

# The emerging need for telehealth approaches for the treatment of mental illnesses and substance use disorders during the COVID-19 pandemic

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Effective healthcare for mental illnesses and substance use disorders remains elusive in the United States with fewer than half of adults with mental health disorders receiving treatment.<sup>1</sup>

During the COVID-19 pandemic, this gap in care has been magnified by the reduction in face-to-face office visits for treatment resulting from restrictions on elective care visits, physical distancing guidelines, and the fear of spreading or contracting the disease. However, this challenge is being addressed by some insurers and providers through rapidly increasing use of telehealth tools to provide treatment for mental illnesses and substance use disorders (often referred to as behavioral disorders). This relatively new approach for treatment of behavioral disorders may be more than just a stopgap solution. As many as 119 million Americans live in mental health professional shortage areas,<sup>2</sup> and as a result, the potential benefits of eliminating the need for patients and clinicians to be in the same physical space would outlast the current pandemic. Telehealth visits may become part of the new “normal” for replacing, or at least supplementing, office visit-based treatment for behavioral health conditions.

## PREVALENCE OF BEHAVIORAL HEALTH NEEDS DURING THE PANDEMIC

The COVID-19 pandemic has created significant mental health challenges for many around the world, both directly due to the consequences of the disease, and indirectly due to the difficult circumstances that arise from mitigation strategies such as physical distancing guidelines and stay-at-home orders. A recent study published by the Centers for Disease Control and Prevention (CDC) provided a point-in-time estimate for the mental health burden of the pandemic as of late June based on a representative panel survey.<sup>3</sup> At that point in time, over 40% of U.S. adults reported struggling with mental health or substance use, with 31% showing symptoms of anxiety or depression, 26% showing symptoms of trauma or stressor-related disorders,

13% having started or increased substance use to cope with the pandemic, and 11% having seriously considered suicide in the past 30 days.<sup>4</sup>

The findings for suicidal ideation demonstrate the depth of the distress experienced by many, and the substantial variation in that distress between different population segments. Among those aged 18-24, more than 25% reported having seriously considered suicide in the past 30 days, a rate nearly 13 times higher than experienced by those aged 65 or older (25.5% versus 2%).<sup>5</sup> Essential workers were nearly three times as likely as nonessential workers to have seriously considered suicide in the past 30 days (21.7% versus 7.8%), and unpaid adult caregivers were more than eight times as likely to have seriously considered suicide in the past 30 days compared to others (30.7% versus 3.6%).<sup>6</sup> Black respondents were twice as likely to have considered suicide in the past 30 days compared to white respondents (15.1% versus 7.9%), and Hispanic respondents were more likely to have done so than either blacks or whites (18.1%).<sup>7</sup>

These results indicate a significant increase in the need for treatments for mental illnesses and substance use disorders during this pandemic. When combined with the considerable drop in office-based services that previously were the predominant source of outpatient treatment, the unmet healthcare needs of people with mental illnesses and substance use disorders has grown significantly.

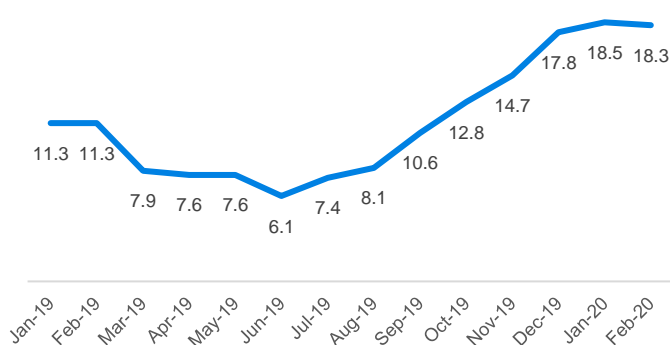
## THE EMERGING ROLE OF TELEHEALTH TREATMENT FOR MENTAL ILLNESSES AND SUBSTANCE USE DISORDERS

This combination of increased prevalence of behavioral disorders and decreased access to behavioral healthcare outpatient treatments during the pandemic has led to the recent rise in the use of telehealth services. According to one recent study based on a database of insurance claims, telehealth adoption for all types of health conditions increased from 0.16% of claims in June 2019 to 6.85% of claims in June 2020 on a national basis.<sup>8</sup> Among these telehealth claims, mental health conditions were the most commonly diagnosed condition, occurring on nearly 44% of all telehealth claims in June 2020, which equates to about 3% of all claims.<sup>9</sup>

This rapid increase in the adoption of telehealth was in part enabled by changes in regulatory guidance that created additional flexibility for healthcare providers. For example, the HHS Office for Civil Rights (OCR) issued guidance allowing healthcare providers to use a variety of technologies that may not otherwise comply with HIPAA rules, such as FaceTime, Facebook Messenger, Google Hangouts, Zoom, or Skype, to provide telehealth services through the duration of the public health emergency.<sup>10</sup> Additionally, the Centers for Medicare and Medicaid Services (CMS) has provided temporary flexibility for beneficiaries of Medicare, Medicaid, and the Children's Health Insurance Program (CHIP) for the duration of the public health emergency, allowing providers to use telehealth in geographies not previously allowed, across state lines, with either new or established patients, and to bill for telehealth services as if they were provided in person.<sup>11</sup> CMS also expanded the list of covered Medicare telehealth services to include emergency department visits, some nursing facility visits, home visits, and therapy services.<sup>12</sup>

Due to the time lag in the processing of healthcare claims data, much is yet to be known about actual healthcare utilization and cost changes among health insurers during the pandemic for both medical and behavioral health conditions. In the state of Colorado, the Center for Improving Value in Healthcare (CIVHC), the organization that manages the all payer claim database (CO-APCD), has reported some details regarding the use of telehealth behavioral services for the time period leading up to and during the start of the pandemic.<sup>13</sup> The average monthly utilization of telehealth services for behavioral healthcare for all commercial carriers in Colorado was reported as shown in the following chart:

**FIGURE 1: MONTHLY TELEHEALTH UTILIZATION FOR BEHAVIORAL HEALTH PROVIDERS PER 1,000 MEMBERS, COLORADO COMMERCIAL MARKET**



Source: Colorado All Payer Claims Database (CO APCD), 2020.

There has been a clear and significant increase in the use of telehealth services for behavioral health conditions in late 2019 and early 2020 in the Colorado commercial market, even as the

pandemic was in its earliest stages within the United States. As a comparison to the national FAIRHealth data presented above, the early 2020 Colorado telehealth for behavioral health providers represents about 13% of all expected outpatient office visits for behavioral health conditions, much higher than the national 3% number across all conditions from FAIRHealth.

### **COST OF INCREASING TELEHEALTH TREATMENT FOR BEHAVIORAL SERVICES**

As noted earlier, the CDC's recent study showed that over 40% of their representative panel of survey respondents had experienced at least one adverse mental or behavioral health symptom related to the pandemic as of the end of June, which is about 50% higher than the midpoint of most previous estimates for the prevalence of behavioral health conditions as identified using claim data.<sup>14,15</sup> If making telehealth widely available resulted in a roughly proportional increase in the use of outpatient behavioral health services, and if providers were paid for telehealth visits at rates comparable to office-based visits, the costs associated with the additional telehealth visits for all of these patients could add somewhere between 0.5% to 1.3% to total healthcare costs.<sup>16</sup> At the same time, effective behavioral healthcare services have the potential to reduce healthcare costs arising from comorbid medical conditions, potentially offsetting some of these costs.<sup>17</sup>

### **CONCLUSION**

The COVID-19 pandemic has created a unique financial situation for commercial insurers, who are typically required to spend 80% to 85% of premiums on health services and quality improvement efforts. A Milliman analysis published earlier this year projected that care deferred due to the pandemic would likely overshadow any increased spending on the treatment of those with COVID-19, resulting in net decreases in healthcare spending of \$75 billion to \$575 billion in the year 2020, depending on the progression of the pandemic and other considerations.<sup>18</sup> Some major national health insurers have reported earnings in the first half of the year that were twice as high as the year prior.<sup>19</sup> Services and costs are manifesting lower than assumed in premium rates that were primarily set in mid- to late 2019 before the coronavirus was on the radar screen of insurers. Many of the services that were deferred may resurface as patients are able to catch up on previously foregone care, but when and to what extent these services return remains to be seen. Because health insurance premium rates are generally set annually and kept in force at the same rates for a full year, many insurers may find themselves falling short of their 80% or 85% targets for spending on healthcare and quality improvement. When those targets are not met, insurers are required to rebate the difference to customers.<sup>20</sup>

A number of options exist for insurers seeking to avoid issuing rebates, one of which is spending more on current healthcare for covered members, even in a time when access to care may be more complicated than normal. This situation represents an opportunity for insurers to invest in expanded access to behavioral health services for their plan members who are experiencing stressors due to the pandemic. Telehealth represents one such opportunity that is particularly well-suited to a world where everything from kindergarten to family reunions to business conferences and more are often happening virtually rather than face-to-face. Given the potential for the behavioral health conditions arising during COVID-19 to exacerbate any chronic comorbid medical conditions, and the increased risk of suicidal ideation that it has also caused, getting available telehealth treatments to those with behavioral conditions is vital to the management of their overall health.



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## ENDNOTES

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- <sup>20</sup> These Minimum Loss Ratio requirements are based on three-year calculations, so experience in years prior to the pandemic and in future years will contribute to the ultimate level of rebates that would be required.