

# Here's what Teladoc's Q2 earnings and other telehealth activity tell us about the future of virtual care

Article

**The news:** Teledoc reported **\$503 million** in revenues in Q2—a **109% year-over-year jump**. However, it reported a **total net loss of \$333.5 million** for the first half of 2021—significantly higher than the \$55.3 million net loss it reported in H1 2020. Despite losses, Teladoc’s visit numbers were up in Q2 21, peaking at **3.5 million—28% higher** than Q2 20 (when the first wave of the pandemic hit).

**Why it matters:** What’s surprising is that telehealth investments are still rising while leading companies like Teladoc and **Amwell** are not yet profitable.

- Global telehealth investment went up for the fourth consecutive quarter in Q2, **growing 17%** from Q1 and **up 169% year-over-year**, per CB Insights.
- And the top five telehealth deals in Q2 alone amounted to **\$1.6 billion**, representing **30%** of all of Q2’s global digital health funding.

There was also an all-time high of **35 telehealth-related M&A deals** in the second quarter of this year—**40%** of which were related to telemental health.

- Retail giant **Walmart** acquired telehealth provider **MeMD** in May.
- Insurer **Bright Health** broke into the telehealth arena via its **Zipnosis** acquisition in April.
- And Accolade scooped up telehealth company **PlushCare** in April.

**What’s next?** Telehealth companies were able to capitalize on the pandemic’s tailwinds—but now they’ll have to navigate the uncertainties around how much public and private payers will reimburse patients for virtual care.

- For example, utilization rates may drop if consumers can’t access the rates afforded to them by pandemic-era reimbursement allowances—which would thin out telehealth providers’ revenues.

Telehealth vendors can safeguard their revenues by covering multiple bases in the digital health value chain.

- For example, telehealth cos can integrate remote monitoring features to enhance personalized care and improve health outcomes to create more value for payers so that they’re willing to reimburse virtual care.
- If telehealth companies can demonstrate that integrated virtual care can deliver outcomes akin to in-person care and reduce the need for more costly downstream care, they could get

payers back on their side.

**And the stakes are raised even higher with competition heating up:** Just last week, **Amwell** [acquired](#) a digital therapeutics company for mental health (**SilverCloud**) and an AI-driven care coordination firm (**Conversa Health**). And Big Tech is also vying for a slice of the telehealth market: On top of Walmart's MeMD acquisition, **Amazon Care** is quietly expanding to employers across the US.

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### How Has Telehealth/Telemedicine Impacted US Telehealth/Telemedicine Users' Healthcare Expenses?

% of respondents, March 2021

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Note: n=1,222 ages 18+; numbers may not add up to 100% due to rounding  
Source: Sykes, "2021 Telehealth Survey" conducted by Pollfish, April 2, 2021

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