Mental Health Care Utilization and Costs

Leslie DL, Rosenheck R. Changes in inpatient mental health utilization and costs in a privately insured population, 1993 to 1995. Med Care 1999;37:457–68.

Study Overview

Objective. To understand any changes in privately financed inpatient mental health care costs and utilization.

Design. Analysis of retrospective claims data.

Setting and participants. Privately insured adult users of mental health services (n = 45,579) between 1993 and 1995 identified in a national convenience sample of more than 3.8 million individuals.

Main outcome measures. Across various diagnostic groups and health plans, (1) the proportion of privately enrolled patients receiving any mental health inpatient services; (2) the associated annual costs per day of such treatment; 3) the total number of inpatient treatment days per treated patient per year; and (4) the annual costs of inpatient mental health services per treated person. Diagnostic groups were defined as major depression/bipolar disorder, mild/moderate depression, substance abuse, schizophrenia, and other mental health disorders not otherwise assigned (including neurotic disorders, adjustment reaction, and psychotic conditions). Health plans were defined as traditional indemnity plans (ie, fee-for-service [FFS]), preferred provider organizations (PPOs), or point-of-service (POS) plans (those requiring a primary care physician to serve as a gatekeeper to any specialist care).

Main results. Slightly more than half (51.2%) of enrollees receiving inpatient mental health services were women. The most common diagnoses were major depression/bipolar disorder (41%), substance abuse (28%), other mental health disorders (22%), mild/moderate depression (5%), and schizophrenia (5%).

Inpatient mental health care costs per treated patient fell 30.5% over the study period, driven primarily by decreases in the number of hospital days per treated patient per year (20.0% decrease) and treatment costs per day (13.1% decrease). The change in the proportion of enrollees who received care (0.2% decrease) was much smaller. Patients whose primary diagnosis was mild/moderate depression had the largest decrease in costs per treated patient (44.5%), and those diagnosed with schizophrenia experienced the smallest decrease (23.5%). There was no evidence of substitution of medical care for psychiatric care. Indemnity plans showed the largest drop in inpatient days per patient (21%) compared with PPOs (14%) and POS plans (16%). Inpatient costs per day of treatment decreased more in PPOs (19%) than in POS plans (15%) and indemnity plans (12%).

Conclusion

Inpatient mental health care costs dropped significantly between 1993 and 1995, primarily due to a decrease in the number of mental health inpatient treatment days per treated patient.

Commentary

The past 15 years have been a period of intense changes in health care delivery and financing in the United States. During this time, much has been written about the significant decreases in hospital length of stay, primarily for physical conditions. Moreover, changes in the provision of publicly financed inpatient mental health care have been documented, such as those resulting from Medicaid carve-out programs [1]. However, little has been written regarding privately financed mental health care, even though it makes up 40% of all mental health care [2]. This study by Leslie and Rosenheck attempts to fill this gap in the literature and is an important contribution in light of the growth of managed care among privately insured persons.

Applications for Clinical Practice

This study's findings are interesting and counterintuitive, as one would have expected reductions in inpatient days to be greater in POS and PPO plans than in indemnity plans. Further studies are needed to examine trends in services for all types of plans since 1995. If the trend toward fewer inpatient treatment days per patient has continued, studies will be necessary to evaluate what impact this has had on quality of care and patient outcomes.

References

1. Frank RG, McGuire TG. Savings from a Medicaid carve-out for mental health and substance abuse services in Massachusetts. Psychiatr Serv 1997;48:1147–52.
2. Iglehart JK. Managed care and mental health. N Engl J Med 1996;334:131–5.