

# What Teladoc's Q3 earnings reveal about the future of telehealth

Article



**The news:** Teladoc reported **\$522 million in revenues** in Q3—an **81% year-over-year (YoY) spike**. But its **total net loss was \$84.3 million** in Q3 this year, which is more than double its net loss from Q3'2020.

Q3 also marked business growth for Teladoc in terms of partnerships and membership:

- It struck new deals with **CVS Health** and **Centene** and rolled out its new primary care (Primary360) offering.
- **Total visits in Q3 went up 37% YoY**, topping 3.9 million. However, its actual membership in the US only grew around 2% YoY.

**The bigger picture:** Telehealth use is plateauing, though it's still 38 times higher than pre-pandemic levels.

- The volume of telehealth claims in the US has gone **down from 7% in January to 4.2% in July**, per Fair Health's Monthly Telehealth Tracker.
- That's still around **1,750% higher** than the volume of telehealth claims in January 2020 (0.24%).

And it's not just patients who are warming up to the idea of telehealth being a permanent fixture of the healthcare ecosystem:

- **58% of physicians** view telehealth more favorably than they did pre-pandemic
- **And 40 % of consumers** say they'll continue to use telehealth in the future—up from 11% pre-pandemic, per a 2021 analysis from Mckinsey.

**What does the next chapter of telehealth look like?** Telehealth giants like Teladoc and Amwell face pressure to be dethroned by growing competitors like Amazon Care, Hims & Hers, and Ro.

- **Amazon Care** only just launched its virtual care service to employer customers nationwide, and it's already expanding to in-person home care visits in 20 major cities as of September.
- And direct-to-consumer companies like **Hims & Hers** and **Ro** are doubling down on their patient-centric branding, partnering with retailers, and branching into different telehealth specialties (like dermatology, mental health, diagnostics, and pharmacy).

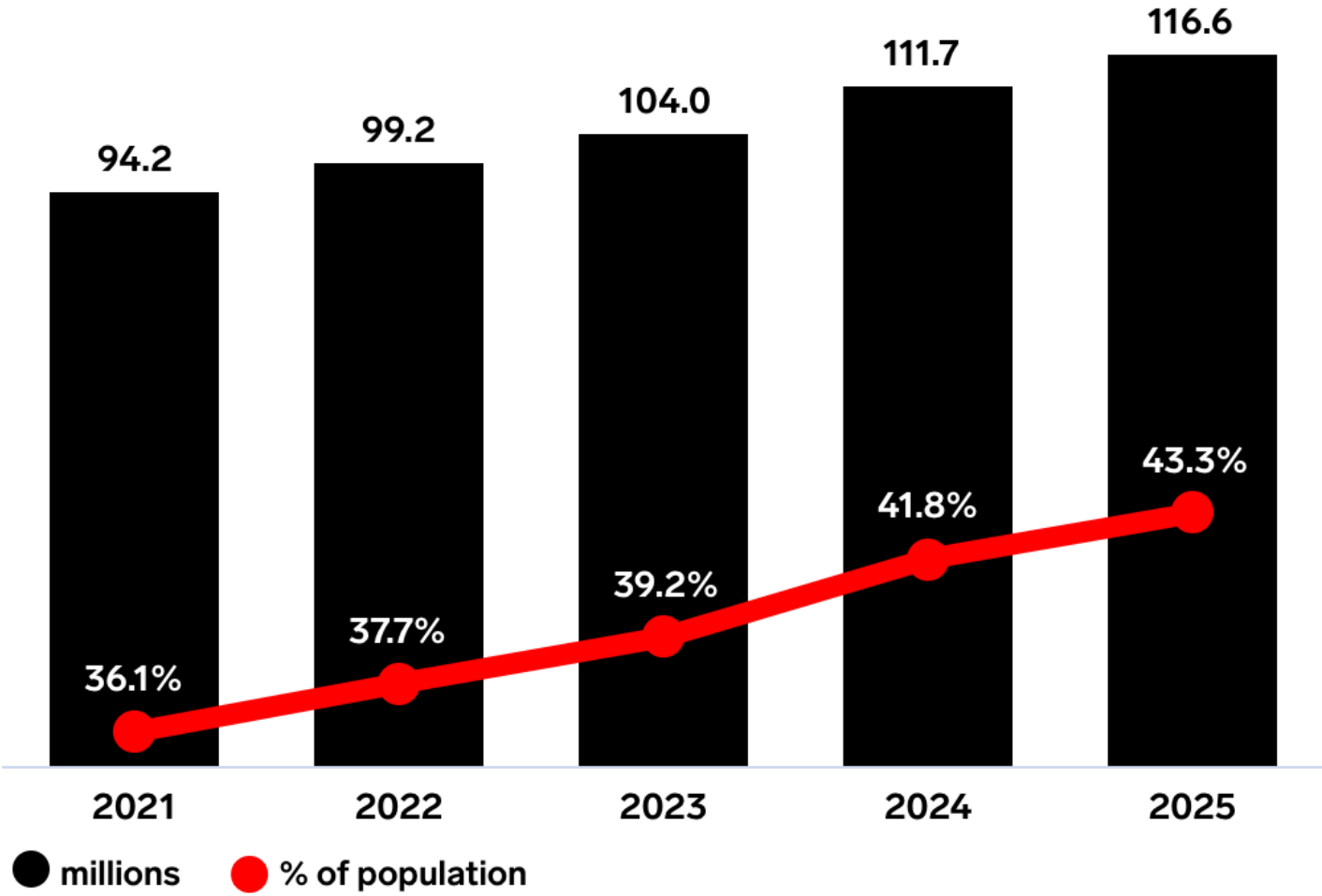
**Nontraditional telehealth entrants are coming out of the woodwork—and they come with new consumer appeal:**

- For example, **23andMe** recently acquired **Lemonaid** to merge its genetic insights capabilities with telehealth to bring precise and personalized healthcare to its consumers.

**The big takeaway:** Altogether, this competitive landscape could push telehealth giants like Teladoc and Amwell to potentially partner with or acquire a telehealth company that focuses on a high-cost/demand specialty like musculoskeletal care co **Hinge Health** or digital diabetes management firm **Virta Health**.

## Telehealth Users

US, 2021-2025



Source: eMarketer, August 2021

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