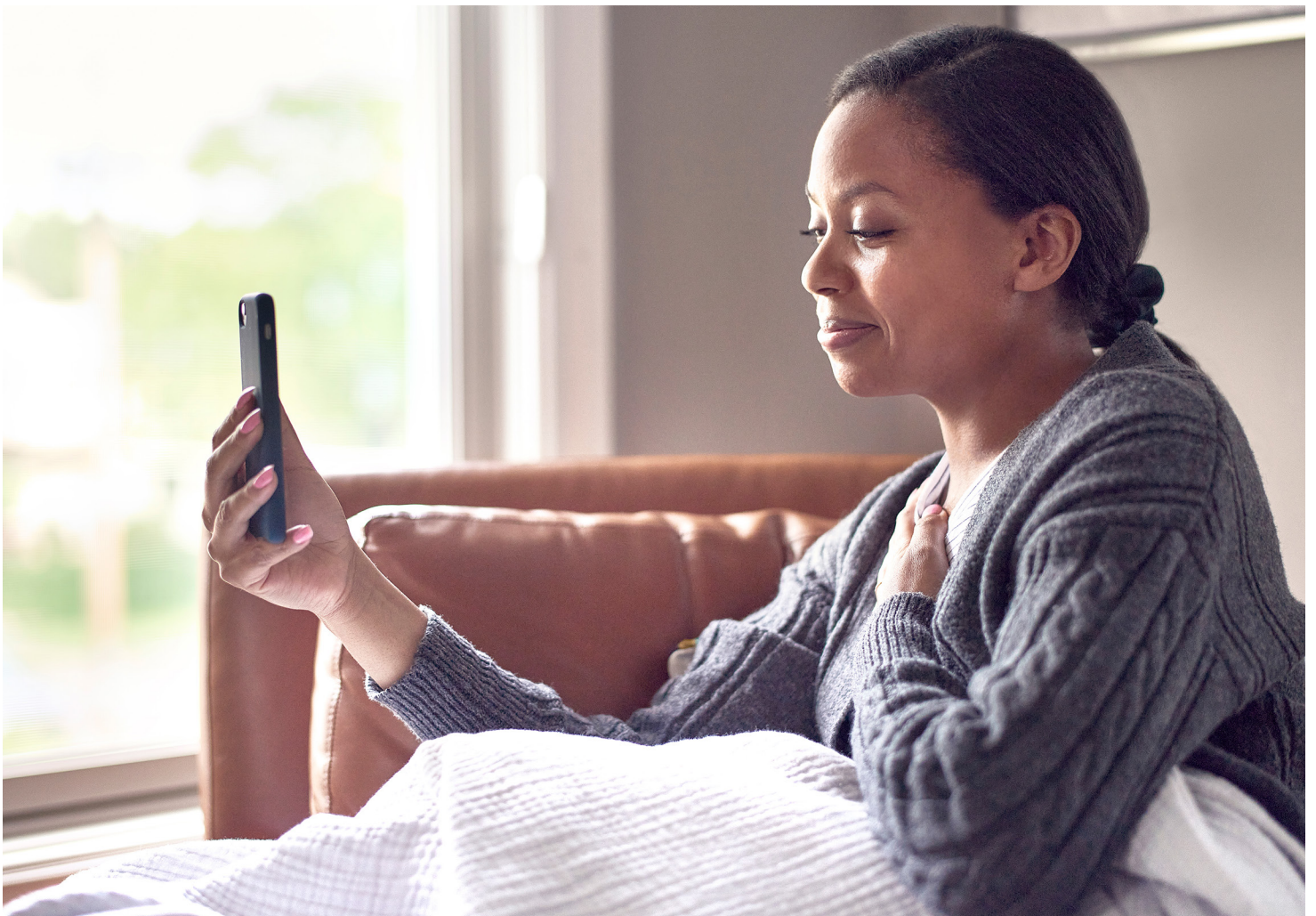


+ Impact of behavioral health treatment on total medical and pharmacy costs

AN EVERNORTH ANALYSIS
UPDATED JANUARY 2023



Treating behavioral health conditions associated with reduction in medical and pharmacy costs



There's long been a stigma around behavioral 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.

Receiving behavioral outpatient care among patients newly diagnosed with a behavioral health condition (such as anxiety, depression or substance use disorder) is associated with a reduction in costs, up to \$2,565 per person over the 15 months following a diagnosis and up to \$3,321 per person over the 27 months following a diagnosis.

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

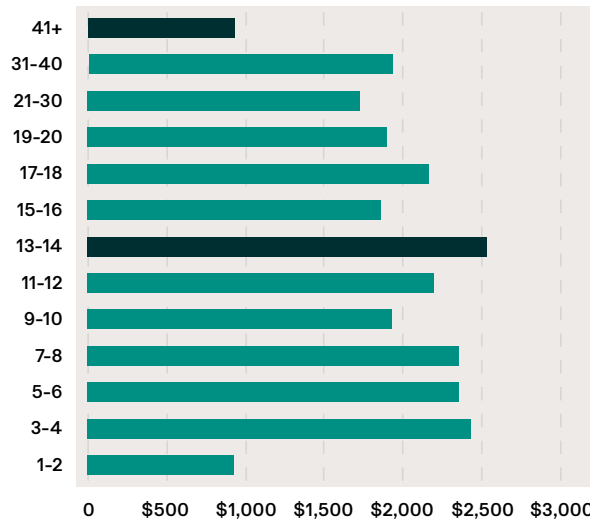
Savings start early and treatment more than pays for itself

On average, first-year medical and pharmacy cost savings occurred among people with at least **one outpatient visit** with a behavioral health provider. Further, at some levels of behavioral outpatient treatment, 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.



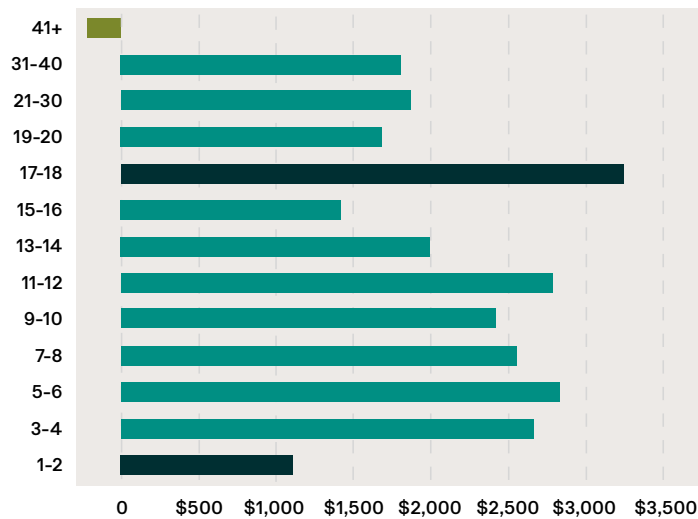
15-month savings:
\$915-\$2,565 per person
 among customers with
 one or more visits

AVERAGE 15-MONTH MEDICAL AND PHARMACY COST SAVINGS PER PERSON PER NUMBER OF VISITS



27-month savings:
\$1,134-\$3,321 per person
 among customers with
 one or more visits

AVERAGE 27-MONTH MEDICAL AND PHARMACY COST SAVINGS PER PERSON PER NUMBER OF VISITS



The potential savings for people with comorbidities is significant



2.8 to 6.2 times greater total health care costs for people with comorbid behavioral and physical health conditions¹

The research findings are particularly relevant for people living with co-occurring behavioral *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.¹

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, MD
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



“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 behavioral 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 200,000 customers age 64 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 medical and pharmacy costs (per member per month post-treatment) between two groups of customers:

- + **44%** 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.
- + **56%** 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 27 months following the initial study period diagnosis. The analysis controlled for pre-period medical and pharmacy costs, 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.

DATA UPDATES BASED ON :

Bellon J, Quinlan C, Taylor B, Nemecek D, Borden E, Needs P. Association of Outpatient Behavioral Health Treatment With Medical and Pharmacy Costs in the First 27 Months Following a New Behavioral Health Diagnosis in the US. *JAMA Network Open*. 2022;5(12):e2244644. doi:10.1001/jamanetworkopen.2022.44644