

# Mental health woes grow while spending declines

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As the current global economic crisis drives up the demand for mental health care services, cash-strapped agencies are slashing mental health budgets, according to a new Brandeis University study out this month in the *International Journal of Mental Health*. However, while most nations are cutting spending, a handful of countries are earmarking funding to meet the anticipated growth in mental health problems.

In the U.S., public spending on mental health services occurs primarily at the state and local levels. According to study author Dominic Hodgkin, associate professor at the Heller School for Social Policy and Management at Brandeis, states and counties are now cutting this funding to deal with their budget crises. One survey found that 32 state mental health agencies reported budget cuts in 2009; on average, the cuts tallied 4.9 percent of the budget. The programs most affected by the cuts were inpatient adult services, clinic adult services, inpatient children's services, clinic services for children, and targeted case management services for children, according to the survey.

Medicaid payments for mental health care have also been affected because states have some discretion to change their Medicaid programs. One report found that thirteen states have reduced Medicaid payments to providers, and 14 have eliminated coverage for some treatments. Hodgkin said that it is likely that the current cuts, made on top of earlier cuts, are affecting the delivery of core services.

Globally, mental health services have also taken a hit, despite stimulus

plans implemented in many countries. Nevertheless, said Hodgkin, there are a handful of bright spots. The UK has designated stimulus money specifically for treating workers who have lost their jobs and are suffering anxiety and depression as a result. The plan includes training 3,600 psychotherapists and hundreds of specialized nurses to be deployed to counseling centers. Also, in China, Hong Kong's health authority is reportedly increasing psychiatric training for doctors and nurses, specifically in response to recession-related mental health disorders.

"The recession poses formidable challenges for mental health services in the coming years," said Hodgkin. "While there are encouraging signs here and there of enlightened responses from governments that recognize the value of mental health services, in most countries, spending is being cut dramatically."

Hodgkin advised more systematic tracking of need and spending on mental health services, to enable policymakers to identify problem areas and good ideas for responding to recessions. His paper appears in a special issue of the *International Journal of [Mental Health](#)* focused on how recessions affect the prevalence and treatment of mental illness.

Provided by Brandeis University

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