The Business Case for Effective Mental Health Treatment

A new awareness is emerging among those working to improve the U.S. healthcare system – we will be unable to solve the quality and cost problems ($3 trillion per year and counting) until we address the healthcare needs of persons with serious mental health and substance use disorders and the behavioral health needs of all Americans

Mental Health Treatment in the Critical Path

There are tens of millions of Americans with comorbid chronic health and behavioral health conditions such as mental health disorders. These individuals have higher healthcare costs and generally do not receive the care they require to address these issues. The combination of these factors is creating a major roadblock in our efforts to fix the healthcare system. Consider the following.

High Prevalence: In 2011, more than 41 million U.S. adults (18 percent) had any mental illness.[1] In that same year, nearly 9 million U.S. adults (4 percent) had mental illness that greatly affected day-to-day living, or serious functional impairment.[2] Behavioral health disorders are the leading cause of disability in the U.S. and Canada.[3]

High Medical Cost: Medical costs for treating those patients with chronic medical and comorbid mental health/substance use disorder (MH/SUD) conditions can be 2-3 times as high as for those who don't have the comorbid MH/SUD conditions. The *additional* healthcare costs incurred by people with behavioral comorbidities were estimated to be $293 billion in 2012 across commercially-insured, Medicaid, and Medicare beneficiaries in the United States.[4]

Low Priority: More than one in three adults with serious impairment received no mental health treatment during the past year, with less than one third of adults with mental health disorders who do get treatment and receive care considered to be minimally adequate.[5] People with psychotic disorders and bipolar disorder are 45 percent and 26 percent less likely, respectively, to have a primary care doctor than those without mental disorders.[6]

Mental Health Treatment Makes a Difference

What national researchers have determined:

"The vast majority of individuals with mental illness who receive appropriate treatment improve. For example, the **rate of improvement** following treatment for individuals with bipolar disorder is about **80 percent;** for major depression, panic disorder and obsessive-compulsive disorder improvement rates are

about **70 percent.** The success rate for those with schizophrenia is **60 percent**. These rates are quite comparable to rates of improvement for individuals who suffer from physical disorders, including asthma and diabetes at 70% - 80%, cardiovascular disease from 60% – 70% and heart disease at 41% to 52%." [7]

What the actuaries have calculated:

"An estimated **$26 - $48 billion** can potentially be saved annually through effective integration of medical and behavioral services. To put these nationally projected savings in context, the total national expenditures for mental health and substance abuse services provided by all physicians, including psychiatrists and non-psychiatric physicians, is projected to be about $35 billion by 2014." [8]

What we've learned from Missouri:

Individuals with a serious mental illness that were served by the Community Mental Health Case Management program saw their Medicaid healthcare costs decline by **$500 per person per month**. This program has been expanded statewide.[9]

What the academic researchers are telling us:

Over a four year period, patients served in an integrated care model (IMPACT) had lower average net costs for their medical care **($3,363 less)** than patients receiving usual care. These patients had lower healthcare costs in every cost category: outpatient and inpatient mental health, outpatient and inpatient medical and surgical, pharmacy, and other outpatient costs.[10]

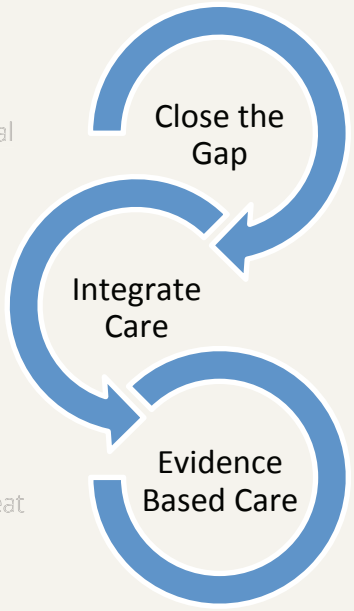
What employers have discovered:

A randomized trial studying employer costs found that "consistently-employed patients who participated in an enhanced depression management program had **8.2% greater productivity** and **28.4% less absenteeism** over two years than did employees who received 'usual care'." The reduction in absenteeism and the increase in productivity had an estimated annual value of **$2,601 per full-time equivalent** employee ($1,982 for improved productivity and $619 for reduced absenteeism)." [11]

The Three-Part Solution

The solution to addressing the healthcare needs of persons with serious mental health and substance use disorders and the behavioral health needs of all Americans is straightforward.

1. Close the gap between those needing behavioral healthcare and those receiving it.
2. Better integrate medical and behavioral healthcare, as well as substance use and mental health care.
3. Expand the use of evidence-based practices to coordinate care, treat behavioral health disorders, and treat chronic medical conditions.



A Path to the Three-Part Solution

States, health plans, and communities are moving toward the three part solution by:

- **Rolling Out High Impact Strategies:** Identify and fund high-impact strategies that target high-cost individuals with mental health disorders, wrapping care around this group to reduce their use of emergency and inpatient care, freeing up preventable healthcare expenditures.
- **Expanding the Strategies:** Use the savings to fund and expand the number of high-impact strategies and serve a greater number of people with mental health disorders and preventable health conditions.
- **Resizing the Funding Pools:** Provide long-term funding for the strategies by resizing the funding pools for acute care, specialty care, primary care, and behavioral healthcare, taking advantage of lower acute care and specialty utilization and cost to permanently fund expanded primary care and behavioral health services.

This path, if pursued over time, will support the shift from a *sick care* system to a true *health* system in the United States.

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