Six steps payers can take to revamp behavioral health strategy

EY Parthenon

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Demand for behavioral health services continues to grow, highlighting the need for integrating behavioral health into the wider health care continuum. Now is the time for payers to address this challenge and reassess their behavioral health strategy to unlock significant value.

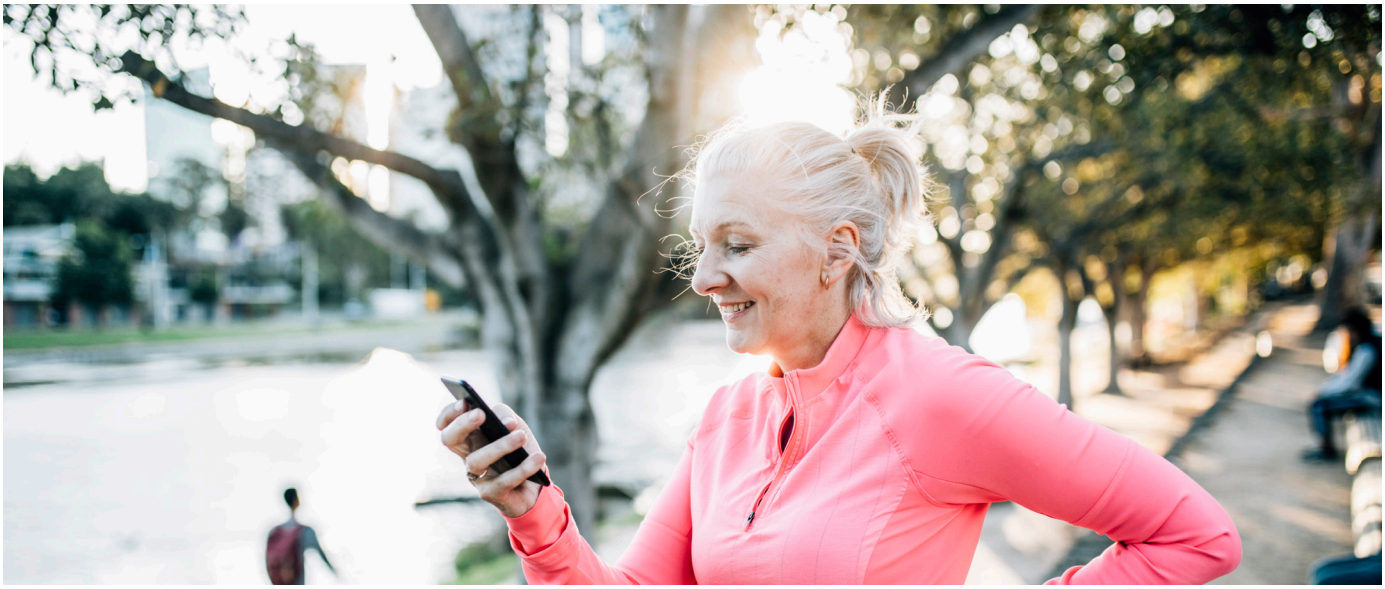
Though physical and mental health are entwined, behavioral health care delivery has historically been treated as separate and distinct. This dynamic is rapidly changing due to increasing patient volumes, as well as utilization of behavioral health services. In particular, heightened public awareness, improved diagnosis of intellectual and developmental disabilities, and the pandemic-related surge in reported mental health disorders are driving patient numbers.

The rapid uptake in virtual mental health delivery and integration of behavioral health screening during patient intake and disease management across medical disciplines are essential parts of the evolution to meet these expanding needs. To keep pace, payers can line up products and services where they are most uniquely positioned to serve. There are several steps that health care executives can take to uncover the opportunities, including: revisiting strategy; identifying gaps and comparing costs; assessing technology needs and enabling digital access; and enhancing communications.

Behavioral health conditions drive higher health care costs

While research draws a strong link between behavioral health conditions and higher health care costs, it also reveals a disconnect on spending for behavioral health treatment. Individuals with co-occurring behavioral and physical health conditions drive 3.2 to 6.2 times higher costs for medical and surgical services than individuals with no behavioral health condition.[1] Yet the data also shows that, among 75% of these behavioral health patients, there is very little direct spending for behavioral health services — less than $502 per year — compared to an average of $45,279 in annual spending on their medical and surgical services. The study's conclusion: improved patient outcomes and significant savings could be achievable if behavioral health conditions are identified early, followed by evidence-based treatment.

[1] Milliman, Inc. in 2020 DTC Milliman Report Release – National Alliance Website (nationalalliancehealth.org)



Barriers to behavioral health access

Costs and lack of insurance coverage are among the barriers to accessing behavioral health services; however, the biggest hurdle is a shortage of practitioners to meet demand, according to a USAFacts report based on 2021 data from The Health Resources and Services Administration.[2] Network shortages for lower-acuity patients have meant that many aren't able to see a behavioral health professional for basic care. This has resulted in pent-up demand, with patients progressing to higher-acuity behavioral health issues and incurring major costs to the system.

The shortages also led to a dramatic uptake in digital behavioral health services utilization after payers issued emergency regulations and policies to offer coverage for services provided via telehealth. The regulatory policy is expected to continue, since the Centers for Medicare and Medicaid Services (CMS) recently announced an expansion of coverage for behavioral health care via telehealth through 2022.[3]

Expanding digital and telemental health solutions

With digital health startups attracting more than $20b in funding through the first three quarters of 2021,[4] the adoption of direct-to-consumer behavioral health platforms is accelerating. Telemental health platforms — telehealth focused on mental health — are being used for behavioral health interventions to drive better, cost-efficient access to care. Tools, such as chatbots, video, calendar scheduling, and text-based coaching, can enable upstream triage and long-term management and care for behavioral health patients, as well as direct-to-member care.

Delivery models include:

- In primary care settings, hospitals and clinical networks, telehealth video enables a provider to consult with patients or other providers remotely.
- Mobile health applications can improve patient engagement in care, such as in transitions from an inpatient setting or in chronic disease and medication management.
- Direct-to-consumer platforms enable mental health providers to connect to patients directly at home for on-demand therapy and consultation.

[2] USAFacts, DTC https://usafacts.org/articles/over-one-third-of-americans-live-in-areas-lacking-mental-health-professionals/

[3] CMS DTC CMS Physician Payment Rule Promotes Greater Access to Telehealth Services, Diabetes Prevention Programs | CMS, https://www.cms.gov/newsroom/press-releases/cms-physician-payment-rule-promotes-greater-access-telehealth-services-diabetes-prevention-programs

[4] DTC — Q3 2021 digital health funding: To $20B and beyond! | Rock Health

Employee assistance programs (EAPs) and wellness converging to employee well-being

As forward-looking employers recognize the value of a robust well-being program that emphasizes both physical and mental health, traditional EAPs will no longer be as competitive in an important market segment. Recognizing the impact that mental well-being can have on employee productivity and retention, employers are looking to upgrade their EAPs from a check-the-box service to a program that produces higher satisfaction and measurable results. In the meantime, they're experimenting with new digital wellness products as employee benefits, offering everything from meditation and mindfulness apps to substance abuse and smoking cessation programs.

Payers involved in the EAP market can differentiate their services in this rapidly transforming industry by understanding the gaps in the market and providing an integrated, multidisciplinary solution that offers strong digital capabilities combined with wellness services and immediate access to care. In addition, effective behavioral health offered through an evolved EAP program has the potential to reduce medical claims costs.

EAP market evolution

	Traditional EAP	Enhanced EAP	Evolved EAP + wellness = employee well-being
Services offered	▸ Short-term behavioral health services ▸ Work-life and workplace intervention services	▸ Mental wellness services with care managers to streamline access ▸ Increased digital capabilities and self-guided materials	▸ Full range of mental well-being services ▸ Faster access to care ▸ Coaching, therapy, medication ▸ Evidence-based treatment; improvement measures ▸ Tailored to members' needs
Employer type	▸ Low-budget employers ▸ Prefer low-cost EAP solutions that check the box	▸ Average employers ▸ Generally satisfied with capabilities ▸ Lack awareness of potential value	▸ Forward-looking employers who prioritize mental health ▸ Willing to pay more for better access and digital capabilities

Six steps payers can take

Payer executives can take several actions to seize the opportunity to address the behavioral health gap, improve overall care and support long-term growth:

01

Clarify your mental health strategy.

Are you really going to push for innovation on behavioral health or check the box? Which approach makes sense, considering your population? Consider how it fits with your long-term strategy, especially as payers enter the provider space.

02

Assess the gaps.

Develop an understanding of the current state and identify where critical gaps need to be addressed and the best way to fill those needs. Are the capabilities in-house but lack connectivity? If so, how can you reach across the business to form an effective integrated solution? If the capabilities are better sourced externally, which approach aligns closest to your needs and strategy – acquisition, partnership or joint venture?

03

Do the math.

Assess your costs to see how much represents acute behavioral health and which portion can be addressed by earlier intervention. The old paradigm "all utilization is bad utilization" may not apply, given the impact that added low-cost upstream behavioral health care can have in minimizing or eliminating higher downstream costs. Also consider behavioral health diagnoses that can drive up costs for other conditions. Would adding an upstream diagnostic piece help identify and prevent higher costs downstream?

04

Enable digital access across your membership.

Ensure continued access regardless of geography or pandemic conditions by offering multiple modalities of interaction and support, including telemental health via video, chat and phone.

05

Assess technology for behavioral health integration.

Do you have the capabilities to integrate behavioral health with your wider health care offering? Can data be shared securely, privately and effectively? Are you able to build a more robust member profile that gives you a better understanding of member needs?

06

Enhance communications about behavioral health.

Do your members and providers know about your behavioral health offerings and how to access them? Are there specific areas where increased utilization will have a positive impact with little downside risk? How can you help lead the dialogue about mental health to encourage early intervention and prevention, as you do for physical health conditions?

Summary

As the behavioral health market transforms, payer executives should rethink their approach to mental health services to stay competitive. There are opportunities for growth through digital innovation, as well as the potential to achieve better overall health care outcomes and savings by integrating behavioral and physical health across the spectrum of care.

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