

CONFIDENTIAL

Investment Memo Gamma Health

AI-powered telehealth platform democratizing access to mental health care

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Executive Summary

Gamma Health is a telehealth platform focused exclusively on mental health care, using AI to improve access, reduce costs, and enhance outcomes. The platform connects patients with licensed therapists and psychiatrists via video, chat, and async messaging, while using proprietary AI tools to assist clinicians with treatment planning and progress monitoring. Founded by a practicing psychiatrist and an ex-Teladoc engineer, the company has grown to \$3M ARR with 50K patients and 500 providers on the platform. Gamma Health's AI-assisted clinical model reduces provider burnout and enables 40% more patient sessions per provider. The company is raising \$15M in Series A to expand nationally and launch employer/health plan partnerships.

Key Metrics

Metric	Value
ARR	\$3.0M
Active Patients	50,000
Providers on Platform	500 licensed therapists and psychiatrists
Average Wait Time	<24 hours (vs. 48-day industry average)
Patient Satisfaction	4.7/5.0 stars
Clinical Outcomes	65% of patients show significant symptom reduction within 8 weeks
Provider Utilization	85% (vs. 60% industry average)
Monthly Session Volume	45,000 sessions

Company Overview

Mental health care in the US is in crisis: 160M Americans live in mental health professional shortage areas, the average wait time for a new patient appointment is 48 days, and 56% of adults with mental illness receive no treatment. Gamma Health addresses these gaps with a technology-first approach. The platform offers: (1) On-demand therapy sessions (video/chat) with <24-hour wait times, (2) AI-powered clinical decision support for providers, (3) Continuous patient monitoring between sessions via digital biomarkers, (4) Structured treatment programs for anxiety, depression, PTSD, and substance use. The AI engine analyzes session transcripts, patient-reported outcomes, and engagement data to recommend personalized treatment adjustments.

Market Opportunity

The US behavioral health market is \$280B and growing at 7% annually. The telehealth mental health segment is projected to reach \$100B by 2027. There are 57M adults and 17M children in the US with

diagnosed mental health conditions, with 50%+ receiving inadequate treatment. Key market drivers: (1) Insurance coverage mandates for telehealth post-COVID, (2) Employer investment in mental health benefits (90% of large employers now offer EAP), (3) Reduced stigma driving higher utilization. Gamma Health's serviceable market is the \$25B outpatient mental health therapy and psychiatry segment.

Founding Team

Name	Role	Background
Dr. Emily Foster	CEO	Board-certified psychiatrist with 15 years of clinical experience. Former Clinical
Raj Sharma	CTO	Ex-Teladoc senior engineer (5 years). Built Teladoc's behavioral health platform
Maria Gonzalez	VP Clinical Ops	Ex-Ginger/Headspace Health clinical operations lead. Managed network of 1,000

Business Model

Gamma Health operates a B2B2C model with three revenue streams: (1) Direct-to-consumer subscriptions (\$60-150/month for therapy, \$200-350/month with psychiatry), (2) Employer contracts (per-employee-per-month model, \$8-15 PEPM), (3) Health plan partnerships (fee-for-service or value-based contracts). Current revenue mix: 60% D2C, 25% employer, 15% health plan. Average revenue per patient is \$120/month with 70% gross margin on therapy sessions.

Financial Overview

Metric	Value
Current ARR	\$3.0M
Monthly Burn Rate	\$800K
Runway	10 months
Previous Funding	\$5M Seed (Andreessen Horowitz, Flare Capital)
Total Raised	\$5M
Cash on Hand	\$8M
Gross Margin	70%

Traction & Milestones

- 50,000 active patients across 35 states
- 500 licensed providers on the platform with 4.8/5.0 average rating

- \$3M ARR growing 25% quarter-over-quarter
- 65% of patients show clinically significant improvement within 8 weeks
- 10 employer contracts including 2 Fortune 500 companies
- AI clinical decision support reduces documentation time by 45%
- Partnerships with 3 health plans covering 5M+ lives
- SOC 2 Type II and HITRUST certified

Competitive Landscape

The telehealth mental health space has seen rapid growth. Major players include BetterHelp (consumer-focused, quality concerns), Talkspace (public company, B2B pivot), and Ginger/Headspace Health (meditation + coaching).

Competitor	Differentiation
BetterHelp	Consumer marketplace model with quality concerns. Gamma offers clinician-vetted, outcome-driven therapy.
Talkspace	Public company pivoting to B2B. Gamma has superior AI capabilities and clinical outcomes.
Headspace Health	Meditation-first, therapy as add-on. Gamma is clinical-first with AI-enhanced treatment.
Cerebral	Medication-focused. Gamma offers full-spectrum therapy and psychiatry with better outcomes.

Key Risks

- Regulatory complexity across 50 states (licensure, prescribing, telehealth parity laws)
- Provider recruitment and retention in competitive market
- Reimbursement rate pressure from health plans
- Patient engagement and retention challenges in mental health
- AI liability and clinical decision support regulatory framework evolving

Funding Ask

Amount: \$15M

Valuation: \$60M pre-money

Use of Funds:

- Provider Network (35%): Recruit 500 additional providers, expand to all 50 states
- Technology (30%): Advance AI clinical tools, build employer dashboard, enhance patient app
- Sales & Partnerships (20%): Hire enterprise sales team, expand employer and health plan contracts
- Clinical Operations (10%): Quality assurance, outcomes research, regulatory compliance
- G&A; (5%): Legal, HR, and operational infrastructure