



## Integrating Mental Health in Healthcare

### Overview

This is one of a series of issue briefs by the Bazelon Center on the integration of mental health in healthcare reform. They offer policy recommendations for:

- ◆integration of mental health in primary care;
- ◆medical homes;
- ◆chronic care management;
- ◆integration of mental health in the public health system;
- ◆the role of public insurance programs (Medicaid, SCHIP and Medicare); and
- ◆improving the quality of care.

The briefs are available as PDF files for download at [www.bazelon.org/issues/mentalhealth](http://www.bazelon.org/issues/mentalhealth) or in print through a link on that page or by contacting [pubs@bazelon.org](mailto:pubs@bazelon.org)

Healthcare policy is rising to the top of the nation's agenda with an estimated 46 million Americans lacking insurance coverage and costs continuing to skyrocket. Underlying these numbers are problems such as a focus on treatment more than on prevention or early identification, a failure to manage chronic illnesses effectively and difficulty in ensuring access to evidence-based practices—all leading to less than the best outcomes due to inadequate attention to quality.

Current health reform proposals address the need for expanded access to care, but as coverage is expanded, costs must be controlled. An important way to control costs is to achieve better value for spending by improving outcomes. Toward this goal, the 2009 debate must focus on changing and reforming the system, not simply on increasing access to insurance.

Health reform should include provisions designed to ensure that:

- All Americans have coverage for quality healthcare services they can afford, including mental health care; this includes public programs that provide coverage for those who are unable to obtain private health insurance.
- Healthcare costs are controlled and better value is achieved by shifting the system more toward prevention and early intervention services, including expansion of the public health system.
- Quality of care is improved for all populations through expansion of evidence-based practices, reduction and ultimately elimination of medical errors, consumer engagement in choices about their care and the collection and analysis of performance and outcomes data.
- State-of-the art health information technology is fostered, including privacy-protected, consumer-centered electronic medical records.
- There is accountability with respect to an individual's health through expansion of such mechanisms as medical homes or organized systems of care.
- People with disabilities receive coordinated services and supports, including both ongoing routine care and specialized services that maximize their community integration and independent functioning.
- Americans receive, throughout their lifetime, accurate healthcare information that promotes learning, self-monitoring and accountability.

## Mental Health Care in Health Reform

Mental illnesses are costly. The failure to treat them affects not only an individual's overall health but the cost of health care, including costs that must be borne by public systems.

- Mental illness is the leading cause of disability in the United States for people between the ages of 15 and 44.<sup>1</sup>
- The Global Burden of Disease study indicates that the burden of disease from mental disorders for countries like the U.S. exceeds that of any other health condition.<sup>2</sup>
- Mental illnesses and substance use disorders resulted in \$193 billion in lost productivity in 2002. By 2013 this loss is estimated to rise to more than \$300 billion.<sup>3</sup>

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Many of the areas where overall health policy needs to improve—expanded access, greater emphasis on prevention, early intervention, management of chronic illness, improved quality of care and increased use of technology—are also areas where mental health policy needs improvement. It is therefore important that mental health issues be addressed within healthcare reform. In fact, reforms should focus specifically on how to better integrate mental health with health.

Large private healthcare purchasers have recognized the value of incorporating mental health coverage in their insurance packages. They have measured its impact on disability, return to work and absenteeism and found it cost-effective.<sup>4</sup> Congress has also recognized the importance of these services by equalizing the coverage of outpatient mental health care under Medicare and enacting legislation requiring private insurance plans that cover mental health to do so at parity with medical/surgical benefits.

With respect to integration of mental health into health systems, health care reform should:

- **Create mechanisms that provide access to health and mental health care coverage for all.** These should include a new public program for people who cannot obtain insurance coverage, modeled on the federal employees' health benefits plan, which requires benefits for mental health to be at parity with those for healthcare.
- **Integrate mental health into primary care settings for both children and adults.** Federal reimbursement policies must be amended to facilitate co-located or collaborative care; healthcare reform should encourage private health plans to do the same. In addition, policies are needed to support primary care providers who furnish mental health services and assist them in linking with mental health specialists for management of complex cases.
- **Provide incentives for expansion of medical homes and similar organized systems of care.** Mental health services should be integrated in such settings to ensure attention to all of an individual's healthcare needs and improve outcomes.
- **Public mental health agencies should be eligible to become medical homes.** People with severe mental illnesses should be able to receive integrated physical healthcare and mental health care in these settings.

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- **Encourage holistic care through reimbursement methodology.** Providers should be paid through case rates, capitation or other blended schemes that give them flexibility in service delivery while holding them accountable for outcomes.
- **Expand screening and early intervention and encourage evidence-based prevention.** Creating incentives within both the public health and public mental health systems for such initiatives is critical, particularly for very young children. This should include improvements to Medicaid's rules on screening and treatment of behavioral disorders in children.
- **Build a new public health initiative on mental health.** Public health systems should receive increased funding and should use some of the new resources to expand mental health promotion, prevention and early intervention for very young children. The mental health initiatives could be incorporated into ongoing public health community education, surveillance, prevention, disaster relief and other programs.
- **Include attention to mental health disorders in programs of chronic-care management.** The creation and expansion of chronic care-management programs that focus on the needs of individuals with severe mental illnesses must be encouraged. Mental health services should be integrated into all chronic-care programs, such as those for diabetes, asthma, heart disease and cancer, in order to treat co-occurring mental disorders.
- **Address the needs of people with disabilities and serious illnesses who require services that are not generally covered by private insurance.** Individuals with severe mental illnesses must have access to the range of rehabilitation services that enable them to function better. Coordination between private health plans and public mental health sector services should also be encouraged for this group.
- **Improve the quality of mental health care by:**
  - ◆ Providing incentives for evidence-based mental health practices.
  - ◆ Engaging consumers by providing health education and assistance in making choices regarding services.
  - ◆ Measuring performance and outcomes, including those furnished to individuals with co-occurring physical health problems.
  - ◆ Upgrading electronic medical record systems that are compatible across physical and mental health systems.
  - ◆ Expanding data collection, data warehousing and analysis capability for mental health.
- **Continue and improve major federal programs that provide coverage.** Medicaid, SCHIP and Medicare should continue with amendments to expand eligibility, improve the quality of mental health services and encourage integration of mental health and health.

The Bazelon Center has specific recommendations in each of these important areas of health care reform, available from the Center or on its web site ([www.bazelon.org](http://www.bazelon.org)):

- ◆ integration of mental health in primary care;
- ◆ medical homes;
- ◆ chronic care management;
- ◆ integration of mental health in the public health system;

- ◆ the role of public insurance programs (Medicaid, SCHIP and Medicare);
- ◆ improving quality of care.

The above represents a substantial agenda for health reform. Yet failing to address these issues in federal policy will continue the current state of affairs where healthcare costs appear uncontrollable while millions of Americans are not receiving appropriate, early and continuing care.

- 1 Statistics, National Institute of Mental Health, <http://www.nimh.nih.gov/health/statistics/index.shtml>
- 2 *The World Health Report 2001 – Mental Health: New Understanding, New Hope*, World Health Organization, 2001.
- 3 Individual and Societal Effects of Mental Disorders on Earnings in the United States: Results from the National Co-morbidity Survey Replication, Kessler, RC, et al, *American Journal of Psychiatry*, 165: 703-711, June 2008.
- 4 National Business Group on health, Center for Prevention and Health Services, (2007) *An Employer's Guide to Behavioral health Services*, [http://www.businessgrouphealth.org/pdfs/fullreport\\_behavioralHealthservices.pdf](http://www.businessgrouphealth.org/pdfs/fullreport_behavioralHealthservices.pdf)