

New Research Study Finds Marked Increases in Spending and Use of Health Care Services for Mental Health Disorders From 2013-2020

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(Washington, D.C.) – Results of a new comprehensive research study published today by the Employee Benefit Research Institute found that overall spending on mental health services increased while the percentage of enrollees using outpatient services rose from 12 percent to 16 percent among people with employment-based health coverage – reflecting a 32 percent increase between 2013 to 2020.

“Approximately 1 in 5 adults and 1 in 6 youth experience mental illness each year and these rates have been rising. Over 20 million Americans have a substance use disorder. The COVID-19 pandemic has exacerbated mental health issues nationally and in the workplace. With increases in both the number of individuals diagnosed with mental health disorders and use of health care services, higher spending is of great concern to plan sponsors of health benefit programs, explained Paul Fronstin, director, Health Benefits Research, EBRI.

Key findings in the new Issue Brief include:

- The percentage of the population under age 65 with employment-based health coverage diagnosed with a mental health disorder increased from 14.2 percent in 2013 to 18.5 percent in 2020.
- Use of mental health care services increased between 2013 and 2020. Use of outpatient services increased the most — the percentage of enrollees using outpatient services increased from 12 percent to 16 percent, a 32 percent increase.
- Overall spending on mental health care services as a percentage of total spending increased from 6.8 percent in 2013 to 8.2 percent in 2020. As expected, among diagnosed enrollees, spending on mental health care services as a percentage of total spending was higher — roughly 20 percent between 2013 and 2019, increasing to 20.5 percent in 2020. Enrollees with a mental health disorder also tend to have higher overall health care spending.
- Among enrollees with a mental health diagnosis, average annual spending on mental health care services increased from \$1,987 to \$2,380 between 2013 and 2020. It increased 20 percent, or an average of 3 percent per year.
- Examining overall trends buries some important findings. Spending on outpatient mental health services increased 37 percent, while spending on prescription drugs for mental health disorders fell 15 percent.
- Outpatient mental health care services accounted for two-thirds of total spending in 2020, up from just over one-half in 2013. The share taken by outpatient spending increased in part because spending on prescription drugs fell and because the dollar amount of outpatient spending increased. The decline in the share taken by spending on prescription drugs, from 34 percent to 23 percent of total spending between 2013 and 2020, was due to lower average prices for drugs, which may be due to some medications becoming available in generic form.

“Employers and workers spent nearly \$77 billion on mental health disorders in 2020. Employers are looking for ways to address the mental health needs of workers given the current economic climate. And they are especially interested in addressing mental health needs because of the connection between depression and productivity losses. Taking responsibility for workers’ mental health may not only reduce spending on health care but may increase worker productivity. It has been estimated that mental health conditions cost employers over 200 million lost workdays each year,” said Fronstin.

This research study was authored by Fronstin and M. Christopher Roebuck, Ph.D., RxEconomics, LLC and was conducted through the EBRI Center for Research on Health Benefits Innovation with the funding support of Aon, Blue Cross Blue Shield Association, ICUBA, JP Morgan Chase, Pfizer and PhRMA.

To view the complete 24-page Issue Brief, “Use of Health Care Services for Mental Health Disorders and Spending Trends,” visit <https://www.ebri.org/publications/research-publications/issue-briefs/content/use-of-health-care-services-for-mental-health-disorders-and-spending-trends> .

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