Calm buys Ripple Health to move beyond sleep, relaxation, and meditation in the mental health space

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The news: Mental health company **Calm** is acquiring health tech company **Ripple Health Group** to replace Calm's existing employer offering (Calm for Business) and rebrand it as Calm Health.

- Calm Health will provide digital tools that support mental health across the healthcare spectrum, and Ripple Health's team will help build out this suite of solutions.
- For context, Calm's app has over 100 million downloads and is one of two mental health apps (the other being **Headspace**) that account for 90% of active mental health app users.

More on Ripple Health: Ripple makes apps for care coordination and healthcare management. It came out of stealth mode in January 2022 when it launched its first two apps: CareMemo and LikePaper.

- **CareMemo** lets patients and caregivers communicate with providers and health plans to ensure important health information is delivered promptly and centrally available.
- **LikePaper** lets users set medication reminders and store, organize, and share medical information with family members and caregivers.

What changes will the M&A spur? In addition to transforming Calm's employer-facing business, Ripple Health will help Calm move beyond sleep, meditation, and relaxation tools and into the broader mental health space.

- Ripple will help Calm hook into other healthcare areas that are connected to consumers' mental health struggles: For example, it would have a high use case for older adults who deal with both mental health and chronic conditions.

What does it mean for Calm's existing employer contracts? While more comprehensive digital mental health tools could help score new employer clients and retain existing ones, Calm also runs the risk of losing contracts if it decides to increase the price of its offerings. Most employers are concerned about keeping up with the rising costs of providing health benefits to their employees.

The bigger picture: M&As in the mental health space are chugging along, as we predicted. And more digital health companies are using M&As and partnerships to offer more specialized mental health offerings.

- Digital primary care startup **KHealth** acquired virtual mental health app **Trusst** in August 2021.
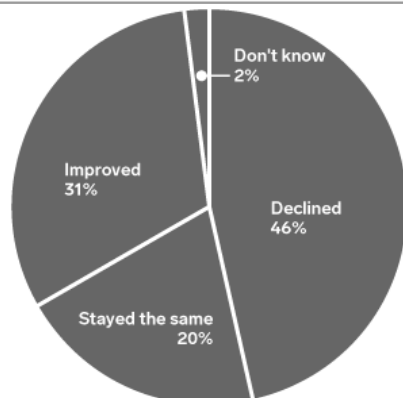
- **Amwell** [bought](#) digital mental health therapeutics firm **SilverCloud** in July 2021

- And **Lyra Health** recently [acquired](#) employee assistance programs provider **ICAS World** to appeal to more employers.

How Would US Employers Assess the State of Mental Health of Their Workforce?
% of respondents, Jan 2021

Don't know
2%

Improved
31%

Declined
46%

Stayed the same
20%

Note: numbers may not add up to 100% due to rounding
Source: Lyra Health, "State of Mental Health at Work Report 2021" conducted by Upwave, March 4, 2021

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