

Amwell's Q2 earnings hint at telehealth's future beyond just visits

Article

The news: Telehealth company **Amwell** [reported](#) its Q2 earnings on Wednesday, showing the following:

- **Q2 revenues** totaled **\$60.5 million**: This represents a **12%** year-over-year drop from Q2 2020 (which is also when telehealth visits peaked during the pandemic).

- **Total visits declined from 1.6 million in Q1 to 1.3 million in Q2.** And it was surprising to learn that **Amwell expects telehealth visits to continue to drop through the rest of the year** as delta variant cases surge: The telehealth company expects **200,000 fewer** telehealth visits in H2 2021 than it originally forecasted, attributing it to stronger masking and social distancing measures which will better protect people from the usual flu season. However, it's possible that another full-blown surge in COVID-19 cases could hike those projections back up.
- **Amwell's projected drop in telehealth visits is estimated to have an \$8 million impact on its 2021 revenues:** The company adjusted its expected 2021 revenue range down from **\$260 - \$270 million** to **\$252- \$262 million**.

Amwell's Q2 highlights:

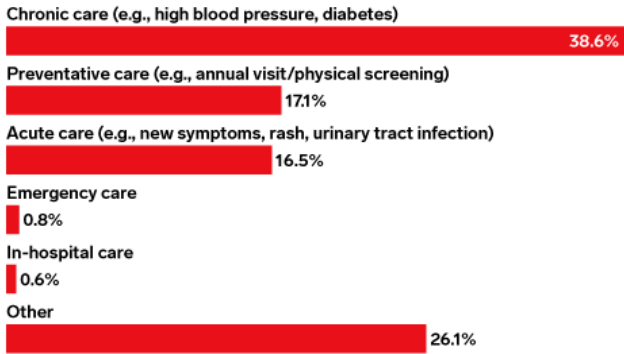
- **In April**, Amwell **unveiled** a new platform, Converge, which lets users access all of its virtual care offerings, devices, and third-party applications in one location. The platform supports a simple-to-use experience for patients, while giving Amwell's partners a streamlined way to integrate their own services—like **Google Cloud's** AI-powered transcription services—with its telehealth visits.
- **In May**, Amwell's joint venture with Cleveland Clinic, dubbed simply **The Clinic**, expanded its **virtual second opinion program** to include multidisciplinary case analysis for patients suffering from brain tumors and prostate cancers.

The big picture: These earnings show how telehealth visits alone are not enough for telehealth vendors to stay competitive. They need to **expand into digital health-enabling tech** like remote patient monitoring (RPM) and other niche healthcare areas.

- Telehealth visits are **on the decline**, but health systems and hospitals are still focused on building out digital health capabilities like RPM. RPM and virtual visits complement each other enough to provide more comprehensive insights to clinicians, more personalized care to patients -- and an opportunity for telehealth vendors.
- Amwell is already doing this, but will likely need to do more of it to stay competitive. For example, it **doubled down** on telemental health and RPM with its latest acquisitions of **SilverCloud Health** and **Conversa Health** acquisitions.

Telehealth Services Received Most Recently Among US Telehealth Users, Feb 2021

% of respondents



Note: ages 18+; among those who had at least one telehealth encounter during March 1, 2020-Jan 30, 2021
Source: The COVID-19 Healthcare Coalition, "Telehealth Impact: Patient Survey Analysis," April 11, 2021

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