EBRI FAST Facts
March 24, 2022, #431

Switch to High-Deductible Health Plans Reduces Use of Health Care Services and Spending Among Enrollees With Mental Health Disorders

Employers are continually seeking to manage health care costs as part of overall expense oversight efforts. One of the most efficient ways to do this is to increase deductibles. Recent research from the Employee Benefit Research Institute (EBRI) examined the impact on costs and services of moving from a preferred provider organization (PPO) to a high-deductible health plan (HDHP) among people with mental health disorders. It found that such a move reduced the probability of using health care services. These reductions also prompted declines in overall health care spending.

Data

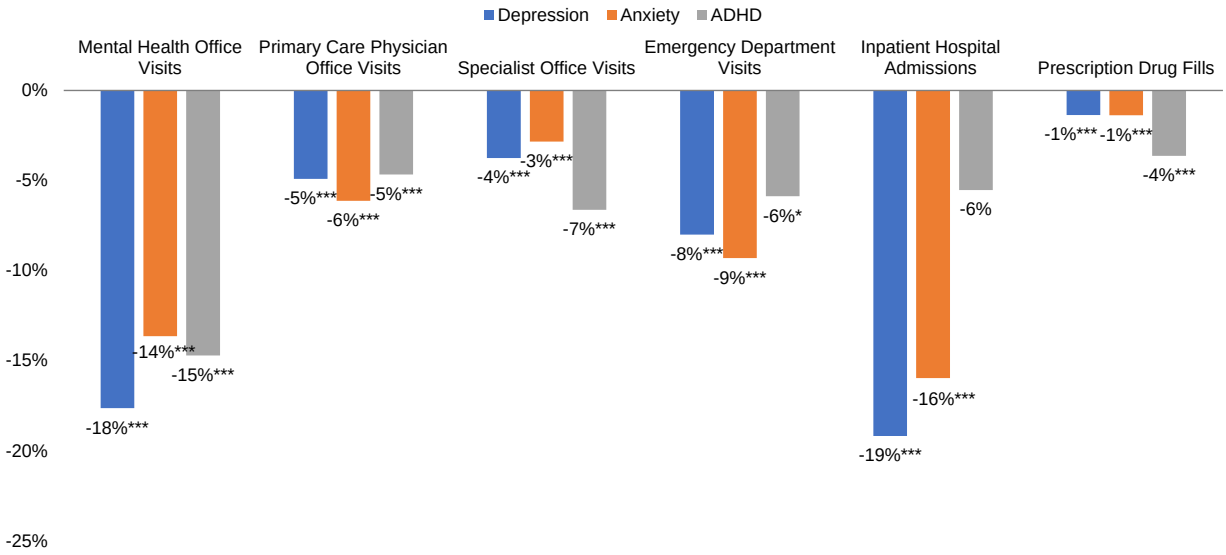
This study makes use of the IBM® Marketscan® Commercial Claims and Encounters Database (CCAE). The CCAE database contains member enrollment information, as well as adjudicated inpatient and outpatient medical and pharmacy claims. It includes data on over 20 million people with employment-based and other health plan coverage in any given year. Data from 2016 through 2019 were used for this study. We limited our analysis to individuals who were continuously enrolled in their health plan within each calendar year. Those enrolled in capitated health plans were excluded from the analysis.

Changes in Health Care Service Utilization

Specifically, moving from a PPO to an HDHP caused:

- Mental health office visits to fall 14 percent for those with anxiety, 15 percent for those with ADHD, and 18 percent for those with major depressive disorder (MDD).
- Primary care physician office visits to fall by 5–6 percent, and specialist office visits fell 3–7 percent.
- Emergency department visits to decrease by 6 percent among those with ADHD, 8 percent among those with MDD, and 9 percent among those with anxiety.
- The likelihood of being admitted to a hospital to decline 16 percent and 19 percent among those with anxiety and MDD, respectively.
- A small decline in the probability of filling a prescription (1 percent in MDD and anxiety, 4 percent in ADHD).

Figure 1
Impact of HDHP on Probability of Receiving Various Types of Health Care Services Among Individuals Ages 18–64 With Depression or Anxiety and Individuals Ages 5–24 With ADHD



***p<0.01, **p< 0.05, *p<0.10.
Note: HDHP = high-deductible health plan, ADHD = attention deficit hyperactive disorder.
Source: Employee Benefit Research Institute estimates based on administrative enrollment and claims data.

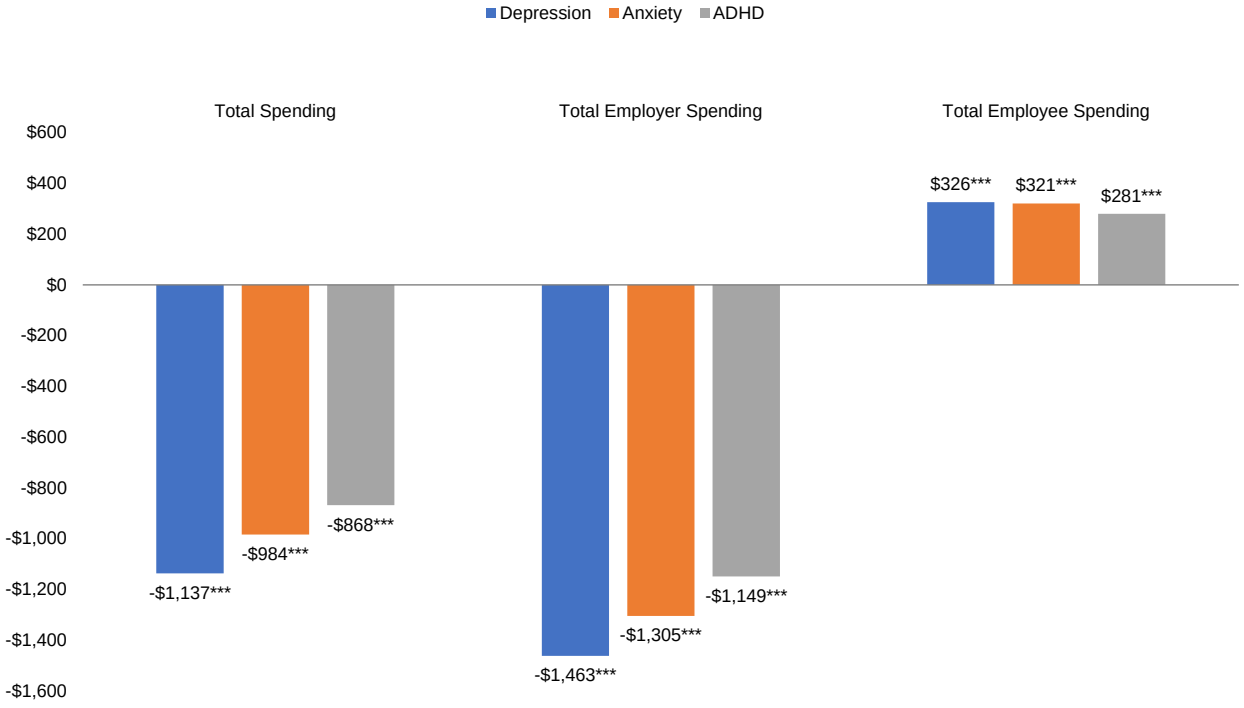
Reductions in Health Care Spending

The declines in use of health care services associated with the HDHP translated into the following reductions in health care spending:

- Total annual spending per member fell by $1,137 for patients with MDD; $984 for patients with anxiety; and $868 for patients with ADHD. These represent spending reductions of 9 percent for both patients with MDD and patients with anxiety and 15 percent for patients with ADHD.
- Annual employer spending per member declined by an even greater amount: $1,463 for patients with MDD, $1,305 for patients with anxiety, and $1,149 for patients with ADHD. These represent 13 percent, 14 percent, and 25 percent reductions, respectively.

As a result of the higher deductible in the HDHP, but despite the decreased use of health care services, annual employee spending (i.e., out-of-pocket costs) increased about $300 per person, depending on the mental health disorder cohort, representing 17 percent to 23 percent increases in out-of-pocket spending when patients moved from a PPO to an HDHP.

Figure 2
Impact of HDHP on Health Care Spending Among Individuals Ages 18–64 With Depression or Anxiety and Individuals Ages 5–24 With ADHD



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Note: HDHP = high-deductible health plan, ADHD = attention deficit hyperactive disorder.
Source: Employee Benefit Research Institute estimates based on administrative enrollment and claims data.

Conclusion

Our research can help employers make targeted benefit design decisions. It can also inform policymakers as they grapple with allowing employers to provide enhanced coverage for health care services that prevent the exacerbation of chronic conditions.

The Employee Benefit Research Institute is a private, nonpartisan, and nonprofit research institute based in Washington, D.C., that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which include a broad range of public and private organizations. For more information visit www.ebri.org.

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