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St. Thomas-born CEO Leads Backpack Healthcare in Securing \$14 Million Funding

Backpack Healthcare's AI-powered app and teletherapy services offer indispensable support to youth

Business / **Published On May 08, 2024 07:31 AM /**

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Photo of Hafeezah Muhammad and her son Azeemem in the Hamptons, 2024.

Backpack Healthcare is an online pediatric mental healthcare provider, founded by Hafeezah Muhammad, its St. Thomas-born CEO.

According to the company, it develops “innovative and inclusive solutions with its AI-powered app and teletherapy services to provide indispensable support to all young individuals navigating mental health challenges.” On Tuesday, Backpack Healthcare announced that it had raised \$14 million in Series A funding, led by venture capital firm PACE Healthcare Capital.

With only 14% of mental health clinicians accepting Medicaid as insurance, Backpack Healthcare is attempting to bridge that gap by making the services it provides accessible through its connections with insurance providers that accept Medicaid. According to Ms. Muhammad, the Series A funding “underscores the U.S. healthcare system's need for more inclusive, tech-enabled solutions to tackle the growing pediatric mental health crisis.”

The money will be used to enhance the company’s technology platform, an app powered by AI which keeps track of the user’s emotions and uses the data it gathers to match users with specialized therapists who work to create custom tailored treatment plans. The Backpack Healthcare app provides tools and activities to make therapy an enjoyable experience, thus encouraging participation from its young user base.

The company also plans to use the capital to expand its reach into communities outside of Maryland and Virginia, where it currently operates.

According to PACE Healthcare Capital Managing PARTner Julia Monfrini Peev, the investment in Backpack Healthcare is “not just about driving returns, it is about nurturing brighter futures for millions of underserved children and investing in the resilience of our society tomorrow.”

The investment, according to a statement from Backpack Healthcare, makes Ms. Muhammad the first Virgin Islander to raise venture capital in this manner.