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Booming but Constrained: Digital Therapeutics for Mental Health in APAC

Content for this article was contributed by the EVERSANA Asia Pacific team.

Digital therapeutics (DTx) are a fast-emerging class of therapies that use software to treat disease, both as standalone treatments and for treatment optimization. Applications range from improving patient adherence to supporting physicians in managing patients remotely. DTx has been much hyped as transformational across the healthcare ecosystem by bringing personalized medicine to all through AI and real-world data at lower costs. Additionally, the growing aging population and rising healthcare costs are driving the demand for digitalization, from diagnostics and monitoring to therapy, as digital therapies help reduce costs and improve treatment outcomes.

In Asia, problems arising from poor mental health are major contributors to years lost due to disability. Over 85% of people with mental disorders use mobile phones and more than 60% own smartphones. Many have shown interest in learning how to use mobile apps to regulate their emotions, monitor mental health symptoms, and obtain digital therapies.

DTx can serve as a powerful tool for these patients and help reduce treatment gaps

A recent study found DTx to have high potential in treating mental and behavioral health conditions such as depression, anxiety and substance abuse. There is also strong evidence supporting digital cognitive behavior therapy's (DCBT) efficacy in this area. For instance, 'reSET', Pear Therapeutics' prescription digital therapeutic for substance abuse, has proven twice as effective as traditional face-to-face therapy.

In China, insomnia and other sleep disorders are very common, affecting over 500 million people. AI-based DTx application 'Asleep' by Zhengan Keji (a Chinese start-up) facilitates affordable diagnosis and treatment for insomnia patients.

Understanding the Challenges of DTx

DTx cannot solve the mental health crisis by itself. While Covid-19 has accelerated innovation in DTx, its success in such patients depends on making platforms accessible, affordable, and integrated into wider healthcare systems.

APAC's regulatory landscape varies from primitive to highly evolved regulatory systems as seen in Korea, Japan and Australia. The system is moderately evolved in China, Malaysia and Thailand while countries such as India are at a nascent stage.

China has a large patient pool but is complex in terms of reimbursement, regulatory requirements and data security. While China has Software as a Medical Device (SaMD) regulations in place, the coverage doesn't include mental health disorders. Other regulated countries are attractive from affordability and reimbursement perspectives but offer much smaller markets. Similarly, India and Singapore are mature in terms of familiarity with digital technologies. There are local pioneers like Wellthy Therapeutics Pvt Ltd (India), and DTx innovators like Neuroglee (Singapore). However, these companies must tap into the opportunity of digital health via the proper regulatory and reimbursement pathways.



DTx also faces pricing and reimbursement challenges, as traditional models where providers are paid based on the amount of service they deliver are not well suited for DTx. Payer reimbursement models also vary widely between full payment, co-payment and per hour/visit charges. While Japan reimburses SaMD products as a technical fee, China and Thailand have defined maximum charges that can be covered on an hourly/daily basis for certain products alone. Countries such as India, Singapore, Taiwan and Vietnam have no reimbursement frameworks in place and the payment model is largely out of pocket.

However, this is not a sustainable long-term market strategy, and DTx companies are exploring other channels to generate revenue, including the business-to-business-to-consumer (B2B2C) approach of selling products through online retail outlets.

DTx Future Prospects

The number of mental health professionals available is critically low across the APAC region, opening the door to preventive and innovative DTx therapies that focus on self-managed and evidence-based care for mental wellbeing. Mobio Interactive's 'AmDTx' is one of many digital AI-based theragnostics (therapeutics with diagnostics) that help prevent and self-manage mental health illnesses.

To use DTx effectively, we must understand its relationship with patients, clinicians, health care systems and all other stakeholders. Recent advances have also led to the seamless collection of patient-generated health data from smartphones. However, these data are yet to be utilized efficiently. Other unexplored problems include adherence to DTx, avoiding app burnout, lack of familiarity with usage, lack of time to introduce and administer DTx, and the lack of DTx integration with electronic health records. Very few physicians are employed in systems that offer digital formularies, making adoption by physicians another unsolved challenge for DTx implementation.

To achieve scale in the DTx space, it is crucial to change the clinical visit microenvironment and make DTx a viable treatment decision. Many VR-based behavioral therapies for treating mental health conditions such as VRDTx (by Jolly Good and Otsuka), and BehaVR (in partnership with Sumitomo Dainippon Pharma Co.) are working to change how patients receive therapy. Similarly, forward-thinking organizations and governments should not miss the opportunity and adopt smarter, progressive models of financing. As governments across APAC are working to control healthcare costs, DTx companies will continue to innovate while ensuring that products are competitively priced. DTx companies should adopt more accessible, collaborative and innovative approaches to providing value-based care.

Deep DTx Industry Expertise

EVERSANA™ is a global advisory leader in the DTx space. We have consulted with DTx start-ups and supported the commercialization of their offerings across the world, including APAC. Our leaders pioneered DTx applications in consumer and prescription use. We understand the nuances of the key drivers and barriers behind DTx adoption and scalability.

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