

Facilities

In addition to delivering mental health and substance use treatment services in primary care and specialist private practices, providers also work in and with [dedicated mental health care facilities](#).

Those include:

- Public and private psychiatric hospitals
- General hospitals with separate psychiatric units
- U.S. Department of Veterans Affairs medical centers
- Residential treatment centers for children and adults
- Community mental health centers, including county clinics
- Outpatient, day treatment, or partial hospitalization mental health facilities
- Multi-setting (non-hospital) mental health facilities

Funding Treatment and Services

In 2015, the most recent year with comprehensive data available, [all spending on mental health care and substance use treatment in the United States totaled \\$212 billion](#).

- Mental health service spending—\$156 billion
- Substance use treatment spending—\$56 billion

PUBLIC FUNDING

Public spending—divided among federal, state, and local governments—was the largest source of funding for services and treatment.

Medicaid and Medicare are mandatory spending programs, required to fund benefits for every person who qualifies. Medicaid is jointly administered by states and the federal government; Medicare is a federal program.

Other state and local spending includes state psychiatric hospitals, county clinics, and other programs.

Other federal spending includes treatment provided by the Department of Veterans Affairs, Department of Defense, and the Indian Health Service, among others. This spending also includes block grants administered by the Substance Abuse and Mental Health Services Administration (SAMHSA)—a branch of the U.S. Department of Health and Human Services (HHS) tasked with advancing behavioral health.

The Community Mental Health Services Block Grants and Substance Abuse Prevention and Treatment Block Grants are non-competitive grants to states, with substantial flexibility in how states spend the dollars on prevention, treatment, recovery support, and other services. These sources are reauthorized at legislated intervals, with spending levels negotiated in the appropriation process.

PRIVATE FUNDING

Private spending—divided among private insurance, out-of-pocket spending, and other private sources—comprised somewhat under half of funding for services and treatment in 2015.

Private insurance includes employer-sponsored health coverage and individual health plans. Out-of-pocket spending includes deductibles, copayments, and payment for services not covered by insurance. Private philanthropy is one example of other private sources.

Table 7.1 Public and Private Funding Breakdown

PUBLIC FUNDING	Mental Health Services	Substance Use Treatment
Medicaid	\$38 billion	\$14 billion
Medicare	\$25 billion	\$1.7 billion
Other state and local spending	\$18 billion	\$10 billion
Other federal spending	\$9 billion	\$6.2 billion
Total Public Spending	\$90 billion	\$31.9 billion
Percent of all Spending	58 percent	57 percent

PRIVATE FUNDING	Mental Health Services	Substance Use Treatment
Private insurance	\$43 billion	\$16 billion
Out-of-pocket	\$17 billion	\$5.5 billion
Other private sources	\$6 billion	\$2.5 billion
Total Private Spending	\$66 billion	\$24 billion
Percent of all Spending	42 percent	43 percent

7 | The Mental Health Care and Substance Use Treatment System

Where We Are, Where We Need To Be

| Overview

Like the broader health care system in the United States, mental health services and funding are decentralized. Treatment plans usually entail a mix of medications, providers, therapy approaches, and social services. Factors such as provider type, care setting, payer, and government regulations can all influence a patient's experience in seeking, receiving, and affording care.