

Research Highlights

Mental Health Care for Youth

Who Gets It? How Much Does It Cost? Who Pays? Where Does the Money Go?

In the *National Action Agenda for Children's Mental Health*, the U.S. Surgeon General warns that the nation is facing a public crisis in caring for children and adolescents with behavioral, psychological, and emotional problems. The report, released in January 2001, notes that 1 in 10 young people suffer from mental illness severe enough to cause some level of impairment. Yet fewer than 20 percent of these children receive needed treatment in any given year.

Efforts to improve mental health care for children and adolescents are under way and include parity laws for private insurance and the reorganization of public services. (Parity laws mandate equal coverage for mental health and physical health care.) At the policy level, however, many of these efforts are hindered by the lack of an up-to-date, comprehensive national picture of which troubled children are getting care, how much it costs to provide it, who pays for that care, and how resources are being used. In fact, the most recent child-oriented studies, limited primarily to adolescents, report data that are 15 years old, predating the rapid growth of managed care. Moreover, since that time, a number of advances have been made in treating mental illness.

A team of RAND researchers has assembled a current national picture of mental health costs and utilization for children ages 1–17. Among their key findings:

- The current cost of treating children and adolescents is estimated at nearly \$12 billion, significantly more than expected based on previous estimates. Despite these annual expenditures, nearly three-quarters of troubled youth do not get the care they need.
- Hispanic and African American children are the most likely to go without needed care.
- Most of the money is now spent on outpatient rather than inpatient care.

Finding Needles in Haystacks

Health care planners and policymakers can get up-to-date, comprehensive figures on what the United States spends on mental health services for people in general. But they run into a dead end when looking specifically for national data on young people. This knowledge gap is often blamed on the complexity of the system that delivers mental health care for children.

Some data do exist for children and adolescents, but they are scattered throughout countless insurance databases, national survey results, and government statistics. The RAND team culled more than a dozen data sources to find information on utilization and expenditures. Their study focused on young people ages 1–17 as a whole, as well as subgroups: preschoolers (1–5), children (6–11), and adolescents (12–17).

For more information

Sturm, Roland, Jeanne S. Ringel, Catherine Bao, Bradley Stein, Kanika Kapur, Winnie Zhang, and Feng Zeng, "National Estimates of Mental Health Utilization and Expenditures for Children in 1998," in *Blueprint for Change: Research on Child and Adolescent Mental Health*, Vol. VI, Appendices, National Advisory Mental Health Council Workgroup on Child and Adolescent Mental Health Intervention, Development, and Deployment, Washington, D.C., 2001, pp. 91–117.

Stein, Bradley, Roland Sturm, Kanika Kapur, and Jeanne S. Ringel, "Psychotropic Medication Costs Among Youth with Private Insurance," *Psychiatric Services*, Vol. 52, No. 2, 2001, p. 152.

Ringel, Jeanne S., and Roland Sturm, "National Estimates of Mental Health Utilization and Expenditures for Children in 1998," *Journal of Behavioral Health Services Research*, Vol. 28, No. 3, 2001, pp. 319–333.

Mental Health Care for Today's Youth

Key features of the current picture of mental health care for youth are highlighted below.

Most troubled young people do not get needed care.

Estimates indicate that around 9 percent of youth need help with emotional problems. But on average, three-fourths of them are not being treated (see the figure).

The data reveal ethnic and racial disparities: Hispanic young people are the least likely of all groups to access specialty care, even though they and African American children have the highest rates of need. Around 7 percent of all families cite financial barriers for not getting their troubled youth the mental health care they need.

The current estimated annual bill for caring for troubled youth is \$12 billion.

- Adolescents (ages 12–17) are the biggest users of services (see the table on page 3). They account for 60 percent of total costs yet only make up 35 percent of the population.
- Children (ages 6–11) account for about 35 percent of the bill and also make up about 35 percent of the population.
- Preschoolers (ages 1–5) account for about 5 percent of the bill and make up about 30 percent of the population.

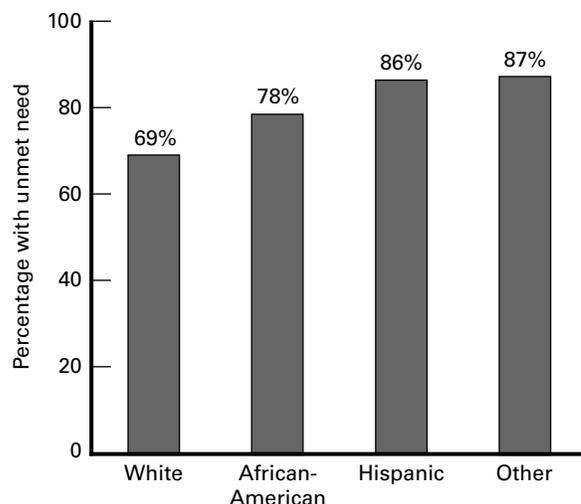
Outpatient treatment is now the most common kind of care given.

The past 15 years have seen a major shift away from inpatient care to community services for children and adolescents.

- Outpatient care now accounts for nearly 60 percent of all mental health expenditures for young people, a large portion probably from school-based programs. One estimate, arguably at the high end, suggests that the United States spends more than \$4 billion annually on school-related services from mental health professionals.
- Inpatient care accounts for about 33 percent of total expenditures for young people.
- The remainder includes medications and other mental health services.

“This [move to outpatient care] represents a significant shift in mode of treatment over the past 15 years (and) highlights the importance of updating the national estimates of the utilization and cost of mental health service use among children,” the RAND researchers reported.

On Average, Three-Quarters of Troubled Youth Do Not Get the Help They Need



Calculations are based on data from the National Health Interview Study, 1998.

Primary care physicians are a growing source of care for troubled youth.

On average, only 5–7 percent of all youth are treated by mental health specialists each year.

Although the data are sparse, they suggest that many troubled youth are turning to the family doctor for help. For example, more than one-third of mental health visits by privately insured children are to a primary care physician rather than to a specialist. A similar trend can be seen for adults.

Use of psychotropic medication has grown dramatically.

More than \$1 billion was spent in 1998 on psychotropic medications to treat, on average, 4 percent of all youth, predominantly those ages 6–17.

- Stimulants and antidepressants accounted for nearly three-fourths of the bill.
- Stimulants were the most common medication for children ages 1–11; antidepressants were used nearly as often as stimulants for adolescents.

“In the past two decades, nowhere have changes been more dramatic than in the use of psychotropic medication,” the researchers reported. They attributed the change to the development of more effective and safer medications and to more physicians and parents being willing to use them for troubled children.

Privately insured youth account for nearly half of total mental health expenditures.

This finding runs contrary to the popular notion that Medicaid recipients generate the majority of the costs. In fact, they generate only about one-quarter of the costs. However, Medicaid recipients account for more services *per child* because they make up only about 16 percent of the child population. Privately insured children, who make up about 70 percent of the child population, account for far more services *as a group*.

From the data, the researchers could only tell what kind of insurance coverage the children had, not if that insurance actually paid for the mental health services. For example, even when children have private insurance, more than half of the mental health services they receive are covered in other ways. Many services are provided outside of insurance plans, such as through schools. Some children may receive care through charity and public providers, or their families pay out-of-pocket when they reach the coverage limit on their private insurance.

A Baseline for Reform

The researchers found many limitations in the data available for their study. Nevertheless, their findings provide an updated national picture of utilization and costs that can serve as a starting point for policy discussions on improving mental health services for children and adolescents.

Key features of that picture:

- *Availability:* The shift from inpatient to outpatient mental health treatment for children and adolescents has probably made care available to a larger number of children. Still, on

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average, three-fourths of troubled youth are not getting the help they need.

- *Costs:* An estimated \$12 billion per year is spent on care for troubled young people—most of it for adolescents; a quickly growing share of the bill is for psychotropic medications.
- *Disparity:* A child’s ethnicity affects access to care and the likelihood of having mental health problems left untreated.
- *Limited insurance coverage:* Although privately insured children use more mental health resources than any other group, many of their services are covered in other ways.
- *Primary care physicians:* These doctors play a large role in treating troubled young people, just as they do for adults.

Efforts to improve the quality of mental health care for children and adolescents clearly cannot be limited to specialty care. In addition, reform efforts must also consider the major variations in costs that the study found across age groups, type of services provided, and insurance status. Different policies will affect certain subgroups differently.

Estimated Annual Expenditures for Mental Health Care (\$1998, in millions)

	All youth (ages 1–17)	Preschoolers (ages 1–5)	Children (ages 6–11)	Adolescents (ages 12–17)
Outpatient care	\$6,670	\$426	\$2,520	\$3,724
Inpatient care	3,870	209	1,032	2,628
Medications	1,068	42	439	586
Other mental health services	74	20	22	32
Total	\$11,681	\$698	\$4,013	\$6,971

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