

Young adults and the behavioral health system

White Paper



18- to 25-year-olds present a new challenge to a system that is scrambling to meet their needs for mental health and substance use disorder treatment

More than **3 million** 18- to 25-year-olds stayed on their parents' health plans as a result of the Affordable Care Act (ACA).¹ These young adults, as a group, may have fewer medical expenses than older adults. Their behavioral health costs are another matter.

Political, social and economic forces in the past several years have altered the mental health landscape and dramatically affected young adults. Today there is an urgent demand for mental health and substance use treatment for young adults — from a system that is frankly strained to provide effective treatment options while managing the costs.

In this paper, we explore the events and trends that have created this situation, and we present some ideas for how to address it.

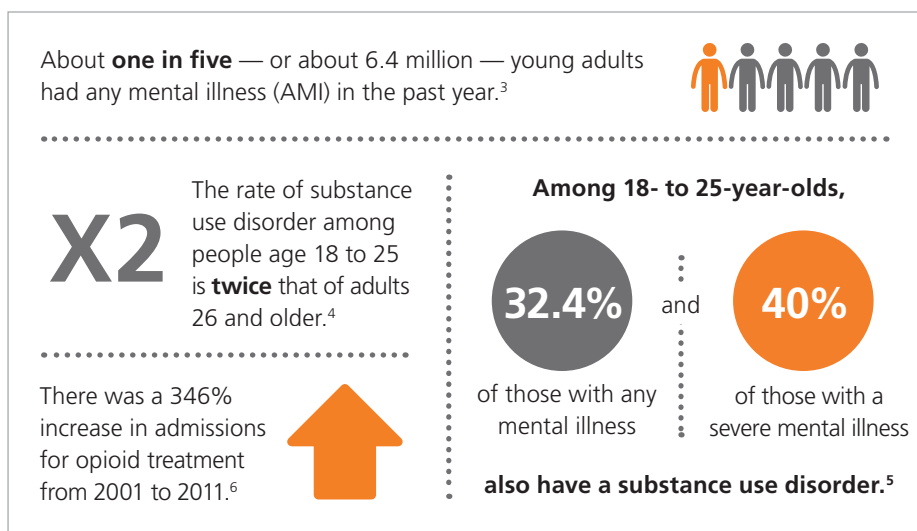
Young Adults Are Bearing the Brunt — and Reaping the Benefits — of Recent History

Seminal legislation in health care

Two pieces of federal legislation in two years created a very different health care landscape. Since passage in 2008 of the federal Mental Health Parity and Addiction Equity Act, insurers cannot put limits on substance use disorder coverage or require use of in-network behavioral health providers if the plan includes medical out-of-network benefits. Then, two years later, the Affordable Care Act (ACA) made 18- to 25-year-olds eligible for coverage under their parents' employer-sponsored insurance plans.

Higher rates of mental health and substance use disorder

Many mental health conditions and substance use disorders begin when people are in their teens and 20s.² At the same time, abuse of prescription medications in the entire population has taken off. The numbers paint a stark picture:



Health care system caught flat-footed

The fact that many young adults may have lacked health insurance in the past led to lower demand for services. As a consequence there has been, in our opinion, little clinical innovation to address substance use disorders among young adults and not enough attention to defining best practices. Among clinicians who are treating substance use disorders, there is wide variation in their approaches to treatment — some driven more by philosophy than evidence of effectiveness.

There are systemic deficiencies, too. For young adults in treatment, there is a drop-off in available services when they reach their 18th birthdays and become “adults.” They may be abruptly transitioned into adult treatment settings, few of which have separate quarters and programs for young adults.

Fallout from the ‘Great Recession’

Economic circumstances have left many young adults stranded. Students who graduated from college even after the 2007-2009 recession have a higher unemployment rate⁷ and generally lower career prospects, delaying them from moving out of their parents’ homes and into their own.⁸

Meanwhile, those who are working may be part of the growing “freelance economy”⁹ characterized by short-term contractual or hourly jobs without benefits. For those young adults, staying on parents’ plans is an attractive option to paying their own health care premiums, putting pressure on the health care costs of their parents’ employers.

Significant Increases in Costs for 18- to 25-Year-Olds

Optum analyzed our behavioral health claims for 18- to 25-year-olds in 2011 to 2013 and found a:



We can point to three trends that we believe are major cost drivers. They are:

- 1** | More people with coverage as a result of the ACA — and 11.4 percent of individuals ages 18 to 25¹¹
- 2** | Increased use of residential substance use treatment programs with high per-diem charges
- 3** | Surge in opiate treatment, due to a combination of prescription and illicit drug use

MENTAL HEALTH ISSUES OF 18- TO 25-YEAR-OLDS

No mental health issue affects as many young adults as substance use disorder.

Substance use disorder accounted for the majority of behavioral health claims costs in 2013.¹²



Substance Use Treatment Is a Particular Concern

Sensing both demand for services and higher rolls of young adults on their parents' insurance, entrepreneurs have opened new centers for treatment of substance use disorders. Many of these are in "destination" locales, in states far from patients' homes. In our estimation, however, those are often not the most appropriate or effective settings for treatment for these reasons:

1. When individuals can be treated for a substance use disorder in or near their home communities, they often stand a better chance of long-term recovery. Their families and close friends can be part of their recovery, and the individuals in treatment learn how to be sober in the surroundings where they will continue their lives.
2. Close analysis of claims from some treatment centers bears witness to questionable practices in treatment protocols and in billing patients, families and their insurance companies.¹³ A particular area of abuse is in the use of and billing for drug screenings through laboratory tests that are being administered inappropriately, far more frequently than required, at rates well beyond the usual and customary charges.

Florida — An Expensive Destination for Substance Use Treatment

The climate and natural beauty of Florida make for a prime destination for substance use treatment. When Optum analyzed recent claims for substance use treatment in Florida, however, we found:



The costs of treatment in out-of-network facilities were, on average, **three times** higher than the costs of treating at in-network facilities.¹⁴



Nearly 75 percent of the cases of young adults treated in Florida involved individuals who were not residents of that state.¹⁵

Individuals from outside the state treated at out-of-network facilities were readmitted at higher rates — between 11 percent and 40 percent higher, depending on level of care — than Florida residents who used in-network facilities.¹⁶

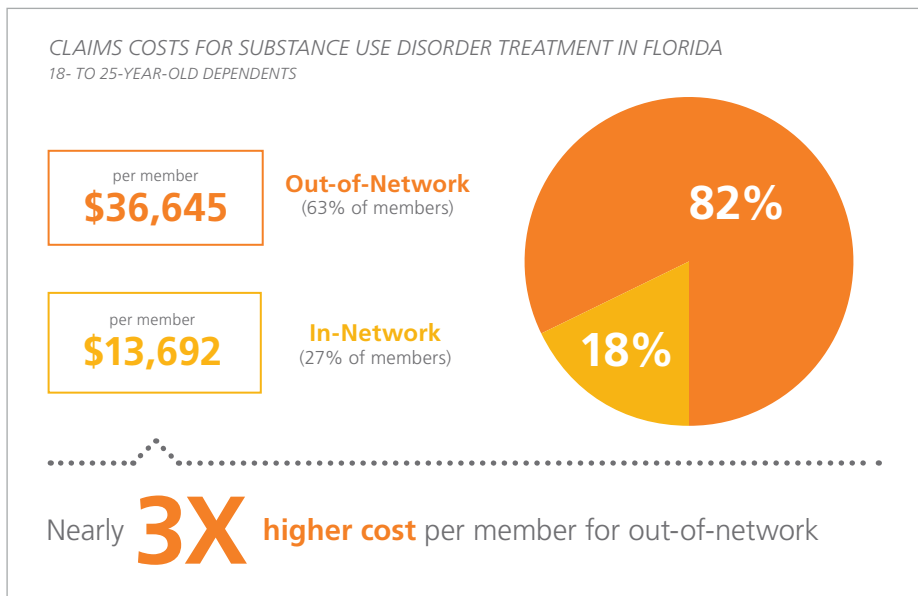


Figure 1: Florida Example¹⁷

Call to Action: A Collective Response

It will take action from everyone with a stake in this issue — health plans, employers, the behavioral health community, patients and their families — to create better systems for supporting young people in recovery. We believe this collective response should include:



More treatment options within performance-tiered networks — Providers of substance use treatment must be closely evaluated and rated according to their effectiveness, their efficiency and how well they follow evidence-based practices. In addition, those networks must be broad enough to include lower-cost options, such as community-based programs and medication-assisted therapy, to help ensure continuity of care.



Better education, guidance and advocacy — Too often young adults or their families select treatment centers in the heat of a crisis. They may not be equipped to ask probing questions about outcomes or the science of treatment before committing to care. They also may not know what treatment and support systems are available to them in or near their home communities. And during recovery, they need access to advocates and peer support.



Vigilance to uncover potential fraud and abuse — Benefit plan sponsors and payers should implement drug screening and reimbursement codes that follow the recommended guidelines of the Centers for Medicare and Medicaid Services.



Recommitment to this vulnerable population — Two-thirds of young adults with mental illness did not receive mental health services in the past year.¹⁸ When they do seek treatment, sometimes it falls well short of evidence-based practices. Young adults can benefit from specialized care management teams of medical staff and behavioral health clinicians to help them navigate their recovery. They need more community-based programs and peer-support networks to support their long-term recovery, too.

About Optum

Optum is a leading information and technology-enabled health services business dedicated to helping the health system work better for everyone.

We're a global team of 40,000 people who collaborate to deliver integrated, intelligent solutions designed to modernize the health system and improve the health of individuals and populations.

Optum leads the industry with unmatched depth and breadth of capabilities, a diverse portfolio of innovative health services and technologies, and the exceptional experience and talents of our people.

Join the Conversation

Optum is interested in your thoughts on this subject.
Email us at engage@optum.com.

Optum Experts in Young Adults and Behavioral Health

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Irvin "Pete" Brock III, MD, is responsible for Optum initiatives to improve affordability of behavioral health care for employers and commercial and government health plans, including Medicare Advantage and Medicaid plans. He is board certified in adult and geriatric psychiatry, and he has nearly 40 years of experience in health care, including 20 years while serving in the U.S. Air Force. He is a recipient of the Bronze Star and is a combat veteran of Operation Iraqi Freedom. Dr. Brock received his medical training at the Uniformed Services University of the Health Sciences, Bethesda, Md., with fellowship training in the dementias of aging at Johns Hopkins University. He joined Optum in 2008.

Martin H. Rosenzweig, MD **Medical Director** **Optum Behavioral Solutions**

Martin H. Rosenzweig, MD, has more than 20 years of experience in behavioral health, and for the past two years he has helped develop the response by Optum to the growing need for substance use treatment and for improving access to quality, evidenced based care for individuals with substance use disorders. Before joining Optum in 2000, he spent three years as medical director of the counseling program of Pennsylvania Hospital in Philadelphia and six years at the Institute of Pennsylvania Hospital as director of adult treatment services and then director of the mood disorders program. Dr. Rosenzweig is board certified in psychiatry and neurology and is currently a clinical associate in the Department of Psychiatry at the University of Pennsylvania, where he has been on the faculty since 1992. He is a graduate of the University of the Witwatersrand Medical School in Johannesburg, South Africa.

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Francisca Azocar, PhD, is a licensed clinical psychologist with extensive experience conducting research in such topics as workplace depression; telephonic care management and outreach to depressed, chronically ill medical patients; and the impact of treatment monitoring and clinician feedback reports on treatment outcomes. Before joining Optum, Dr. Azocar was a faculty member in the Department of Psychiatry at the University of California, San Francisco. She received her doctorate from the University of California, Berkeley, and a National Institute of Mental Health Clinical Services Research post-doctoral fellowship at the University of California, San Francisco. Her work has been published in several scientific, peer-reviewed journals.

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