

THE COMPASS

YOUR GUIDE TO THE HEALTH ECONOMY

SPECIAL EDITION

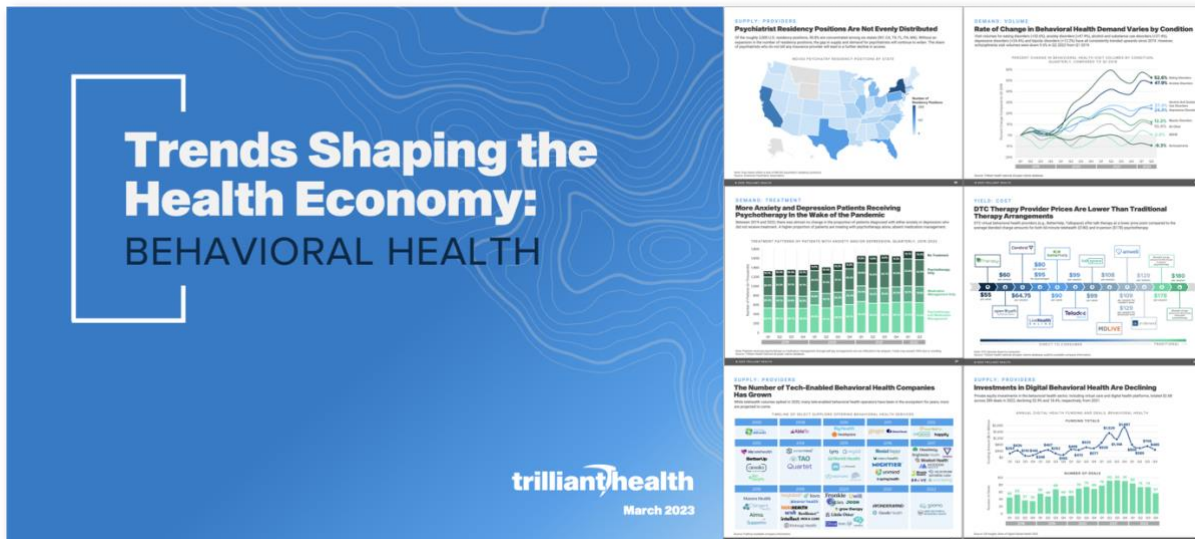
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[EXCLUSIVE] 2023 Behavioral Health Trends Report

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As a health economist, I study healthcare through the lens of demand, supply and yield. Even though markets for healthcare products and services deviate from what we economists would call the ideal market, the core principles offer a valuable framework for examining secular trends.

Leveraging this framework, I am delighted to release the [2023 Behavioral Health Trends Report](#), the latest publication in our *Trends Shaping the Health Economy* Research Series.



It is well established that the behavioral health (including mental health) status of Americans—from elementary school students to Medicare beneficiaries—has declined since the onset of the COVID-19 pandemic. Simultaneously, the pandemic catalyzed investments in digital health capabilities (e.g., virtual therapy, e-prescribing) in response to unprecedented demand. While the magnitude of the national behavioral crisis is well documented by government agencies (e.g., CDC, SAMSHA) and in the academic literature, less is known about **how the pandemic changed the behavioral health care journey and the extent to which certain populations and geographies were differentially impacted.**

In a behavioral health economy where current (and forecasted) demand exceeds current supply and subsequent yield is resulting in higher cost of care, longitudinal analysis of the ways in which Americans accessed care and were treated from 2019 to 2022 reveals the following key insights:

- 1** While behavioral health patient volumes have increased, care utilization patterns have remained relatively constant, as has the persistence of gaps in care.
- 2** Behavioral health demand is not changing at the same rate across U.S. geographies, both as a function of prevalence and available supply of providers.
- 3** The proportion of American adults taking medication to manage behavioral health conditions is increasing.
- 4** The most common settings of care where patients receive behavioral health care shifted as a function of the COVID-19 pandemic.
- 5** Behavioral health demand will continue to outpace provider supply, and the gap is likely to widen.
- 6** The existence of direct-to-consumer providers in the behavioral health sector will likely not alter supply at scale but has changed the typical ways in which patients receive care.
- 7** The COVID-19 pandemic exacerbated the behavioral health crisis, but the extent to what is temporary vs. sustained is not yet clear.
- 8** Untreated behavioral health conditions will exacerbate other comorbidities, both in terms of acuity and cost of care.

With the expiration of the Public Health Emergency (PHE) on May 11, 2023, understanding the ways in which the pandemic changed both patient and provider behaviors is advisable.¹ Moreover, new policy initiatives, such as the U.S. Preventive Services Task Force's Fall 2022 recommendations to screen children (final) and adults (draft) for anxiety and depression and the Drug Enforcement Agency's February 2023 proposal to restrict online prescribing of most controlled substances (e.g., Adderall) upon expiration of the PHE, have significant implications for the future of the U.S. healthcare system.^{2,3,4,5}

This report is designed to provide a data-driven foundation for every stakeholder to think about the demand, supply and yield trends influencing the future of the behavioral health economy.

I hope that you will use this report as a *compass* to inform your strategic approach to the organization, financing and delivery of behavioral health care services in the years ahead.