

# + IMPACT OF BEHAVIORAL HEALTH TREATMENT ON TOTAL COST OF CARE

AN EVERNORTH ANALYSIS  
NOVEMBER 2021

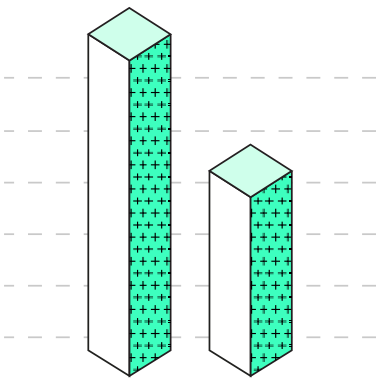


# + TREATING BEHAVIORAL HEALTH CONDITIONS REDUCES TOTAL COST OF CARE

There's long been a stigma around mental health, which has stood in the way of many people getting the help and treatment they need. Our new proprietary data analysis suggests that getting help improves individual health and reduces costs.

- + If people diagnosed with a behavioral health condition, such as anxiety, depression or substance use disorder, receive outpatient care, **costs are reduced by up to \$3,109 per person over a two-year period.**
- + Specifically, regular behavioral care in an outpatient setting, such as a psychologist's office, can lead to **fewer emergency department visits and inpatient hospitalizations**, decreasing costs by up to \$1,377 in one year and up to \$3,109 over two years.

Let's look closer at the data and at strategies to drive additional value by encouraging people to get the behavioral care they need.



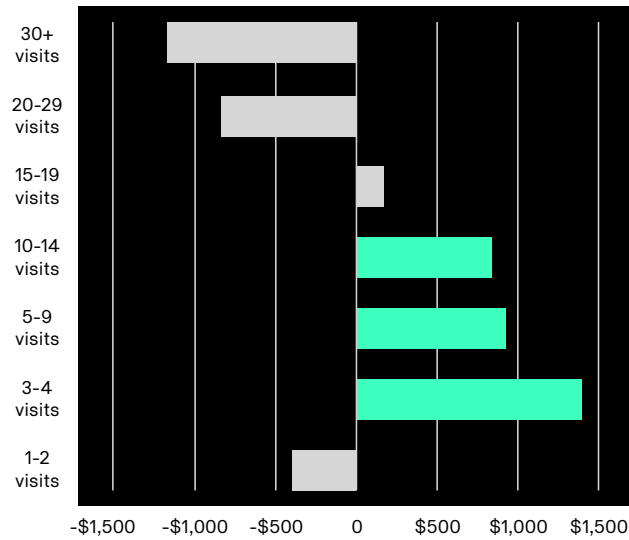
## Savings start early and treatment more than pays for itself

On average, first year medical and pharmacy cost savings occurred among people with at least **three outpatient visits** with a behavioral health provider. Further, the savings offset the cost of behavioral care, resulting in a positive return on investment. Both the savings and return were sustainable over two years.



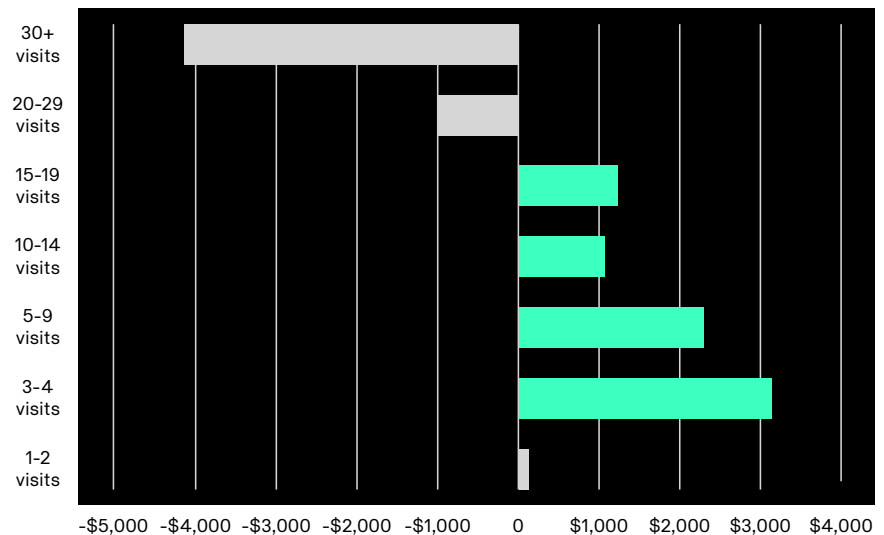
**One-year savings:**  
**\$755-\$1,377** per person  
 among customers with  
 3 to 14 visits

AVERAGE ONE-YEAR MEDICAL AND PHARMACY COST SAVINGS PER PERSON



**Two-year savings:**  
**\$1,107-\$3,109** per person  
 among customers  
 with 3 to 19 visits

AVERAGE TWO-YEAR MEDICAL AND PHARMACY COST SAVINGS PER PERSON



# + THE POTENTIAL SAVINGS FOR PEOPLE WITH COMORBIDITIES IS SIGNIFICANT

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+  
**2.8 to 6.2 times greater**  
total health care costs  
for people with comorbid  
mental and physical  
health conditions<sup>1</sup>

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The research findings are particularly relevant for people living with co-occurring mental *and* physical health conditions—such as those experiencing depression alongside diabetes, heart disease or cancer. Previous industry research has shown that health care costs for this population can be **two to six times greater** than for those without a behavioral health condition.<sup>1</sup>

Behavioral conditions can exacerbate physical symptoms as well as hamper medical treatment and recovery. That means addressing behavioral health issues for people with medical conditions offers significant potential for cost savings by driving better medical treatment compliance and improved overall health outcomes.

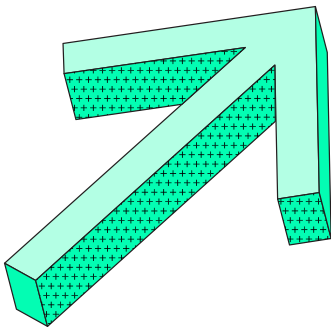


“The mind and body are intertwined. Behavioral health conditions are associated with increased intensity of physical health problems, which drives increased costs.”

— Doug Nemecek, M.D.  
Chief Medical Officer, Evernorth Behavioral Health

1. Davenport S, Gray TJ, Melek SP. How do individuals with behavioral health conditions contribute to physical and total healthcare spending? Milliman, Inc., August 13, 2020. <https://www.milliman.com/-/media/milliman/pdfs/articles/milliman-high-cost-patient-study-2020.pdf>

# + HEALTHIER PEOPLE, BUSINESSES AND COMMUNITIES



When people obtain the behavioral care they need, the use of avoidable medical services decreases—demonstrating improved individual health and lower costs. The indirect impact may be just as valuable, as healthy individuals are:

- + More present
- + More productive
- + More likely to connect with others

...at home, at work and in their communities



“Our research uncovered opportunities to help more people get the behavioral care they need to improve their health, well-being and productivity, while also reducing costs. This is critically important as we work to drive improved affordability for plan sponsors.”

—Eva Borden  
President, Evernorth Behavioral Health

## Making strides in advancing behavioral health care

Evernorth is leveraging these research insights to drive additional value for plan sponsors and the people we serve by:



Continuing to engage and support employers and plan sponsors to...  
**Reduce stigma and promote the benefits of behavioral care to their populations.**



Deploying targeted customer outreach to...  
**Guide people to the care they need to live healthier, more productive lives, however they want to access care—in person, digitally or virtually.**



Refining predictive models to...  
**Better identify customers who are more likely to stop treatment too early and help them connect to services that meet their needs.**



Conducting additional research to...  
**Explore further opportunities to maximize affordability while improving individual health.**

Working together with plans and partners across the health care spectrum, we are chipping away at the stigma; reframing the conversation to highlight the connection between mental and physical health; and improving access to treatment by rapidly growing our provider network and virtual care services to meet people where they are.



Contact your account or sales representative to discover how Evernorth Behavioral Health solutions can benefit your people and your business.

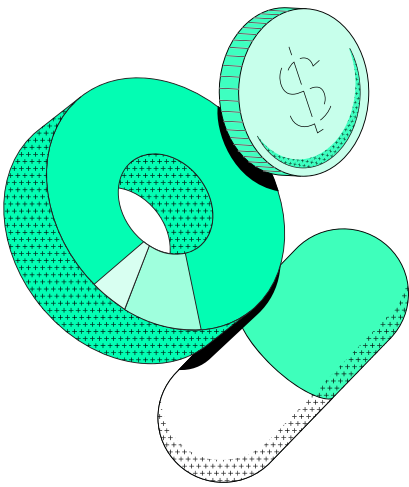
Discover more insights about behavioral health at [Evernorth.com](https://www.evernorth.com)

## Methodology

The Evernorth Behavioral Health insights analysis examined more than four years of medical, behavioral and pharmacy claims data from January 2016 to March 2020 for approximately 275,000 customers aged 64 years or younger with either a commercial health plan or an individual and family health plan who were newly diagnosed (on or after January 1, 2017), with a behavioral condition.

The analysis compared the average costs of care per member per month (PMPM), pre-diagnosis and post-treatment, between two groups of customers:

- + **32%** who received outpatient behavioral treatment at any level (including individual or group counseling and psychotherapy, with or without behavioral medication) from a behavioral health provider within 30 days of diagnosis, by number of visits received.
- + **68%** who did not receive treatment (i.e., no claims for any behavioral care or behavioral medication).



Customers who received only behavioral medication treatment without outpatient visits were not included in this analysis. The claims examined in the pre-diagnosis period were incurred starting 12 months prior to receiving the behavioral diagnosis. The post-treatment period included claims for up to 24 months following the initial 90-day diagnosis and treatment window. The analysis controlled for demographics, medical conditions, severity of diagnosed behavioral conditions, and other potentially confounding variables. The time period of the claims data limits any potential impact from the COVID-19 pandemic.

# EVERNORTH<sup>SM</sup>