

# The NSDUH Report

July 7, 2011

## Sources of Payment for Mental Health Treatment for Adults

### In Brief

- From 2005 to 2009, one third (34.5 percent) of individuals who received *outpatient* mental health services in the past year indicated that most of the cost for those services was paid by private health insurance; 43.7 percent of those who received *inpatient* mental health services indicated that most of the costs were paid for by public insurance (Medicaid and Medicare)
- “Self or family member” was the main source of payment for 26.2 percent of adults receiving *outpatient* mental health services and 18.8 percent of those receiving *inpatient* mental health services
- Among adults who indicated that all or part of their *outpatient* mental health services was paid for by self or family member, 2.3 percent had out-of-pocket costs that exceeded \$5,000; 9.6 percent of those who indicated that all or part of their *inpatient* mental health treatment was paid for by self or family member had out-of-pocket costs that exceeded \$10,000

For many individuals with mental health problems, their willingness to seek and their success in receiving treatment often depend on their ability to pay, either from their own resources or through private or public insurance coverage. Appropriate treatment may be inaccessible because individuals lack any insurance coverage, or the insurance coverage they have for mental health and substance abuse conditions is inadequate. The Mental Health Parity and Addiction Equity Act (MHPAEA) of 2008 and the Affordable Care Act (ACA) of 2010 have the potential to improve access to mental health and substance abuse services. The MHPAEA is expected to improve coverage for people who have limits or caps on their benefits. The ACA is intended to provide access to insurance coverage, including benefits for mental health and substance abuse conditions, for many persons who are currently uninsured.<sup>1</sup>

The National Survey on Drug Use and Health (NSDUH) asks respondents aged 18 or older if they received treatment or counseling for any problem with emotions, “nerves,” or mental health (hereafter referred to as mental health services) in the past year in inpatient or outpatient settings.<sup>2,3</sup> Respondents who received such services are asked who paid (or would pay) most of the cost of the services. Prescription medications used to treat a mental or emotional condition are not included in this report.

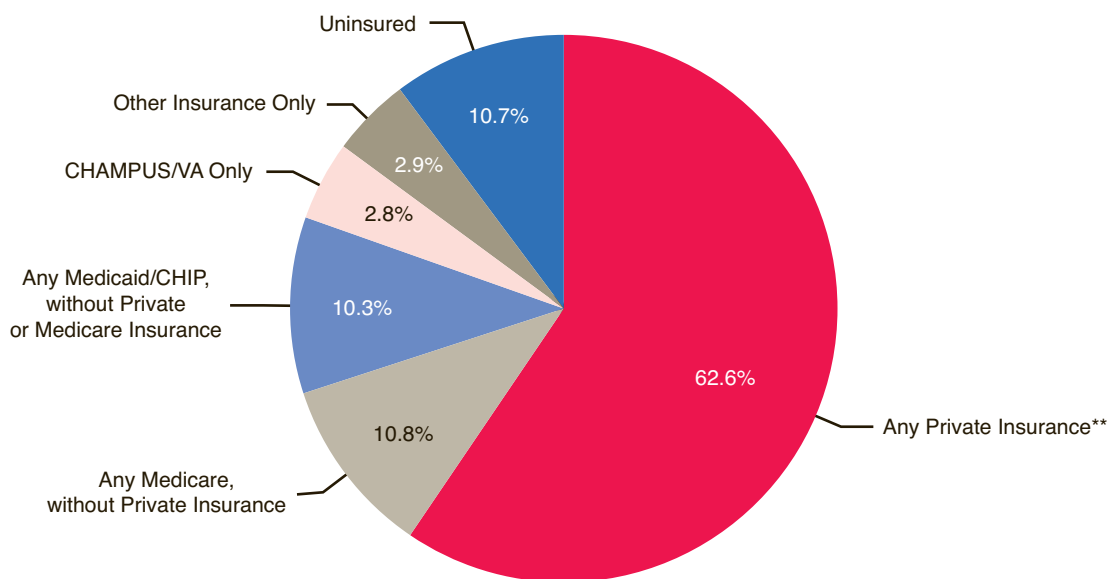
This issue of *The NSDUH Report* focuses on how individuals who received mental health services in the past year paid for those services, how payment differed for inpatient versus outpatient services, and how much individuals who received mental health services paid out of pocket for their care. All findings presented in this report are annual averages based on combined 2005 to 2009 NSDUH data.

## Receipt of Mental Health Services

An estimated 15.7 million adults (7.1 percent of all U.S. adults) received any mental health services in the past year, with 14.9 million (6.7 percent) receiving outpatient mental health services and 1.9 million (0.9 percent) receiving inpatient mental health services.<sup>4</sup>

Among adults aged 18 or older who received any mental health services in the past year, the majority (62.6 percent) were covered by private insurance (Figure 1). Approximately one fifth of individuals receiving any mental health services were covered by public insurance: Medicaid and/or the Children’s Health Insurance Program (CHIP) covered 10.3 percent, and Medicare covered another 10.8 percent. A small proportion (2.9 percent) were covered by some other (unspecified) form of insurance. About

**Figure 1. Sources of Health Insurance among Persons 18 or Older Who Received Mental Health Treatment/Counseling\* in the Past Year: 2005 to 2009**



Note: Percentages do not add to 100 percent due to rounding.

\*Any mental health is defined as having received inpatient care or outpatient care for problems with emotions, nerves, or mental health. Respondents were not to include treatment for drug or alcohol use. Respondents with unknown treatment/counseling information were excluded. Estimates were based only on responses to items in the Adult Mental Health Service Utilization module.

\*\*Percentage of persons covered by private insurance includes 5.8 percent who were covered by Medicare as well as private insurance, 1.4 percent who were covered by Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)/Department of Veterans Affairs (VA) as well as private insurance, and 0.8 percent who were covered by Medicaid/Children’s Health Insurance Program (CHIP) as well as private insurance.

Source: 2005 to 2009 SAMHSA National Surveys on Drug Use and Health (NSDUHs).

one tenth (10.7 percent) of adults who received any mental health services in the past year were uninsured. It should be noted that, for those individuals who were covered by either private or public insurance, NSDUH does not collect information on what specific mental health services are covered or on the limitations of their coverage.

### Main Source of Payment for Mental Health Services

*Outpatient Mental Health Services.* An estimated 34.5 percent of individuals who received outpatient mental health services in the past year indicated that most of the cost for those services was paid by private health insurance (Table 1). For 3.9 million adults (26.2 percent of those receiving outpatient mental health services), the main source of payment was “self or family member.” Public health insurance paid most of the cost of outpatient mental health services for an estimated 19.4 percent of adults; this included coverage by Medicare (11.5 percent) and Medicaid (8.0 percent). The Department of

Veterans Affairs (VA) or other military program was the main source of payment for 4.7 percent of adults who received outpatient mental health services. In addition, 4.1 percent of individuals who received outpatient mental health services in the past year indicated that these services were free.

*Inpatient Mental Health Services.* For individuals who received inpatient mental health services, public health insurance was the most common payment source: 43.7 percent of adults had their inpatient mental health services paid for through public insurance. These public insurance sources included Medicare (which paid most of the costs for 26.0 percent of adults receiving inpatient mental health services) and Medicaid (which paid most of the costs for 17.7 percent of adults receiving inpatient mental health services). The VA or other military program paid most of the costs for 4.1 percent of adults receiving inpatient mental health services.

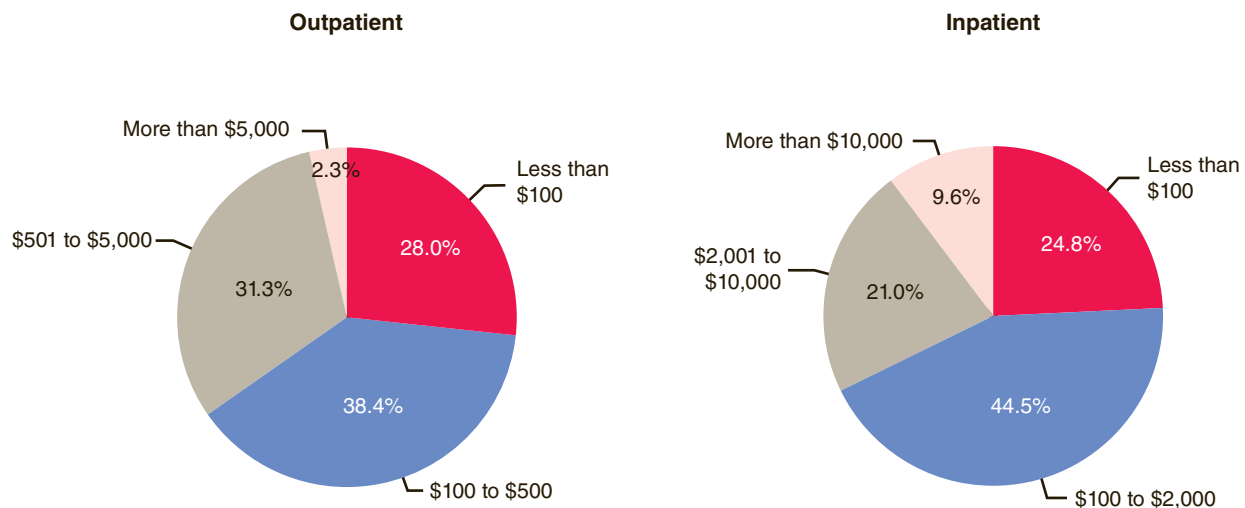
Private insurance was the main source of payment for 18.3 percent of adults who received inpatient mental health services. Self or family member was the main source of payment for

**Table 1. Main Source of Payment for Mental Health Services among Persons Aged 18 or Older Who Received Mental Health Services in the Past Year: 2005 to 2009**

Main Source of Payment	Outpatient Mental Health Services		Inpatient Mental Health Services	
	Number (in Thousands)	Percent	Number (in Thousands)	Percent
Self or Family Member	3,856	26.2	346	18.8
Private Health Insurance	5,080	34.5	335	18.3
Public Health Insurance	2,864	19.4	801	43.7
Medicare	1,689	11.5	477	26.0
Medicaid	1,175	8.0	324	17.7
Department of Veterans Affairs or Other Military Program	697	4.7	75	4.1
Free Treatment	609	4.1	98	5.3
Other	1,630	11.1	180	9.8
Employer	1,053	7.1	69	3.8
Other	577	3.9	111	6.0

Source: 2005 to 2009 SAMHSA National Surveys on Drug Use and Health (NSDUHs).

**Figure 2. Out-of-Pocket Costs for Mental Health Services among Adults Aged 18 or Older Who Received Outpatient\* or Inpatient\*\* Mental Health Services in the Past Year: 2005 to 2009**



Note: Percentages do not add to 100 percent due to rounding.

\* Outpatient mental health services is defined as having received outpatient care for problems with emotions, nerves, or mental health. Respondents were not to include treatment for drug or alcohol use. Respondents with unknown treatment/counseling information were excluded. Estimates were based only on responses to items in the Adult Mental Health Service Utilization module.

\*\* Inpatient mental health services is defined as having received inpatient care for problems with emotions, nerves, or mental health. Respondents were not to include treatment for drug or alcohol use. Respondents with unknown treatment/counseling information were excluded. Estimates were based only on responses to items in the Adult Mental Health Service Utilization module.

Source: 2005 to 2009 SAMHSA National Surveys on Drug Use and Health (NSDUHs).

an additional 18.8 percent of adults receiving inpatient services. Employers were the main source of payment for 3.8 percent of adults receiving inpatient mental health services. For an estimated 5.3 percent of adults receiving inpatient mental health services, the services were free.

## Out-of-Pocket Costs

*Outpatient Mental Health Services.* About one quarter (28.0 percent) of adults who paid out-of-pocket costs for outpatient mental health services in the past year paid less than \$100 (Figure 2). About one third (38.4 percent) paid between \$100 and \$500, 31.3 percent paid between \$501 and \$5,000, and 2.3 percent paid more than \$5,000.

Among individuals receiving outpatient mental health services who were employed either full or part time, an estimated 5.8 percent paid out-of-pocket costs between \$2,001 and \$5,000. In comparison, 13.7 percent of unemployed persons had out-of-pocket costs between \$2,001 and \$5,000.

*Inpatient Mental Health Services.* Among adults receiving inpatient mental health services who paid out-of-pocket costs, about one quarter (24.8 percent) paid less than \$100, 44.5 percent paid between \$100 and \$2,000, and 21.0 percent paid between \$2,001 and \$10,000. Around 1 in 10 (9.6 percent) of adults receiving inpatient mental health services who paid out-of-pocket costs paid more than \$10,000.

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## Discussion

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The goal of mental health services is to help individuals achieve recovery and improve the quality of their lives. However, many individuals remain uninsured because of financial barriers, and individuals who are covered by insurance may be undertreated as their insurance plans may limit the number of inpatient days and outpatient visits. These limits often prevent individuals from accessing mental health care at all or from receiving the level of care that could be most effective for their condition.

Almost two thirds (62.6 percent) of the estimated 15.7 million adults who received some form of mental health services in the past year were covered by private insurance, another 21.1 percent were covered by either Medicaid or Medicare, and an estimated 10.7 percent were uninsured. However, over one quarter (26.2 percent) of adults who received outpatient mental health services reported that self or family member paid most of the costs of their outpatient mental health services, and among persons who received inpatient mental health services, only 18.8 percent reported that private insurance paid most of the costs of their inpatient services. These findings suggest that even though the majority of adults have some form of health insurance coverage, there are significant limitations on coverage for mental health services.

Analyses of mental health benefits in private employer-sponsored health plans from 1997 to 2003 found that while most insurance plans continued to provide some level of coverage for mental health services, a majority of plans also continued to impose different benefit limitations for mental health than for medical treatment; in particular, there was a sharp increase in the use of limits on inpatient days and outpatient visits between 1997 and 2003.<sup>5</sup> The goal of MHPAEA is to improve coverage as well as access to appropriate and adequate treatment by eliminating caps and limits on benefits for mental health and substance abuse services.

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## End Notes

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- <sup>1</sup> Mark, T. L., Levit, K. R., Vandivort-Warrant, R., Buck, J. A., & Coffey, R. M. (2011). Changes in U.S. spending on mental health and substance abuse treatment, 1986-2005, and implications for policy. *Health Affairs*, 30(2), 284-292.
- <sup>2</sup> Individuals receiving outpatient mental health services are defined as those who received outpatient treatment or counseling for any problem with their emotions, nerves, or mental health. Services may have been received at an outpatient mental health clinic or center; the office of a private therapist, psychologist, psychiatrist, social worker, or counselor that was not part of a clinic; a doctor's office that was not part of a clinic; an outpatient medical clinic; a partial day hospital or day treatment program; or some other place.
- <sup>3</sup> Individuals receiving inpatient mental health services are defined as those who stayed overnight or longer in a hospital or other facility in the past 12 months to receive treatment or counseling for any problem they were having with their emotions, nerves, or mental health. Services may have been received at a private or public psychiatric hospital, a psychiatric unit of a general hospital, a medical unit of a general hospital, another type of hospital, a residential treatment center, or some other type of facility.
- <sup>4</sup> An estimated 1.2 million (0.5 percent) of the U.S. adult population received both outpatient and inpatient mental health services in the past year.
- <sup>5</sup> Teich, J. L., & Buck, J. A. (2007). Mental health benefits in employer-sponsored health plans, 1997-2003. *Journal of Behavioral Health Services and Research*, 34(3), 343-348.

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## Suggested Citation

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Findings from SAMHSA's 2005 to 2009 National Surveys on Drug Use and Health (NSDUHs)

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The National Survey on Drug Use and Health (NSDUH) is an annual survey sponsored by the Substance Abuse and Mental Health Services Administration (SAMHSA). The 2005 to 2009 data used in this report are based on information obtained from 228,406 persons aged 18 or older. The survey collects data by administering questionnaires to a representative sample of the population through face-to-face interviews at their place of residence.

*The NSDUH Report* is prepared by the Center for Behavioral Health Statistics and Quality (CBHSQ), SAMHSA, and by RTI International in Research Triangle Park, North Carolina. (RTI International is a trade name of Research Triangle Institute.)

Information on the most recent NSDUH is available in the following two-volume publication:

Office of Applied Studies. (2010). *Results from the 2009 National Survey on Drug Use and Health: Volume I. Summary of national findings* (HHS Publication No. SMA 10-4586Findings, NSDUH Series H-38A). Rockville, MD: Substance Abuse and Mental Health Services Administration.

Office of Applied Studies. (2010). *Results from the 2009 National Survey on Drug Use and Health: Volume II. Technical appendices and selected prevalence tables* (HHS Publication No. SMA 10-4586Appendices, NSDUH Series H-38B). Rockville, MD: Substance Abuse and Mental Health Services Administration.

Also available online: <http://oas.samhsa.gov>.



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