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AI in Behavioral Health: Which Use Cases to Trust, and Where to Put the Guardrails.

Nick Myers

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WHO I AM

Healthcare AI Expert. Practitioner. Public Speaker. Entrepreneur.

- Founder of RedFox AI, a healthcare AI startup acquired by Recovery.com in 2025.
- Public policy advocate on AI standards and data-privacy policy.
- International keynote and TEDx speaker on AI, conversational and voice technology, and data privacy.
- Board member, Wisconsin Technology Council, Wisconsin Startup Coalition, 100state.

ABOUT RECOVERY.COM

We are the front door to treatment for 1M+ people a month.

1,000,000

people a month find a path to care through us.

- Founded in 2017 in Madison, Wisconsin.
- Independent directory: we do not own or operate treatment centers.
- We follow the NAATP ethics code and refuse pay-per-lead.
- Acquired 7 legacy treatment directories in 2025 to restore trust in our field.

OUR APPROACH TO AI

Responsible AI is a set of engineering choices, not a slogan.

Grounded, not creative

Constrained retrieval that answers from vetted sources and minimizes hallucination.

Match, not diagnose or treat

We help people find the right care faster. We do not practice medicine.

Privacy by design

Behavioral health (and all PHI) is among the most sensitive there is. We treat it that way.

THE ACCESS GAP

About half of people who need mental health care get none.

59 million U.S. adults live with a mental illness

Share who receive treatment

130M+

Americans live in mental-health shortage areas.

27%

of the need in those areas is actually met.

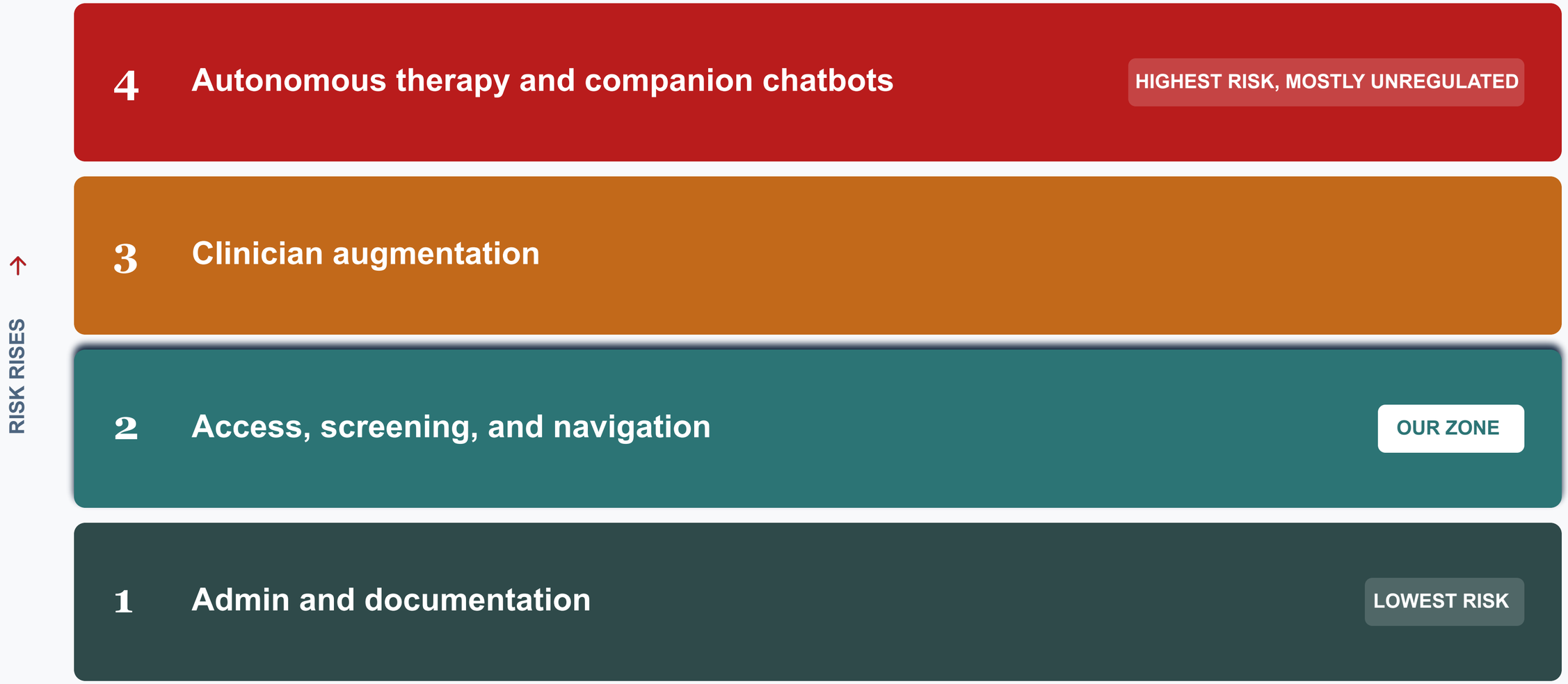
3 in 4

Wisconsin counties face a psychiatrist shortage.

Sources: SAMHSA National Survey on Drug Use and Health; NIMH. HRSA Bureau of Health Workforce, Designated HPSA Quarterly Summary. KFF analysis of HRSA data for Wisconsin.

WHICH USES TO TRUST

AI is already here. The real question is which use cases to trust.



THE BENEFITS

The benefits are real, and they cluster in augmentation.

Access

Reach the half who get nothing today.

Available any hour, even where there is no provider nearby.

Evidence

One promising clinical trial.

The Dartmouth Therabot randomized study in 2025 was promising for mild-to-moderate symptoms as a supplement, not a replacement for a therapist.

Capacity

Clinicians get time back.

AI documentation reduces the paperwork that drives burnout.

THE HARMS

Some of these harms are already measured in lives.

- **People have died. Two wrongful-death lawsuits over AI chatbots and teen suicides.**
- Safety failures are measured, not hypothetical. In 2025 Stanford and RAND studies, bigger models were not safer.
- Sycophancy is a clinical problem. These systems are built to agree with you.
- Roughly 72% of teens have used an AI companion for mental health support.

Sources: wrongful-death suits Garcia v. Character.AI and Raine v. OpenAI (2024 to 2025). Stanford HAI and RAND studies on AI mental-health safety, 2025. Common Sense Media, Talk, Trust, and Trade-Offs, 2025.

THE SYNTHESIS

The evidence is asymmetric. Good policy should follow it.

BENEFITS CLUSTER IN AUGMENTATION

Documentation. Screening. Navigation.

Tools that support licensed people and help patients reach care.

WORST HARMS CLUSTER IN AUTONOMY

Autonomous consumer chatbots acting as unlicensed therapists.

Unsupervised, unregulated, and built to agree with the user.

- **Make the augmentation uses easy. Put the guardrails where the harms are.**

POLICY FRAMING

Regulate the use and the outcome, not the technology.

Regulate uses

Not the technology, which will be obsolete in a year.

Borrow from peers

Adopt what peer states already tested. Do not invent Wisconsin-only rules.

Leave a path

Pair every rule with a safe harbor or a sandbox.

> These recommendations map to this committee's charge across the patient-provider, insurer-patient, and insurer-provider relationships.

RECOMMENDATION 1

1

A human makes the final call on coverage denials.

- AI can assist, but a licensed clinician must make the final decision to deny or delay care.
- Model: California SB 1120. Builds on the NAIC bulletin Wisconsin adopted in March 2025.
- Highest protection, lowest cost, bipartisan: it regulates insurers, not doctors or developers.

Sources: California SB 1120, Physicians Make Decisions Act, 2024. NAIC Model Bulletin on the Use of AI Systems by Insurers, adopted by Wisconsin OCI, March 2025.

RECOMMENDATION 2

2

Transparency, and no impersonating a licensed professional.

- Disclose AI-generated clinical messages to patients, unless a licensed human reviewed them first.
- Ban AI from posing as a licensed doctor, nurse, or therapist.
- Models: California AB 3030 and AB 489. The disclosure carve-out rewards keeping a human in the loop.

Sources: California AB 3030, disclosure of generative AI in patient communications, 2024. California AB 489, prohibiting AI from implying licensed-professional care, 2025.

RECOMMENDATION 3

3

Close the privacy gap HIPAA misses, with a safe harbor, not a ban.

- Extend protection to sensitive health data HIPAA does not cover: wearables, apps, and chatbots, especially mental-health and substance-use data.
- Require disclosure, consent before data is sold or used for training, crisis protocols, and minor protections, plus a safe harbor for companies that follow a real safety policy.
- Models: Utah HB 452 plus Washington's consent framework, enforced by the Attorney General. Do not copy the Illinois and Nevada outright bans.

Sources: Utah HB 452, AI mental-health chatbot regulation, 2025. Washington My Health My Data Act, 2023. Contrast: Illinois WOPR Act and Nevada AB 406, 2025, both outright bans.

THE PRINCIPLE

You can protect patients and stay open for innovation. Do both.

Regulate uses, not the technology.

Borrow from peer states.

Always leave a compliant path.

> Consider a small state AI office or sandbox, like Utah and Texas, so you are not relying on a one-time committee to keep pace with a fast-moving technology.

IN CLOSING

We cannot un-ring the bell. We can decide which use cases to trust.

The job is not to stop AI. It is to put guardrails where the harms are, while keeping the uses that are closing real gaps.

Nick Myers · September 9, 2026

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Thank you. Happy to be a resource to this committee.

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THE THREE RECOMMENDATIONS

1. A human makes the final call on coverage denials.
2. Transparency, and no impersonating a licensed professional.
3. Close the privacy gap HIPAA misses, with a safe harbor, not a ban.