

Addressing Today's Mental Healthcare Industry Challenges

How Headspace is Forging a Path Forward



Introduction

Three years ago, the COVID-19 pandemic hit and brought new challenges for employees everywhere. It also brought an increase in support for mental health in the workplace, as HR teams jumped to action to make sure their teams were well resourced. Organizations made great progress in healthcare offerings by allowing for virtual care and making more options available to employees.

The bad news is, we're still coming up short when it comes to meeting employee needs. Many of the same mental health challenges have persisted, maybe even worsened, since the onset of COVID-19. With the ongoing pandemic, economic uncertainty, and worldwide crises like the war in Ukraine, many people are facing new levels of stress, anxiety, depression, and burnout. In a recent poll by CNN and the Kaiser Family Foundation, 90% of adults say the U.S. is experiencing a mental health crisis.¹

¹ Kaiser Family Foundation and CNN, 2022. "[KFF/CNN Mental Health In America Survey](#)."

While 71% of employees surveyed in our 2022 Workforce Attitudes Report said that their company increased their focus on mental health because of the pandemic, only 25% say their company has kept it up.²

It's clear: current mental health solutions aren't meeting the needs of employers and their teams in a post-pandemic world. The right solution involves addressing the challenges with mental healthcare today, and building a new path forward.

² Headspace, 2022. "[Fourth Annual Workforce Attitudes Toward Mental Health](#)."

1

Complex solutions make care hard to navigate

THE CHALLENGE

Complex solutions make care hard to navigate

6 in 10

employers feel
overwhelmed with the
increased complexity
of managing their
benefits programs³

Complex and siloed solutions make it challenging for benefits leaders and employers to navigate care. When employees seek out mental healthcare for support through a difficult time, they often get directed to multiple solutions, none of which talk to each other. For a person who's already feeling emotionally overwhelmed, a barrage of potential tools that may or may not be right for their needs can make things feel even harder.

There are many mental health offerings on the market with services across the continuum, but the majority treat mental health like an isolated episode of care, focused on diagnosing, treating, and discharging. These programs fail to acknowledge the full mental health journey – the ups, downs, and everything in between. This means many individuals only receive care in moments of high need.

Simultaneously, benefits leaders are stuck managing multiple platforms to provide mental health support to their teams. **Six in 10 employers feel overwhelmed with the increased complexity of managing their benefits programs.**³ Having to manage various platforms makes it difficult to offer a navigable, valuable solution to employees, and even more difficult to demonstrate value from the programs offered. **And, with 53% of HR leaders reporting feeling burned out,**⁴ **having to manage many disconnected offerings puts an additional strain on HR and benefits leaders.**

³ Guardian Life Insurance Company of America, 2017. "Guardian 4th Annual Workplace Benefits Study."

⁴ HR Executive, 2022. "Burnout and resignations are rampant in HR. What leaders need to know."

THE SOLUTION

A wider door to care

“Proximity to care is challenging. There are people who have to travel three hours to connect with their closest psychiatrist, and that doesn’t mean they’ll be the right fit. Being able to see a psychiatrist over a video call is one way to combat this obstacle to care.”

—NEAL SUNDBERG, DIRECTOR OF COACHING

Headspace widens the front door to care by offering a full spectrum of mental health solutions in one place, making sure your benefits leaders are empowered to provide the best support and your employees get the right care at the right time.

Headspace brings together the best of Headspace’s beloved brand and approachable self-care offering with the best of Ginger by Headspace’s on-demand, evidence-based mental healthcare system. We’re uniquely addressing a broad range of mental health needs – from prevention to clinical treatment to ongoing care.

With Headspace, members can access self-care content, behavioral health coaching, therapy, psychiatry, and mindfulness and meditation tools through a single portal. And, our care team provides human-centric support to help members find the tools they need.

Headspace

Headspace, loved by millions, provides meaningful, on-demand self-care content and mental health skill building support. Headspace helps to reduce mental health stigma, drive adoption and engagement, and open the door to lifelong mental healthcare and support. We offer members unlimited access to a variety of meditations and mindfulness exercises for stress, focus, sleep, and movement through the Headspace app. Members can participate in live meditations and tailored Headspace experiences for their teams, plus tune in to podcasts, expert videos, and other self-care tools.



"My experience with Ginger has been great. I like having support available when I need it. My coach has inspired me to get more mental health help, and I've since started attending therapy sessions because of her encouragement."

—HEADSPACE MEMBER

A Comprehensive Care Model

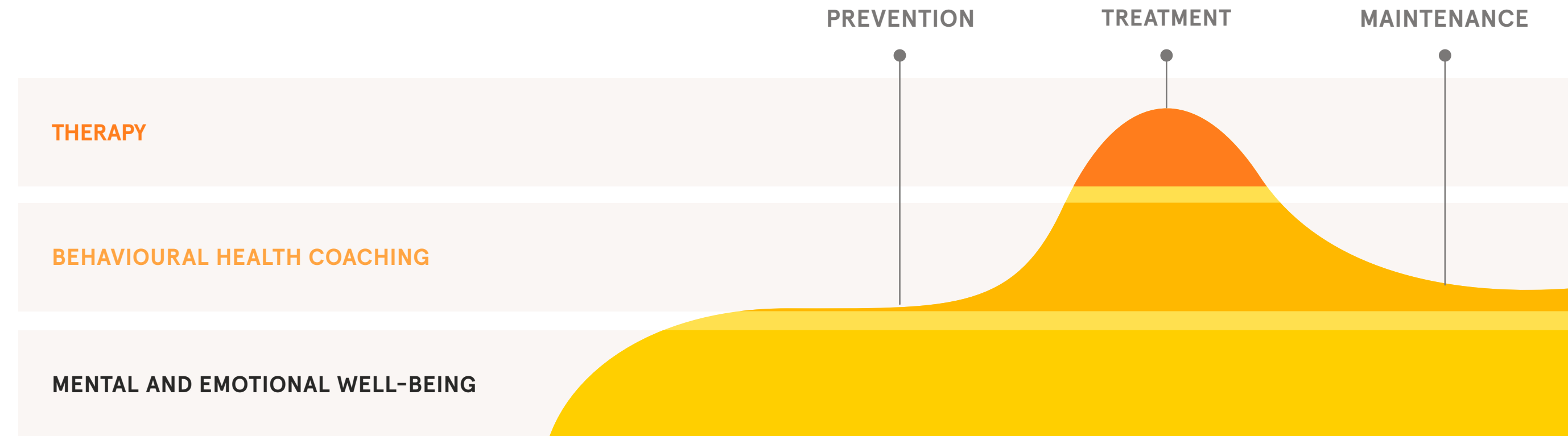
For employees and their family members who need more support, Headspace's care model offers high-quality, on-demand care that drives improved outcomes at a lower cost. Our collaborative approach connects employees to the care that's right for them, including behavioral health coaching, therapy, and psychiatry powered by Ginger.

Members can chat 24/7 with a behavioral health coach for on-demand support or through regularly scheduled sessions. For employees who need more support and for those seeking therapy specifically, our care model also offers 1:1 video visits with licensed therapists and psychiatrists.

Our team-based care approach brings coaches, therapists, and psychiatrists under one virtual roof to ensure no one falls through the cracks. The care team, superpowered by our proprietary electronic health record (EHR) and augmented intelligence, works hand-in-hand around individualized care plans to provide the right level of care to members when they need it most. This enables a flexible, stepped model, where employees can "step" up or down between levels of care, depending on their needs. And, through training and quality assurance efforts, our team delivers culturally responsive care that meets the needs of each individual.

“In traditional settings, collaboration might consist of faxing over brief summaries about a patient. There’s no ongoing collaboration. At Headspace, members have multiple people working collaboratively on their care at the same time. We make sure everyone’s goals are in alignment with the treatment plan.”

—NEAL SUNDBERG, DIRECTOR OF COACHING

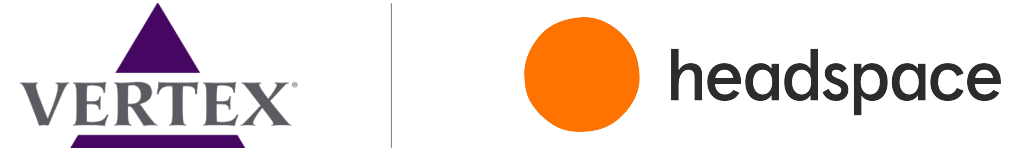


Complete Mental Health Support and Engagement Offerings

Building on our proactive, on-demand mental healthcare system, Ginger EAP delivers an innovative approach to mental healthcare while offering Employee Assistance Program (EAP) services that employees and employers value. The result is a comprehensive offering that meets employees where they are with the services they need.

With Ginger EAP, employees can access therapy by phone or with in-person visits, and are connected to additional work-life services such as legal and financial services, child and elder care, and substance abuse support. In addition to Headspace’s 24/7, on-demand coaching, Ginger EAP members also have access to an around-the-clock, dedicated phone line for support from a licensed, masters-level counselor. Plus, employers are better equipped to support their employees through Critical Incident Stress Debriefing (CISD), manager consults, and more.

Vertex Case Study



Vertex Pharmaceuticals is a global biotechnology leader that focuses on treatments for serious diseases. As a global company, they understand the importance of respecting the cultural and local nuances surrounding mental health in supporting its teams around the world – and also recognized that employees were under a lot of stress, both personally and professionally.

Vertex brought Headspace into its offerings to provide employees with a high-tech, clinically proven solution to improve mental health. Through chat-based coaching, video therapy and psychiatry, and our beloved Headspace app, Vertex was able to ensure that each employee could access the right mental health resources for them. Every mental health journey is unique – and with access to this comprehensive offering, employees could find the right support at any stage.

19%

of Vertex employees have registered for Ginger

5/5

average Ginger clinician rating

88%

of Vertex members who screened positive for depression at Ginger intake saw symptom reduction after working with Ginger coaches and clinicians

700,000

minutes spent with Headspace in 6 months by Vertex employees

75%

of Vertex members who screened positive for anxiety at Ginger intake saw symptom improvement at follow-up

15%

average monthly engagement rate

4.8/5

average Ginger coach rating



2

Mental healthcare has an access problem

THE CHALLENGE

Mental healthcare has an access problem

“Proximity to care is challenging. There are people who have to travel three hours to connect with their closest psychiatrist, and that doesn’t mean they’ll be the right fit. Being able to see a psychiatrist over a video call is one way to combat this obstacle to care.”

—NEAL SUNDBERG, DIRECTOR OF COACHING

One of the biggest challenges in mental healthcare today is access, and it results in fewer individuals getting the care they need. Less than half of Americans with a mental health disorder are getting care, and that number only increases for marginalized groups.⁵

Therapy is often used as the first line of support for mental health. If every individual is directed to therapy when their needs could be met by behavioral health coaching or self-directed content, there are fewer therapists available for those with higher levels of need.

In addition, a shortage of mental health professionals, which is likely to continue, is one of the main reasons for access challenges.⁶ This shortage poses additional issues for those in rural areas.⁷

Aside from these shortages, there are barriers to access like cost, challenges associated with navigating insurance, and difficulties finding the right mental healthcare provider. As a result, many individuals face weeks-long wait times to find care, or may not be able to find culturally responsive care that fits with their identity. The average wait time for behavioral health services in the U.S. is six weeks.⁸

When employees don’t get the care they need, when they need it, mental health issues can be exacerbated. This results in lower productivity and higher healthcare costs.

⁵ National Institute on Minority Health and Health Disparities. “*Brother, You’re On My Mind.*”

⁶ The Commonwealth Fund, 2020. “*Medicare’s Mental Health Coverage: How COVID-19 Highlights Gaps and Opportunities for Improvement.*”

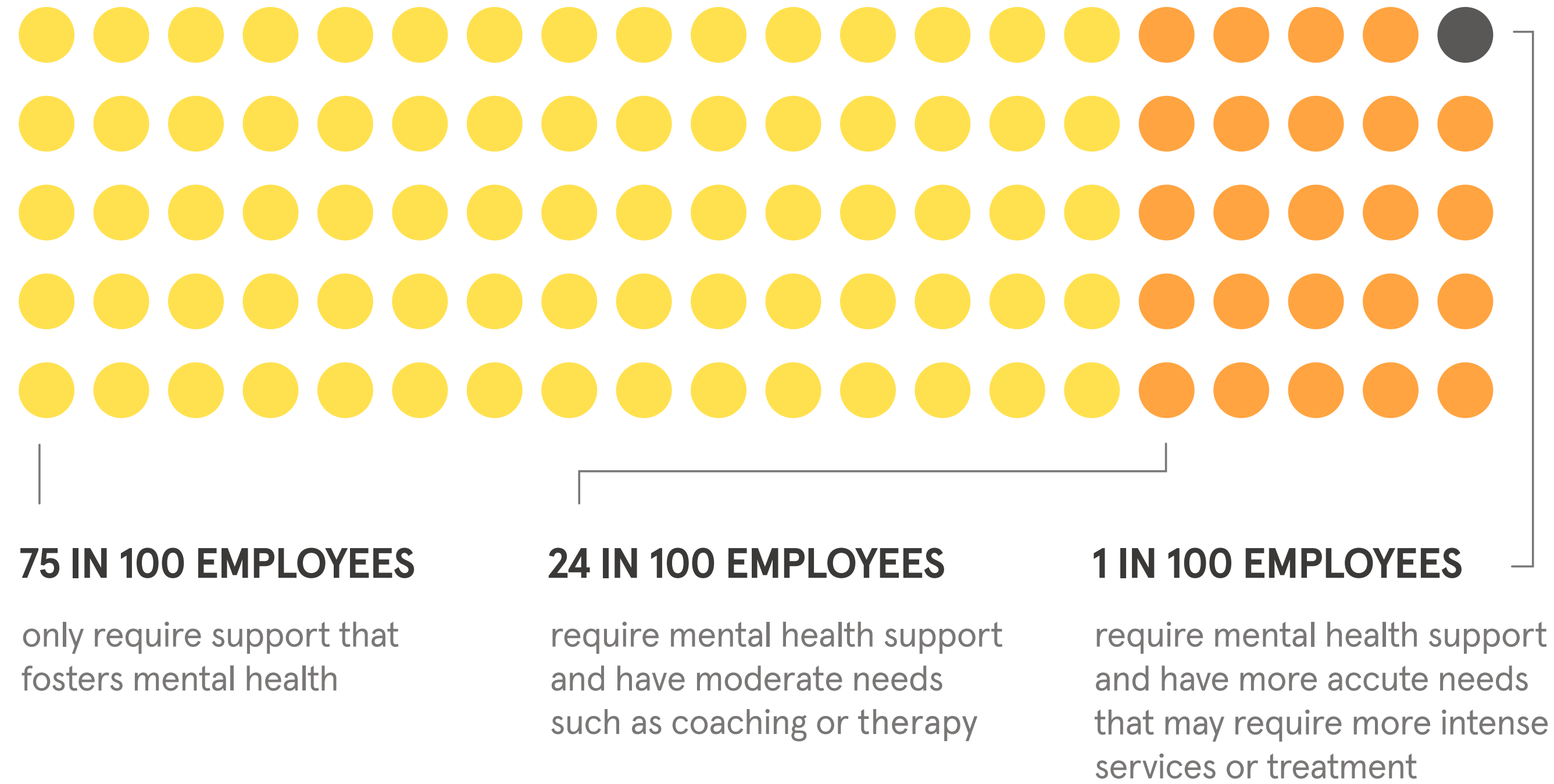
⁷ Kaiser Family Foundation, 2022. “*Mental Health Care Health Professional Shortage Areas (HPSAs).*”

⁸ National Council for Mental Wellbeing, 2021. “*Certified Community Behavioral Health Clinics Providing Expanded Access to Mental Health, Substance Use Care During COVID-19 Pandemic.*”

THE SOLUTION

Reducing barriers to a full spectrum of mental healthcare

Research shows that while not everyone needs therapy, everyone could use some level of support. A recent McKinsey study indicates that 75% of employees on average require support that fosters mental wellness, like self-care content or behavioral health coaching. Of the remaining 25%, 24% have moderate needs that could be supported with therapy, and only 1% have more acute needs that require higher levels of support, like psychiatry.⁹



⁹ McKinsey & Company, 2021. *"Using digital tech to support employees' mental health and resilience."*

"Searching for a therapist is something I get overwhelmed by. Coordinating with my insurance, searching for convenient locations, cross referencing their credentials, etc. Who wants to do all that at a time when you need the most help? It was very easy to use the Ginger app and meet my coach, like texting a friend. No appointment needed. Even late at night when I can finally take a moment to myself."

—HEADSPACE MEMBER

In order to help people get the care they need, we create easy access to mental healthcare 24/7, with tools that meet members where they are. By providing a full spectrum of continuous support — from self-guided content, to chat-based behavioral health coaching, to one-to-one video therapy and psychiatry visits — in an on-demand, digital-first approach, employees can more easily access appropriate, effective care.

Headspace offers a library of science-backed, self-care content — enabling employees to find the tools they need in the moment to address challenges like stress, anxiety, and burnout. For those seeking one-on-one support, behavioral health coaches provide personalized, on-demand support to build skills to better manage mental health.

By serving a wider population with self-care content and coaching, our unique care model focuses on prevention before members reach the point of needing higher-cost care. As a result, we reserve capacity at the therapy and psychiatry levels for those who need it, lowering costs of care, increasing care availability, and enabling clinicians to operate at the top of their licenses.

“Finding a therapist is as personal and as sensitive as dating – and when you don’t have a network to go to, it can be a daunting and time-consuming process. Making 24/7 coaching, therapy, and psychiatry available to our employees was a huge appeal.”

–ERIN B., SVP, PEOPLE & CULTURE, VOX MEDIA

“Having a provider who understands your lived experience helps to lay the foundation of trust and rapport, which is the basis of having quality mental healthcare.”

–ERIKA AUSTIN, DIRECTOR OF SPANISH SERVICES

We hire quality providers who match the diversity of our members, with 46% of our providers identifying as BIPOC, compared to the national average of 16%.¹⁰ Our team is a diverse group of individuals trained in culturally responsive care – ensuring that every employee can find care that supports their intersecting identities and mental healthcare needs.

What’s more, our digital care model connects employees with highly trained care providers and support on-demand, 24/7, from the convenience of their phone. Employees can chat with behavioral health coaches in the app with an average time-to-chat at under two minutes, or connect with therapists or psychiatrists, with an average first appointment time in less than seven days. To further increase access, Headspace’s EAP also provides a phone line with 24/7 access to support from licensed counselors, who can also connect employees to valuable work-life resources.

By enabling access to a variety of mental healthcare resources and clinicians, and leveraging high-quality, lower level care and self-guided support when appropriate, Headspace’s model makes sure employees can easily access the care that works for them.

46% of our providers identify as BIPOC, compared to the national average of 16%

¹⁰ APA, 2020. "[Demographics of the US Psychology Workforce.](#)"

3

Traditional workplace mental health tools see low engagement

THE CHALLENGE

Traditional workplace mental health tools see low engagement

"If employees have one place where they can access self-guided tools and providers, they are more likely to access that full range. I've often heard members say that they've never had benefits like this before and they want to explore what's available to them. As utilization increases, people get well-rounded and holistic care, which helps them feel more engaged and satisfied, and makes them less likely to tend towards burnout."

—DR. NEERU BAKSHI, PSYCHIATRIST,
HEADSPACE

Traditional mental health solutions, like EAPs or health plans, often see very low engagement — meaning resources go unused and employees feel unsupported. While 93% of employers offer an EAP, only about half of employees are aware of it,¹¹ and only 3-5% of employees use it.¹²

This puts the burden on HR teams to drive awareness of the benefits offered. For busy HR teams managing a variety of benefits offerings, it can be a challenge to ensure benefits are being valued.

The lack of engagement in mental health resources takes a negative toll on employees and teams. Increased levels of stress and burnout can result in disengaged teams. When people have the tools to improve their well-being, organizations may benefit from increased engagement and productivity, less absenteeism, a higher level of job satisfaction, and improved employee retention.

93%

of employers offer an EAP, but only about half of employees are aware of it

¹¹ HR Executive, 2020. "[HRE's number of the day: EAP awareness](#)"

¹² American Psychiatric Association. "[Stigma, Prejudice and Discrimination Against People with Mental Illness](#)."

THE SOLUTION

A unique, continuous approach to driving adoption and engagement

Our beloved Headspace brand drives deep engagement. In fact, for one health plan, 90% of members who were offered Headspace viewed their benefits plan more favorably.¹³ When people have access to the tools they already know and love, they're better able to engage regularly – and see the benefits.

Headspace sees industry-leading engagement rates of up to 30%. Our unique approach to engagement creates consistent touchpoints along the mental health journey and reduces the stigma surrounding mental health.

Headspace Culture, our suite of services that empower our clients to connect their employee population with mental health support, offers a variety of tools to promote engagement. These services normalize mental health, destigmatize seeking help, and ultimately drive cultural change.

90%

of members viewed their health plan more favorably after being offered Headspace

¹³ Headspace, 2023. "[California Health Plan & Headspace](#)."



Headspace Culture

To help you build a healthy culture and drive employee engagement, we offer:

- ✔ **Strategic consults**
We partner with you to deeply understand your channels, population, and best practices to reach them.
- ✔ **Enrollment and engagement strategy**
We develop a custom communications strategy and execution plan based on the learnings from your consultation.
- ✔ **Execution and reporting**
With your approval, we execute campaigns on your behalf and report on key metrics.
- ✔ **Live, interactive experiences**
Our meditation teachers, mindfulness facilitators, behavioral health coaches, licensed therapists, and psychiatrists host live experiences to educate and help your population build a culture of better mental health.
- ✔ **Monthly campaigns**
We empower you with timely, relatable content and toolkits developed by mental health experts to be used alongside your own internal communications efforts.

4

Traditional mental healthcare is tough to measure

THE CHALLENGE

Traditional mental healthcare is tough to measure

A well-known challenge for benefits leaders today is proving the value of mental healthcare offerings. Outcomes data isn't typically collected with traditional mental healthcare, and individual therapists within a large network often use their own clinical assessments, which makes it difficult to see impact. Plus, less than 20% of mental healthcare providers practice measurement-based care (MBC), meaning it can be a challenge to systematically measure outcomes across a population.¹⁴

With so many different mental health solutions and a wide range of costs, it can be hard to understand if, and how, mental healthcare offerings are driving value by truly supporting employee mental health. Benefits leaders need tangible outcomes and engagement data to be sure mental healthcare services are helping employees lead happier, healthier lives – and to demonstrate to leaders that investing in mental healthcare is worthwhile.

<20%

of mental healthcare providers practice measurement-based care (MBC)¹³

¹⁴ Lewis CC, Boyd M, Puspitasari A, et al, 2019. "[Implementing Measurement-Based Care in Behavioral Health: A Review](#)." JAMA Psychiatry.

THE SOLUTION

An evidence-based approach to improving outcomes

At Headspace, measurement-based care (MBC) is at the foundation of everything we do – ensuring the care we provide is both informed by and resulting in mental health outcomes for people. MBC has a variety of benefits for members, clients, and our care team, and it helps us provide the best possible care.

For members, MBC provides a framework to identify and work toward goals. Progress data is shared with members and integrated into their care plan, which demystifies treatment and promotes accountability. Adding MBC to care as usual has been shown to improve clinical outcomes, helping members identify and understand symptoms over time.

For our care team, MBC serves as a “common language” to ensure providers collaborate on goals and work toward member symptom improvement. In addition, it helps providers to step members up or down in care, based on progress.

MBC also helps us validate outcomes via real-world studies and peer review. Through dozens of peer-reviewed studies, Headspace has demonstrated improved outcomes for members, including:

70% of members with elevated symptoms of depression showing improvement at follow-up with Headspace's coaching and/or clinical care

59% of members with elevated symptoms of anxiety showing improvement at follow-up with Headspace's coaching and/or clinical care

3 An average increase of 3 healthy mental health days per employee, per month after one month with Headspace's coaching and/or clinical care¹⁵

14% increase in focus after 1 session with Headspace

32% less stress within 30 days of Headspace

Headspace helps benefits leaders prove value with comprehensive reporting, demonstrating outcomes and engagement. Our team regularly updates our clients with reporting on utilization metrics like employee signups, member engagement, satisfaction, key areas of member need, utilization trends, and more. In addition, we report on industry standard outcomes, such as depression outcomes (via PHQ-9) and anxiety outcomes (via GAD-7).

With customer medical and Rx claims data, Headspace, in partnership with a third-party actuarial firm, can conduct a detailed analysis to help employers understand the larger impact of the Headspace offering on costs and ROI. We take a look at clients' total spending on mental healthcare versus the benchmark, the impact of mental health conditions on physical healthcare costs, and more to help you understand the return on investment of a partnership with Headspace.

Ultimately, detailed reporting on outcomes metrics helps clients understand the value that comprehensive, full-spectrum mental healthcare creates for their teams. This helps drive healthier work cultures, happier employees, and leadership buy-in.

¹⁵ "Healthy Days" is a measurement of population health-related quality of life from the Center for Disease Control and Prevention.

5

Traditional mental healthcare is costly – for employers and their teams

THE CHALLENGE

Traditional mental healthcare is costly – for employers and their teams

\$11,000

A person with major depression spends nearly \$11,000 a year, on average, on healthcare costs.¹⁵

We know the costs of poor employee mental health can be vast, impacting both individuals and their employers. A person with major depression spends nearly \$11,000 a year, on average, on healthcare costs.¹⁶ This puts additional financial and emotional strain on employees simply trying to manage their mental health.

As a result, many people aren't able to be as present or productive at work as they may like. The World Health Organization estimates that anxiety and depression disorders cost the global economy \$1 trillion in lost productivity each year.¹⁷ And according to the National Safety Council and NORC at the University of Chicago, employers spend an average of more than \$15,000 annually on each employee experiencing mental health issues. This cost stems from days of work missed, employee turnover and replacement costs, and greater healthcare use by workers and family members.¹⁸

So, how can employers demonstrate the positive impact mental healthcare can have on a workforce?

¹⁶ CNBC, 2021. "[What you need to know about the cost and accessibility of mental health care in America.](#)"

¹⁷ World Health Organization, 2021. "[Mental Health and Substance Use.](#)"

¹⁸ National Safety Council, 2021. "[New Mental Health Cost Calculator Shows Why Investing in Mental Health is Good for Business.](#)"

THE SOLUTION

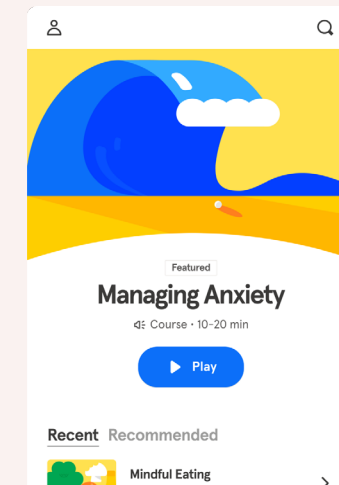
Access to the right level of mental healthcare and support

Headspace connects employees with the most appropriate care for them – which oftentimes can also be lower cost care, like self-guided, self-care content or a text-based chat with a behavioral health coach. This model ensures each individual is supported in the way that's best for them in that moment – and that lower acuity levels of care are utilized when appropriate. This results in more comprehensive, quality mental healthcare at lower costs.

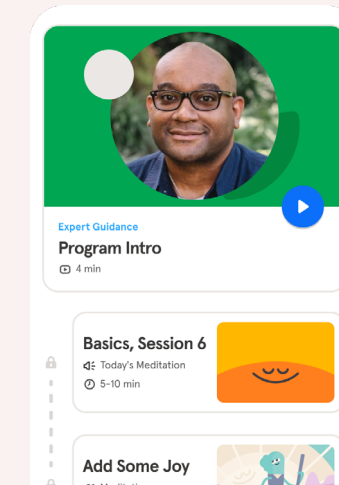
Our actuary-backed study demonstrates that employers may save an average of \$101,000 – \$302,000 per 100 engaged employees with our mental healthcare services, in comparison to a traditional care model.¹⁹



Chat with a behavioral health coach



Self-care content



Guided programs

¹⁹ Headspace, 2022. "[Value of the Ginger System](#)."

“Anyone can benefit from the tremendous amount of literature we have on meditation and mindfulness. There is robust research that shows benefits for mental and physical health, and Headspace lets people have it in their pocket to use throughout the day.”

—KENLI URRUTY, DIRECTOR OF TRAINING

With Headspace, a low per-employee-per-month (PEPM) fee gives employees unlimited access to behavioral health coaching, self-care content, and optional EAP services. With these services priced on a PEPM basis, your employees will be supported in a more predictable cost environment. For the small proportion that need or prefer clinical care, therapy and psychiatry sessions are billed in one of three ways:

- via our fee-for-service model, where we bill the health plan as an in-network claim
- via our direct-bill model, where we bill clients directly as sessions are utilized
- as a bundled PEPM inclusive of coaching, self-care content, and a set number of therapy and psychiatry sessions, with optional EAP services.

While other mental healthcare solutions tout low PEPMs as a representation of overall costs, they often charge for coaching and clinical sessions on a utilization basis. This drives the significant majority of costs, and it also comes with many surprising expenses. As a result, these other solutions are not actually designed for cost-effective levels of care. At Headspace, we leverage our wide front door that offers something for everyone, in a cost-effective environment, at a more affordable price point. This ultimately may make Headspace $\frac{1}{2}$ to $\frac{1}{3}$ the cost of other solutions – with two to three times more utilization.

How it all comes together

At Headspace, we know that every mental health journey is unique, and that there's no one-size-fits-all approach. Our offerings are built to work together and support both employees and organizations seamlessly.

This results in an offering employees love. By only going to one place for support, and receiving guidance to the best resources for them, employees face fewer barriers to care and get the support they need, more quickly.

At a time when HR teams are facing tightened budgets and fewer resources, Headspace aims to provide a comprehensive, one-stop solution for supporting employee mental well-being. Our reporting, focused on both engagement and outcomes measures, helps you demonstrate the impact Headspace can have on your employees and your organization as a whole.

Looking to offer the care your team deserves? [Contact us](#) to learn more.



The Solution for Today's Workplace