

Support Community-Based Mental Health Treatment to Lower Hospitalization Costs in the United States

As policymakers look for ways to decrease U.S. health care costs, addressing high rates of hospitalization and re-hospitalization among people with serious mental illnesses has emerged as a promising approach. Hospitalizations for these conditions, including schizophrenia, major depressive disorder and bipolar disorder, exceed **\$6 billion** annually¹. Persistent high levels of unmet need for mental health treatment suggest that many of these hospitalizations might be avoided through improved access and adequate funding for care in community-based treatment facilities.

Serious Mental Illness (SMI)²

Hospitals and emergency departments are often the first point of contact for people experiencing a health crisis due to an untreated mental health condition. There were approximately **9.8 million adults** in the United States with a serious mental illness in 2015.³ Each year, almost **20 percent of these individuals** are hospitalized due to their mental health condition.

- On average, individuals with a serious mental illness who are hospitalized **stay in the hospital substantially longer**⁴ than individuals with a physical diagnosis, even though comparatively few medical procedures are involved in their stay. This longer length of stay is typically the result of a lack of community-based treatment programs to which the patient can be discharged.
- The average total cost of treatments these individuals receive in a hospital setting is **44 percent more expensive** than the average cost of community-based crisis care⁵.
- Approximately **48 percent** of individuals with serious mental illness are enrolled in Medicaid or are uninsured⁶ and reliant upon public funding, meaning these costs fall disproportionately on federal and state governments.

The good news is that with earlier, timely access to prevention and treatment, many mental illness hospitalizations can be avoided. By expanding access to community-based care through increased investment in services, policymakers can help individuals avoid unnecessary and expensive hospitalizations.

Case Example⁷

When an individual with *schizophrenia* is hospitalized in the United States:

- On average, they will stay in the hospital **three times longer** than someone receiving a hip replacement and **two times longer** than someone who has suffered a heart attack.

¹ Heun-Johnson et al. (2016). The cost of mental illness: Connecticut facts and figures. USC Schaeffer Center. Retrieved from <https://www.bhecon.org/wp-content/uploads/2017/08/CT-chartbook-2017.pdf>

² Defined as a mental disorder diagnosed within the past year that is severe and persistent, causing negative intense impact to major life activities and requires continued management in an adult aged 18 or older. It was previously referred to as, and sometimes still called, "chronic mental illness" or "severe and persistent mental illness." Source: SAMHSA. (2016). Behind the Term: Serious Mental Illness. Retrieved from https://nrepp.samhsa.gov/Docs/Literatures/Behind_the_Term_Serious%20%20Mental%20Illness.pdf

³ SAMHSA. (2016). <https://www.samhsa.gov/samhsa-data-outcomes-quality/major-data-collections/reports-detailed-tables-2015-NSDUH>

⁴ Average length of stay for all hospitalizations is 4.8 days. Source: Heun-Johnson et al. (2016). The cost of mental illness: Connecticut facts and figures. USC Schaeffer Center. Retrieved from <https://www.bhecon.org/wp-content/uploads/2017/08/CT-chartbook-2017.pdf>

⁵ NIMH. (2002). <https://www.ncbi.nlm.nih.gov/pubmed/11926936>

⁶ Kaiser Family Foundation. (2012). Medicaid and the Uninsured. Retrieved from https://kaiserfamilyfoundation.files.wordpress.com/2013/01/8383_bhc.pdf

⁷ Heun-Johnson et al. (2016). The cost of mental illness: Connecticut facts and figures. USC Schaeffer Center. Retrieved from <https://www.bhecon.org/wp-content/uploads/2017/08/CT-chartbook-2017.pdf>

- A hip replacement is an average hospital stay of 3 days; schizophrenia is an average stay of 11 days.
- While total duration of stay in a hospital for hip replacements and heart attacks has been steadily decreasing since the year 2000, length of stays for schizophrenia are currently increasing.
- They will likely have few procedures or surgeries, yet their stay will cost **\$9,000** on average.
- That individual is disproportionately likely to be enrolled in Medicaid or be uninsured, meaning states bear a greater share of their costs of treatment.
- If they had access to timely community-based mental health and addiction treatment, they may not have needed to go to the hospital at all.

The Bottom Line

Investing in timely, evidence-based community mental health and addictions treatment focuses financial resources on effective care and leads to healthier communities.