ML STRATEGIES

FemTech's Real Test: Can Innovation Solve Rural America's Maternal Health Crisis?

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VIEWPOINT TOPICS

- Health Care

"FemTech" is shorthand for a fast-growing category of technology built specifically for women's health. Once mostly period-tracking apps, it now spans regulated diagnostics, AI-driven risk prediction, and evidence-based therapeutics. In **Women's Health at a Turning Point**, we described federal policy finally catching up to that shift.

That maturation matters well beyond investors and regulators. It is arriving just as the U.S. maternal health system faces collapse especially in rural and medically underserved communities. The same tools building FemTech's scientific credibility (home diagnostics, AI biomarkers, virtual specialty care) are increasingly well positioned to help the maternal health crisis. This article lays out the size of that opportunity, the federal policy and regulatory obstacles standing in its way, and what companies need to get right to succeed.

The Crisis, By the Numbers

- 34.6% of U.S. counties are now **maternity care deserts**: no obstetric clinician, no birthing facility. Together they are home to 2.4 million reproductive-age women and roughly 149,000 births a year.
- 96 labor-and-delivery units closed nationwide between January 2024 and May 2026 alone; in 60% of those counties, it was the only local option.
- 124 rural hospitals have closed or announced closure of their maternity units since 2020, a 12% cut to rural delivery capacity, per the **Pennsylvania Office of Rural Health**. Only 41% of rural hospitals still deliver babies.
- The cause isn't a mystery: inadequate Medicaid and private reimbursement, plus chronic shortages of rural obstetric clinicians.

The Opportunity: FemTech Is Maturing Fast Enough to Help

Capital: even as broader FemTech venture funding has cooled from its 2021 peak, money is shifting toward clinically anchored, condition-specific models such as menopause care (the sector's fastest-growing subsector, roughly $2.3 billion in enterprise value) and maternal health specifically, including Pomelo Care's $92 million raise in January 2026 (**Dealroom**).

Federal science: **ARPA-H** has committed over $110 million to women's health biomarkers and diagnostics, including a home fingerstick test for early preeclampsia detection. **Mirvie's blood test** now identifies 91% of preterm preeclampsia cases four to six months before symptoms appear. It is a lab test, not a wearable, so it can run through any clinic that can draw blood.

Access to diagnosis: the **FDA's clearance of at-home HPV self-collection** (as accurate as an in-office test) and advancing metabolomics research on preeclampsia and gestational diabetes are both moving screening out of the specialist's office and into places rural patients can actually reach.

Why This Convergence Matters

The maternal health crisis is fundamentally a distance-and-workforce problem: too few obstetric specialists, spread too thin, too far from patients. FemTech's newest tools are built to solve exactly that:

- **Home and mail-in diagnostics** move screening out of the specialist's office and into primary care and community health settings.
- **AI risk prediction** helps rural clinicians decide who truly needs to travel for high-risk care and who can safely be monitored locally.
- **Telehealth-based menopause and maternal care** extends subspecialty expertise virtually, without requiring an in-person referral.

None of it works without connectivity, durable payment and reimbursement, and regulatory pathways that provide evidence-based avenues to widespread adoption. That is where the opportunity runs straight into policy.

The Federal Policy and Regulatory Challenges

Closing the rural maternal health gap will not happen on innovation alone. FemTech companies expanding into rural and underserved markets, and the investors backing them, are running into five structural obstacles.

- **Telehealth authority is temporary**. Medicare telehealth flexibilities were extended only through **December 31, 2027**. That is real runway, but annual or similar extensions are a stopgap, not a permanent solution, exposing rural, virtual care models to annual expiration fights.
- **Rural infrastructure funding is thin**. HRSA's **Rural MOMS program** funds regional referral networks, and the bipartisan **Rural Obstetrics Readiness Act** (S. 380 / H.R. 1254) would fund obstetric training for rural emergency departments. Both matter, and both remain competitively awarded or still pending in Congress.
- **FDA classification determines reimbursement**. A device's regulatory classification drives its Medicare and Medicaid coverage, and reimbursement is the same gap closing rural obstetric units today. A diagnostic without a clear coverage pathway carries a market-size problem as much as a regulatory one.
- **Broadband sets a hard ceiling**. Telehealth use drops sharply below basic connectivity thresholds. Federal broadband investment through the FCC and USDA sits formally outside health policy but functionally determines whether virtual care can reach these communities at all.
- **Medicaid coverage is a patchwork**. Because rural and medically underserved patients are disproportionately covered by Medicaid, coverage and reimbursement for home diagnostics and virtual care is decided state by state, with no uniform national standard.

What It Takes to Succeed in This Market

Companies that treat these obstacles as design constraints, not afterthoughts, are best positioned to win rural and underserved markets.

- **Build reimbursement into the product, not around it**. Sponsors that plan their FDA pathway and payer strategy alongside clinical development, rather than after launch, avoid the stall that has trapped many diagnostics in pilot programs.
- **Partner with the rural health infrastructure that already exists**. Rural hospitals, community health centers, and HRSA-funded referral networks such as Rural MOMS offer distribution and clinical credibility that a direct-to-consumer model cannot replicate alone.
- **Design for the connectivity these markets actually have**. Asynchronous, low-bandwidth, and mail-in models can reach more rural patients than platforms that depend on constant broadband access.
- **Treat multi-state Medicaid strategy as core to the business, not an expansion item**. Because Medicaid coverage decisions vary by state, a company's true addressable market depends as much on its state government affairs strategy as on its clinical data.
- **Engage federal and state policymakers early**. Companies that show up before rules are finalized help shape the coverage and reimbursement pathways that will determine their own addressable market.

The Takeaway

FemTech's evolution into a credible medical technology category is no longer in question. Whether it reaches the rural communities facing the sharpest maternal health crisis will determine which companies scale and which stall in pilot programs. For companies entering this market, and the investors backing them, rural access is not just an impact story. It is underwriting risk and market-size math, and the regulatory challenges and success factors above belong in the diligence process from day one.

Authors

Traci L. Vitek, Senior Vice President

Traci L. Vitek, Senior Vice President at ML Strategies in Washington, DC, advises clients on federal health care policy, legislative strategy, and executive branch engagement.

Daniel Cody

Daniel A. Cody is a Member at Mintz who represents clients across the health care and life sciences sectors, including the digital health industry, providing strategic counseling and leading civil fraud and abuse investigations. His practice encompasses a broad range of complex regulatory, compliance, privacy, and transactional matters.