

# Doctor on Demand, Grand Rounds merge into yet another telehealth giant

Article

**Grand Rounds**, an employer-focused telehealth navigation firm, is [merging](#) with telehealth behemoth **Doctor on Demand** to form a multi-billion-dollar telehealth giant that aims to

provide more user-centric care and address the US' [\\$300 billion](#) uncoordinated care problem.

**Both digital health companies saw massive growth amid the pandemic-induced virtual care boom:**

- **Grand Rounds' membership grew [55%](#) annually last year, and it now boasts over 130 employer partners, including big names like Walmart, Home Depot, Salesforce, and Uber.** And the firm has been hinting at a bigger move into telehealth: In September 2020, it nabbed [\\$175 million](#) in funding, which it said it wanted to siphon toward expanding its telehealth capabilities. Grand Rounds serves over [6 million](#) members, which is still a fraction of the [49.6%](#) of US adults covered under employer-sponsored health insurance, [per](#) the Kaiser Family Foundation —meaning there's plenty of market opportunity for it to grow.
- **Doctor on Demand's total visit volume shot up by 59% from March to April 2020, [according to](#) a 2020 Harvard study published in the Journal of Medical Internet Research.** Further, Doctor on Demand has over [400](#) employer customers and serves over [45 million US users](#)—and now that it's tapping Grand Rounds' care navigation capabilities, it can augment its own telehealth platform to retain and reel in customers.

**The birth of this new, integrated telehealth giant should incite further consolidation in digital health.**

- **The \$2 billion-plus merger will threaten even the giants like Teladoc and MDLive—both of which have been involved in M&As of their own in the last year.** Teladoc underwent its blockbuster [\\$18.5 billion](#) merger with Livongo in August 2020, and MDLive was just [acquired](#) by Cigna last month. It wouldn't be surprising to see fast-growing digital health companies like Amwell, Dispatch Health, or GoodRx use M&As to level the playing field in the near future.
- **What's unique about the Grand Rounds-Doctor on Demand merger is the emerging company integrates care navigation with telehealth.** That means users are able to search for the kind of personalized care they need and directly get connected to it virtually, all in one go. Though this is still a nascent idea in digital healthcare, it's one that will surely pick up speed as the demand for efficient healthcare solutions persists.
- **This will make the combined entity especially attractive to US employers—which cover around [half](#) of the US population.** Health plan costs are projected to [rise](#) this year, and coordinated care solutions can potentially help cut spending down the road: [52%](#) of employers said telemedicine will be an important benefits priority post-pandemic, and [26%](#)

plan to offer care navigation services, [per](#) an October 2020 Willis Towers Watson Health Care Delivery Survey of 397 US employers.

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### Partnership Plans for 2021 According to US Healthcare CFOs, Sep 2020

% of respondents



Source: BDO, "2021 BDO Healthcare CFO Outlook Survey," Jan 12, 2021

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