

Talkspace's Q2 earnings reveal the permanence of virtual mental healthcare

Article

The news: Telemental health company Talkspace's Q2 revenues skyrocketed 73% year-over-year (YoY) to \$31 million, per its Q2 2021 earnings—up from around \$18 million in Q2 2020.

What's driving growth? In a word: employers.

Employers are incorporating more telemental health tools in their benefits packages, likely due to demand from their workers.

- An October 2020 Telus Survey revealed that **90% of remote workers** would jump ship for another job that prioritizes their mental health, for instance.

So, it makes sense telemental health providers like Talkspace have markedly expanded their employer rosters over the last year:

- In its Q2 earnings call, Talkspace indicated its **B2B revenues grew 320% YoY** to \$10 million, which included revenue thanks to employer clients like **Accenture, Blackstone, and Google**.
- In particular, Talkspace said it's planning to **add** "group therapy and situation specific treatments focused on the workplace" to its offerings later this year, which many telemental health companies have yet to provide.

Trendspotting: The demand for mental health care is so high that telehealth companies have no choice but to include mental health in their toolkits.

Mental health conditions have remained the top use case for telehealth for a few months now.

- The percentage of telehealth claim lines for mental health conditions rose across the US in every region in May 2021, according to nonprofit Fair Health's most recent tracker.
- In response to this trend, telehealth companies like **Hims & Hers** are adding mental health into their offerings: In early July, Hims & Hers announced it'll add individual therapy to its suite of telehealth services. Later that same month, its competitor **Ro** **launched** a new virtual mental health services arm.

What's next? We'll likely see telehealth providers break into more niche mental health areas, like substance use disorder) to meet rising demand among patients, and in turn, health plan partners.

That's because more patients are seeking telemental health care for conditions like substance use disorder (SUD): In May, SUD joined the top 5 health diagnoses for the first time, per Fair Health. Plus, some telehealth companies already have plans to tackle substance use disorders. In its Q2 earnings, Talkspace said it has a heightened interest in helping SUD patients due to heightened requests from its health plan partners, for instance.

Barriers/Obstacles to Accessing Telehealth Service According to US Adults, July 2021

% of respondents



Note: for doctor's appointments
Source: Bipartisan Policy Center (BPC), "Telehealth Visit Use Among U.S. Adults" conducted by SSRS, Aug 1, 2021

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