**MEMORANDUM**

TO: REDC Consortium

FROM: Center Road Solutions

DATE: August 4, 2021

**RE: Discussion on Digital Therapeutics**

On August 4, Mental Health America (MHA) and the Black Women’s Health Initiative (BHWI) held a discussion on digital therapeutics. The discussion was hosted by Nathaniel Counts, JD of MHA and Tammy Boyd, JD, MPH of BWHI. Denis Urbaniak of Orexo, a digital therapeutics company, gave a presentation and answered questions from the audience.

**The Benefit of Digital Therapeutics**

Digital therapeutics empower patients, clinicians, and payers with intelligent and accessible tools for addressing a wide range of conditions through high quality, safe, and effective data-driven interventions. With that said, digital therapies shouldn’t be a replacement for existing services, but a complement. The digital landscape for behavioral health is quickly expanding with an explosion of growth in new offerings seen in H1 2021 (~1.5B in new funding for mental health). As digital offerings begin to proliferate, the maturity of generating evidence is starting to progress as well.

**Key Patient Dynamics**

Significant gaps remain in terms of health equity. Digital therapeutics can help resolve this equity divide. In addition, digital therapeutics can help address some of the barriers to evidence driven, mental and behavioral healthcare. Such barriers include prohibitive cost, lack of available therapists, stigma, and lack of awareness of where to go to seek help.

**Key Payer Considerations**

Payers have three main concerns regarding digital therapeutics – coverage, coding, and payment. These issues are still being worked out at the Medicare, Medicaid, and commercial levels. In addition, there is a shift in digital therapeutics away from pricing the device to pricing the outcome of the therapeutic.

**Legislation**

Senator Shelly Moore Capito (R-WV) and Representative Mike Thompson (D-CA-05) are working on a piece of legislation to regulate digital therapeutics and establish clearer paths to regulatory approval.