Mental Health, Substance Abuse Costs

The cost for mental health and substance abuse inpatient stays at community hospitals runs into the billions of dollars each year. Over the past decade, the average length of stay for MHSA diagnoses has dropped about 10%, but the number of discharges with a principal MHSA diagnosis has increased about 14%. In 2008, for example, the average cost for a MHSA hospital stay was $5,500, compared to an average of $9,100 for all stays and $6,700 for all stays without a major operating room procedure.

### AVERAGE COST OF A HOSPITAL STAY

Schizophrenia and other psychotic disorders top the list, in terms of cost, for the most frequent principal MHSA diagnoses. Alcohol- and drug-related disorders cost about $5,000 and $4,900 each, respectively.

<table>
<thead>
<tr>
<th>Diagnosis</th>
<th>Average Cost of Stay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schizophrenia/other psychotic disorders</td>
<td>$7,500</td>
</tr>
<tr>
<td>Attention-deficit/conduct/disruptive behavior disorders</td>
<td>$7,200</td>
</tr>
<tr>
<td>Bipolar disorders</td>
<td>$5,600</td>
</tr>
<tr>
<td>Alcohol-related disorders</td>
<td>$5,000</td>
</tr>
<tr>
<td>Drug-related disorders</td>
<td>$4,900</td>
</tr>
<tr>
<td>Depression</td>
<td>$4,700</td>
</tr>
<tr>
<td>Anxiety disorders</td>
<td>$4,500</td>
</tr>
<tr>
<td>Pregnancy-related MH disorders</td>
<td>$3,500</td>
</tr>
<tr>
<td>Adjustment disorders</td>
<td>$2,800</td>
</tr>
</tbody>
</table>

### NUMBER OF DISCHARGES AND AGGREGATE COSTS

The aggregate cost of hospitalizations for schizophrenia ($2.7 billion) was greater than that for other MHSA conditions, although there were fewer hospitalizations for this condition than for depression and bipolar disorders, each of which cost $2.1 billion. Discharges for alcohol-related disorders cost $1.3 billion in 2008 and those for drug-related disorders cost $1.1 billion.

### ABOUT THIS DATA

Dementia and other cognitive disorders are excluded because they are often characterized by multiple cognitive problems that result from a condition that requires medical instead of psychiatric treatment. Screenings for mental health and substance abuse conditions are also excluded because they may not result in a MHSA diagnosis. This analysis reflects care only in community hospitals and thus excludes MHSA stays in specialty psychiatric and chemical dependency hospitals.


### FACT FILE PARTNER:

THOMSON REUTERS

http://healthcare.thomsonreuters.com

### SEPTEMBER 2011

**Impact on the ED**

In 2007, 12 million emergency department visits involved a diagnosis related to a mental health and/or substance abuse condition, accounting for 12.5% of all ED visits in the United States, or about one in eight ED visits. Such visits, however, are more likely to result in admission. Here is some additional information:

- MHSA-related ED visits were two and a half times more likely to result in hospital admission than ED visits related to non-MHSA conditions—nearly 41% of MHSA-related ED visits resulted in hospitalization.
- Medicare was billed most frequently for MHSA-related ED visits (30.1%), followed by private insurance (25.7%), uninsured (20.6%), and Medicaid (19.8%).
- Visits related to mental health conditions accounted for 63.7% of all MHSA-related ED visits. Substance abuse conditions accounted for 24.4% of all MHSA-related ED visits, and co-occurring MHSA conditions accounted for 11.9%.
- ED visits billed as uninsured were two to four times less likely to result in hospital admission, depending on the type of MHSA condition.
- Mood disorder was the most common MHSA reason for an ED visit (42.7%), followed by anxiety disorders (26.1%), and alcohol-related conditions (22.9%). The remaining common conditions included drug-related conditions, schizophrenia and other psychoses, and intentional self-harm.

**DISTRIBUTION BY AGE**

By age, the distribution of MHSA hospitalizations differed substantially from the distribution of hospitalizations for all reasons and from the distribution of the U.S. population in 2008. Adults 18–64 years old accounted for a disproportionate share of all MHSA hospitalizations (83%) relative to their share of the total population (63%) and all hospitalizations (49%). Children under 1 year accounted for 1% of the overall population, 12% of all hospital stays (mostly as newborns), and less than 0.1% of MHSA discharges (mostly for drug-related disorders).

**AVERAGE LENGTH OF STAY BY PRINCIPAL REASON**

The average length of stay in community hospitals varied considerably by MHSA condition. Attention-deficit/conduct/disruptive behavior disorders and schizophrenia/other psychotic disorders each had an ALOS that was greater than 11 days, or 4 days more than the average MHSA stay in 2008. The average length of stay in community hospitals in 2008 was 4.6 days. In contrast, the ALOS for discharges with a principal diagnosis of a MHSA disorder was much longer at 7.1 days, although that has dropped from 7.9 days in 1997. Meanwhile, the number of inpatient hospital stays with a principal MHSA diagnosis has increased over that same period, from 1.6 million stays in 1997 to 1.8 million stays in 2008.

**DISCHARGES BY PRIMARY PAYER**

Hospital stays with MHSA diagnoses were more commonly uninsured or insured by Medicaid than were hospital stays overall. Medicare was the primary payer for 37% of all hospital stays, but paid for smaller shares of MHSA stays. Private insurance was billed for 35% of all hospital stays and for almost an equivalent share of alcohol-related stays, 33%.

**AGGREGATE COSTS BY PRIMARY PAYER**

In 2008, the uninsured and Medicaid covered a disproportionate share of the costs for MHSA hospital stays. Medicare insured 14% of costs for all hospitalizations, but was responsible for 33% of costs for stays with a drug-related diagnosis, 30% with a MH diagnosis, and 24% with an alcohol-related diagnosis. The uninsured accounted for 4% of all hospital costs, but 21% of the costs for alcohol-related stays and 14% of the costs for drug-related stays.