

# The CBHSQ Report

July 15, 2014

## Behavioral Health Conditions and Health Care Expenditures of Adults Aged 18 to 64 Dually Eligible for Medicaid and Medicare



More than 9.6 million adults in the United States are enrolled in both Medicaid and Medicare (hereafter referred to as “dual eligible adults”) in fiscal year (FY) 2010.<sup>1</sup> More than \$250 billion in federal and state health care benefits were estimated to have been spent for dual eligible individuals in 2009.<sup>2</sup> Although dual eligible individuals represented 14 percent of Medicaid enrollment, they accounted for 36 percent of Medicaid expenditures in 2010.<sup>1</sup> Similarly, dual eligible individuals represented 20 percent of Medicare enrollment and accounted for 31 percent of Medicare expenditures in 2008.<sup>3</sup> Dual eligible individuals were more likely to have chronic conditions than individuals who were not dually eligible and had a high proportion of potentially avoidable hospitalizations totaling an estimated \$5.4 billion of Medicare and Medicaid costs in 2009.<sup>4</sup>

Most of the dual eligible individuals are adults 65 years of age or older who either (1) become eligible for Medicare at the age of 65 and also become eligible for Medicaid once the income and/or asset requirement is met, or (2) have Medicaid and become eligible for Medicare at the age of 65. Individuals younger than the age of 65 who are disabled either due to mental or physical health reasons can also receive Medicare if they receive Social Security Disability Insurance payments, generally after a 2-year waiting period. These Medicare beneficiaries can also be enrolled in Medicaid if they meet the income and/or asset requirement.<sup>5</sup>

This report focuses on dual eligible adults younger than the age of 65 and the prevalence of behavioral health conditions (mental illness and/or substance use disorder). Several sources have reported percentages of mental illness among this group of dual eligibles. Using the Medicare Current Beneficiary Survey Access to Care and the Medicaid Statistical Information System, the Kaiser Commission on Medicaid and the Uninsured reported that 49.2 percent of dual eligible adults younger than the age of 65 had mental/cognitive conditions in 2003.<sup>6</sup> More recently, using 2009 data, the

### IN BRIEF

Approximately 2.5 million adults aged 18 to 64 were eligible for both Medicaid and Medicare (dual eligible) during any given year from 2008 to 2011.

Approximately 49 percent of dual eligible adults aged 18 to 64 were identified as having any mental illness or substance use disorder (behavioral health conditions) within the past year, compared with 14 percent among adults who were not dually eligible.

The average annual total health care expenditures for dual eligible adults aged 18 to 64 were \$15,203, compared with \$3,540 for adults who were not dually eligible.

The average yearly health care expenditures for dual eligible adults aged 18 to 64 who received treatment for their behavioral health conditions were \$16,803; this was twice as high as average health care expenditures among adults who were not dually eligible and received treatment for behavioral health conditions (\$7,860).

Congressional Budget Office estimated that 37 percent of dual eligible adults had a mental illness diagnosis.<sup>2</sup> Dual eligible adults younger than the age of 65 have significant health problems and report more health care access problems than dual eligible adults aged 65 or older.<sup>7</sup> Moreover, these individuals can be covered by Medicaid and Medicare over their lifetimes; however, the health care spending of these individuals is not readily known. Using more recent data (i.e., 2008 to 2011) from a nationally representative household survey, this issue of *The CBHSQ Report* estimates the prevalence of behavioral health conditions and health care expenditures among adults aged 18 to 64 who, at any point in a year, were covered by both Medicare and Medicaid and compares these estimates with those of adults aged 18 to 64 who were not dually eligible.

### **Data Source and Definitions**

Estimates for this report were generated from the Medical Expenditure Panel Survey (MEPS). Data years for MEPS were pooled from 2008 through 2011 to increase sample size and stabilize variance estimates.

MEPS is sponsored by the Agency for Healthcare Research and Quality within the Department of Health and Human Services. The survey has been conducted annually since 1996 and is designed to produce national and regional estimates for the U.S. civilian noninstitutionalized population. MEPS collects data on health care utilization, expenditures, sources of payment, insurance coverage, and health care quality. This analysis used data from the full-year consolidated files, medical condition files, and medical event files. Descriptions of these MEPS files, how they relate, and detailed information on MEPS content and survey design are available at <http://www.meps.ahrq.gov>. Mental health and substance use disorders are defined based on the International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM) (<http://www.cdc.gov/nchs/icd/icd9cm.htm>) and the Clinical Classifications Software (CCS) for ICD-9-CM (<http://www.hcup-us.ahrq.gov/toolssoftware/ccs/ccs.jsp>). Persons who had any of the selected diagnostic codes associated with treatment resulting in claims were considered to have had a mental health/substance use disorder.

### **Behavioral Health Conditions**

An estimated 2.5 million adults aged 18 to 64 were identified as being dually eligible for Medicaid and Medicare at some point within the year prior to their interview. This reflected approximately 1.3 percent of adults aged 18 to 64.

MEPS estimated that 49.4 percent of dual eligible adults aged 18 to 64 had behavioral health conditions in the past year (Figure 1). In contrast, 13.8 percent of adults not dually eligible were estimated to have had behavioral health conditions.

This pattern was found in another nationally representative U.S. data source, the National Survey on Drug Use and Health (NSDUH; details on NSDUH are available at <http://www.samhsa.gov/data/NSDUH.aspx>). Although NSDUH differs from MEPS in how data are collected and behavioral health conditions are defined, data from 2008 to 2011 show a significantly greater percentage of past-year substance use disorder or any mental illness among dual eligible adults than individuals who were not dually eligible (45.7 vs. 25.4 percent).<sup>8</sup>

### **Health Care Expenditures**

The yearly total health care expenditures for dual eligible adults averaged approximately \$15,023; this is significantly higher than average annual expenditures for adults who were not dually eligible (\$3,540) (Figure 2). Similarly, among adults who received behavioral health treatment, the average yearly health care expenditures were twice as high for dual eligible adults as for adults who were not dually eligible (\$16,803 per year for dual eligible adults vs. \$7,860 for adults not dually eligible).

### **Discussion**

This report is one of the few to focus on describing the potential behavioral health needs of dual eligible adults aged 18 to 64. Using a recent nationally representative data source, this report identified that close to half of adults aged 18 to 64 who were dually eligible for Medicaid and Medicare reported having behavioral health conditions in the past year, whereas the percentage was much lower among adults aged 18 to 64

who were not dually eligible. This pattern was similar to that shown by other data sources mentioned previously in this report. Despite the differences in the methods of data collection and definition of mental illness or substance abuse, data show that a sizeable proportion of the dual eligible population that is younger than 65 have behavioral health conditions. Even among those who received behavioral health treatment, dual eligible adults were estimated to have significantly greater yearly health care expenditures than adults who were not dually eligible. This was consistent with recent findings using Medicare data from 2006 to 2009.<sup>9</sup>

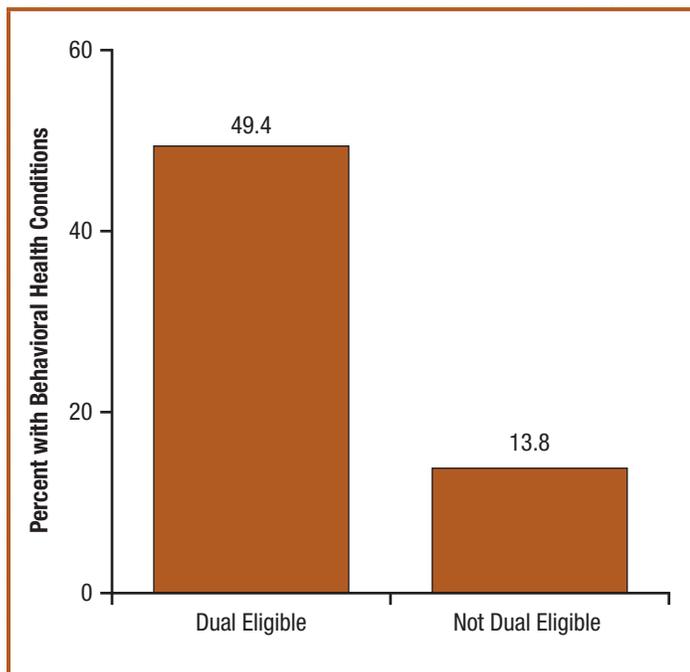
Health care providers may want to consider the higher prevalence of behavioral health conditions when working with dual eligible adults younger than the age of 65. Additionally, it has been suggested that more than one third of these adults have multiple chronic conditions that cut across both physical and mental health care.<sup>6</sup> The Affordable Care Act (ACA) includes a number of provisions that attempt to enhance care

for dual eligible recipients, including establishing two federal entities to improve coordination between Medicare and Medicaid and enhance access to benefits for dual eligible individuals. ACA also encourages integrated care for dual eligible individuals through the establishment of health homes.<sup>10</sup> The implementation of ACA is expected to improve behavioral health care for these dual eligible adults.

**End Notes**

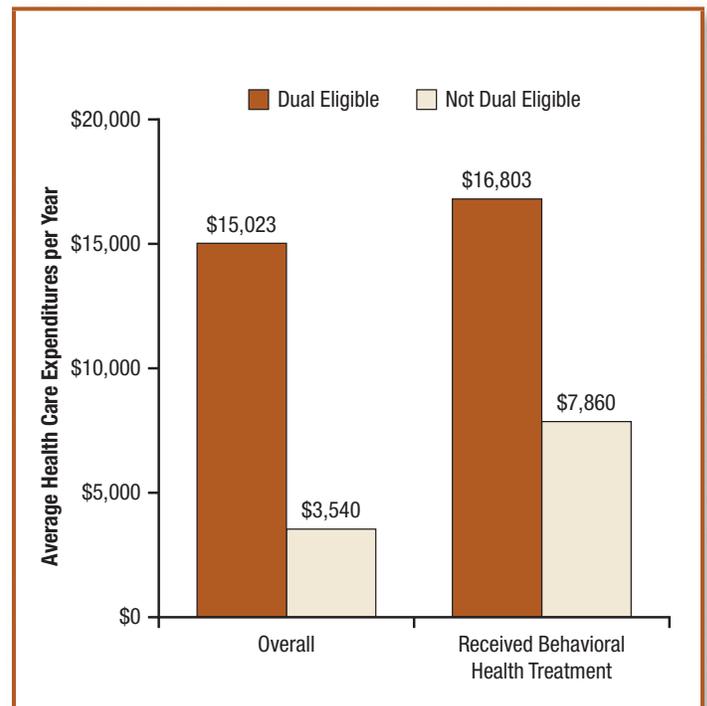
1. Kaiser Commission on Medicaid and the Uninsured. (2013). *Medicaid's role for dual-eligible beneficiaries*. Retrieved from <http://kff.org/medicaid/issue-brief/medicaids-role-for-dual-eligible-beneficiaries/2/>
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**Figure 1. Adults Aged 18 to 64 with Behavioral Health Conditions in the Past Year, by Dual Eligibility: Annual Averages, 2008 to 2011**



Source: AHRQ, Center for Financing, Access, and Cost Trends, Medical Expenditure Panel Survey (MEPS), 2008 to 2011.

**Figure 2. Health Care Expenditures for Adults Aged 18 to 64: Annual Averages, 2008 to 2011**



Source: AHRQ, Center for Financing, Access, and Cost Trends, Medical Expenditure Panel Survey (MEPS), 2008 to 2011.

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8. SAMHSA has been publishing estimates of the prevalence of past year serious mental illness (SMI) and any mental illness among adults aged 18 or older since the release of the 2008 NSDUH national findings report. Estimates were based on a model developed in 2008. In 2013, SAMHSA developed a more accurate model for the 2012 data and subsequently revised the SMI and any mental illness estimates for the years 2008, 2009, 2010, and 2011 based on the 2012 model. The combined 2008 to 2011 estimates in this report are based on the 2012 model. For additional information, see Center for Behavioral Health Statistics and Quality. (2013). *The NSDUH Report: Revised estimates of mental illness from the National Survey on Drug Use and Health*. Rockville, MD: Substance Abuse and Mental Health Services Administration. Retrieved from <http://www.samhsa.gov/data/2k13/NSDUH148/sr148-mental-illness-estimates.pdf>
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### Suggested Citation

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The Substance Abuse and Mental Health Services Administration (SAMHSA) is the agency within the U.S. Department of Health and Human Services that leads public health efforts to advance the behavioral health of the nation. SAMHSA's mission is to reduce the impact of substance abuse and mental illness on America's communities.

The Medical Expenditure Panel Survey (MEPS) is an annual survey sponsored by the Agency for Healthcare Research and Quality (AHRQ). The 2008 to 2011 data used in this report are based on information obtained from 78,689 persons aged 18 to 64. The survey collects data by administering questionnaires to a representative sample of the U.S. civilian noninstitutionalized population. Detailed information on MEPS content and survey design are available at <http://www.meps.ahrq.gov>.

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Information on the most recent NSDUH is available in the following publication:

Center for Behavioral Health Statistics and Quality. (2013). *Results from the 2012 National Survey on Drug Use and Health: Summary of national findings* (HHS Publication No. SMA 13-4795, NSDUH Series H-46). Rockville, MD: Substance Abuse and Mental Health Services Administration.

Also available online: <http://www.samhsa.gov/data/>.



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