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Expenditures for Treatment of Mental Health Disorders among Young Adults, Ages 18-26, 2007-2009: Estimates for the U.S. Civilian Noninstitutionalized Population

Karen E. Davis, MA

Introduction

Mental health disorders affect a person's emotional, social, and behavioral well-being. Beginning in 2014, mental health disorder services will be part of the essential benefits package, a set of health care service categories that must be covered by certain plans, including all insurance policies that will be offered through state-based Exchanges, and Medicaid. Effective September 2010, the Patient Protection and Affordable Care Act permits adult dependents to receive coverage on their parents' insurance plans until age 26.

This Statistical Brief presents estimates based on the Household Component of the Medical Expenditure Panel Survey (MEPS-HC) on the use of and expenditures for all medical care, ambulatory care (office-based provider and hospital outpatient visits), and prescribed medicines to treat mental health disorders among young adults ages 18–26 years in the U.S. civilian noninstitutionalized population. Average annual estimates for 2007–2009 are shown by type of service and source of payment. Expenditures for pooled years are expressed in constant dollars by inflating those for 2007–08 to 2009 U.S. dollars using the Personal Health Care Expenditure (PHCE) price index component of the National Health Expenditure Accounts (http://www.meps.ahrq.gov/mepsweb/about_meps/Price_Index.shtml). All differences between estimates noted in the text are statistically significant at the 0.05 level or better.

Findings

An annual average of 8.6 percent of U.S. young adults ages 18–26 (about 3.2 million persons) received some type(s) of treatment for mental health disorders in 2007–2009 (figure 1), with 5.4 percent of young adults ages 18–26 receiving ambulatory care and 2.8 percent receiving prescription medications during this period. Less than 1 percent received other services such as hospital inpatient stays, emergency room visits, or home health care.

During the 2007–2009 period, an average annual total of \$6.5 billion (in 2009 dollars) was spent on treatment of mental health disorders among young adults ages 18–26. On average, 40.0 percent of expenditures for mental health disorders were spent on prescription medicines (\$2.6 billion) and 29.2 percent were for ambulatory visits (\$1.9 billion) (figure 2).

The average annual mean expenditure per adult ages 18–26 for the treatment of mental health disorders (among those with expenses for mental health) averaged \$2,017 during 2007–2009. The mean expenses per young adult for ambulatory visits and for prescription medications were similar—\$914 and \$945, respectively (figure 3).

Highlights

- An annual average of 3.2 million or 8.6 percent of young adults ages 18–26 had some health care expenses for mental health disorders in 2007–2009.
- Average annual direct medical spending to treat mental health disorders in young adults totaled \$6.5 billion (in 2009 dollars) during 2007–2009, with about 40 percent (\$2.6 billion) for prescription medications.
- Annual expenditures for mental health among young adults with such expenses averaged \$2,017 per adult (in 2009 dollars) in 2007–2009.

Variations by selected demographic characteristics

The average annual percent with reported treatment for mental health disorders in 2007–2009 was higher for young adult females ages 18–26 years (10.7 percent) than for their male counterparts (6.7 percent) (figure 4). There was no significant difference between young adults ages 18–21 and those ages 22–26 in the proportion with reported treatment for mental health disorders. The average annual proportion of non-Hispanic white young adults (11.3 percent) treated for mental health disorders was higher than Hispanic young adults (4.4 percent).

During 2007–2009, the average annual expenditure for treatment of mental health disorders for young adults ages 18–26 was higher for men (\$2,493) than women (\$1,697) (figure 5). In addition, the average annual expenditure was higher for young adults ages 18–21 (\$2,300) than for those ages 22–26 (\$1,786), and higher for non-Hispanic whites (\$1,962) than Hispanics (\$1,553).

Sources of payment

Overall, just over one-third (36.1 percent) of average annual expenditures for the treatment of mental health disorders for young adults in 2007–2009 were paid by Medicaid, while private insurance paid 30.2 percent and 15.7 percent were paid out of pocket by families or other individuals (figure 6). On average, 23.2 percent of the expenses for prescription medicines and 19.3 percent of the expenses for ambulatory visits were paid out of pocket (data not shown in figures).

Data Source

The estimates shown in this Statistical Brief are based on data from the following MEPS data files for 2007–2009: Full Year Consolidated (HC-113, HC-121, HC-129); Medical Conditions (HC-112, HC-120, HC-128); Prescribed Medicines (HC-110A, HC-118A, HC-126A); Hospital Inpatient Stays (HC-110D, HC-118D, HC-126D); Emergency Room Visits (HC-110E, HC-118E, HC-126E); Outpatient Visits (HC-110F, HC-118F, HC-126F); Office-Based Medical Provider Visits (HC-110G, HC-118G, HC-126G); and Home Health (HC-110H, HC-118H, HC-126H).

Definitions

Mental health

This Brief analyzes young adults ages 18–26 with mental health disorders in connection with health care utilization. The conditions reported by respondents were recorded by interviewers as verbatim text which was then coded by professional coders to fully specified ICD-9-CM codes. These codes were regrouped in clinically homogenous categories known as CCS codes. Conditions with CCS codes 650–670 (mental health) were used for this Brief. A crosswalk of ICD-9 codes and CCS codes is available in the documentation file of the Medical Conditions File. For additional information on crosswalk between ICD-9 codes and CCS codes, please visit: <http://www.hcup-us.ahrq.gov/toolssoftware/ccs/ccs.jsp>.

Ambulatory

Any visit to a hospital outpatient department, private doctor's office, group practice, health clinic, walk-in surgi-clinic/center, walk-in urgent-care center, company or school clinic, infirmary, neighborhood health clinic, family planning center, or mental health facility.

Expenditures

Expenditures in MEPS are defined as payments from all sources for hospital inpatient care, ambulatory care provided in offices and hospital outpatient departments, care provided in emergency departments, paid care provided in the patient's home (home health), and the purchase of prescribed medications. Sources include direct payments from individuals, private insurance, Medicare, Medicaid, Workers' Compensation, and miscellaneous other sources. Payments for over-the-counter drugs are not included in MEPS total expenditures. Indirect payments not related to specific medical events, such as Medicaid Disproportionate Share and Medicare Direct Medical Education subsidies, are also excluded.

Expenditures were classified as being associated with mental health if a visit, stay, or medication purchase was cited as being related to mental health. Expenditures may

be associated with more than one condition and therefore may include some for conditions other than mental health. Total spending does not include amounts for other medical expenses, such as durable and nondurable supplies, medical equipment, eyeglasses, ambulance services, and dental expenses, because these items could not be linked to specific conditions.

Racial and ethnic classifications

Classification by race and ethnicity was based on information reported for each family member. Respondents were asked if each family member was Hispanic or Latino. Respondents were also asked which race or races best described each family member. Race categories included white, black/African American, American Indian or Alaska Native, Asian, Native Hawaiian or other Pacific Islander, and other. Based on these questions, sample persons were classified into the following race/ethnicity categories: Hispanic, black non-Hispanic single race, white non-Hispanic single race, and other (Asian non-Hispanic single race, Hawaiian/Pacific Islander non-Hispanic, American Indian/Alaska Native non-Hispanic, and multiple races non-Hispanic).

Sources of payment

- *Private insurance:* This category includes payments made by insurance plans covering hospital and other medical care (excluding payments from Medicare, Medicaid, and other public sources), Medigap plans, and TRICARE (Armed Forces-related coverage).
- *Medicare:* Medicare is a federally financed health insurance plan for the elderly, persons receiving Social Security disability payments, and persons with end-stage renal disease. Medicare Part A, which provides hospital insurance, is automatically given to those who are eligible for Social Security. Medicare Part B provides supplementary medical insurance that pays for medical expenses and can be purchased for a monthly premium. Medicare Part D, which started in 2006, covers prescription drug expenses.
- *Medicaid/CHIP:* This category includes payments made by the Medicaid and CHIP programs which are means-tested government programs financed jointly by federal and state funds that provide health care to those who are eligible. Medicaid is designed to provide health coverage to families and individuals who are unable to afford necessary medical care while CHIP provides coverage to additional low-income young adults not eligible for Medicaid. Eligibility criteria for both programs vary significantly by state.
- *Out of pocket:* This category includes expenses paid by the user or other family member.
- *Other sources:* This category includes payments from other federal sources such as Indian Health Service, military treatment facilities, and other care provided by the federal government; various state and local sources (community and neighborhood clinics, state and local health departments, and state programs other than Medicaid/CHIP); various unclassified sources (e.g., automobile, homeowner's, or other liability insurance, and other miscellaneous or unknown sources); Medicaid/CHIP payments reported for persons who were not reported as enrolled in the Medicaid or CHIP programs at any time during the year; and private insurance payments reported for persons without any reported private health insurance coverage during the year.

About MEPS-HC

MEPS-HC is a nationally representative longitudinal survey that collects detailed information on health care utilization and expenditures, health insurance, and health status, as well as a wide variety of social, demographic, and economic characteristics for the U.S. civilian noninstitutionalized population. It is cosponsored by the Agency for Healthcare Research and Quality and the National Center for Health Statistics.

For more information about MEPS, call the MEPS information coordinator at AHRQ (301) 427-1406 or visit the MEPS Web site at <http://www.meps.ahrq.gov/>.

References

For a detailed description of the MEPS survey design, sample design, and methods used to minimize sources of nonsampling errors, see the following publications:

Cohen, J. *Design and Methods of the Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 1. AHCPR Pub. No. 97-0026. Rockville, MD. Agency for Health Care Policy and Research, 1997. http://www.meps.ahrq.gov/mepsweb/data_files/publications/mr1/mr1.pdf.

Cohen, S. *Sample Design of the 1996 Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 2. AHCPR Pub. No. 97-0027. Rockville, MD. Agency for Health Care Policy and Research, 1997. http://www.meps.ahrq.gov/mepsweb/data_files/publications/mr2/mr2.pdf.

Cohen, S. Design Strategies and Innovations in the Medical Expenditure Panel Survey. *Medical Care*, July 2003: 41(7) Supplement: III-5-III-12.

Ezzati-Rice, T.M., Rohde, F., Greenblatt, J. *Sample Design of the Medical Expenditure Panel Survey Household Component, 1998-2007*. Methodology Report No. 22. March 2008. Agency for Healthcare Research and Quality, Rockville, MD. http://www.meps.ahrq.gov/mepsweb/data_files/publications/mr22/mr22.pdf.

For more information about mental health, see the following:

Mental Health Fact Sheet: <http://www.cdc.gov/nchs/fastats/mental.htm>

Suggested Citation

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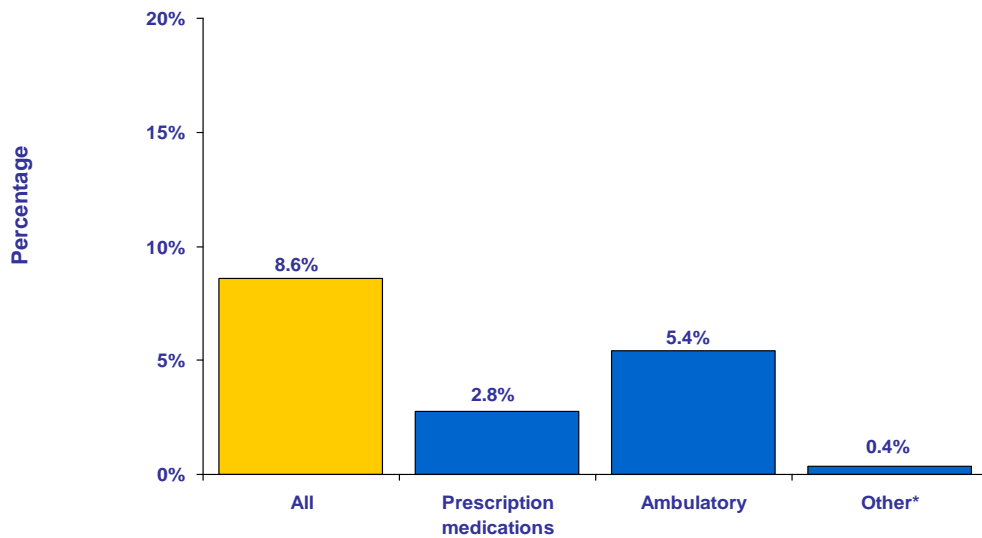
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using this Statistical Brief and other MEPS data and tools and to share suggestions on how MEPS products might be enhanced to further meet your needs. Please e-mail us at MEPSProjectDirector@ahrq.hhs.gov or send a letter to the address below:

Steve B. Cohen, PhD, Director
Center for Financing, Access, and Cost Trends
Agency for Healthcare Research and Quality
540 Gaither Road
Rockville, MD 20850



Figure 1. Percentage of young adults with selected types of treatment for mental health disorders: Ages 18–26, 2007–2009 (average annual)

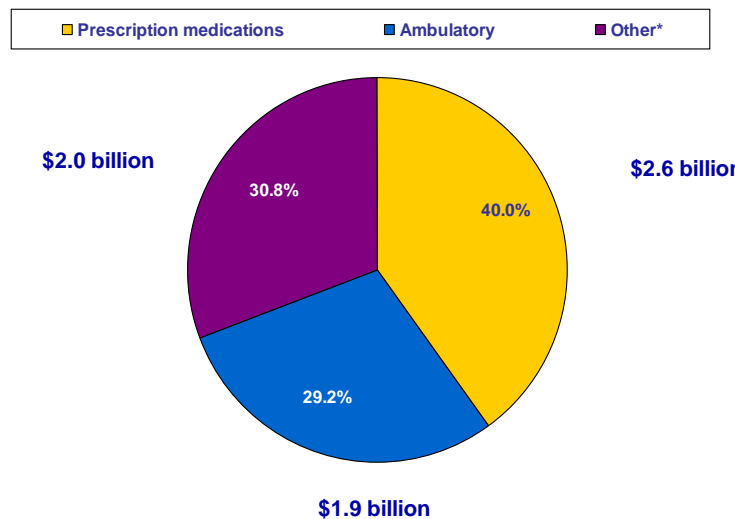


*Other services include hospital inpatient stays, emergency room visits, and home health.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2007–2009



Figure 2. Total medical expenditures for young adults with mental health disorders, by type of service: Ages 18–26, 2007–2009

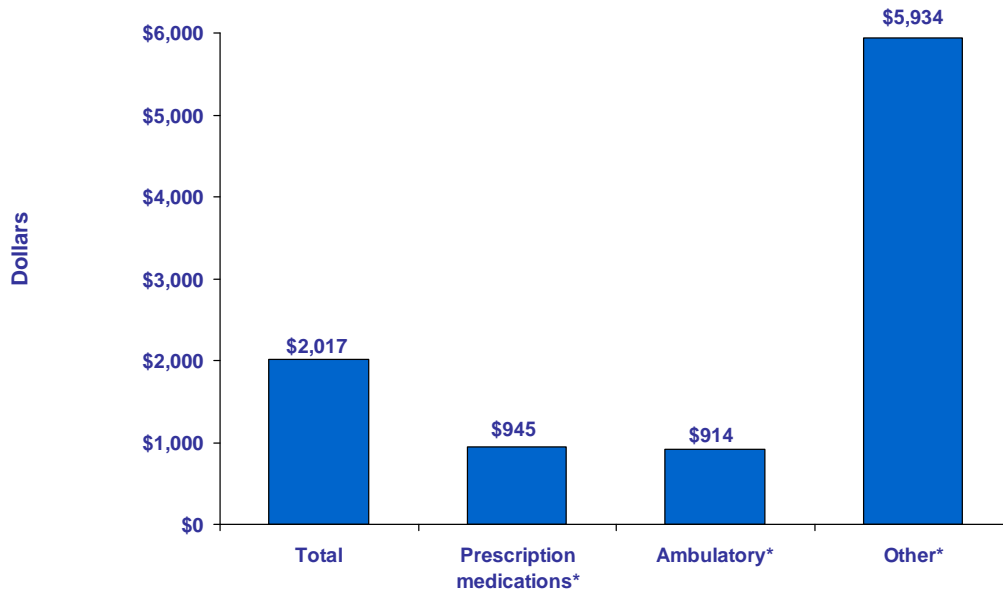


*Other services include hospital inpatient stays, emergency room visits, and home health.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2007–2009



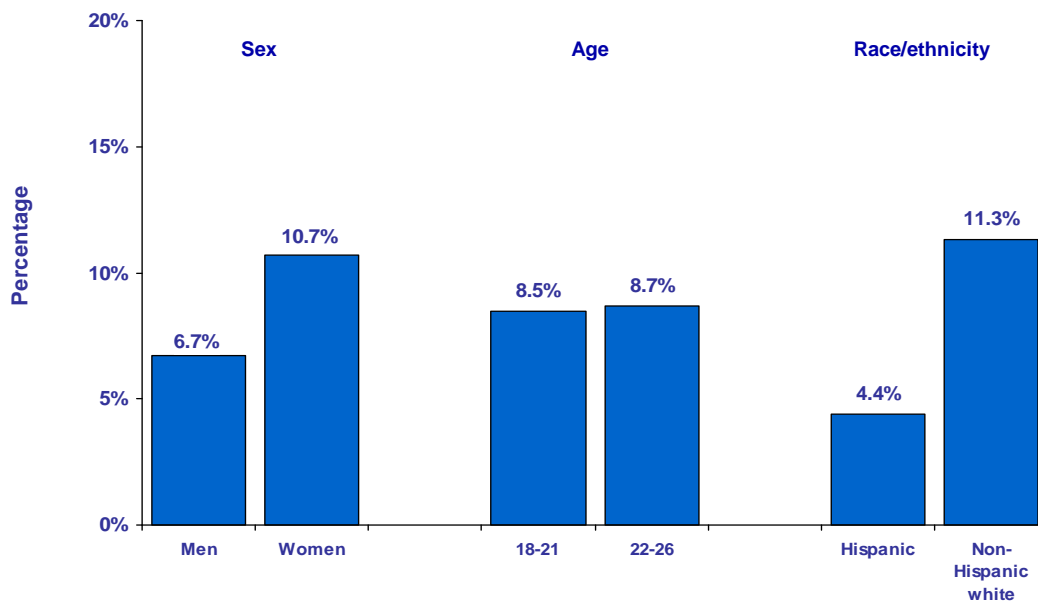
Figure 3. Mean expenditures per young adult for mental health disorders among those with care for mental health disorders, by type of service: Ages 18–26, 2007–2009



*Estimates are for 52.4% of young adults with care for mental health disorders who had prescription medications expenses, for 57.9% of young adults with care for mental health disorders who had at least 1 ambulatory visit, and for 7.3% of young adults who had at least 1 inpatient, emergency room, or home health visit.
 Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2007–2009



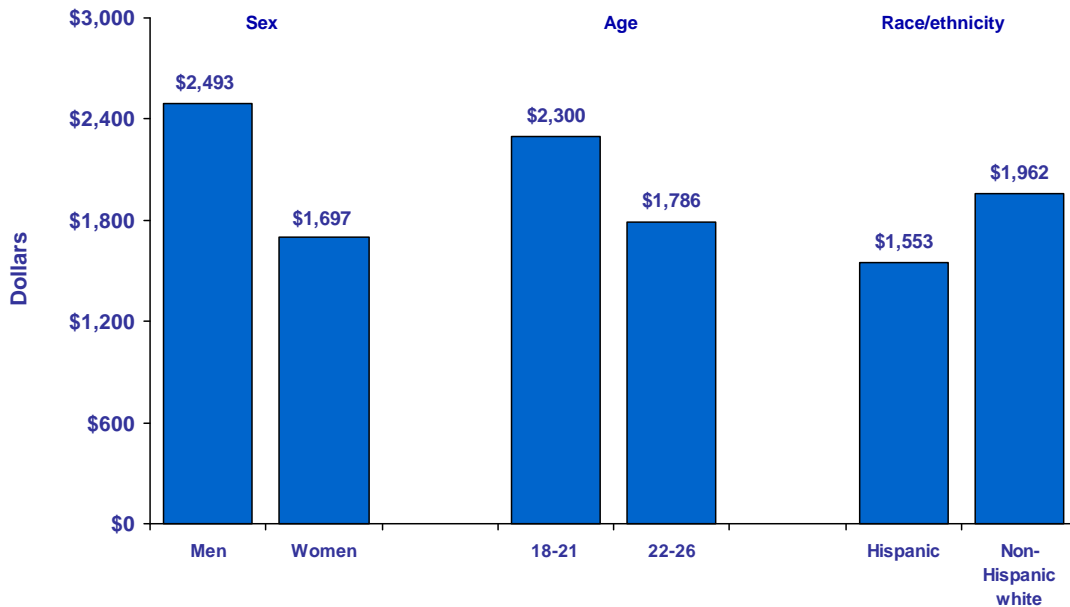
Figure 4. Percentage of young adults reporting treatment for mental health disorders by demographic characteristics: Ages 18–26, 2007–2009



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2007–2009



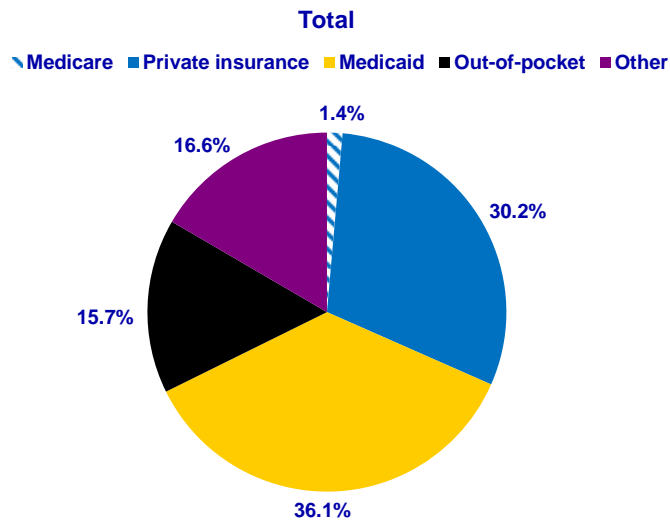
Figure 5. Mean expenditures per young adult for mental health disorders among those with care for mental health disorders, by demographic characteristics: Ages 18–26, 2007–2009



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2007–2009



Figure 6. Percentage distribution of total expenditures for mental health disorders, by source of payment: Ages 18–26, 2007–2009



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2007–2009