

Health Tech Deals

By Erin Brodwin and Sarah Pringle · Aug 24, 2022

The BFD: Kennedy's PsychHub raises \$16M

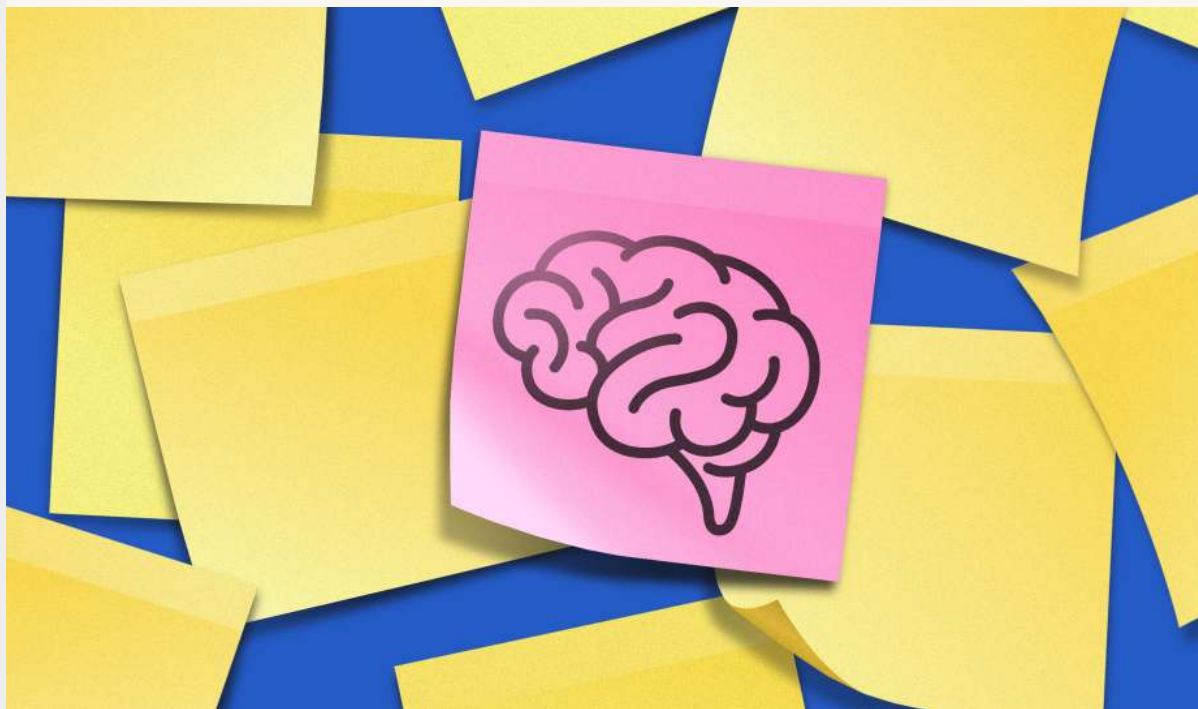


Illustration: Sarah Grillo/Axios

PsychHub — a startup founded by former U.S. Representative Patrick J. Kennedy that bills itself the Angie's List of mental health — raised \$16 million in Series A funds, the company's founders *tell Erin exclusively*.

Why it's the BFD: Not all mental health providers follow science-backed treatment protocols, which Kennedy learned the hard way after years in therapy.


- "I found out my gold standard of care was not *the* gold standard of care," Kennedy tells Erin. "We need to get services paid for, and we need to get the right services paid for."

Deal details: HC9 and Frist Cressey Ventures (former Sen. Bill Frist's VC shop) co-led the round and insiders Emerson Collective and HealthStream joined.

- PitchBook valued the company at roughly \$42 million as of May 2021, but PsychHub CEO Marjorie Morrison declined to confirm the figure.

What they're saying: In the widening sea of well-funded telemental health startups, few companies combine education around severe mental illness with provider listings and credentialing.

- In the eyes of Morrison and HC9 managing investor Richard Lungen, PsychHub can serve as a compass for people seeking evidence-based treatment.
- "I see all these [digital behavioral health] companies as customers or prospects of PsychHub," says Lungen.
- "It's really noisy right now. It's overwhelming how much new there is," says Morrison, who herself was a psychotherapist for more than a decade. "We're like switchboard operators for people."

 **Erin's thought bubble:** Some potential "customers or prospects" for PsychHub could include companies such as..

- Modern Health, an employer-facing telemental health company that offers publicly-available learning sessions and last year [raised \\$74 million](#) at a \$1.17 billion valuation.
- Daybreak Health, a telemental health startup for schools that in March [raised \\$10 million](#).
- Lyra Health, a virtual mental health company that in January raised \$235 million at a \$5.6 billion valuation.
- Relias Learning, an online health education platform that Bertelsmann acquired in 2014 for \$540 million.

How it works: PsychHub offers its services to employers and insurers as a monthly subscription with a per-member fee, and free educational tools via a partnership with YouTube.

- Providers who want to be listed on PsychHub's on patient-matching directory must train and earn certificates in specific treatment approaches for conditions ranging from eating and anxiety disorders to severe depression.
- The company wants its practitioners trained in [evidence-based mental health approaches](#) like cognitive behavioral therapy since randomized controlled trials suggest these approaches are reliable and beneficial.
- "We feel we're in a good place to become the Angie's List of mental health," says Kennedy.

Yes, but: The mental health provider shortage is [severe and worsening](#), and outside experts question whether a triaging system will have enough heft to address that.

- "There is a clinician shortage no matter how you look at the numbers," says John Torous, an assistant professor of psychiatry at Harvard and the director of digital psychiatry at Beth Israel Deaconess Medical Center.
- "We need to invest in innovative solutions," Torous adds. "It's good to help organize or triage the solutions we have now, but that's not going to transform health care."

What's next: PsychHub plans to use the new capital to expand the content in their hubs for providers and the general public.

- "We want to teach these interventions and give providers what they need," says Morrison.

Also of note, the company's scientific advisory board includes executives from Aetna, Anthem, Beacon Health, Centene, Cigna, Humana, Magellan and Optum — plus Nina Vasan, the chief medical officer of digital mental health startup Real.

The bottom line: PsychHub's logical setup could benefit payers, providers and patients if it achieves its goals of maintaining fidelity to evidence-based practices and shows it can scale.

- While providers pay to participate and reap the benefits when patients are directed to them, patients gain by getting directed to providers who actually accept insurance.
- "It wouldn't hurt to unify a lot of these efforts," says Torous.