Payor Perspectives on Digital Mental Health Technologies

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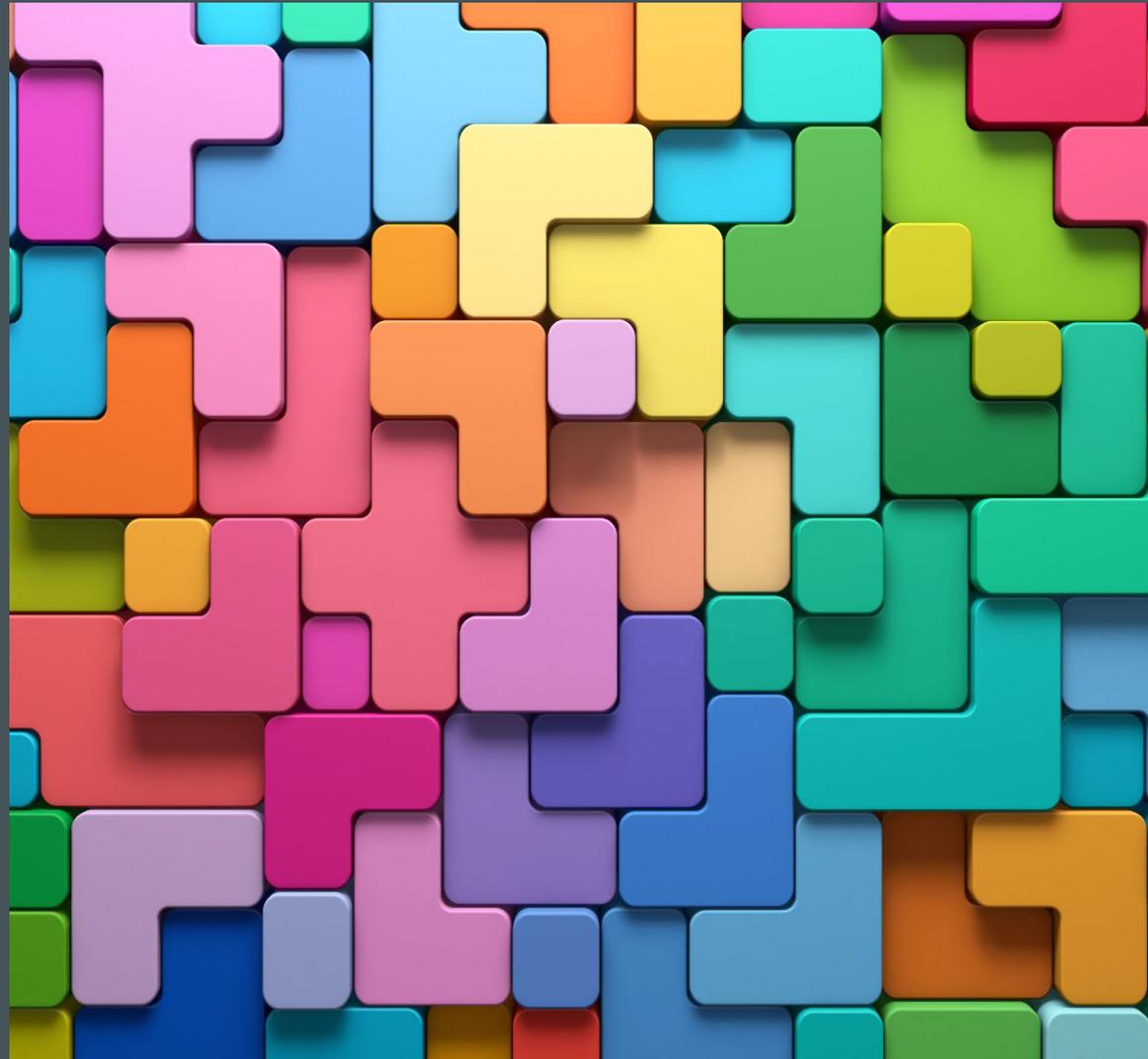
Payor Priorities and Considerations: "What" Factors
Clinical and Engagement Outcomes

- **Clinical efficacy/effectiveness**

  - Access vs. quality

  - RCTs, *RWE

  - Evaluation frameworks available (e.g., Evidence DEFINED [Silberman et al., 2023])

- **Engagement outcomes**

Type	Solutions without GenAI	Solutions with GenAI
Primary Interaction	• Static content, pre-set modules, rules-based chatbots	• Personalized, human-like conversational agents • Dynamic content creation
Initial Engagement	• Low to moderate	• High • Personalization capabilities can attract and hold interest early on
Ongoing Engagement	• Very low retention, with most users dropping off within 2 weeks • '"Inverted hockey stick" graph	• Significantly higher, especially with more sophisticated personalization, adaptive capabilities, and multimodality
Key Differentiator	• Requires self-motivation and novelty; engagement suffers as content becomes repetitive	• Interactivity, novelty, and contextual awareness provide a more dynamic and engaging user experience
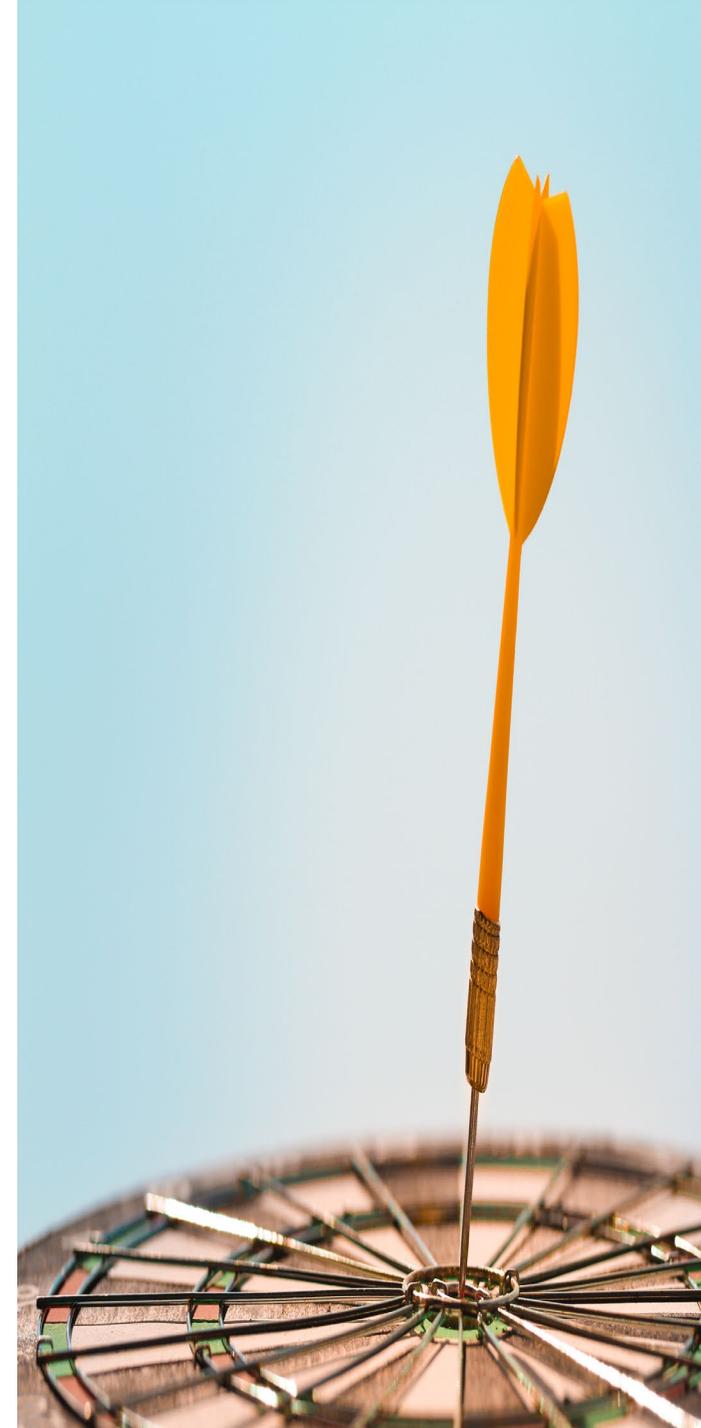
Payor Priorities and Considerations: "What" Factors
## Financial Impact and Value

- **Financial impact/ROI**

  - Members with a BH condition have 3-6x higher annual total health care costs than those without (Davenport et al., 2020)

  - Health service offset (PH visits, BH visits, ED visits, inpatient), total cost of care reduction

  - Longer ROI time horizon for BH (months → years)

- **Value potential**

  - Innovative payment models

    - Pay for performance (P4P)

    - Pay for measurement (P4M)

    - Risk-based value-based models

      - Upside risk vs. downside risk

- Limited by **lack of measurement** and data provision!

Payor Priorities and Considerations: "How" Factors
Member Experience, Integration, and Scalability

- **Member experience and satisfaction**
  - Design, ease of use, perceived utility, customizability
- *Technical* **interoperability and integration**
  - EHR compatibility
  - Fragmented point solution vs. SSO vs. full integration
    - Low friction → higher adoption
- *Clinical* **integration and scalability**
  - Clinical workflow, added burden
    - Driver of adoption and engagement
  - Standalone vs. blended models
  - Commercial payors and CMS coverage initiation of digital therapeutics/formulary models
    - PDT with FDA clearance, broader definition of "prescriber"
    - Fully automated, standalone AI chatbots not covered (but may be used outside of FFS models)
    - Some state laws prohibit providers from using AI for direct patient care (non-admin tasks)
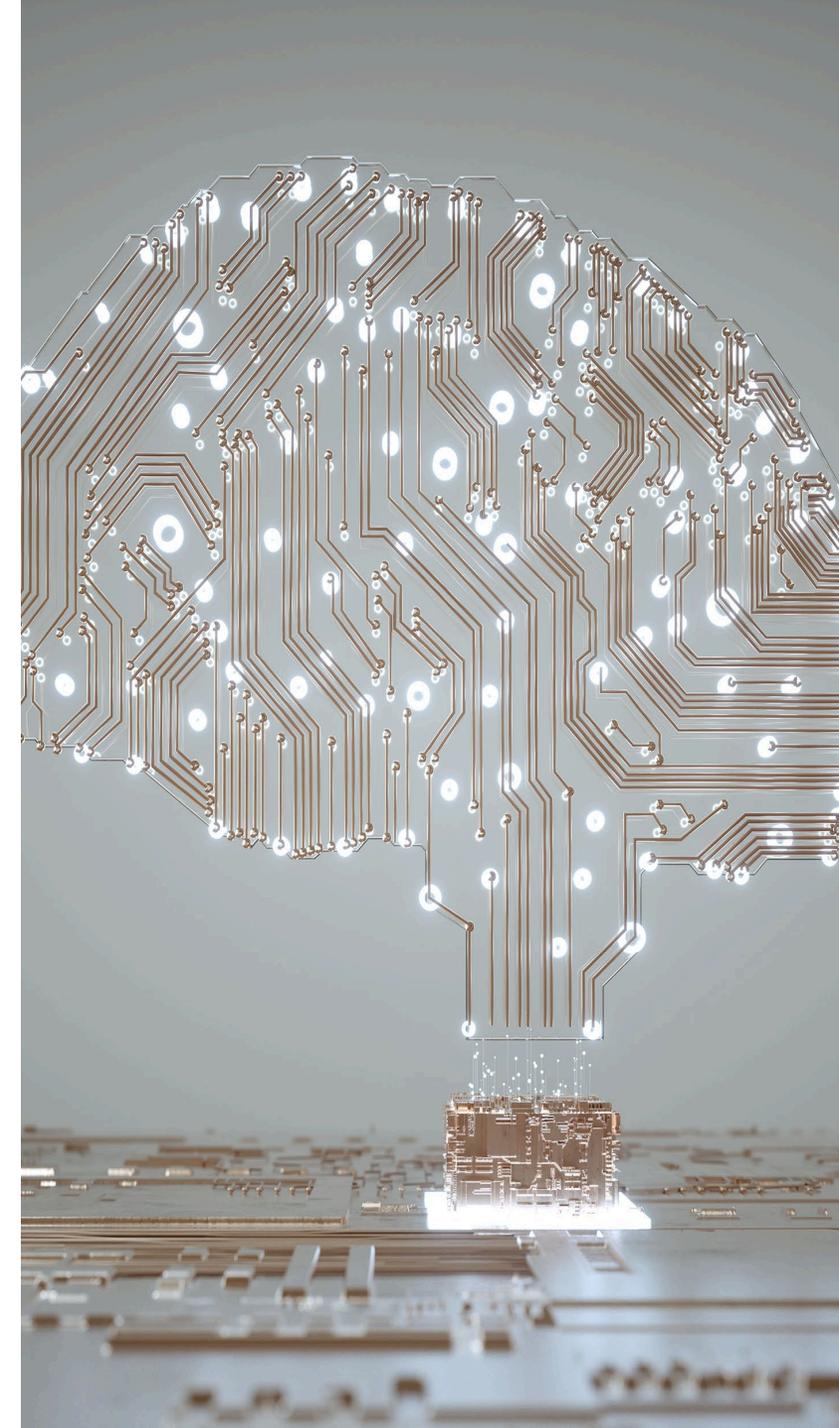
Payor Priorities and Considerations: "How" Factors
Data Privacy and Ethical Considerations

OPT-IN/CONSENT & CUSTOMIZABILITY
- Consent for (minimized) data collection and sharing
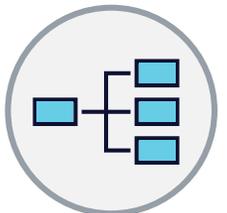- Customizability/opt-inout rights

DATA SECURITY & PRIVACY
- Privacy-preserving methods
- Protections for data use, collection, and sharing
- Use of federated learning
- HIPAA-compliance

ACCOUNTABILITY
Review by independent interdisciplinary experts

SAFETY
- Specially-trained and tested models
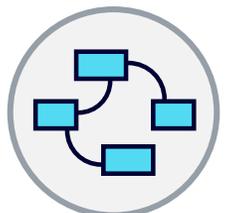- Escalation capabilities
- Notification of trusted others

APPROPRIATENESS OF USE
Used for intended application

FAIRNESS
Collaborative research partnerships, model refinement and explainability that minimize bias

TRANSPARENCY
- Clear disclosure on how information will be used and disseminated
- Use of explainable AI models
- Communication of processes and results

EVIDENCE OF PERFORMANCE
Ensure accuracy and validity

DEMONSTRATE VALUE PROPOSITION
Clear communication of benefits and limitations

Martinez-Martin et al., 2021; Tavory, 2024

Payor Priorities and Considerations: "When" Factors
Personalization and Population Health Utility

Personalization (3 R's)

- Right-fit
- Right-timed
- Right-sized

Population Health

- Proactive ID and risk stratification
- Upstream (vs. downstream) utility
  - Depression severity changes ($\uparrow/\downarrow$) associated with +/- changes in TCC (Popkov et al., 2025)
- Pop health-oriented payment models
  - PMPM > FFS/reimbursement-based
    - Commonly with full-stack digital/virtual BH companies

Additional Priorities and Considerations – GenAI-Based Solutions

- Escalation protocols/risk management

  - <2 in 10 include even basic standard crisis line (988) information; many include incorrect or nonfunctional resources (Dwyer et al., in press)

  - "Black box" models/explainability

- Regulatory ambiguity

  - Solution pre-market review (wellness vs. disease-focused)

  - Evidence and privacy/security thresholds

- Post-market surveillance and continuous monitoring

- Consistent labeling and disclaimers

  - Intended use, limits, origin of content, scope/clinician involvement

    - Great variability in marketplace among solutions

  - Many key stakeholders and decisionmakers are not BH experts!

- Solution proliferation vs. market consolidation and payor partnerships

Clinical Evidence

Economic Value

Payor

Operational Feasibility & Scalability

Ethics, Safety, & Accountability

THANK YOU.