



ValidationInstitute

2024 Validation Report

Review for: Talkspace
Validation Achieved: Metrics
Valid through: April 2025



Company Profile



Category:	Mental health
Website:	https://www.talkspace.com/
Public or Private:	Public
Year Established:	2011
CEO:	Jon R. Cohen, M.D.

Company contact:**Description Provided by the Company:**

The leading provider of virtual mental health care, **Talkspace** (NASDAQ: TALK) provides convenient access to therapy, psychiatry, and self-guided support for individuals, couples, and teens. The **Talkspace** network of 4,000+ licensed clinicians includes therapists and psychiatric providers with specialized knowledge of more than 150 conditions and treatment approaches.

Talkspace makes this high-quality mental health care affordable by partnering with insurance plans and employers. More than 100 million people have access to **Talkspace** for free through their employers or for the cost of a copay. Founded in 2012, **Talkspace** pioneered message-based therapy, fulfilling an unmet desire of many people to text with a therapist, any time, from anywhere. Today we are a single destination for comprehensive mental health care, including therapy for individuals, couples, and teens, psychiatry and medication management, and self-guided tools and resources. All care is delivered through our fully-encrypted web and mobile platform that meets HIPAA, federal, and state regulatory requirements.





Claim Assertion for Validation

The Talkspace ROI Calculator offers an evidenced-based and data-driven analysis of Talkspace services' influence on participants' medical costs, absenteeism, and time savings from virtual mental health services.



Method / Calculation / Examples

Talkspace submitted its ROI calculator, including all its assumptions, data sources, and calculations. Every assumption and data source were re-checked by a reviewer.

The calculator focuses on three impacts of mental health services

- Medical costs (for physical health)
- Absenteeism
- Time saved by participants by using telehealth.

In addition, the calculator estimates the program's impact when behavioral health care costs are reduced for the health plan. Costs are diverted from the health plan when participants use Talkspace services rather than mental health providers.

The calculator uses certain data from the employer or health plan. The review ensured that data requested from the employer or health plan would reasonably be available. The calculator limits the user-provided data to reasonable figures. For example, the calculator would reject an average number of mental health visits per person per year greater than 20 unless the user confirmed that this was based upon health claims history. The limit of 20 is based upon a published study, which gave the range of mental health visits per person for United States adults. (Olfson M, 2009)

Certain assumptions were based upon Talkspace's analysis of past participants. This analysis was reviewed to ensure it was done properly, and that the calculator accurately reflected the results.





Findings & Validation

The following figures show sample calculations from Talkspace’s estimated savings for an employer with 2,500 employees.

Medical cost savings (physical health) for Behavioral Health Service users

Number of Employees	2,500
Percentage engaged and improving with program	3%
Estimated per participant decrease in physical health costs	\$734
Physical health cost savings	\$55,050





Findings & Validation

Reduction in absenteeism in new participants who improve depression symptoms

Number of Employees	2,500
Percentage engaged with program (new patients only)	3%
Sub-group with depression (% of engaged participants)	17%
Sub-group who improve (% of those with depression)	67%
Number of annual days reduced from absenteeism	6.15
Average cost of absent day	\$196.80
Savings from reduced absenteeism	\$10,339





Findings & Validation

Time savings by participants using telehealth

Number of Employees	2,500
Percentage engaged with program (new patients only)	3%
Average number of visits	7.4
Percentage of in-person visits (replaced by remote services)	36%
Hours travel for in-person visits	0.9
Employer cost per hour	\$24.60
Travel time savings	\$4,424

Note: Employer savings assumes that the participant uses paid time for travel to and from appointments.





Findings & Validation

Behavioral Health Costs Diverted From Health Plan

Number of Employees	2,500
Percentage engaged with program	6%
Average number of visits per participant	7.4
Estimated plan cost per visit (CMS Physician Fee Schedule , 2024)	\$130
BH visits previously paid by health plan	\$72,150
BH new visits now covered by Talkspace	\$72,150





Findings & Validation

Savings Summary

Physical health cost savings	\$55,050
BH visits previously paid by health plan	\$72,150
BH new visits now covered by Talkspace	\$72,150
Savings from reduced absenteeism	\$10,339
Travel time savings	\$4,424
Total Savings	\$214,113
Talkspace Program Cost	\$163,500
Return on Investment	1.3

Note: Sample Program Costs are shown; an employer estimated Return On Investment ranges from 1 to 1.45 depending upon which Talkspace services were selected.





Limitations

Any one employer's or group's savings will vary from the estimate, depending upon the average salary, participation in the program, and other factors.



Works Cited

1. CMS Physician Fee Schedule . (2024, March 13). Retrieved from CMS:
<https://www.cms.gov/medicare/physician-fee-schedule/>
2. Kaplan RM, Glassman JR, Milstein A. Effects of Mental Health on the Costs of Care for Chronic Illnesses. *Psychiatr Serv.* 2019 Nov 1;70(11):1013-1019. doi: 10.1176/appi.ps.201900098. Epub 2019 Aug 5. Erratum in: *Psychiatr Serv.* 2019 Dec 1;70(12):1179. PMID: 31378194.
3. Mental health in the workplace - for Employers | McLean Hospital. (2023, April 7).
<https://www.mcleanhospital.org/essential/what-employers-need-know-about-mental-health-workplace>
4. Olfson M, Mojtabai R, Sampson NA, Hwang I, Druss B, Wang PS, Wells KB, Pincus HA, Kessler RC. Dropout from outpatient mental health care in the United States. *Psychiatr Serv.* 2009 Jul;60(7):898-907. doi: 10.1176/ps.2009.60.7.898. PMID: 19564219; PMCID: PMC2774713.
5. Penev T, Zhao S, Lee JL, Chen CE, Metcalfe L, Ozminkowski RJ. The Impact of a Workforce Mental Health Program on Employer Medical Plan Spend: An Application of Cost Efficiency Measurement for Mental Health Care. *Popul Health Manag.* 2023 Feb;26(1):60-71. doi: 10.1089/pop.2022.0240. PMID: 36799934; PMCID: PMC9969895.
6. U.S. Bureau of Labor Statistics, U.S. Bureau of Labor Statistics, 18 Jan. 2024,
www.bls.gov/news.release/pdf/wkyeng.pdf



Validation and Credibility Guarantee

Talkspace's ROI Calculator have achieved validation for **Metrics**. Validation Institute is willing to provide up to a \$25,000 guarantee as part of their Credibility Guarantee Program. To learn more, visit <https://validationinstitute.com/credibility-guarantee/>.

Savings

Can reduce health care spending per case/participant or for the plan/purchaser overall.

Outcomes

Product/solution has measurably improved an outcome (risk, hba1c, events, employee retention, etc.) of importance.

Metrics

Credible sources and valid assumptions create a reasonable estimate of a program's impact.

Contractual Integrity

Vendor is willing to put a part of their fees "at risk" as a guarantee.





CERTIFICATE OF VALIDATION

Applicant: **Talkspace**
2578 Broadway #607, New York, NY 10025

Product: **ROI Calculator**

Claim: The Talkspace ROI Calculator produces an evidence-based, reasonable estimate of the impact of its program on participants' medical costs, absenteeism, and time savings (from getting services via telehealth).

Validation Achieved: **Validated for Metrics**

Award Date: April 2024

Linda K. Riddell, MS
Chief Data Scientist
Validation Institute

Vidar Jorgensen
Chief Executive Officer
Validation Institute



About Validation Institute

Validation Institute is a professional community that advocates for organizations and approaches that deliver better health value - stronger health outcomes at lower cost. We connect, train, and certify health care purchasers, and we validate and connect providers delivering superior results. Founded in 2014, the mission of the organization has consistently been to help provide transparency to buyers of health care.

Validation Review Process

Validation Institute has a team of epidemiologists and statisticians who review each program. The team focuses on three components:

- Evidence from published literature that a similar intervention had similar results.
- The reliability and credibility of the data sources.
- The rigor of the approach to calculating results.

To achieve validation, the program has to satisfy each of these components. VI's team then summarizes the review into a report which is publicly available. Details of VI's review are available with the program's permission.