

# **Mental Health Financing in the United States**

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**for**

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Figure 1

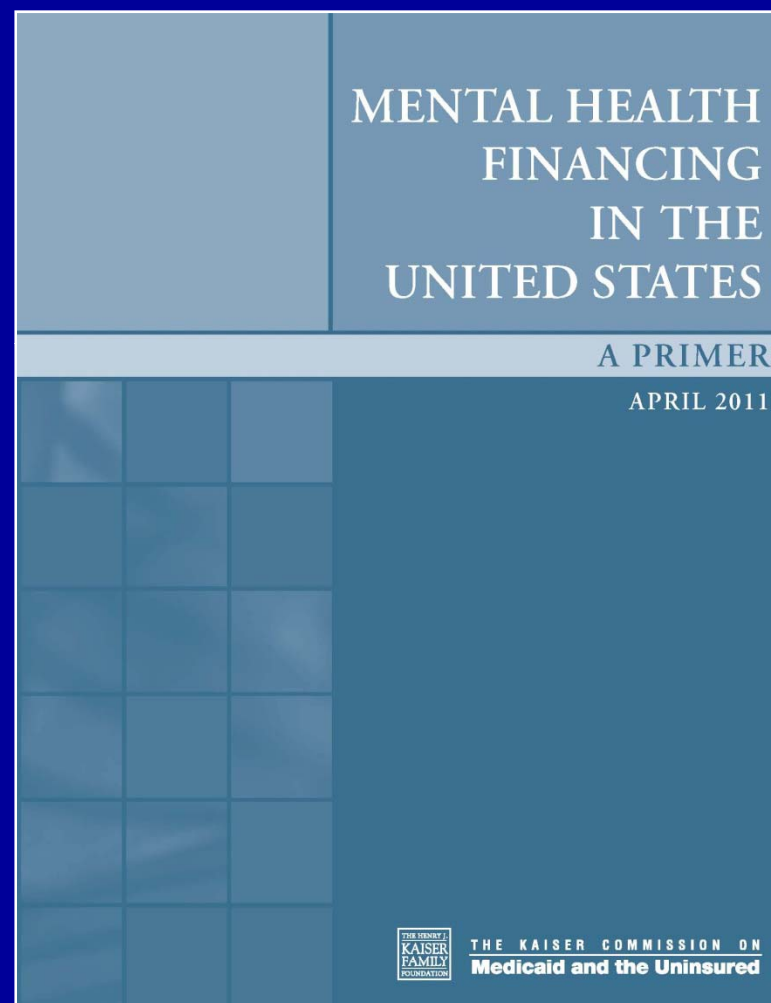
# Policy Context: Recent Mental Health Policy Issues

- Affordable Care Act
  - Expansions in coverage for individuals with behavioral health needs
- Mental Health Parity and Addiction Equity Act of 2008
  - Improvements/protections for behavioral health coverage for the insured
- Physical-Behavioral Health Integration
  - Decreased fragmentation and improved quality in behavioral health
- Mental Health Transformation
  - Development of a coordinated, recovery-focused system

Figure 2

# Laying the Foundation: A Primer on Mental Health Financing

- Overview of behavioral health care
- Sources of financing for behavioral health care
- Spending on behavioral health care
- Recent policy issues & opportunities for funders



To download full report, go to  
<http://www.kff.org/medicaid/8182.cfm>

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Figure 3

# Prevalence of Behavioral Health Problems Among Adults in the United States, 2007

Percent of Adults Meeting Diagnostic Criteria:

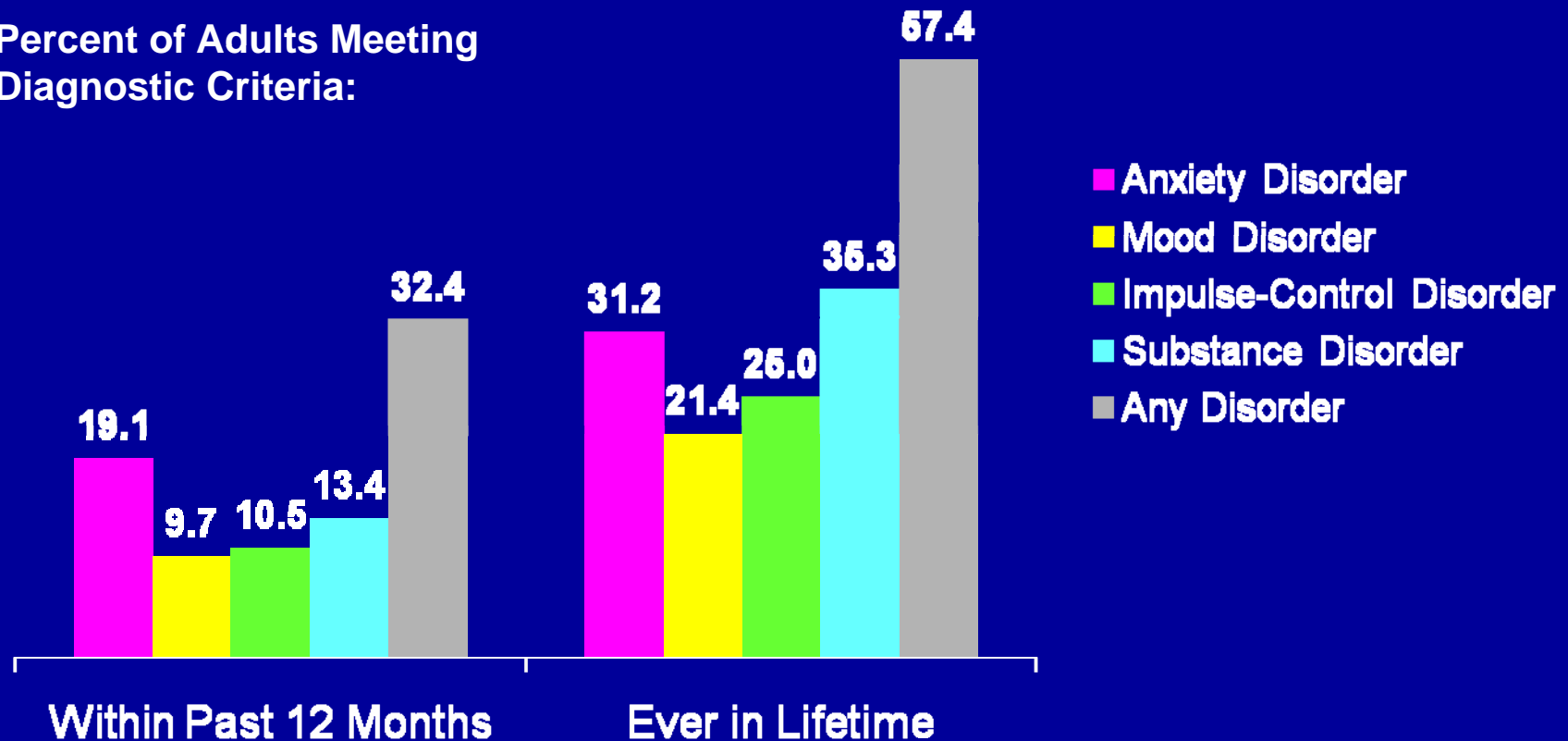
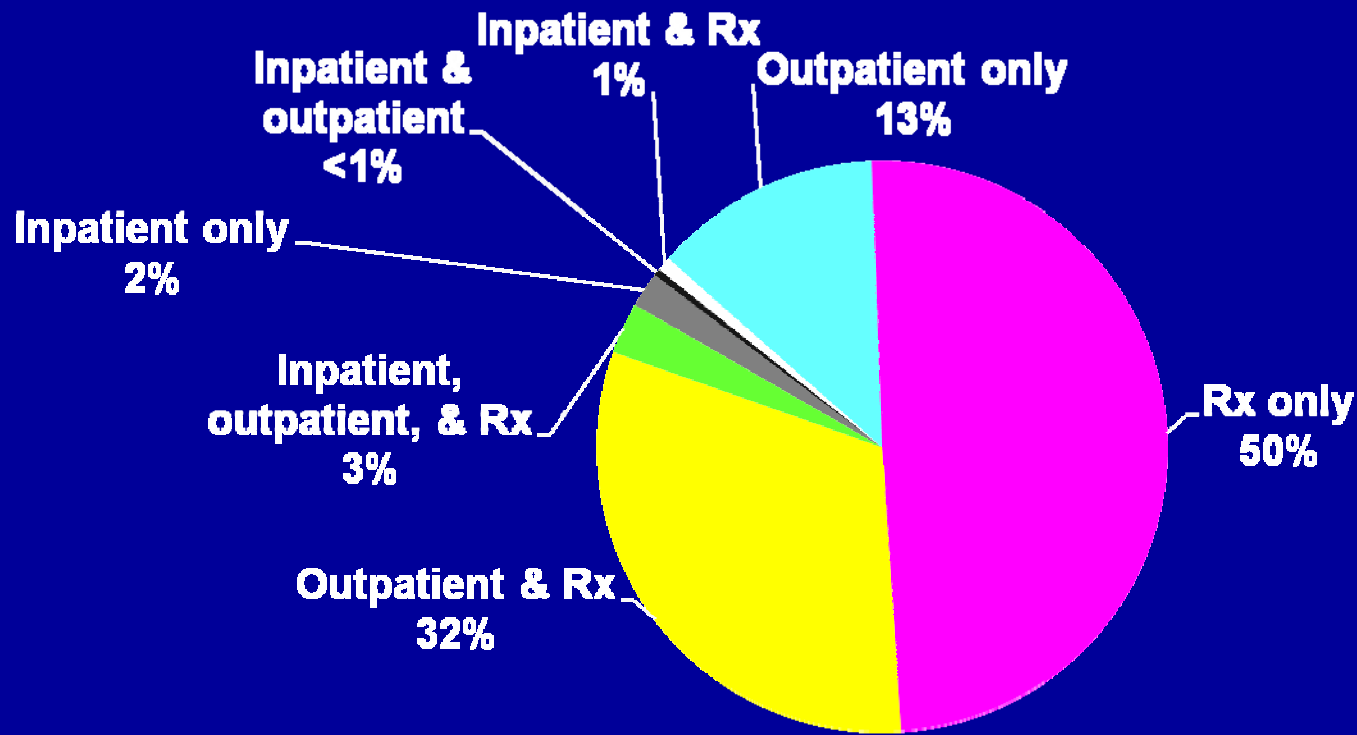


Figure 4

# Types of Mental Health Services Used in Past Year, Among Adults Receiving Treatment, 2009



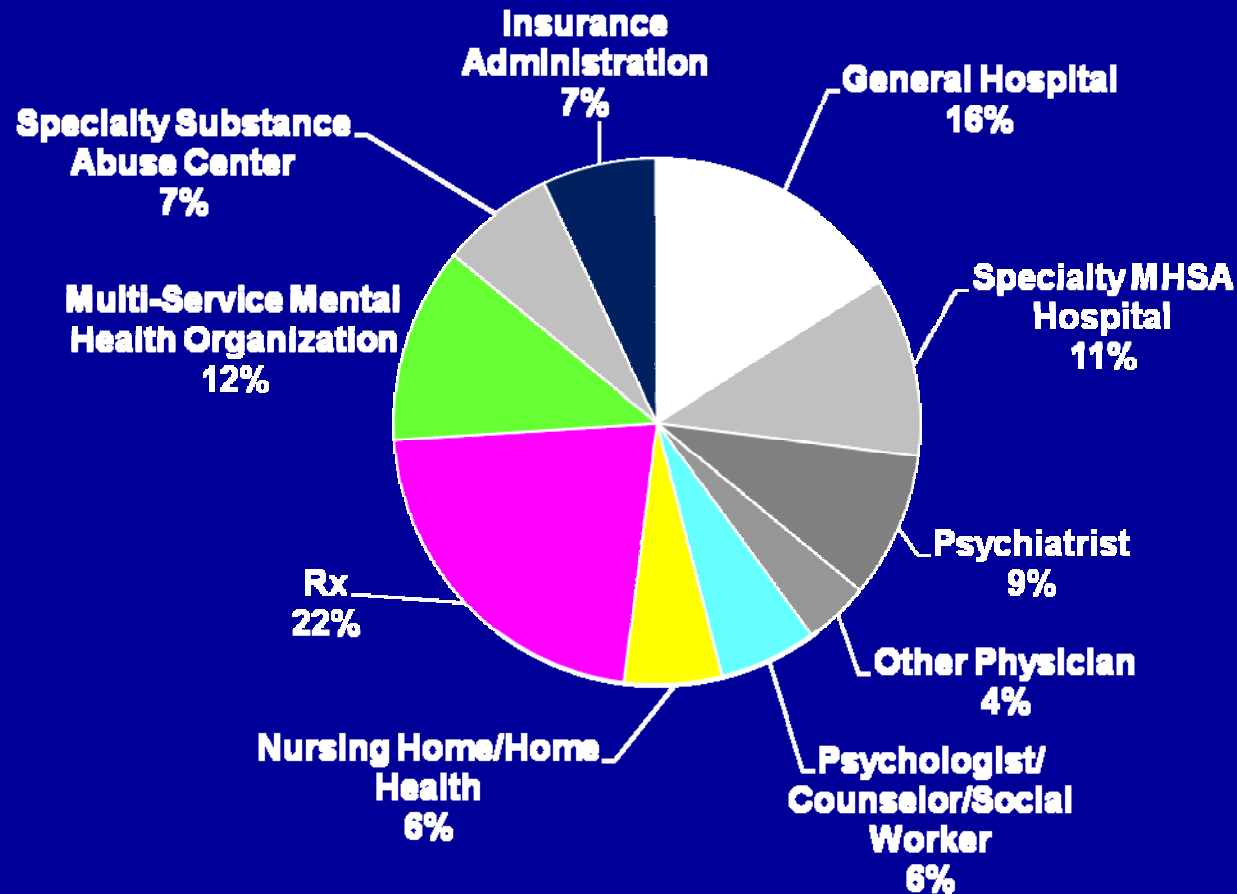
Total number receiving services = 30 Million Adults

NOTE: Excludes treatment for substance abuse disorders.  
SOURCE: SAMHSA/National Survey on Drug Use and Health.

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Figure 5

# Mental Health & Substance Abuse Expenditures by Provider Type, 2005



**Total = \$135 Billion**

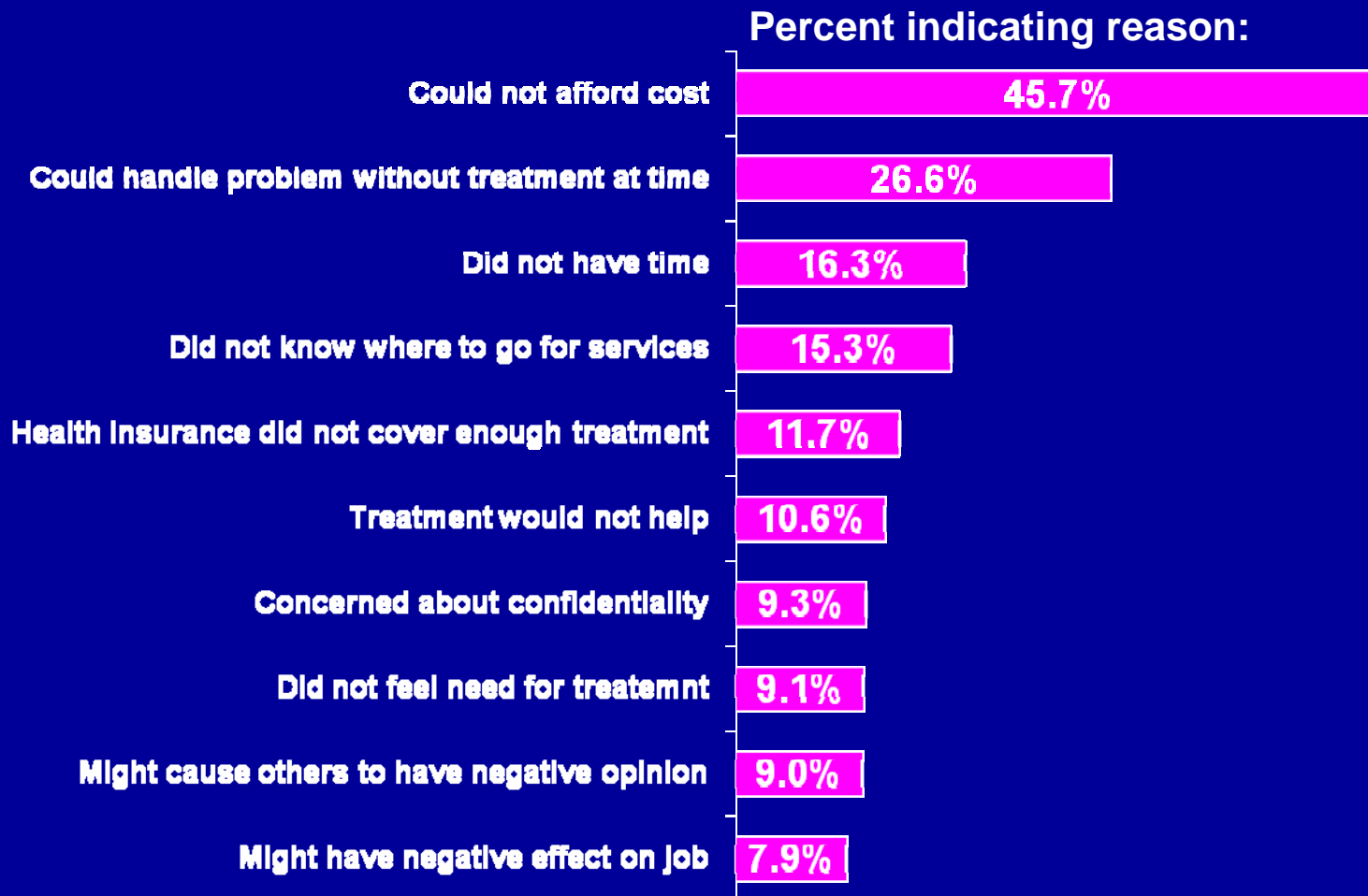
Note: Multi-service mental health organizations are free-standing mental health specialty providers other than hospitals.

SOURCE: SAMHSA Spending Estimates Project, 2010.

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Figure 6

# Reasons for Not Receiving Mental Health Services, Among Adults Reporting Unmet Need, 2009

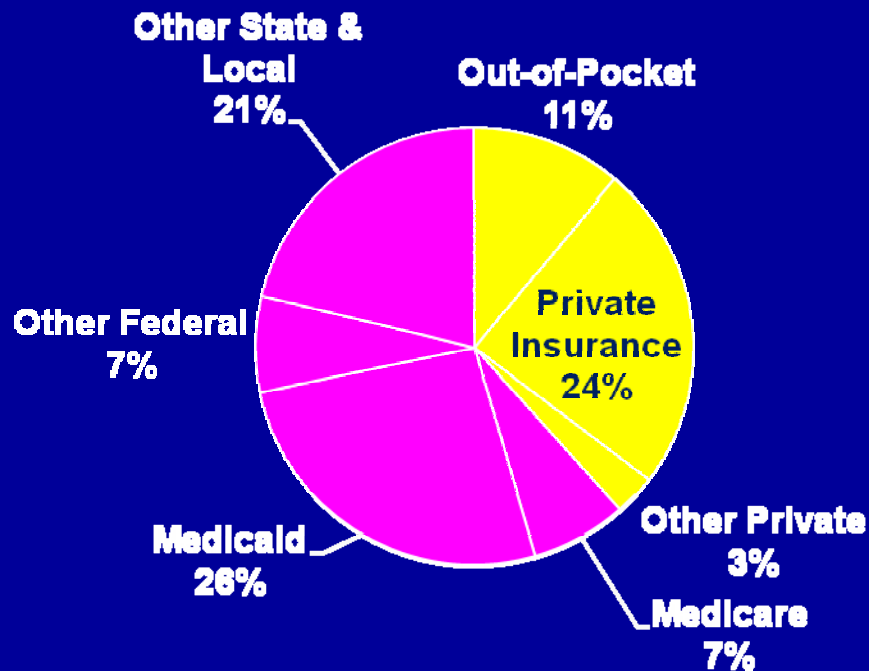


NOTE: Excludes those who reported unmet but received some services.  
SOURCE: SAMHSA/National Survey on Drug Use and Health.

Figure 7

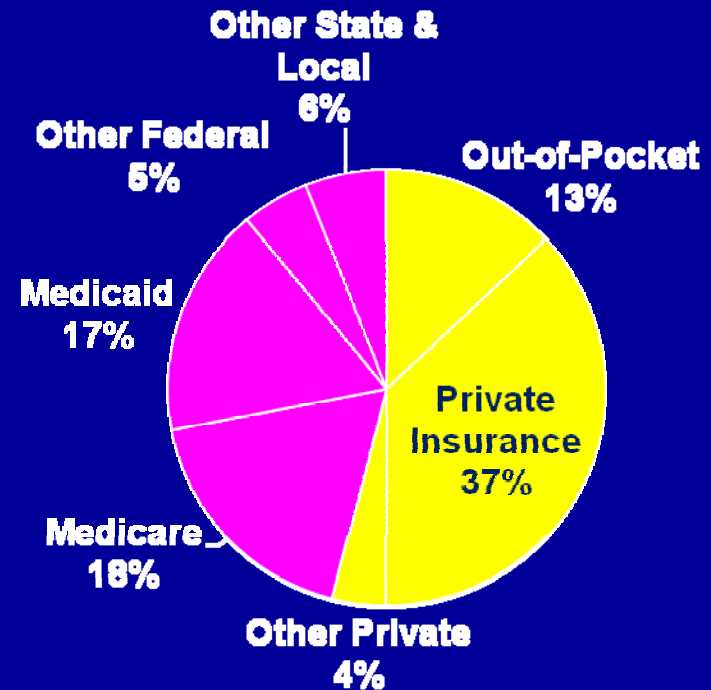
# Behavioral Health and All Health Expenditures by Payer, 2005

## Behavioral Health



Total = \$135 Billion

## All Health Services



Total = \$1.9 Trillion

SOURCE: SAMHSA Spending Estimates Project, 2010.

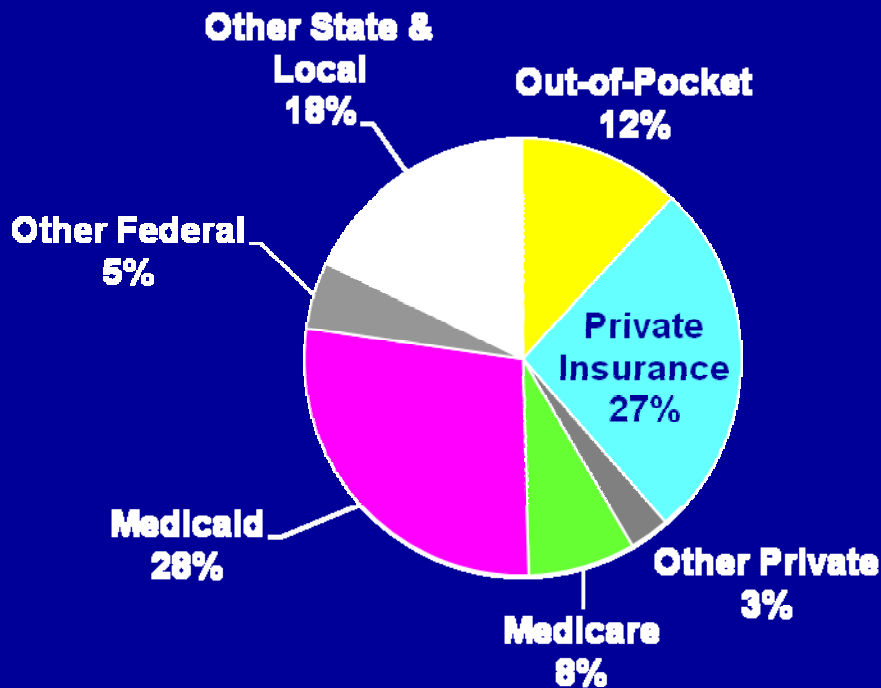
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Figure 8

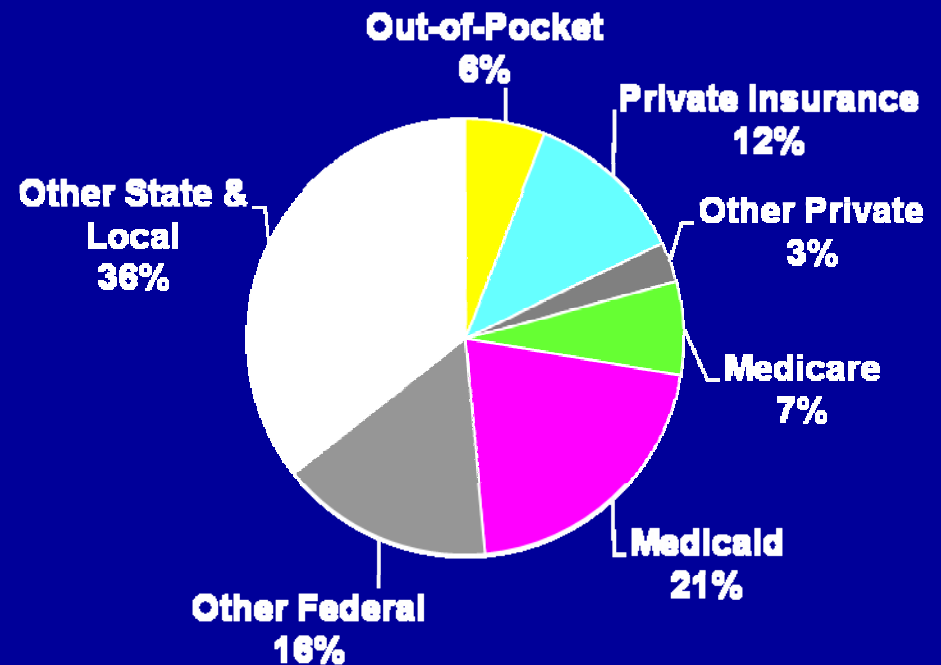
# Mental Health & Substance Abuse Expenditures by Payer, 2005

## Mental Health



**Total = \$113 Billion**

## Substance Abuse



**Total = \$22 Billion**

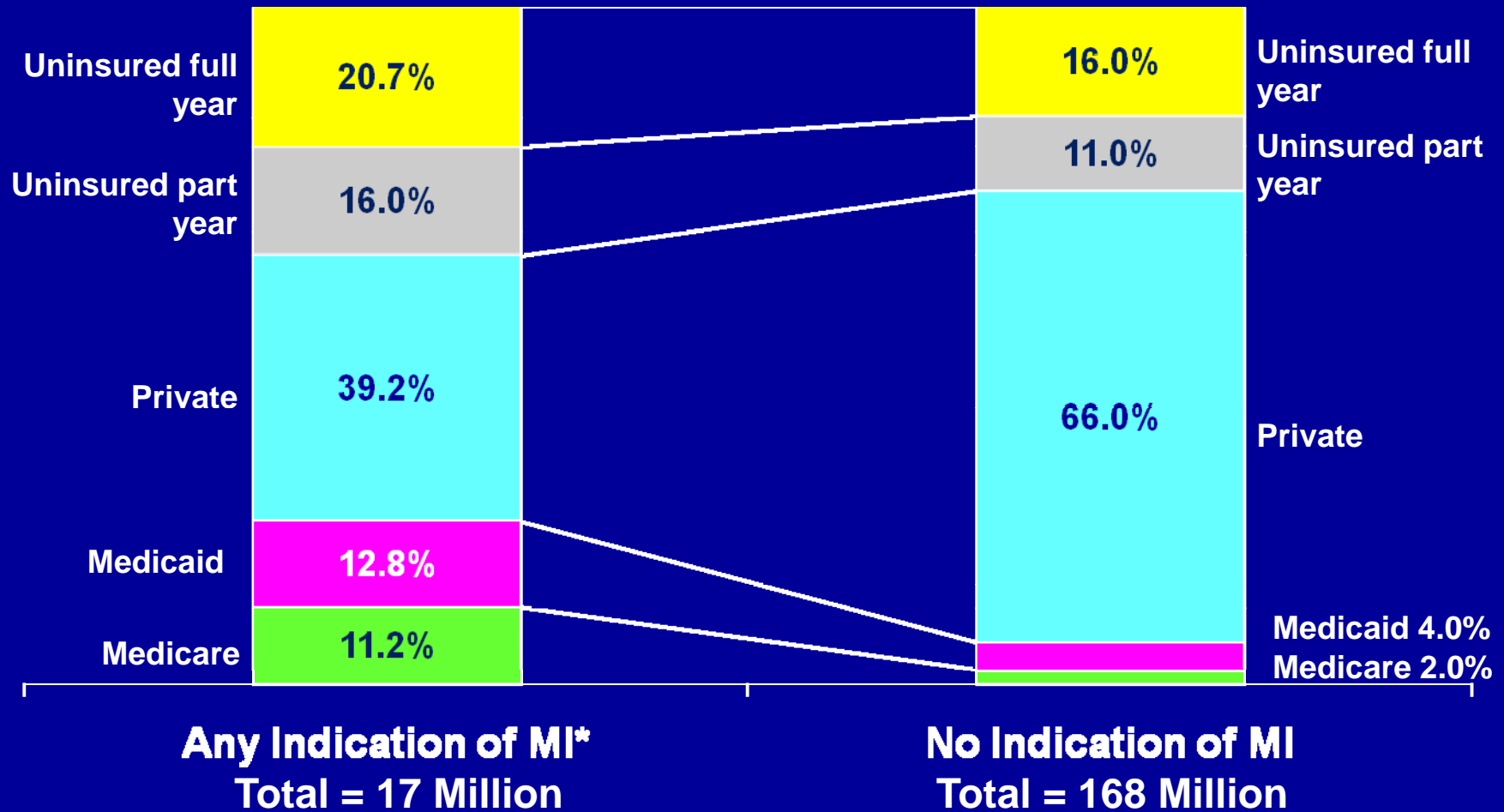
Note: CHIP spending is distributed across Medicaid, other federal and other state, depending on whether the program is operated as a Medicaid expansion or separate program. CHIP spending for behavioral health is estimated to be \$0.8 billion in 2005, or about 1 percent of total behavioral health spending.

SOURCE: SAMHSA Spending Estimates Project, 2010.

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Figure 9

# Health Insurance Coverage of Nonelderly Adults, by Mental Health Status, 2006



Note: \* Includes all with (1) positive screen for depression or (2) indication of serious psychological distress according to K-6scale. Dual eligibles are included in Medicare.  
 Source: Garfield et al, 2011.

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Figure 10

# Pre-Reform Coverage of Behavioral Health Services, by Payer

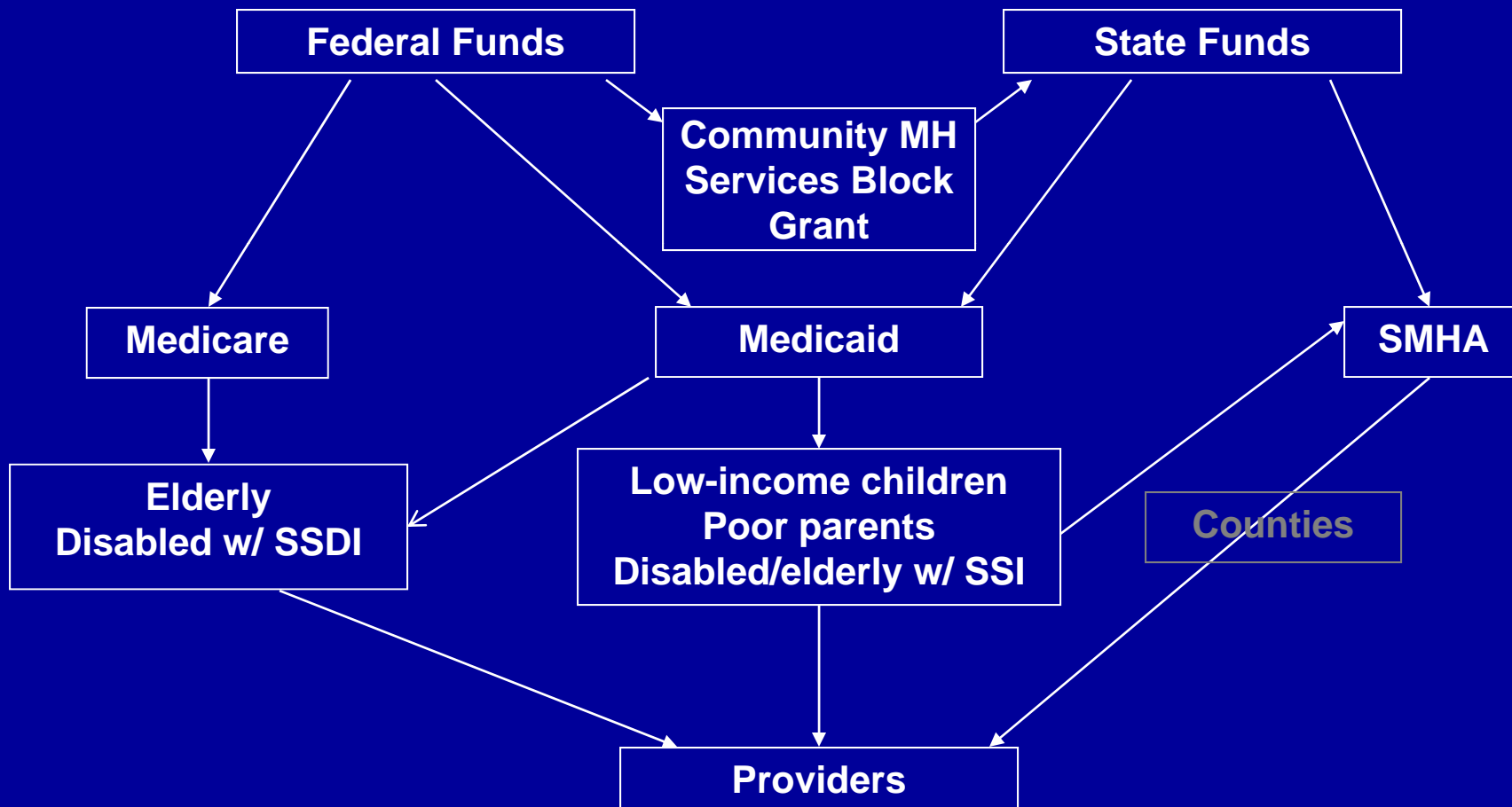
	BC/BS PPO	Medicare	Medicaid	Other state funding	Other federal funding
Diagnostic tests, psychological testing	X	X	X	X	
Outpatient MH/SA psychotherapy	X	X	X	X	
Inpatient MH/SA hospitalization	X	X	X*	X	
Partial MH/SA hospitalization	X	X	X	X	
Inpatient detoxification	X	X	X	X	
Outpatient detoxification	X	X	X	X	
Pharmacological therapies	X	X	X	X	
Medication management	X	X	X	X	
Opioid treatment			X	X	
Short-term MH/SA residential care			X	X	
Long-term MH/SA residential care			X	X	
Case management/intensive case management			X	X	
Crisis intervention for MH/SA			X	X	
Housing assistance				X	X
Vocational training /support			Limited	X	X
Income assistance				X	X
Nonemergency transportation services			X	X	
Peer support services			X	X	
Collateral services/family support services			X	X	
Home-based support services			X	X	

\* Excludes services in an IMD for those ages 21 to 64.  
SOURCE: Garfield, Lave & Donohue, 2011.

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Figure 11

# Sources and Pathways of Public Financing for Mental Health



# Upcoming Policy Issues in Mental Health Financing

- ACA Implementation
  - Scope of benefits
  - Outreach and enrollment
  - Workforce development
- Parity
  - Compliance
    - Non-comparable service categories
    - Non-quantitative treatment limitations
  - Implications for MBHOs
- Integration
  - Health homes
  - Co-location programs
  - Demonstration programs for dual eligibles
- Transformation
  - Future of SMHA-funded services
  - Budget restrictions

Figure 13

# Opportunities for Funders in Mental Health Financing

- Programming:
  - Demonstration programs
    - Integration
    - Wrap-around and support programs
    - Provider education/training
  - Public/provider awareness campaigns/outreach
- Research & information:
  - Evaluations
  - Identifying problems and local needs
  - “Real world” stories
- Coordination:
  - Coalition building and support
  - Meetings to share innovative approaches