Meadows Mental Health Policy Institute

Texas Mental Health Landscape – Brief Overview

How Many Texans Need Mental Health Services?

- **One in five Texans have mental health needs; up to one in three have mental health and/or substance use disorders.** This estimate based on the latest epidemiological research. But, individual needs vary in intensity from very mild to extremely acute and chronic. An analogy in primary care is with cancer; many people have moles and benign masses, but only a much smaller number actually develop life-threatening cancer.
- **Seventy-five percent (75%) of voters' friends and families are affected.** MMHPI Texas voter surveys find that the same proportion have family or loved ones affected by mental health as those who have family or loved ones affected by cancer.
- **Rates of severe mental illness are much lower** and can be counted in different ways:
  - **The state (DSHS) refers to severe and persistent mental illness (SPMI)**, which affects approximately 500,000 Texans. This diagnostic group requires a person to have symptoms that severely affect functioning (work, housing, legal involvement) for more than one year or to a degree that hospitalization is required. ***MMHPI does not use this as an intervention target because it implies waiting to intervene.***
  - **MMHPI focuses on three groups** with severe symptoms and functioning impacts:
    1. **Serious Mental Illness (SMI)**: One million Texas adults, 550,000 in poverty.
    2. **Severe Emotional Disturbance (SED)**: 575,000 children, 300,000 in poverty.
    3. **Severe Addiction:** About 400,000 adults (poverty break-outs are not available).
  - ***MMHPI can provide breakdowns of SMI / SED need for every Texas county.***
- MMHPI recommends focusing instead on ***potential treatment subgroups***:
  - **Super-utilizers:** 65,000 adults are at the highest risk for repeat use of jails, ERs, hospitals, and homeless services, including: (1) 40,000 adults with SMI – 22,000 in poverty – who are the highest utilizers of inpatient hospital beds, jails, and emergency rooms and (2) 25,000 adults with SMI – 15,000 in poverty – who are even higher utilizers of the criminal justice system.
  - **First Episode Psychosis:** Where do super-utilizers come from? Each year, 4,000 Texas adolescents and young adults first experience a psychosis. Most have health insurance through their parents, but do not receive effective care for years. If best practice care (RAISE) starts within 17 months, significant improvement is possible.
    Children at highest risk of jail and prison: 30,000 Texas children with severe mental health needs are at high risk of ending up in the juvenile justice system; today, mental health systems can serve only a few hundred children with the needed level of treatment intensity. Children of color face harsher punishments at school than their white counterparts (three times more likely to be expelled / suspended for the same behavior), a key factor driving their incarceration rates.

PUBLIC SYSTEM: How Many Get Care and What Are the Costs of Untreated Needs?

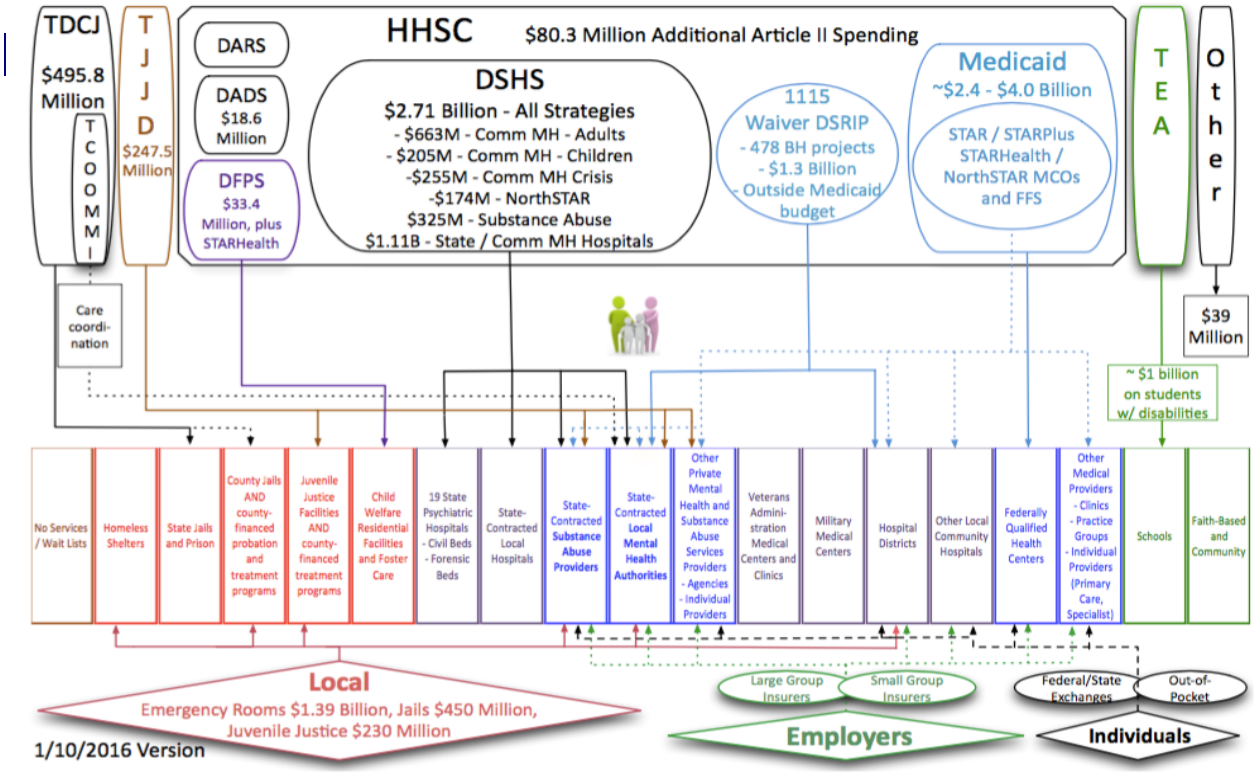
- How many receive care today in the public sector?
  - **Adults** (focusing primarily on those in poverty – under 200% FPL)**:**
    - **Overall, 56%** (approximately 280,000) of 500,000 adults in poverty receive care, including 115,000 uninsured and (recently estimated) 165,000 Medicaid adults.
    - **Super-utilizers, 15%** (approximately 3,400) of 22,000 super-utilizers in poverty. A disproportionate amount of the $2 billion spent annually on emergency rooms and local and state criminal justice systems is accounted for by super-utilizers. A program in San Antonio that provided intensive community based services to 154 super-utilizers reduced utilization so dramatically that the costs reduction associated with hospitalizations alone was estimated to be $3.5 million.
    - **First Episode Psychosis (FEP), an estimated 7%** (120) of the 1,700 cases in poverty. Evidence-based FEP care programs cost $7,000 to $12,000 per person per year, and lead to lower hospitalization, emergency room, and jail use.
  - **Children** (focusing primarily on those in poverty – under 200% FPL)**:**
    - **Overall, there is capacity to serve nearly all at some level**: Total number of unique children across agencies is unknown. Across systems, the total includes:
      - Just over 300,000 are served through Medicaid.
      - Just over 47,000 are served through DSHS (most have Medicaid).
      - Of the over 30,000 children in foster care, 80% have behavioral health needs.
      - There are nearly 30,000 children in the juvenile justice system, 65-70% of whom have mental health needs; there are over 4,250 children in state or county residential care every day, on average.
    - For children at **high risk for justice system involvement, less than two percent (< 2%)** receive care. DSHS serves 550 of 30,000 high-risk children.

- Texas governments incur the following costs for people with severe needs:
  - Billions of dollars of potential Medicaid **physical health spending** (*study in progress*);
  - At least $1.4 billion in **emergency room costs**;
  - At least $450 million in **local jail costs**; and
  - At least $230 million in **local juvenile justice system costs.**

- **Current public sector spending** across state agencies is summarized in the table below:

State Agency BH-Related Spending per Biennium	FY16-17 GR	FY16-17 All Funds
From LBB 84R Cross-Article BH-Related Summary		
Department of State Health Services (DSHS)	$1.966 Billion	$2.712 Billion
Department of Criminal Justice (TDCJ)	$0.491 Billion	$0.50 Billion
Juvenile Justice Department (TJJD)	$0.231 Billion	$0.25 Billion
Health and Human Services Commission (HHSC) Non-Medicaid	$0.032 Billion	$0.08 Billion
Department of Family and Protective Services (DFPS)	$0.023 Billion	$0.03 Billion
Department of Aging and Disability Services (DADS)	$0.018 Billion	$0.02 Billion
All Other Agencies	$0.028 Billion	$0.04 Billion
SUB-TOTAL: LBB 84R Cross-Article BH-Related Summary	**$2.789 Billion**	**$3.63 Billion**
From Additional MMHPI Analysis		
HHSC Medicaid	Not Available	~$2.0 to $4.0 Billion
1115 DSRIP BH Projects	Not Available	~ $0.75 Billion
SUB-TOTAL: Additional MMHPI Analysis	Not Available	**$2.75 to $4.75 Billion**
GRAND TOTAL		**$6.4 to $8.4 Billion**

Overview of Total Behavioral Health Related Spending by the State of Texas

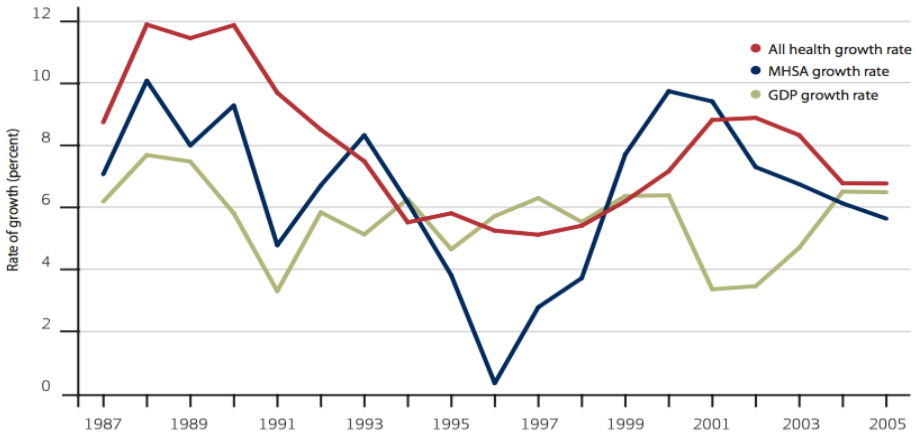


PRIVATE SYSTEM: How Many Get Care and What Are the Costs of Untreated Needs?

- **How many get care?** We do not know exactly, but we estimate about one in three.
- **More importantly, what kind of care do they get?**
  - Since 2013, commercial insurance is subject to the requirements of the 2008 federal parity law, and Medicaid rules are out in draft form. Texas statute requires parity.
  - However, the impact of this so far has been limited:
    - Federal parity law does not affect self-insured plans (and other exceptions).
    - The federal and state rules apply to benefits as they currently exist, which:
      - Only cover a core subset of care: inpatient, outpatient office, medications.
      - Typically, these benefits pay less than costs (contrast to MRIs, cath labs).
      - Despite parity, these benefits are still managed as a separate cost center.
- **Why is this so?** There are many reasons, but there are two that MMHPI is focusing on.
  - Unlike other health care, mental health has been primarily delivered by government ever since the first state psychiatric hospitals were developed in the 1850s.
  - Aggressive managed care in the 1990s decimated spending, froze benefit designs.

Exhibit 2

Annual Expenditure Growth Rates, All Health, Mental Health And Substance Abuse, And Gross Domestic Product (GDP), 1986–2005



SOURCE Substance Abuse and Mental Health Services Administration, Center for Mental Health Services and Center for Substance Abuse Treatment. NOTE MHSA is mental health and substance abuse.

- **What are the costs of unmet needs in the private sector?**
  - Depression costs Texas employers $15.3 billion overall annually, including $10.9 billion for health care, $1.7 billion in absenteeism, $2.7 billion in lost productivity.
  - About 7.5% of the workforce has depression each year (725,000 Texas workers), with each one on average losing 19.2 workdays and 46 days of reduced productivity.
  - About 15% of people with severe depression (over 3,000 annually) commit suicide.
  - Between 40 to 65% of heart attack survivors get depressed, and they die within six months at a rate three to four times greater than those who are not depressed.
  - Ten (10) to 27% of stroke survivors get depression, with a 50% higher risk of death.

What About the Workforce?

- **It's a public health crisis:** An overwhelming majority of Texas counties are designated as Mental Health Professional Shortage Areas, defined as more 30,000 Texans per clinician.
  - As of November 2013, 207 of 254 (81.5%) Texas counties had whole or partial county Health Professional Shortage Areas (HPSAs) for mental health.
  - In addition, 241 counties had whole or partial county designation or at least one site-designated HPSA; over 80% of these counties are rural counties.
  - Five-and-a-half (5.5) million (20.7%) Texans live in official MHPSA shortage areas.
- **For psychiatrists:** Texas has 1,460 psychiatrists (532 over the age of 55) and can train only 370 in Texas residencies each year (including just over 50 child psychiatrists).
  - Texas needs at least 1,000 more adult and 200 more child psychiatrists today.
  - There are 185 Texas counties that do not have one local psychiatrist; 10.5% of all Texans (2.8 million) live in counties with no psychiatrists. Nearly all Texans (99.4%) live in counties with fewer psychiatrists than recommended.
- **For other mental health professionals** (clinical psychologists, psychiatric nurses, clinical social workers, licensed professional counselors, and marriage and family therapists):
  - One in four Texans (23.3%) live in 199 counties with these workforce shortages.
  - One hundred and two (102) Texas counties have no psychologists, 48 counties have no licensed professional counselors, and 46 counties have no licensed social worker.
- **Culturally and linguistically competent mental health professionals** are also lacking: 65.5% of psychiatrists are white, only 5.3% are African American, and 9.7% are Hispanic.
- **What are the main drivers?**
  - **Restrictive licensing** – Texas is one of only eight states with no physician reciprocity; similar restrictions exist for other professions.
  - **Too few residency slots** – Texas needs at least twice as many residency slots that target the right types of needed care (e.g., public sector, community based care).
  - **Training infrastructure** – We asked residency training directors in 2014 how many new psychiatric residency slots they could develop with unlimited funds, and they said 13. The main limiting factors that were cited included the need for additional faculty, facilities, and placements.