

CVS expands in-person counseling despite demand for virtual mental health

Article

The news: CVS is reportedly expanding its in-person mental health counseling services in 34 locations across areas like Houston, Philadelphia, and Tampa, per WSJ.

- The retail giant initially only offered in-person mental health services in 13 locations, but decided to broaden its footprint due to rising consumer demand.

Why this could succeed: CVS could lure in consumers with its low price points as demand for mental health services skyrockets, and as cost remains a major barrier for many seeking access to mental healthcare.

- About **11% of US health consumers** indicate high costs prevent them from accessing virtual care services, **per** Rock Health's reporting.
- That's likely why low-cost retail services like those from CV' and **Walmart'** will be appealing to consumers, especially those without employer-sponsored-insurance.
- CVS' new in-person mental health services will cost **\$69 per counseling session**, according to WSJ.
- For comparison, vendors like **Talkspace** charge **upwards of \$476/month for four sessions with ato** speak with a therapist for four sessions (**\$119 per session**).

What's the catch? Consumers are increasingly opting for virtual rather than in-person mental health services.

- For example, the percentage of **in-person appointments with a psychologist dropped from 20% in May 2020 to 13% in 2021**, **per** appointment scheduling platform Zocdoc.
- Conversely, **virtual appointments with psychologists rose from 80% to 87%** during that same time period.

At the end of the day, there's still a stigma around mental health that prevents many folks from accessing care—virtual sessions help alleviate this barrier. In fact, the American Psychological Association **notes** virtual care helps alleviate the stigma for patients seeking mental health for the first time, in particular.

What's next? We think it's more likely that CVS is diversifying its revenues to include in-person mental health care—but this service likely won't outpace the popularity of its virtual care sessions.

- CVS' plans to expand its in-person mental health services are likely a strategy to cater to patients who would prefer low-cost in-person visits, considering CVS saw a "surprisingly high return rate" for customers who had an in-person consultation, **per** WSJ.

- However, we know that the top use case for virtual care services has been mental health visits for a few months now, per nonprofit Fair Health's tracking—which means the popularity of mental health visits is here to stay.
- In fact, CVS already offers telemental health visits with therapists at its **HealthHub** locations in select states, which it could very well expand to meet the soaring consumer demand for telemental health care. And it recently [launched](#) a CVS-Aetna primary care telehealth service powered by **Teladoc Health**.

Go deeper: We explore how retail health clinics like CVS have been doubling down on their primary healthcare plays to drive traffic to their stores [here](#).

US Adults Who Feel that Their Mental Health Is Worse than This Time Last Year, by Generation, Feb 2021

% of respondents in each group



Source: American Psychological Association (APA), "Stress in America: One Year Later, a New Wave of Pandemic Health Concerns" conducted by The Harris Poll, March 11, 2021

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