Psychological interventions can effectively treat a wide range of child and adult health problems, including depression, generalized anxiety disorder, panic disorder, post-traumatic stress disorder, eating disorders, substance abuse, and chronic pain. Furthermore, there is mounting evidence that there are also effective psychological treatments for diseases and disorders that are routinely seen in primary care medical practices but that are typically difficult to medically manage, including type 1 diabetes, chronic tension-type headaches, rheumatoid arthritis, chronic low-back pain, chronic fatigue syndrome, and a range of medically unexplained physical symptoms.

As emphasized by recent submissions to federal and provincial government departments and commissions by psychology organizations across Canada, psychological services should be an integral component of the Canadian health care system. Not only can psychological interventions be effective in their own right but also they have the demonstrated potential to actually reduce health care costs. A 1993 estimate indicated that the total annual cost to Canadian society of illnesses was almost $130 billion.

The health burden of mental disorders and nervous system diseases — conditions for which psychologists routinely provide services — accounted for 13.4% of these costs. The most costly conditions were cardiovascular diseases and musculoskeletal diseases, and there are psychological services, both preventative and therapeutic, that are known to be effective in treating such diseases.

More recent estimates suggest that in 1998 the health burden costs in Canada associated with depression and general psychological distress alone ran to over $14 billion and the annual per capita health and disability costs of depression are greater than those associated with hypertension, and comparable to those associated with heart disease, diabetes, and back problems.

Recent evidence has demonstrated that psychological interventions can be more cost effective than optimal drug treatment for conditions such as panic disorder and depression. For example, although empirical evidence on panic disorder indicates that cognitive-behavioural treatment and pharmacological treatments have comparable effectiveness, the psychological intervention has been estimated to cost 10%-50% less than drug treatments.

In the treatment of depression, meta-analyses have demonstrated that psychological intervention (especially cognitive-behavioural treatment) can produce comparable or superior outcomes to medication, and that pharmacotherapy has substantially larger drop-out rates than psychological intervention. Moreover, a recent study found that, over a two-year period, pharmacological treatment is likely to cost 30% more than cognitive-behavioural treatment.

Over the past three decades, dozens of research studies have found that, following effective psychological interventions, usual costs to the health care system are reduced or averted — this is known as medical cost offset. Such cost offsets due to psychological intervention have been found for numerous conditions and diseases, including heart disease, hypertension, diabetes, cancer, and chronic pain.

Not only can psychological interventions be effective in their own right but they have the demonstrated potential to reduce health care costs.
How effective is psychology evidence-based practice?

The Group Health Association found that patients receiving previously unavailable health counseling trimmed their non-psychiatric overall medical usage by 30.7% and their use of laboratory and x-ray services by 29.8%. Kansas City Health Care Consumer, Feb 1993.

When a branch plant of the Kennecott Copper Corp. provided mental health counseling to its employees, hospital, medical and surgical costs decreased by 48.9%. The company's weekly claims dropped nearly 64.2%. Overall for every dollar invested a savings of $5.78 accrued. EAP Digest 1993.

Similarly, within the Kaiser Permanente system the addition of psychotherapy resulted in a 77.9% decrease in average length of hospital stay, a 48.6% decrease in the number of prescriptions written, a 48.6% decrease in physician office visits, a 45.3% decrease in emergency room visits and a 31.2% decrease in telephone contacts. Lechnyr, EAP Digest 1993.

Medicaid patients with drug and alcohol problems who received targeted psychological services reduced their subsequent medical costs by 15% whereas the untreated controls increased their utilization cost by 90%. Lechnyr, Oregon Psychological Association, 1992, 38, 8-12.

A study at the University of California found that every $1 invested on drug and alcohol treatment saved society $11.54 in health care, criminal justice costs and lost productivity for business. Coalition 1991.

Linehan & Heard (1999) reported a detailed cost-offset analysis of an “industry-standard” psychological treatment for borderline personality disorder. They showed that treated patents cost the health care system US$9,291 over a 12-month period, whereas for patients in the randomized control usual care cost was US$18,275/yr. While acute therapy costs were higher for psychological treatment ($3,885 vs. $2,915), the active treatment was associated with a dramatic decrease in hospitalization cost ($2,611 vs. $12,079) that offset treatment cost with a greater than 2:1 ratio. Fluoxetine (Prozac) was more expensive as a treatment for depression (33% higher cost over 2 years) than was cognitive-behavioural therapy (CBT).

Do psychological services save money?

Only 5% of those suffering from a mental disorder who do seek help see a mental health professional; the other 95% receive help from a family physician. Lechnyr, 1993.

11% to 36% of all GP visits involved patients with diagnosable psychiatric disorders. Eisenberg, New England Journal Medicine, 1992, 326, 1080-1083.

Many patients with mental health problems are treated at unnecessarily high cost in ordinary health care services because access to mental health treatment are frequently lacking. Borquist et al. Psychol. Med., 993, 23, 763-770.

Cost-effectiveness of psychological intervention were in the range of 20-30% across studies

The majority of anxiety disorder patients (65%) are seen by family physicians. Altrocchi et al, American Fam. Physician, 1994, 10, 161-66.

Although 10% of adults have an anxiety disorder, only an estimated 1/4 of them get treatment.

When mental health treatments are offered by mental health professionals rather than family physicians, an average saving of US$877 per patient/yr was observed. Zhang et al., 1999.

An estimated 50-70% of a physician’s normal caseload consists of patients whose medical ailments are significantly related to psychological factors. VandenBos & DeLeon, Psychotherapy, 1988, 25, 335-43.

In a Canadian study, frequency of visits to family physicians was reduced by 49% once a psychotherapy program was put in place, and the therapy costs were more than offset. Golden, 1997.

The predominant treatment of mental health problems in a GP’s office is pharmacological in nature, and this raises concerns about side effects, development of dependence, and the appropriateness of long-term pharmacological treatments. Most patients with anxiety/depression problems never seek any help and the potential savings that can arise from their effective treatment are lost to the Canadian economy. Antonuccio et al., 1997.