New Study Reveals High Health Care Costs Linked to Individuals with Untreated Behavioral Health Conditions in Addition to Physical Conditions

Washington, D.C. – HR Policy Association, the leading organization of Chief Human Resources Officers of the largest corporations doing business in the United States and globally, and its health care think tank, The American Health Policy Institute, joined with The Path Forward to release a report today: *How do individuals with behavioral health conditions contribute to physical and total healthcare spending?*

The report identifies the prevalence of patients with behavioral health conditions (mental health conditions and substance use disorders) within the total patient population and among the highest-cost patients; the contribution of individuals with these behavioral health conditions to total health care costs; and the levels of spending on physical (medical/surgical) and behavioral health treatment.

**Key findings include:**

- **5.7% of entire study population—high-cost patients with both conditions—accounted for 44% of all health care spending.**

- **50% of all patients with behavioral conditions had less than $68 of total annual spending for behavioral treatment.**

- **Study provides a baseline for estimating impact of COVID-19 on behavioral health care.**

Timothy J. Bartl, CEO of HR Policy Association said, “Providing access to quality, affordable health care to employees and their dependents is a top priority for Chief HR Officers of large employers. This illuminating report, commissioned by the Path Forward, will help our members better understand that relatively few individuals who have mental health or substance use disorders are getting the treatment they may need for their overall well-being. Further, this report provides valuable information for employers as these untreated individuals are having a major impact on overall health care spending.”

The Path Forward report provides recommendations to address the current deficiencies in behavioral health care, provide equity and reduce total health care costs, and recommends specific steps employers, health insurers, and providers can take to ensure implementation of **five key reforms**. These include increased access to affordable and effective in-network specialty behavioral providers; early detection of behavioral conditions and tracking of clinical outcomes; use of “Collaborative Care” (as defined in the CoCM reimbursement codes) in primary care settings; expanded access to tele-behavioral health services; and parity law compliance.

“The Association and its health care think tank, the American Health Policy Institute, support the Path Forward’s action-oriented recommendations which will be key to addressing these serious health challenges,” said Mr. Bartl.

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A copy of the complete report may be accessed here. Additional comments by behavioral healthcare experts, employer coalitions, leading public policy organizations and advocacy groups to the report’s findings and The Path Forward’s recommendations may be accessed here.

**HR Policy Association** is the lead organization representing Chief Human Resource Officers at major employers. The Association consists of over 390 of the largest corporations doing business in the United States and globally, and these employers are represented in the organization by their most senior human resource executive. Collectively, their companies employ more than 10 million employees in the United States, over nine percent of the private sector workforce, and 20 million employees worldwide. These senior corporate officers participate in the Association because of their commitment to improving the direction of human resource policy. For more information visit www.hrpolicy.org.

**American Health Policy Institute** is a non-partisan non-profit think tank, started by the HR Policy Foundation that examines the practical implications of health policy changes through the lens of large employers. The Institute examines the challenges employers face in providing health care to their employees and recommends policy solutions to promote the provision of affordable, high-quality, employer-based health care. The Institute serves to provide thought leadership grounded in the practical experience of America’s largest employers. The Institute’s mission is to develop impactful strategies to ensure that those purchasing health care are able to not only bend the cost curve, but actually break it, by keeping health care cost inflation in line with general inflation. To learn more, visit www.americanhealthpolicy.org.

**About the Report**

The report was developed by Milliman, Inc., an independent actuarial and research institution. Milliman researchers analyzed 2017 claims data for 21 million individuals with 12 months of eligibility for commercial medical and prescription drug coverage, aged 2 through 64, from all 50 states and D.C., across all care settings.

**About The Path Forward for Mental Health and Substance Use**

**The Path Forward** is a first-of-its kind private sector initiative to drive market-based improvements in behavioral health treatment and healthcare equity for all Americans. The Path Forward recommends implementation of five evidence-based reforms to improve access to effective, affordable, and timely behavioral health treatment, and reduce total healthcare costs. A key element of this multi-stakeholder initiative is the creation of a Regional Employer Stakeholder Engagement Team (RESET) in eight key regions (CA, FL, KS, MD/DC/VA, MN, NY/NJ/CT, TN, TX) to leverage the influence of business coalitions, and their employer and other purchaser members. The Path Forward’s partners are the National Alliance of Healthcare Purchaser Coalitions, Meadows Mental Health Policy Institute, American Psychiatric Association Foundation Center for Workplace Mental Health, American Psychiatric Association, and The Bowman Family Foundation.