially using technology to stitch together various aspects of care - medical, behavioral, and social - in a way that traditional healthcare providers have struggled to achieve.</li> </ul>
<b>Previous Funding Notes</b>	<ul style="list-style-type: none"> <li>• <b>Seed Round (2017):</b> \$2.40M</li> <li>• <b>Series A (2018):</b> \$20.80M</li> <li>• <b>Series B (2019):</b> \$57.50M</li> <li>• <b>Series B (2020):</b> \$53.31M</li> <li>• <b>Secondary Transaction - Private (2020):</b> \$20.00M</li> <li>• <b>Series C (2021):</b> \$352.00M</li> <li>• <b>Series D (2021):</b> \$400.00M</li> </ul>

<b>Intro</b>	<ul style="list-style-type: none"> <li>• <b>Technology/Product:</b> Cityblock Health is a tech-enabled healthcare provider that delivers comprehensive, community-based care to underserved populations, focusing on Medicaid and lower-income Medicare beneficiaries by integrating primary care, behavioral health, and social services.</li> <li>• <b>Berkeley Link:</b> Couldn't find</li> </ul>
<b>Initial Highlight/Traction</b>	<ul style="list-style-type: none"> <li>• <b>Revenue Growth:</b> Cityblock posted over \$1 billion in revenue in 2023, doubling from \$500 million in 2021 (reported January 2024).</li> <li>• <b>Membership:</b> As of January 2024, Cityblock serves over 100,000 Medicaid and Medicare-Medicaid dually eligible beneficiaries.</li> <li>• <b>Geographic Expansion:</b> As of early 2024, Cityblock operates in New York, Massachusetts, North Carolina, Ohio, and Indiana.</li> <li>• <b>Member Retention:</b> After 12 months, Dual Eligible members in New York who are engaged with Cityblock have a 24 percentage point higher retention rate than those who are unengaged (reported January 2024).</li> <li>• <b>Health Outcomes:</b> For Medicaid and Dual Eligible members with behavioral health needs, Cityblock achieved a 54% decrease in hospital admissions (reported January 2024).</li> <li>• <b>Customer Satisfaction:</b> Cityblock reported high member engagement and Net Promoter Scores (NPS → a customer experience metric) of high 80s to 90s across its markets (reported December 2020).</li> </ul>
<b>Initial Risks/Considerations</b>	<p><b>Internal Risks</b></p> <ul style="list-style-type: none"> <li>• <b>Cost-cutting measures:</b> In 2023, Cityblock faced the need to reduce costs to move towards profitability, a common challenge for heavily funded startups.</li> <li>• <b>Scaling challenges:</b> As of January 2024, Cityblock serves over 100,000 members across multiple states, which may present operational and quality control challenges as they expand.</li> </ul> <p><b>External Risks</b></p> <ul style="list-style-type: none"> <li>• <b>Market competition:</b> The primary care and value-based care space is becoming increasingly crowded. Oak Street Health was acquired by CVS Health for \$10.6B in 2023. One Medical was acquired by Amazon for \$3.9B in 2022. VillageMD was valued at \$15.7B in 2022 after Walgreens increased its stake.</li> <li>• <b>Regulatory environment:</b> Changes in Medicare and Medicaid policies could significantly impact Cityblock's business model, as these programs represent a large portion of healthcare spending in the U.S.</li> </ul>
<b>Follow Up Questions</b>	<ul style="list-style-type: none"> <li>• How does Cityblock plan to manage its rapid geographic expansion while maintaining the quality of care and operational efficiency?</li> <li>• What specific measures has the company taken to improve its path to profitability, and how have these affected its care delivery model?</li> <li>• With the recent acquisitions of competitors like Oak Street Health and One Medical, how does Cityblock plan to maintain its competitive edge in the value-based care space?</li> </ul>

**Decision:** Track (P2)

**Further Info:** Cityblock Health demonstrates strong growth and innovative care delivery for underserved populations, but profitability concerns and market competition require further observation before investment.