Out-of-Network Spending on Behavioral Health, 2008–2016

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INTRODUCTION

Out-of-network spending by patients and payers has gained increasing policy attention, including two recent US Senate proposals to protect patients from high out-of-network costs.¹

² Out-of-network care is particularly common in behavioral health, as mental health providers are less likely to participate in insurer networks.³ The Mental Health Parity and Addiction Equity Act likely increased access to out-of-network behavioral health,⁴ while the opioid epidemic has increased demand for substance use disorder treatment. Despite this, little is known about out-of-network spending for behavioral health over the last decade,⁵ especially whether out-of-network substance use disorder spending has deviated from that of other behavioral health services.

METHODS

We analyzed out-of-network spending in behavioral health for 14–17 million enrollees in 2008–2016 using the Truven Commercial Claims and Encounters Database, a national population with employer-sponsored insurance. We included employers who contributed claims throughout the study period; all enrollees in our sample were enrolled for at least 1 year. Spending was the paid amount on each claim, reflecting negotiated prices and patient cost-sharing, but any balance billing was not observable. We assessed changes in the share of spending out-of-network using a person-level linear model adjusted for age, sex, health risk, insurance plan, and region.

We defined behavioral health in three ways. First, we examined all mental and behavioral health services based on Current Procedural Terminology codes. Next, because psychiatrists often opt out of insurance networks, we analyzed all services billed by psychiatrists, defined with the specialty code of the servicing provider. Finally, focusing on the most vulnerable patients, we examined specialized behavioral health

facilities, defined using the behavioral health place of service codes. Patients served by these facilities often have little choice among providers and high-cost behavioral health needs.

RESULTS

The share of spending out-of-network for all behavioral health services and all services provided by psychiatrists remained stable at 26–30% over the study period. However, the share of spending out-of-network for behavioral health places of service increased sharply from 12.6% in 2008–2010 to 34.4% in 2014–2016 (Fig. 1, left), an average annual increase of 2.1 percentage points ($p < 0.001$) (Table 1).]

This growth was driven by three types of facilities (Fig. 1, right). Residential substance abuse facilities saw out-of-network spending rise from 11.6% in 2008–2010 to 44.3% in 2014–2016, a 2.8 percentage-point annual increase ($p < 0.001$); non-residential substance abuse facilities from 5.3 to 42.8%, a 2.2 percentage-point annual increase ($p = 0.05$); and psychiatric partial hospital facilities from 11.5 to 41.5%, a 5.4 percentage-point annual increase ($p < 0.001$) (Table 1). These three types of facilities comprised about 80% of spending at behavioral health facilities.

DISCUSSION

The rapid increase in out-of-network spending on behavioral health facilities could have multiple explanations. These facilities may be moving out-of-network to achieve higher prices than negotiated in-network prices (a price explanation).⁶ Amidst increased demand for substance use disorder treatment, capacity constraints at in-network facilities may be driving patients to out-of-network facilities (a volume explanation). Additionally, patient preferences and provider referral patterns may play a role in the increased use of out-of-network facilities.

For patients, out-of-network care is associated with greater out-of-pocket costs. Thus, increased spending on out-of-network behavioral health facilities likely reflects greater financial burden for patients who need such treatment. This may cause some patients to forgo treatment or use fewer services

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Figure 1 Share of spending on behavioral health out-of-network. The percentage of spending out-of-network was calculated by dividing out-of-network spending by the sum of out-of-network and in-network spending. “Places of service for behavioral health” are decomposed in the right-sided graph. We defined the place of service using the provider place of service designations at the claim level for both professional and facility fees in the inpatient and outpatient settings. “All behavioral health services” included outpatient professional and facility psychiatric services. “All services provided by psychiatrists” included all professional claims for inpatient and outpatient care billed by psychiatrists. We identified physician specialties using the primary specialty code listed for the servicing provider at the claim level.

for an already undertreated disorder. For US employers, who sponsor health insurance coverage for about half of the nation’s population, the higher prices of out-of-network services

likely generate additional pressure to cut costs (such as through narrowing the scope of coverage, raising deductibles or cost-sharing, or through wages or other means). Future

Table 1 Levels of Spending and Percent of Spending Out-of-Network

	2008–2010 (N=14,489,925)		2011–2013 (N=15,672,236)		2014–2016 (N=16,951,922)		Average annual change in percent out-of-network (95% CI) [‡]	P value
	Average annual spending (\$)*	Percent out-of-network (%) [†]	Average annual spending (\$)*	Percent out-of-network (%) [†]	Average annual spending (\$)*	Percent out-of-network (%) [†]		
All mental and behavioral health services	40,162	29.2	53,683	30.2	68,606	29.7	−0.18 (−0.67, 0.32)	0.49
All services provided by psychiatrists	12,416	25.8	16,084	26.8	18,959	25.5	−0.17 (−0.55, 0.22)	0.39
Places of service for mental and behavioral health [§]	2801	12.6	3973	21.6	4850	34.4	2.07 (1.05, 3.08)	<0.001
Place of service								
Community mental health center	271	51.5	314	34.3	387	17.9	0.58 (−0.65, 1.81)	0.36
Inpatient psychiatric facility	375	10.2	147	15.2	130	16.8	1.23 (0.63, 1.83)	<0.001
Non-residential substance abuse facility	50	5.3	97	28.6	173	42.8	2.23 (−0.03, 4.49)	0.05
Partial hospital psychiatric facility	1056	11.5	1555	24.2	2258	41.5	5.41 (3.66, 7.15)	<0.001
Residential substance abuse facility	841	11.6	1560	24.4	1708	44.3	2.75 (1.41, 4.10)	<0.001
Psychiatric residential treatment center	208	25.0	299	11.2	196	11.5	−3.21 (−8.09, 1.68)	0.20

*Average annual spending is expressed as dollars per 1000 individuals, inflation-adjusted to 2016 US dollars

[†]Percent of spending out-of-network was calculated by dividing out-of-network spending by the sum of out-of-network and in-network spending

[‡]Average annual changes in the share of spending out-of-network were estimated using an enrollee-level ordinary least squares model adjusted for age, sex, health risk, insurance plan, and region

[§]Places of service for mental and behavioral health were separately analyzed

research should consider whether patients have adequate access to in-network behavioral health facilities.

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Compliance with Ethical Standards:

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