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Emocha, a remote patient monitoring company for chronic conditions, is in advanced talks with private equity and venture capital firms on a fundraise, as COVID-19 and a recent megadeal continue to drive interest in telehealth, said CEO Sebastian Seiguer.

The Baltimore, Maryland-based company hopes to close the funding round by the end of the year, Seiguer said. A precise amount is yet to be determined, but the company is targeting around USD 10m in new capital, he said.

Emocha, which has taken in about USD 2m in VC funding and additional money through grants, saw its revenue triple from March to June with patient demand for remote care soaring amid the coronavirus pandemic, Seiguer said without disclosing specifics. Existing investors include Propel Baltimore Fund, Kapor Capital, Sand Hill Angels, Baltimore Angels, and Blue Jay Syndicate.

Emocha’s patient monitoring platform ensures that high-risk chronic illness patients are taking their medication regularly. The company's HIPAA-compliant app allows patients to record daily videos of themselves taking their prescribed medication and send the video to their doctor.

The company serves patients with HIV, hepatitis C and other infectious diseases, organ transplant patients, opioid-use disorder patients, diabetes patients, and COPD and asthma patients. Additionally, Emocha’s COVID-19 solution uses virtual check-ins to identify, track and manage symptoms of healthcare professionals, employees and students exposed to the virus.

Founded in 2014, the company’s technology is used by public health departments, clinical trial organizations, health systems and managed care organizations.

“Now is the time to take in an investment or a strategic partner to grow the business,” Seiguer said. “And regulatory barriers are dropping really quickly, so it’s an amazing time to be in this space,” he added, referring to the increasing relaxation of licensing regulations for telehealth providers that has been occurring in the wake of COVID-19.

Proceeds would go toward scaling Emocha's business to meet the demand the company has seen in recent months, Seiguer said.

“COVID-19 has forced us to scale to thousands and thousands of patients more than we had before, so outside funding is to grow our executive team and grow our sales team,” Seiguer said. “And to operate. It lets us scale nationally across multiple larger accounts. It would be growth funding – and it's essentially pouring fuel on what is now a fire in terms of our current growth."

Emocha was pretty far down the path with fundraising efforts earlier this year, but the coronavirus pandemic put those plans on pause. In recent months, COVID-19 has brought "certainty and clarity on our value proposition and prospects," Seiguer said.

The coronavirus pandemic is not the only phenomenon expected to propel increased investment in telehealth and remote patient monitoring in the months and years to come. Telehealth giant Teladoc [NYSE:TDOC] earlier this month announced its planned acquisition of digital chronic condition management company Livongo [NASDAQ:LVGO] for USD 18.5bn, representing of the largest digital health tie-up in recent history. The transaction will likely yield heavy M&A over the next 24 months in the sector, as smaller digital health companies focused on chronic conditions look to scale and capture market share, Seiguer said.

For its part, Emocha is not really focused on getting acquired, but could be an attractive target for myriad healthcare players beyond digital health companies, Seiguer said. Health plans, large pharmacy chains and pharmaceutical companies could show interest, he said.