

Lyra Health scores \$235M and a new acquisition—but it's not the only one after a spot in employers' mental health benefits

Article

The news: Digital mental health company **Lyra Health** raised **\$235 million** in Series F funding, vaulting its **valuation to \$5.585 billion**. It plans to use the funds to fuel its **global expansion** efforts.

On the same day, Lyra announced its acquisition of **ICAS World**, an international provider of employee assistance programs. ICAS' global network includes over 1,500 companies and 6.3 million users across more than 155 countries, which should give Lyra smooth inroads into global markets.

More on Lyra Health: Lyra Health partners with employers to give employees and their dependents access to personalized mental health services.

- Lyra's platform screens users online and matches them with personalized mental health solutions, like a therapist who matches their specific needs, self-care resources, or digital mental health tools.
- Its client roster already includes large companies like **Uber**, **eBay**, and **Zoom**.

Why it's worth watching: The pandemic exacerbated mental health challenges in the workplace, inciting a greater need for personalized mental health benefits like Lyra's.

- **76% of employees reported at least one symptom of a mental health condition in 2021—up from 59% in 2019**, [per](#) Mind Share Partners' 2021 Mental Health at Work report.
- This is negatively affecting productivity levels for employers: On average, employees missed 8 days due to mental health.

Employers are responding by investing more in mental health resources:

- **31% of employers with 50 or more employees expanded** the means through which their employees could get mental health services (like through telemedicine), [per](#) KFF's November 2021 Employer Health Benefits survey.
- For 2022, mental health benefits are expected to attract the most investment dollars from employers, [according to](#) Wellable Lab's 2022 Employee Wellness Industry Trends report.

An important consideration: Providing mental health benefits will help promote the accessibility of mental health care—but there are other barriers employers need to knock down to promote utilization of those benefits.

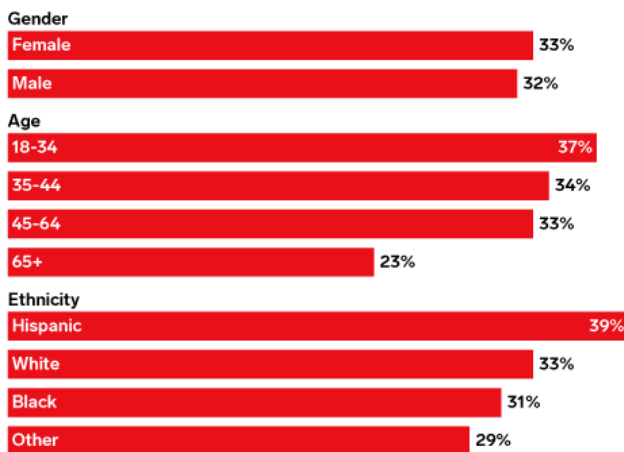
- For example, cost is still a major barrier, especially since they can quickly pile up with consistent therapy sessions that require recurring payments.
- **Just 4% of employers waived or reduced cost-sharing for mental health services in 2021,** and that’s even less likely for smaller firms, [per](#) the KFF’s 2021 survey.

Zooming out on the market: While Lyra is on a trajectory to grow its international customer base and its breadth of mental health products, other startups are also carving into the employer-focused mental health benefits space.

- One major competitor is **Headspace Health**, which sunk its teeth into the employer health benefits market and underwent a \$3 billion merger (**Headspace + Ginger**) in 2021.

***Dig deeper:** Check out our [US Telehealth Trends 2022 report](#) to learn more about what consumers want out of a hybrid virtual/in-person healthcare system.*

US Adults Who Have Used In-Person or Telehealth Mental Health Services, by Demographic, Oct 2021
% of respondents in each group



Note: in the past year; includes meeting with a therapist, counselor, or psychiatrist
Source: Morning Consult, "National Tracking Poll #2110001," Oct 5, 2021

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