



● E-BOOK

Behavioral and Mental Health Cost Containment Strategies



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Recent shifts in behavioral and mental health trends are changing the health insurance landscape for employers with self-funded plans. With an increased need for digital behavioral health services and access to mental health providers, companies face new challenges to developing a healthcare plan that meets their employees' needs.

By implementing proactive behavioral health cost containment strategies through your [group medical captive plan](#), you can minimize your healthcare expenses while providing your employees with coverage that meets the moment.

Recent Behavioral and Mental Health Trends

The [COVID-19 pandemic](#) has laid bare the mental health challenges facing Americans in the modern workplace. Mental health issues such as depression, anxiety, and subsequent behavioral health issues like substance misuse reflect the severity of recent economic and social challenges, exacerbated by the pandemic.

This steep decline in emotional well-being also negatively affects physical health. Increased awareness has led Americans to seek support for mental health challenges. They're turning to digital health tools, such as telehealth and wearable fitness devices, and utilizing urgent care clinic services to address their psychological and physical health needs.

More Demand for Counseling Support

In 2020, 41.4 million U.S. adults received mental health treatment, the highest number in almost two decades.

In 2021, these numbers climbed higher still. An [American Psychological Association \(APA\) survey](#) found that in 2021, 84% of psychologists saw significantly increased demand for mental health treatment over the previous year.

The chart below shows the results for all disorders included in the survey.

% REPORT INCREASED DEMAND

■ 2021 ■ 2020

Depressive disorder



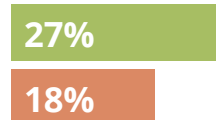
Sleep-wake disorders



Anxiety disorder



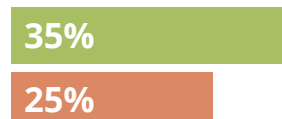
Substance-related and addictive disorders



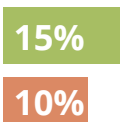
Trauma-and-stressor-related disorders



Obsessive-compulsive and other related disorders



Feeding and eating disorders



Source: [2021 COVID-19 Practitioner Survey \(apa.org\)](#)

Rapid Rise of Telehealth Services

The future is now. Due partly to COVID-19 restrictions, the availability and popularity of telehealth exploded in 2020, and high utilization continues well into 2022. Telehealth has become an invaluable tool for delivering mental health services.

In 2021, [96%](#) of psychologists offered telehealth to meet the growing demand from patients.

Telehealth use for general medicine and specialist visits has reached levels [38 times higher](#) than before the pandemic.

Increased Use of Urgent Care Clinics

According to an [Annals of Internal Medicine article](#), primary care visits by U.S. adults have declined by 24.2%, while visits to urgent care clinics rose by 46.9%. Many people opt for urgent care over primary care to address acute physical symptoms. This trend is due to long wait times to see PCPs and the relatively low cost of urgent care compared to emergency room visits.

Widespread Use of Personal Digital Health Tools

There has also been growth in the use of wellness and fitness apps and wearables in recent years. Innovative employers [are using wellness apps](#) to encourage employees to monitor their health and activity levels and to track participation in company well-being initiatives.

Because research increasingly points to the link between exercise and mental health, incentivizing the use of digital fitness tools is a simple and cost-effective way to improve both the physical and mental health of your employees.

The Cost of Unmet Behavioral Health Needs

Rising healthcare costs have put increased pressure on small and midsize businesses. These pricing pressures can make investment in behavioral health resources a hard sell. Yet, a close analysis of the data shows that not making that investment may be short sighted.

According to a study by NSC and NORC at the University of Chicago, mental health needs can cost employers \$15,000 per employee per year (pre-COVID; this number is likely to be higher now).

The consequences of unaddressed mental and behavioral health challenges show up in the workplace in the forms of decreased productivity, missed days, and increased turnover. But it gets worse. People with mental health issues are 3.5 times more likely to engage in substance abuse.

On the bright side, the same study finds that employers who invest in mental health services see as much as a \$4 return for every dollar spent on mental health services, reducing hard costs like overall medical and disability claims and lowering soft costs by way of increased productivity and reduced absenteeism.

If your employee benefits plan fails to include behavioral health education and access to digital tools like telehealth or employee well-being apps, your employees may not have the resources to access the help they need.

Taking a proactive approach to mental and physical health issues can increase overall well-being, increase productivity, and reduce your overall healthcare spend.

Cost Containment Strategies To Address Growing Behavioral and Mental Health Needs

As a member of a [group medical captive plan](#) with Roundstone, you have access to tailored cost containment recommendations that can help you address the current mental health trends. Adding proactive cost-saving solutions into your group captive plan will help lower behavioral and mental health-related expenses.

Effective behavioral and mental health cost containment solutions include:

- Focusing on virtual counseling to increase employee access to primary care and mental health providers.
- Implementing care management teams for employees with chronic mental health conditions
- Using data insights to track performance

Increase Access to Primary Care and Behavioral and Mental Health Providers

Every dollar an employer invests in mental health coverage generates an ROI of approximately \$4.00.

In addition to tangible results, NSC reports that employees with access to healthcare treatment have better overall well-being and miss fewer workdays.

With efforts to drive mental health wellness at the workplace, access is half the battle. Stigmas surrounding mental health issues and lack of education regarding available resources [can prevent your employees from seeking valuable care](#).

Many behavioral health issues can be managed in primary care. PCPs can also encourage patients to seek care from a specialist. Increasing member access to primary care can go a long way toward improving behavioral health outcomes.

One way to increase primary care access and reduce costs is to implement a [Direct Primary Care](#) program that allows employees routine PCP visits at little or no cost to them. An increasing body of research is finding that [healthcare costs are lower in places with higher rates of primary care](#), and patients experience [better overall health outcomes](#).

You can also structure your plan design to reduce or eliminate co-pays and deductibles for primary care and mental health visits, or provide a higher level of coverage for mental health treatment costs.

Focus on Telehealth: The Role of Virtual Counseling

A significant element in lowering your company's healthcare costs is to drive employees to use telehealth services for situations that don't require urgent or emergency care. Virtual sessions work well for counseling visits, follow-up appointments, and medication management.

Building telehealth services into your group captive coverage allows your employees to access behavioral health providers more easily. With better access to counseling for anxiety, depression, or substance misuse, your employees can improve their mental health, which benefits the entire workplace.

Telehealth can also be less expensive. In 2022, an initial consultation with a psychiatrist costs [between \\$100 and \\$300](#). Fees for follow-up visits are anywhere from \$100 to \$300. Telehealth visit fees, on the other hand, can cost as little as \$200 for initial consultations and \$95 for a follow-up visit.

Users also benefit from convenience, shorter wait times, and less stigma compared with in-person visits.

Mental and behavioral health telehealth options for your company can include:

- Employee assistance programs (EAPs)
- Behavioral health add-ons to existing telehealth programs
- Stand-alone solutions that offer mindfulness tools, daily inspiration, and lifestyle tips in addition to counseling

Address Chronic Conditions: The Relationship Between Physical and Mental Health

Chronic care management is a vital part of a mental and behavioral healthcare strategy. Individuals with chronic health conditions, such as diabetes and cardiovascular disease, are [more likely to develop a mental health condition](#) like depression or anxiety. The opposite is also true: People with a mood disorder like depression are more likely to develop physical health conditions.

Chronic care management uses a patient-centered approach to treating chronic health conditions. These can include both physical and mental health disorders.

An effective care management program focuses on the following:

- Identification of high-risk patients
- Employee education and prevention
- Steering of employees to high-quality providers
- Elimination of service duplications

For employees with chronic conditions, you can build in plan elements that cover the cost of care management services. With coordinated care, employees with long-term behavioral and mental health issues can manage their conditions more effectively and receive appropriate, cost-effective maintenance and preventative care while preventing high-cost emergency care down the road.

Work With a Carrier That Gives You Access to Your Data

A highly effective cost containment strategy for behavioral health is to work with a group medical captive that allows you access to your claims data so you can make cost-effective healthcare decisions that benefit both your employees and your bottom line.

Because fully insured insurance carriers don't allow access to your data, you aren't able to see where your healthcare dollars are being spent.



As a result, your cost containment options are severely limited.

With transparent data access, you can easily identify the services and drugs your employees are using, as well as any high-cost features they don't need. With a group captive plan, these insights are opportunities to make cost containment changes.

Additionally, access to your own data means you can track the effectiveness of your cost containment solutions in real time. Under a fully insured plan, your premium costs remain fixed, even with the addition of targeted behavioral and mental health services that reduce your costs.

When you use a health plan that gives you full access to your group's data, like a Roundstone self-funded group medical captive plan, you can see the impact of the solutions you implement and watch the savings add up.

Roundstone's Group Captive Features Help You Stay Ahead of Behavioral Health Trends

With a group medical captive plan from Roundstone, cost containment features are built in. Here's a breakdown.

Flexible Plan Design

With Roundstone, you design your group captive plan to meet your employees' specific healthcare needs.

You can then use your real-time claims data to change your plan elements and implement cost-saving measures that reduce your company's healthcare expenses without waiting until annual renewal time.

Our clinicians, claims adjusters, and attorneys will work with your company to develop a summary plan description (SPD) outlining insurance benefits and eligibility. This user-friendly document is written in clear language that is easy for you and your workers to understand.

Your SPD allows your company to find savings by choosing:

- What benefits are covered and who is eligible for coverage, including spouses and dependents
- How benefits are calculated and who is responsible for payment through deductibles, co-pays, and more
- How the plan works and how benefits are claimed
- The third-party vendors and wellness programs your company uses

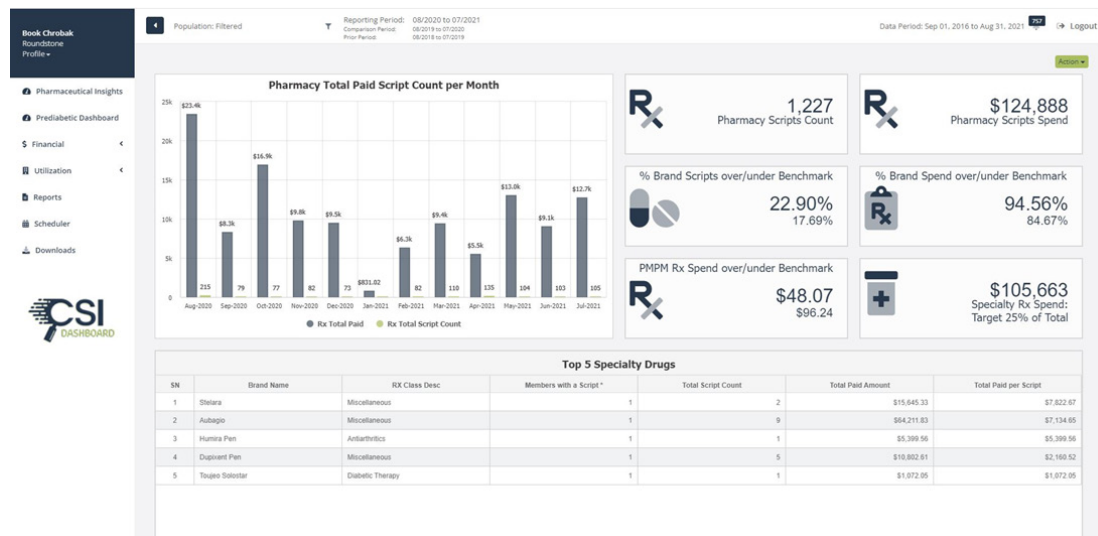
You will then select your third-party administrator (TPA) and pharmacy benefits manager (PBM).

The TPA you choose helps you design and make changes to your SPD every year. This allows your company to adapt as needed. They also provide claims management to oversee the claim process, which increases accuracy and further contributes to reducing costs. With Roundstone, you can work with [Bywater](#), our in-house TPA, or an administrator of your choosing.

A pass-through or transparent pharmacy benefits manager works to reduce your company's prescription drug prices. With a transparent PBM's open fee structure, you can see where your money is going.

If you choose a pass-through PBM, your company receives savings from prescription rebate programs and drug manufacturer's coupons. Working with transparent and pass-through PBMs makes prescription medications more accessible and affordable to the employees who rely on them while reducing your overall prescription costs.

Data Transparency



As a Roundstone group captive plan member, you can access your anonymized healthcare claims data through the [CSI Dashboard](#) analytics tool. The CSI Dashboard allows you to view how your healthcare spending measures up against national benchmarks and makes it easy to identify actionable data relevant to your plan and your costs.

The dashboard also lets you identify whether you are over- or underspending on coverage elements so you can modify your group captive plan to better meet your company's financial goals and employee health insurance needs.

You can view your [automated monthly report](#), which shows your data by claim category, service type, and condition.

Your benefits advisor and Cost Saving Investigators (CSI) Team will help you gain insight into your claims data.

You can view your [automated monthly report](#), which shows your data by claim category, service type, and condition.

Our HIPAA-compliant CSI report includes explanations of your data analytics so you can easily recognize opportunities for cost containment without compromising your employees' privacy.

Once you gain actionable insights into your behavioral and mental health spending, you can make changes. For example, if your urgent care costs are high, you can consider implementing incentives for using primary care or telehealth services.

Additionally, you can add an employee well-being program to encourage employees to preemptively take care of their health, manage their chronic conditions, and reduce the need for provider, urgent care, and emergency department visits.

Areas to Impact (ATI) Report

If you like the CSI Dashboard, you're going to love your Areas to Impact reports. Released quarterly, the ATI details benchmark guidelines and other information to help contain costs on a specific, relevant topic.

These topics are chosen in line with current medical spending trends and identify an area — like urgent care or behavioral and mental health — that has a wide range of under-utilized solutions available in the marketplace.

We introduce a new, custom ATI dashboard to the CSI Dashboard during the second month of each quarter. This dashboard displays data trends and metrics related to your group's experience. This provides a deep-dive look at an individual topic that is widely relevant to anyone with a health insurance plan.

Actionable data that might have otherwise been hidden is easy to identify, while the ATI companion guide includes cost containment solution recommendations and other relevant information you should know to help identify actionable data and contain those costs.

For example, you may uncover links between mental health diagnoses and chronic illness and discover that providing additional support in those areas reduces those expenses overall.

CSI Team

Roundstone's CSI Team helps your company to be proactive. Our data analysts, client managers, and plan experts work alongside your advisors to translate your health data into actionable insights.

Our CSI team helps you understand why your healthcare costs are rising and suggests evidence-based approaches and trusted partner solutions to reduce your spending.

Monitoring your current costs lets you spot trends and make real-time adjustments that increase your savings while improving the quality of care available to your employees. For example, switching to a different PBM or modifying your prescription coverage to exclude high-cost drugs your employees don't use may be more cost-effective — and those savings add up.

If your employees suffer from chronic illnesses, your CSI team may suggest using a care management program to control costs. A focus on less-expensive routine care is more effective than frequent urgent care or emergency department visits and generates savings.



Implement Behavioral and Mental Health Containment Strategies with Roundstone to Lower Your Healthcare Expenses

Roundstone group captive members have access to beneficial features like flexible plan design and data analysis tools that allow them to meet changing healthcare needs.

As a Roundstone member, you can implement plan elements that address behavioral health trends by creating your own custom healthcare plan.

You can also implement multiple cost containment strategies to help you save money and improve coverage for your employees.

If you'd like to learn more about where your health insurance budget is going and how to lower your spend, download our eBook How to Use Your Claims Data to Contain Costs.

We think you'll be surprised by the difference data transparency with a Roundstone group captive plan can make to your employees' health and your company's bottom line.



Where is your company's health insurance money going?

It's called **claims data**, and it's the secret to big savings.

[Learn more](#)

