

Virtual Solutions for Depression and Anxiety

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The Peterson Health Technology Institute (PHTI) evaluated virtual mental health solutions for depression and anxiety—two of the most common mental health conditions in the United States. The assessment found that these solutions are clinically effective, reducing symptoms of depression and anxiety on par with or better than other standard treatments, such as therapy, medication, or a combination of both. In addition, PHTI assessed the potential budget impact of these solutions and found that they reduce net healthcare spending for individual users; however, depending on the pricing model, some solutions increase total costs for employers and other commercial payers.

Over the past decade, rates of depression and anxiety have risen steadily, with a sharp spike during the COVID-19 pandemic.¹ Nationally, these disorders carry a significant economic burden—accounting for \$240 billion in treatment costs,² as well as lost productivity. Despite the growing need for mental health treatment options, many individuals face persistent barriers to accessing effective care, including high out-of-pocket costs, insurance network limitations, and provider shortages.

Meanwhile, investment in virtual mental health solutions has accelerated, with over \$10 billion of investment since 2016. These tools, which are aimed at improving patients' symptoms and expanding access to timely care, are primarily sold in the commercial market to employers and health plans. FDA-cleared prescription digital therapeutics (PDTs), which are sold to clinicians and prescribed as adjuncts to other mental health treatment, are newly approved for coverage by Medicare as of January 2025. This report finds that virtual mental health solutions can serve as effective, accessible alternatives for many people experiencing depression and anxiety.

Categorizing Virtual Depression and Anxiety Solutions

Virtual solutions for depression and anxiety are designed to improve patients' symptoms and expand access to timely mental healthcare. These solutions offer digital programs that usually include on-demand content libraries and activities. Some solutions also provide more comprehensive platforms that integrate coaching and therapy from clinical providers. Most solutions are sold to employers and commercial health plans.

The report evaluated 15 solutions that are grouped into three broad categories:

1. **Self-Guided Solutions** offer a range of digital content, including lessons and activities, that users can access anytime and select topics that meet their needs. Some also offer coaching support to reinforce skills and increase engagement. These solutions are typically sold directly to employers or health plans.

¹ Brenan, Megan, "Depression Rates Reach New Highs in the U.S.," Gallup, June 15, 2023. <https://news.gallup.com/poll/505745/depression-rates-reach-new-highs.aspx>

² Substance Abuse and Mental Health Services Administration (SAMHSA), "Projections of National Expenditures for Treatment of Mental and Substance Use Disorders, 2010–2020," 2014, Figure A.6. <https://library.samhsa.gov/sites/default/files/sma14-4883.pdf>

- 2. **Prescription Digital Therapeutics (PDTs)** are FDA-cleared, software-based digital therapies that are sold to providers and must be prescribed to patients. Similar to the self-guided solutions, these solutions deliver digitized behavioral interventions, which can be used in conjunction with clinician-supervised outpatient treatment.
- 3. **Blended-Care Solutions** build on the self-guided digital content by integrating virtual care teams with licensed therapists and psychiatrists who can deliver comprehensive mental health treatment, including psychotherapy and medication management when appropriate. Blended-care solutions are primarily sold to employers or health plans.

PHTI’s assessment used a [published framework](#) and included a systematic literature review that considered more than 5,300 journal articles and data sources, including information submitted by most companies with products under evaluation. Most studies focused on populations with moderate to severe depression and anxiety symptoms. PHTI also received input from clinical advisors, patients with depression or anxiety, and companies selling digital health solutions.

Clinical and Economic Impact for Virtual Depression and Anxiety Solutions

Self-Guided Solutions: For people not otherwise receiving psychotherapy, self-guided solutions demonstrate clinically meaningful improvements in symptoms of depression and anxiety, as measured by the PHQ-9 and GAD-7—two widely used, clinically validated tools to measure symptom severity. Benefits were more modest for people already receiving therapy. Priced at approximately \$2 per member per month (PMPM), self-guided solutions reduce net healthcare spending in commercial settings by an estimated \$0.30 PMPM, or \$3.6 million per million members, making them an economically attractive option for expanding access to mental healthcare in commercially insured populations.

Prescription Digital Therapeutics: When used alongside therapy or medication, PDTs produce clinically meaningful improvements in depression and anxiety symptoms that exceed outcomes with usual care alone. Because these solutions are expected to be reimbursed on a per user basis (estimated at \$280 per episode) rather than across all plan members, they generate net savings of \$0.72 PMPM, or \$8.7 million per million commercial members.

PHTI RATINGS BY CATEGORY FOR VIRTUAL SOLUTIONS FOR DEPRESSION AND ANXIETY

● Positive ● Moderate ● Negative
● Higher Evidence Certainty ○ Lower Evidence Certainty

Category	Clinical Effectiveness ^a	Economic Impact	Summary Rating ^b
Self-Guided Solutions AbleTo,* Dario, Headspace,* Learn to Live, Meru Health,* SilverCloud, Talkspace,* Teladoc*	● Results: Clinically meaningful improvements in depression and anxiety symptoms for people not receiving psychotherapy Evidence Certainty: Higher	● Decreases net health spending for commercial payers	● Evidence supports broader adoption for people not otherwise accessing therapy
Prescription Digital Therapeutics DaylightRx, Rejoyn	● Results: Clinically meaningful improvements for depression and anxiety symptoms as part of usual care Evidence Certainty: Higher	● Decreases net health spending for commercial payers and Medicare at anticipated reimbursement rates	● Evidence supports broader adoption due to improved efficacy of mental health treatment
Blended-Care Solutions AbleTo,* Brightside, Headspace,* Koa Health, Lyra, Meru Health,* Modern Health, Spring Health, Talkspace,* Teladoc*	○ Results: Larger, clinically meaningful improvements for depression and anxiety symptoms for all users Evidence Certainty: Lower	● Increases net health spending for payers because savings from users’ health improvements do not offset total solution costs	● Positive clinical outcomes and net savings for users would support broader adoption, if prices were lower

Source: PHTI, Virtual Solutions for Depression and Anxiety, May 2025. See PHTI.org for complete report, methods, and recommendations.
Notes: ^a Not all solutions have clinical data that meet the inclusion standards for this report. ^b Summary rating reflects the combination of clinical and economic results. * Companies offering both self-guided and blended-care solutions.

At these reimbursement rates, PDTs would also reduce spending in Medicare. PDTs could deliver additional savings if used to reduce the frequency or duration of patients' therapy sessions.

Blended-Care Solutions: Solutions that combine digital content and clinician-led care appear to have the greatest clinical effectiveness, compared with the other categories of solutions; however, the evidence supporting these findings is less rigorous and more limited. These solutions also have a much higher price point (estimated at \$6 PMPM plus approximately \$792 in annual therapy costs per engaged user), meaning they increase total health spending by \$2.10 PMPM, or \$25.2 million per million members in the commercial market. Despite this short-term cost increase, the potential superior clinical benefits warrant careful consideration, particularly for people with moderate to severe symptoms, scenarios where solutions can replace legacy employee assistance programs, or if payers negotiate lower per member solution prices.

Impact on Medicare and Medicaid Spending: Today, virtual solutions for depression and anxiety are most used in the commercial market, usually purchased by large employers. These solutions deliver improvements in anxiety and depression symptoms that reduce healthcare spending, but the magnitude of savings varies by payer. Because provider payment rates in Medicare and Medicaid are lower than commercial rates, savings from health improvements are not sufficient to offset the cost of

self-guided solutions for public payers. Meanwhile, PDTs are newly reimbursable in Medicare. Payment rates for the device codes will be established by the Medicare contractors and are estimated in this report at \$200. At that price, PDTs would reduce net healthcare spending in both the commercial and Medicare markets and increase spending by only \$0.05 PMPM in Medicaid. Finally, with high list prices, blended-care solutions would increase spending across all payers.

Realizing the Full Potential of Virtual Depression and Anxiety Solutions: Policy Implications

Virtual solutions for depression and anxiety have the potential to improve access to clinically effective treatment options, especially for commercially insured populations.

To help these solutions gain wider adoption by the populations that stand to benefit from them, policymakers should:

- Strengthen evidence generation to support effective virtual mental healthcare across demographic groups:** More robust, comparative evidence is needed to assess how virtual mental health solutions perform in key areas—including their ability to expand access to care and sustain symptom improvement. Additionally, current studies have been run with participant pools of largely younger, white females. Future research should explore how to improve engagement across a broader population.

ESTIMATED CHANGE IN ANNUAL HEALTHCARE SPENDING

	Commercial	Medicare	Medicaid
SELF-GUIDED SOLUTIONS			
Total Per 1M Members	−\$3.6M	+\$13.1M	+\$15.1M
Per Member Per Month	−\$0.30	+\$1.09	+\$1.26
PRESCRIPTION DIGITAL THERAPEUTICS			
Total Per 1M Members	−\$8.7M	−\$1.3M	+\$0.6M
Per Member Per Month	−\$0.72	−\$0.11	+\$0.05
BLENDED-CARE SOLUTIONS			
Total Per 1M Members	+\$25.2M	+\$64.1M	+\$80.3M
Per Member Per Month	+\$2.10	+\$5.34	+\$6.69

Note: Negative numbers represent healthcare savings and positive numbers represent healthcare spending.

2 Monitor the utilization and reimbursement of newly covered PDTs in Medicare and adjust incentives as needed: In 2025, Medicare initiated reimbursement of PDTs for mental health treatment, introducing three new HCPCS codes—G0552, G0553, and G0554—to cover the supply and management of FDA-cleared digital mental health devices when integrated into a comprehensive treatment plan. As with any new or expanded healthcare benefit, providers need time to adapt and integrate new tools into existing care models and practice patterns. Currently, PDTs are not universally reimbursed by all payers, particularly Medicaid plans. This can create financial challenges for companies aiming to establish these products in the market. Given the clinical effectiveness of PDTs, as well as their potential to reduce healthcare spending, policymakers should closely monitor their utilization and reimbursement, especially in the first few years of Medicare coverage. Regular evaluation and adjustment of policies and provider incentives will be necessary to ensure PDTs are effectively integrated into mental healthcare delivery to achieve their intended benefits.

3 Ensure virtual mental health services are coordinated across employees' medical and wellness benefits for continuity of care. To be compliant with federal mental health parity law, employer-sponsored health plans must ensure coverage of mental health and substance use services on par with medical and surgical services. This means plans must have cost sharing, treatment limitations, and provider networks for mental health and substance use services that are comparable to other services. However, wellness benefits—which employers often purchase separately, and increasingly to address the mental health needs of their employees—are not subject to federal mental health parity law and typically offer a limited number of visits. Employees receiving mental health services via a wellness benefit may reach a visit limit that would not exist through their health plan. To maintain continuity of care and comprehensiveness of treatment, employers and companies should coordinate wellness benefits with medical benefits to ensure individuals can seamlessly transition to their health insurance plan when wellness benefit limits are reached.

4 Leverage virtual mental health tools to expand the availability of integrated primary care, especially for Medicare and Medicaid beneficiaries. Integrating behavioral health into primary care settings delivers clear benefits to patients, including improved patient outcomes and better care coordination. Unfortunately, adoption of integrated care models remains limited—often because of behavioral health workforce shortages and high practice expenses (i.e., a primary care provider may not be able to afford the salary of a behavioral health provider on staff). Policymakers should rethink integrated care approaches that leverage virtual mental health solutions, enabling primary care providers to extend their reach and more effectively meet the mental health needs of their patients at a lower price point. The goal should be to create flexible, scalable pathways that begin with lower intensity support in primary care settings that can adjust as needed based on symptom severity. Given the cyclical nature of depression and anxiety, virtual solutions are good at seamlessly stepping up or down treatment to align with patients' changing needs.

5 Consider if and how blended-care solutions count toward health insurer's network adequacy requirements. Fully virtual providers—those who exclusively offer telehealth services and have no physical office space—are sometimes not counted toward meeting an insurer's network adequacy requirements, especially when it comes to time and distance standards. However, as the behavioral healthcare delivery system increasingly shifts toward virtual care options, state and federal policymakers should consider how these solutions factor into health plans' network requirements.

About the Peterson Health Technology Institute

The Peterson Health Technology Institute (PHTI) provides independent evaluations of innovative healthcare technologies to improve health and lower costs. Through its rigorous, evidence-based research, PHTI analyzes the clinical benefits and economic impact of digital health solutions, as well as their effects on health equity, privacy, and security. These evaluations inform decisions for providers, patients, payers, and investors, accelerating the adoption of high-value technology in healthcare. PHTI was founded in 2023 by the Peterson Center on Healthcare.

Accessing PHTI's Full Report

You can access the full report [here](#).

