

The DASIS Report

October 19, 2001

Growth of Managed Care in Substance Abuse Treatment

In Brief

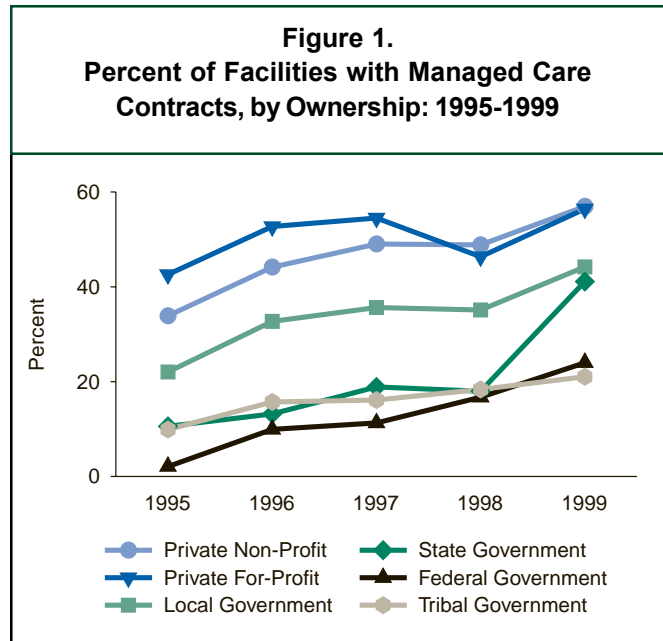
- About 54 percent of facilities had managed care contracts in 1999, as compared to 32 percent in 1995
- The proportion of managed care facilities increased in all States except Alabama between 1995 and 1999

Managed care has become an integral and expanding part of the U.S. health care system. The structure of managed care in the behavioral health system continues to undergo change. Many public sector and other substance abuse and mental health programs are now managed by public sector agencies or public or private partnerships rather than by private managed care organizations.¹ Contracts between State Medicaid and managed care organizations have increased in complexity. There is growing concern about the impact of managed care on substance abuse treatment² and, indeed, one of the strategic goals of the Substance Abuse and Mental Health Services Administration (SAMHSA) is to improve managed care outcomes.

This report uses information from SAMHSA's Uniform Facility Data Set (UFDS) survey to examine trends in the number of substance abuse treatment facilities that contract with managed care organizations. UFDS is an annual survey of all facilities in the United States, both public and private, that provide substance abuse treatment. Information on managed care contracts has been collected in the UFDS survey since 1995.

Table 1.
Number of Substance Abuse Treatment Facilities, by Ownership: 1995-1999

	1995	1996	1997	1998	1999
Total	10,746	10,641	10,860	13,455	15,239
Private Non-Profit	6,514	6,482	6,498	7,489	9,077
Private For-Profit	2,342	2,373	2,550	3,775	3,976
Local Government	877	868	887	1,105	1,134
State Government	522	455	483	589	555
Federal Government	339	323	293	317	321
Tribal Government	152	140	149	180	176



Source: SAMHSA Uniform Facility Data Set (UFDS).

The number of facilities reporting to UFDS increased by 42 percent between 1995 and 1999 (Table 1). SAMHSA has continued efforts to expand survey coverage and to improve response rates. Prior to 1995, UFDS surveyed only facilities that were administratively monitored by State or Federal agencies. In that year, SAMHSA began to identify and survey other facilities, such as privately owned and hospital-based treatment facilities, that had not been included in the UFDS survey universe.

Facility Ownership

Ownership indicates the type of entity owning or responsible for the operation of the facility. Categories used in the UFDS survey are private for-profit, private non-profit, and local, State, Federal, or tribal government (Table 1).

Expanded survey coverage resulted in an increase of 70 percent between 1995 and 1999 in the number of private for-profit facilities. The number of private non-profit facilities increased by 39 percent. Despite these substantial increases, the overall structure of the treatment system (as reflected in UFDS ownership data) remained relatively constant. In 1999, private non-profit facilities made up the bulk of the system (60 percent), followed by private for-profit (26 percent), local government (7 percent), State government (4 percent), Federal government (2 percent), and tribal government (1 percent).

Managed Care and Facility Ownership

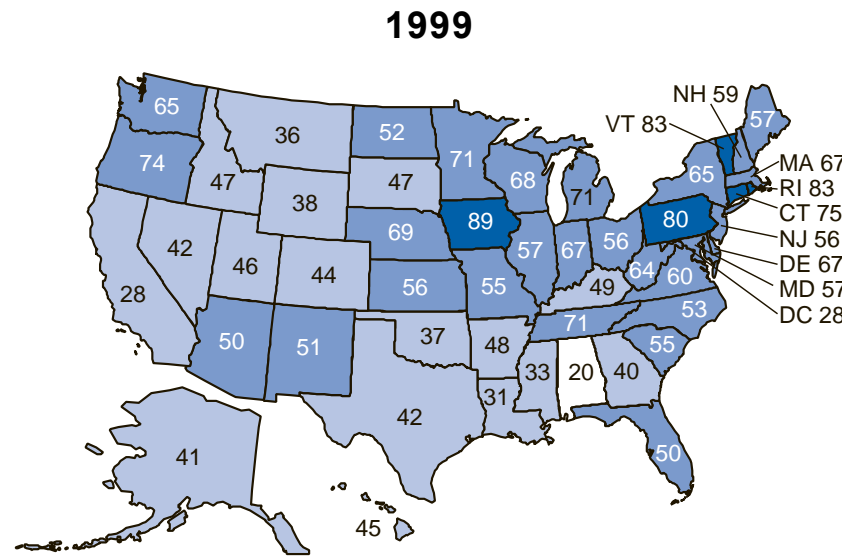
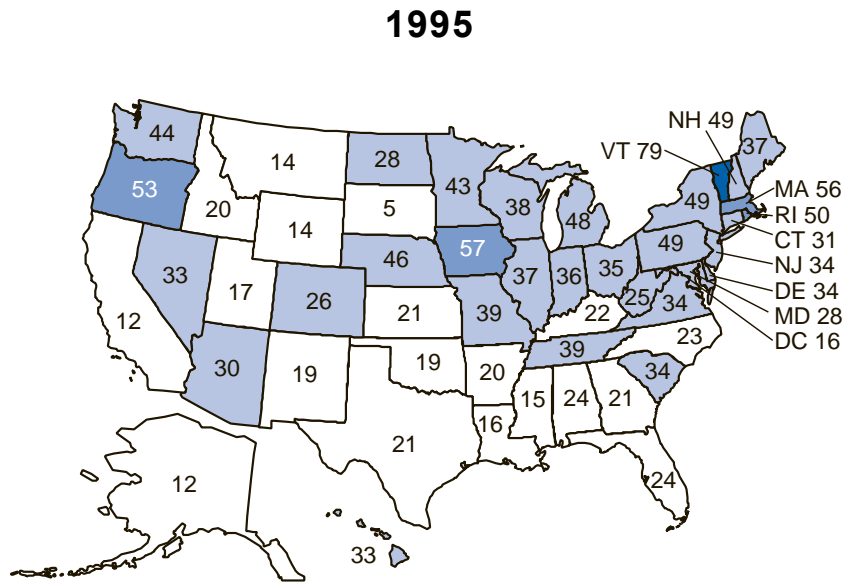
About 54 percent of all facilities had managed care contracts in 1999, as compared to 32 percent in 1995. All ownership categories

showed an increase in the percentage with managed care contracts (Figure 1).

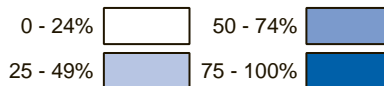
Privately owned facilities, both non-profit and for-profit, were more likely to have managed care contracts than were government-owned facilities. The percentages of private non-profit and private for-profit facilities with managed care contracts rose from 34 and 43 percent (respectively) in 1995 to 57 and 56 percent (respectively) in 1999.

Government-owned facilities were less likely to have managed care contracts. Local government-owned facilities with managed care contracts increased from 22 to 44 percent. Among State-owned facilities, the proportion with managed care contracts rose from 11 to 41 percent; among federally-owned facilities, from 2 to 24 percent; and among tribal government-owned facilities, from 10 to 21 percent.

Figure 2.
Percent of Treatment Facilities with Managed Care Contracts,
by State: 1995 and 1999



Percent of Treatment Facilities with Managed Care Contracts



Managed Care by State

The proportion of managed care facilities increased in all States except Alabama between 1995 and 1999 (Figure 2).

End Notes

- ¹ Teich, J.L. (2000). Monitoring change in behavioral health care: The role of the Center for Mental Health Services. *Psychiatric Clinics of North America*, 23, 297-308, vi-vii.
- ² Galanter, M., Keller, D.S., Dermatis, H., & Egelko, S. (2000). The impact of managed care on substance abuse treatment: A report of the American Society of Addiction Medicine. *Journal of Addictive Diseases*, 19(3), 13-34.

The Drug and Alcohol Services Information System (DASIS) is an integrated data system maintained by the Office of Applied Studies, Substance Abuse and Mental Health Services Administration (SAMHSA). One component of DASIS is the Uniform Facility Data Set (UFDS), an annual survey of all facilities in the United States, both public and private, that provide substance abuse treatment.

The DASIS Report is prepared by the Office of Applied Studies, SAMHSA; Synectics for Management Decisions, Inc., Arlington, Virginia; and RTI, Research Triangle Park, North Carolina.

Information and data for this issue are based on data reported to UFDS for the survey reference dates October 2, 1995, and October 1, 1996-1999.

Access the latest UFDS reports at:
www.DrugAbuseStatistics.SAMHSA.gov

Access the latest UFDS public use files at:
www.icpsr.umich.edu/SAMHDA/ufds.html