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Norwest Backs Medical Payment Platform

VisitPay, previously known as iVinci, has raised \$15 million in Series A for scoring-based medical bill payment platform that allows for customized plans.

By Heather Mack

VisitPay wants to make paying medical bills a more personal experience.

That means getting more information about a patient's financial stability, rather than their health. Since high-deductible insurance plans raise the stakes for the patient and the health system collecting the out-of-pocket costs, many have experienced a surge in unpaid medical bills. So the Boise, Idaho-based company, formerly known as iVinci Partners LLC, believes in allowing people to make customized payment plans according to their income. VisitPay's platform uses a scoring model to generate tailored plans.

"This is not a collections game, but an underlying way of allowing self-service for patients to pay," said VisitPay Chief Executive Kent Ivanoff. "The obvious analogy is how credit cards changed in the 90s by aggregating costs and customizing payments on the

consumer.”

Mr. Ivanoff, a former executive vice president at Capital One, founded VisitPay in 2010. The company has worked with several large health systems, including the 22-hospital Intermountain Healthcare system in Utah and Idaho and the 15-hospital St. Luke’s Health System. The latter reported an increase of payment rates by 20%.

The success led Norwest Venture Partners to lead a \$15 million Series A as part of an effort to take VisitPay national.

“The average operating margin in a hospital is 2 to 4%, and most of that is on patients. If we don’t find a way to help them pay that, it will wipe out their entire operating budget,” said Dr. Robert Mittendorff, a partner at Norwest Venture Partners. Dr. Mittendorff, who is also on VisitPay’s board, said the company doesn’t face a lot of competition from a single entity, but from a patchwork of services cobbled together from electronic medical records vendors, traditional billing companies or other financial services. Ascension Ventures participated in the Series A, which brings VisitPay’s total capital raised to \$22 million. Write to Heather Mack at Heather.Mack@wsj.com