



Season Four: Episode One
Mind Matters: Making Sense of the Mental Health Crisis
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Hillary Ribaud: Innovation comes in many forms. Take the healthcare sector for instance. In recent years, breakthrough technologies — like artificial intelligence and CRISPR gene editing — have been in the spotlight for their potential to redefine what’s possible.

But oftentimes the most transformative innovation doesn't actually involve groundbreaking invention or a shiny new device. Innovation at its core is about being resourceful, like approaching a problem from a new perspective or improving on what already exists.

Emily Melton: The more I've gotten involved in the ecosystem, the more complex it is, the more challenging. But also, I think the more important and critical it is that venture plays a role in driving innovation.

Hillary: And in a sector where resources are already limited, thinking outside the box is a must, especially in times of crisis, like what we’re experiencing now with mental health. In fact, the National Institute of Mental Health estimated that in 2021, one in five adults in the United States lived with mental illness.

And in 2023, Dr. Vivek Murthy, the United States Surgeon General, actually issued a new public health advisory on the crisis of isolation, loneliness, and the lack of connectedness among people in the United States.

Bridget Sproles: It's hard to see what will happen in our culture that would make the demand for mental health support be reduced.

Hillary: With the convergence of the COVID-19 pandemic, and economic, political, environmental, and social anxieties, it's really no surprise that teens and adults are struggling at high rates.

Melody Dickerson: Diagnoses that we think of most often with mental health has often to do with depression. Sometimes there's substance use which can exacerbate those symptoms. And now, through the pandemic, we've seen just an emergence and escalation of these issues within our adolescent population. It has really become quite the crisis all over the country.

Hillary: Healthcare systems have been on the frontlines of the growing mental health crisis in the United States. And in response, industry leaders are finding creative ways to improve services.

Melody: There's a lot of stigma and a lot of terrible stories out there. But what inspires me are the stories that involve healing and someone, you know, kind of losing themselves for a while and being able to get back control of their life back in a meaningful way.

Hillary: I'm Hillary Ribaud, and this is Unseen Upside by Cambridge Associates, where we explore investments beyond their returns. This whole season we're talking to leaders and investors behind healthcare innovations that could change how long — and how well — we live.

Behavioral and mental healthcare may not be the first sector that comes to mind as a booming investment opportunity. But the need is undeniably there.

Melody: Up until this point, we've really been an acute care hospital.

Hillary: This is Melody Dickerson. She's the Senior Vice President of Hospital Operations and Chief Nursing Officer at Virginia Hospital Center, also known as VHC Health, located in Arlington, VA.

Melody: VHC Health's mission is simply to be the best health system, and we take that mission very seriously in everything we do.

Hillary: VHC Health is a nationally recognized teaching facility, a level one trauma center, a level three nursery, and the second largest delivery site in the state of Virginia. And like many hospitals in the US, it's become a place where locals can go for mental health treatment.

Melody: We have inpatient adult behavioral health and inpatient adult substance use services. And so when we think about that mission that we have to be the best health system specific to mental health, what we've really had to wrestle with is the capability was not there within our facility and is frankly lacking in the community.

Hillary: Melody explained that at VHC Health, when it comes to mental health services, their ultimate goal is to offer a continuum of care. In other words, care that extends from acute treatment in a crisis situation to continued long-term treatment and monitoring for the patient.

But for now, the emergency room is where patients in need of immediate mental health treatment go.

Melody: A standard acute hospital is just really no place for a patient who's undergoing these types of crises. It's not warm. As best as we can make it, it's just, it's not a therapeutic environment.

Hillary: And that need for improved and expanded mental health services has become especially clear over the last few years.

Melody: Now that the environment has changed so dramatically, and we see that in our emergency department, we in 2021 realized that there were 33 behavioral health patients that we had to turn away every month because we didn't have the access to care.

Hillary: And VHC Health is not alone. Hospitals all across the country have been under strain.

Bridget: Every health care system I work with has identified that there has been insufficient resources for the demands they're being asked around mental health, usually people in crisis.

Hillary: Bridget Sproles is a Partner and Co-Head of the Healthcare Practice at Cambridge Associates. Over her more than twenty years at the firm, she's managed both discretionary and non-discretionary endowment, foundation, and non-profit healthcare institution portfolios. And so, she's seen firsthand the evolution of healthcare systems from an investor's perspective.

Bridget: The last 12 months or so, a lot of conversations have been around healthcare systems that have the financial wherewithal, looking to see how to expand because the demands of healthcare continue to grow. So, this is where they have to consider is there the ability to go and take on some additional debt if they're in expansion mode, or additional buildings or renovation of buildings.

Hillary: One of Bridget's clients having those conversations is VHC Health.

Bridget: So it's just been three years that we've been working alongside them restructuring the portfolio, but also hearing about what their plans are and what's happening operationally.

Hillary: As you may know, Cambridge Associates is a global company, and Bridget lives in Virginia. So, it's serendipitous that VHC Health also happens to be her local hospital.

Bridget: They have been my community's health care provider for 30 years — whether it was having a baby or going to the emergency room with children that needed attention. So, I was thrilled when they reached out to Cambridge needing support. Right now, the conversations are more about how can we support the community, support our patient base, without it being excessively a large portion of the expenses of our organization, and recognizing that the emergency room is not the right place for these patients to be.

Hillary: Melody has watched that reality unfold at VHC Health.

Melody: I've been at VHC Health for seven years and over the years we've seen the number of patients coming in through our emergency department just growing and growing, and the pandemic just kind of took us to a tipping point.

Hillary: Bridget says many healthcare systems are looking into different strategies to maximize mental health services without exhausting already limited funds.

Bridget: And so, it's usually through some kind of joint venture, and it's not as much as a line item for profitability or expansion for growth. It's really to meet the needs of their community. I think a lot of healthcare systems are really giving thought to having dedicated space that is more calming in nature, intentionally trying to support people that are under stress or anxiety.

Hillary: For VHC Health, those thoughts have turned into action. In January of 2023, they announced plans to build a new space: a rehabilitation and behavioral wellness facility. It's being made possible by a joint venture between VHC Health and Arlington County.

Melody: So the idea was really born from what we saw happening actually just getting worse. We're at place on our main campus where we're almost landlocked. And so, finding space on this main campus would be extraordinarily difficult to identify. So, that really had us thinking about, okay, where could we do this in the community? And honestly, I mean, Arlington is an expensive area when it comes to property and land. And so, we thought about, you know, where is there land that we could potentially use? And we immediately thought of the county.

Hillary: By pooling community resources, the concept for a new rehabilitation and behavioral wellness facility started to take shape.

Melody: Over the last few months, we've been doing some really good community meetings with, you know, key stakeholders in the communities around, uh, where this area would be, thinking what could we do? And we identified the land in Carlin Springs.

Hillary: Melody shared that an added benefit to the Carlin Springs location is that it's close.

Melody: It's only about four miles away from the hospital. So that's ideal because patients can still access emergent mental health needs through our emergency department. And once someone is deemed medically cleared, if they need any level of service, then we can take them to this new facility where there will be an intake and assessment area where they can triage that individual to the right level of care specific to them.

Hillary: While the planning and construction of the new facility is underway, VHC Health has a few more exciting developments slated for this year at their main campus.

Melody: Intensive outpatient substance treatment is something that we've offered for years. We do that very well. What we're adding is intensive outpatient psychotherapy. For the adult patients will be early in 2024. For the adolescent population, we'll have that in place by midyear.

Hillary: They will also be expanding services to include substance use intensive outpatient therapy for teens.

Melody: So, what is intensive outpatient therapy? It is just as the name suggests. For an adolescent, for instance, you would go after school, and it would be a mixture of individual and group therapy that you would do for really the whole evening. Then, when the new facility opens, we'll be adding the therapy and inpatient programs that should complement, uh, that entire continuum of care.

Hillary: But a brick-and-mortar solution is not the only opportunity for investment in mental and behavioral healthcare. There's also innovation happening in the digital space. And that area has piqued the interest of investors.

Emily: When we first started looking at mental health companies in the venture ecosystem, most of them were just pure telehealth providers.

Hillary: Emily Melton is a Partner at Threshold Ventures, an early-stage venture capital firm investing in mental health startups.

Emily: And then we started to look more at where we thought there were unique wedges, unique modalities for engaging, and that was pediatric health, or companies that had holistic ways of thinking about their patient population.

Hillary: We've established that the mental health space is not the most profitable sector. But that's been changing with firms like Threshold Ventures supporting startups with vision, like Brightline.

Emily: Brightline is a good example of what I think the venture industry kind of is, which is, you know, I say we invest in companies, but companies are built by people.

Hillary: Launched in 2019 by co-founder and CEO Naomi Allen, Brightline is an online platform that provides behavioral health services for children, teens, and their families. And Naomi and Emily actually met years before the idea for Brightline was even on the horizon.

Emily: I'm always humbled at some people I met early on in their career that are now where they are. I first met Naomi in 2005.

Hillary: They were both early on in their careers and trying to understand the healthcare ecosystem. It's changed a lot since then. And Naomi Allen has been watching closely.

Naomi Allen: What I'm seeing in the last 10 years around mental health and the level of innovation around new modalities of care that the way you deliver mental health doesn't have to just be sitting one to one with a therapist or a psychiatrist in their office face to face every week, right? Like the old ways of delivering these services are getting really disrupted and I think in a predominantly very progressive and helpful way. So, I think the arc and the curve of the arc is pretty exciting and inspirational.

Hillary: Brightline is one of these positive disruptors. We'll get into the ins and outs of how the platform works later on, but first it's worth mentioning why Naomi and her team saw an opportunity in the pediatric behavioral healthcare space specifically.

Naomi: The youth mental health crisis, if you talk to clinicians or if you read CDC data even pre-COVID, was already in a crisis state.

Hillary: Teens struggling with their mental health is not a new phenomenon, but what is relatively new is the ubiquity of smartphones and internet access. And that's had a direct impact on the mental health of young people.

Generation Z, also known as Zoomers, are digital natives. Born during the late 1990s and early 2000s, they're the first generation to grow up alongside the internet and its offshoots, like social media.

Melody: The phone has become a frenemy, as I put it, right?

Hillary: Again, that's Melody Dickerson of VHC Health.

Melody: We can't put it down, but it puts a lot of pressure on us, and there's a lot of pressure to be perfect and to be something that we're not, and especially someone who is an adolescent who doesn't have those coping skills. Instead, we look at the social media aspects and set a bar so high for ourselves that it's easier to escape in a different way than it is to work through those emotions on your own.

Hillary: And for those of us, like myself who were children before Gen Z, it's hard to relate.

Emily: We didn't have cell phones. Like, you know, we actually remember the old days where you used to call somebody and have to talk to their parents to wait to talk to them.

Hillary: Here's Emily Melton again. In addition to being a Partner at Threshold Ventures, she's also a mother to two teenagers.

Emily: I was a nerd, so I know I wasn't invited to parties on a Friday or Saturday night that the cool kids were, but I didn't have to experience it by watching it on social media and feeling left out. And so, I'm raising my kids in this environment where I can't put myself in their shoes. I don't know what those experiences are like because I didn't have to do it at that age. And so, while we're trying to represent how we handle it, there's also a lot of learnings that we have to do because we are navigating a whole new reality.

Hillary: And with navigating any new terrain comes identifying the obstacles in the way. Like, what are the barriers that keep so many young people and their families from getting treatment before they reach the point of crisis?

Melody: Oftentimes parents don't want to admit that their kid has a problem. There is the fear that someone will perceive me as being a bad parent, or that my kid is a bad kid because they're seeking these services.

Hillary: These stigmas can really get in the way of youth and their families seeking preventative care. And another major prohibiting factor is cost.

Melody: A lot of mental health practitioners won't take insurance, so you are left to pay out of pocket, which, you know, creates that disparity gap now if you are part of the underserved population.

Hillary: Even families that are in a position to pay for care out of pocket are hitting walls. And that was the case for Brightline CEO Naomi Allen when her child was in need of mental health support.

Naomi: Despite us living in an area that is very well resourced and despite us being willing to literally throw whatever money it took at the problem to get him into the right level of services, we sat on waitlist for nine months. And we were literally doing callbacks. I'll never forget from one of his therapists, after we had been on a waitlist for about four months, we received an email. And I thought that's it, that's it. I'm going to get him off the wait list. He's going to be in care with this therapist. And the email was to ask if we wanted to remain on the waitlist, and we'll update you if something comes open. I thought this is nuts.

Hillary: Naomi knew there had to be a better way. Building off of her background in healthcare, she saw the opportunity to improve the pediatric mental health space. And so, she started Brightline.

Naomi: Brightline is the first company that's really scaled a virtual care model around pediatric and family mental health nationally, so we have care in 50 states, it's all available within a few days. It's all done by telehealth inclusive of if you need a psychiatry appointment, et cetera.

Hillary: Brightline delivers virtual therapy, coaching, and psychiatry through their online platform and app that caters specifically to children and their families.

Naomi: We don't do adult care. We think that's a really important distinction because we spend so much of our time focused on the innovation, the programs, the digital tools, the measurement, the training that kids and families need.

Hillary: Naomi points out that experts in pediatric mental health care have training that's specific to the unique needs of children and teens.

Naomi: As you can imagine, engaging an eight-year-old over Zoom is different than engaging a 40-year-old. They have different skills.

Hillary: So, at this point you may be wondering, this all sounds great, but how exactly does Brightline work? I was curious too, so I asked Naomi for a Brightline walkthrough.

If I'm a mother and my child is experiencing some sort of a mental health issue, what would it be like if I signed up and started the program? What would I expect?

Naomi: Yeah, so, typically the way a parent or caregiver hears about Brightline is through their employer.

Hillary: And those who don't go through their employers, often stumble upon Brightline on their own.

Naomi: Some people just come in through their insurance plan. They hear about us through a provider directory, but often it's employers.

Hillary: One of those employers offering Brightline is Amazon.

Naomi: So let's say you're an Amazon employee. You would get an email from Amazon or from Brightline and you would go into a web experience where you could download an app and create a little bit of a profile about your family.

Hillary: In that profile you'd fill out basic information like the age of your kids and why you're seeking support.

Naomi: On average, families identify seven things that they need to help with. So it's anything from my child has really disruptive tantrums, or my child has sleep disorders, or my child has anxiety, or they're showing signs of ADHD, or I don't know. I don't know is common.

Hillary: Naomi says that many families have noticed behavioral changes in their kids that started during the pandemic.

Naomi: We saw a lot of this during COVID. My child has social interaction skills, they just don't know how to relate to other kids their age, and so they're having a lot of bullying or tantrums or social isolation. Families identify a very broad range.

Hillary: That information is then used to create a personalized experience for the child or teen. Families and their kids can simply open the Brightline app and access a selection of customized digital resources.

Naomi: They can come into what we essentially think of as a content studio. They can read things, they can listen to audio meditations with a child, they can get mood trackers, et cetera. And then at any time within that digital experience, they can say, I need help. I need a coach. I need a therapist, or I don't know what I need, guide me.

Hillary: When that happens, Brightline has a triage tool that prompts the user to answer a set of questions in the app. Based on those answers, a recommendation is made for next steps in their care, like scheduling an appointment with a healthcare professional.

Naomi: They can, you know, browse profiles of a coach or browse profiles of a therapist and see their availability, their training, their specialty, a video about them, set up a first appointment. And by that point, we will have collected their insurance information so we can tell them what the cost is out of pocket.

Hillary: Brightline addressed treatment costs by forging partnerships with insurance companies.

Naomi: We are in network, so we have really focused the past two years on creating network contracts with insurance companies so that care is affordable and available to families.

Hillary: Last year, Brightline launched an initiative with the state of California to provide Brightline for free for six and a half million kids across the state.

Naomi: So that affordable high-quality access is really pivotal just to providing the type of support structures that families need.

Hillary: But without investment, none of this would be possible. In 2020, Brightline raised \$20 million in a Series A funding round led, in part, by Threshold Ventures.

As of 2022, the company had raised \$105 million in a Series C round of funding led by global investment firm KKR.

Naomi: There's not a world in which I believe a company like Brightline could exist without venture money.

Hillary: In order to partner with the insurance companies of large employers, like Amazon, Brightline first had to build a clinical network in all 50 states. And that requires a lot of capital.

Naomi: So I couldn't be affordable and I couldn't be available to my jumbo clients without a 50-state care delivery network.

Hillary: The legal structure, the hiring, the cost, the training — all of that goes into building from the ground up. It's expensive. And it's challenging. But with the right investor it is possible.

Naomi: I just think a lot of the really important innovation in health care would be very hard to do without the type of strategic and thoughtful and long-range investors that thankfully now do exist in health care not just with dollars but with guidance, with patience, with perseverance, with relationships.

Hillary: And that is in direct alignment with Threshold Ventures and their interest in long-term partnerships.

Emily: We are early investors. We have a limited fund size, so I can't put hundreds of millions of dollars to work in the company.

Hillary: Here's Emily Melton.

Emily: If things are successful, my investment dollars look very close to the founders. My set incentives are aligned with them. So, I help them think through follow on investments where I'm not playing both sides of the table. You know, we'll give them the hard advice when they don't want to hear it because I'm trying to explain to them that this is best for them too. And so that role has been important in the last five years. I think it's going to become even more critical going forward as we face some choppy waters is having a good, aligned partner who's going to be really honest with you when they need to be, but also can be supportive and helpful.

Hillary: And these successful partnerships foster the kind of innovation that's making a difference in the lives of real people. Just listen to some of the responses from Brightline users that Naomi shared with me.

Naomi: One that I love is from a member who wrote and said, “Unfortunately, the norm in mental health, in pediatric mental health, is drive, drive, drive... wait, wait, wait. And with Brightline, I was able to get into care in days from my own home.” And I think that's just the drive, drive, drive... wait, wait, wait. I'm like, oh my god I've been that mom! I've been that mom waiting for the appointments and then, you know, the shuttling of your kid across town and that's even if you live in a place that has access to therapy for families, right, and so that drive, drive, drive... wait, wait, wait, just sticks with me.

Hillary: In my conversation with Naomi, I think there's one moment that really sums up the experience of finding the right support.

Naomi: When people experience Brightline and they realize the care is high quality, that it's affordable, that it's available within a few days, that there's a range of options that are going to meet their child's needs, it's this visceral moment of like *ahhhh* [sighs]. I've gone from being so worried about my child and so scared and intrepid and not knowing how to navigate getting them support. And maybe I've tried 10 things that haven't worked. And now, there's something that's going to work for me. It's a line of sight to a brighter future. And like what parent doesn't want that? That if you as a parent or you as a teen have taken the first step of seeking support, that you're on a path to a brighter future already, that there are real tools and capabilities that can get you into a better place. And so that idea of a bright line is really important for families to know that there's hope out there.

Hillary: I love that story, and I have a two-year-old and I just have to tell you I'm like happy that this exists because it's in my mind like obviously we're not dealing with that yet, but I see what's happening and I see it with older nieces and nephews. And I'm just like it's a scary time to be raising children, so this is definitely a glimmer of hope.

Just as Brightline is building a supportive community around young people through a virtual experience, the future looks bright for VHC Health.

Pending a successful review and approval process from the county, VHC Health aims to break ground on their new rehabilitation and behavioral wellness facility by the end of the year or early 2025.

Before we wrapped up, I asked Melody what excites her most about the new space in the works.

Melody: Probably the thing I'm most excited about is the outdoor space. As simple as that sounds, the new building will be housed on a beautiful parcel of land that backs up to nature. The grade of the land is such that no one can ever build a sky rise behind it. So they'll have that area which allows us to have nice outdoor space and exercise areas, a

gym space, and the like, as well as being able to offer all levels of care on a single setting with the team devoted to, to healing.

Hillary: And she's quick to give credit to the community behind the effort to make this a reality.

Melody: I'm so grateful for our board and our CEO, Chris Lane. He helped us get over the finish line. But really looking at it, who invests in a brand-new facility for mental health? Nobody! I mean this isn't like a high revenue-generating service line. Nobody's doing that. And so, to be able to do that in this area, we're not renovating an old building and, you know, "putting lipstick on a pig" as my dad would say. But we're really creating a beautiful facility that, you know, will be done with the input of patients and families and the caregivers in such a way that I truly think will be remarkable.

Hillary: If you want to learn more, please visit us at cambridgeassociates.com/UnseenUpside, or check out the show notes! And if you like what you're hearing, leave us a review and tell your friends and colleagues. At Cambridge Associates, our podcast team includes Michelle Phan, and me, Hillary Ribaud. And a special thank you to Megan Morrissey, Robert Scherzer, Krista Matthews, and Deirdre Nectow.

From PRX Productions, Isabel Hibbard is our producer, with support from Sandra Lopez-Monsalve. Genevieve Sponsler is our editor. This episode was mixed by Samantha Gattsek. And the executive producer of PRX Productions is Jocelyn Gonzales.

Next time on Unseen Upside, join us as we talk to scientists and investors about recent breakthroughs in how to treat Alzheimer's Disease:

We now have effective therapies that actually slow the disease. They're not at all perfect, their effects are still limited. They slow the progression of the disease. But it's a remarkable start, and it's just propelled the field and brought a lot of hope — it's a foot in the door.

I think that's a huge shot in the arm for Alzheimer's, and hopefully will lead to a resurgence of interest in this space.

It is an especially hopeful moment, and certainly in the biotech space and in pharmaceutical companies. I think there's just tremendous excitement now that we've turned the corner essentially here.

Hillary: But before you go, one of our colleagues has an important message about the contents of this podcast.

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