January 29, 2026

Behavioral Health in Medicaid and the State Children's Health Insurance Program (CHIP)

Draft chapter for March report

Janice Llanos-Velazquez and Anupama Warrier

MACPAC

Medicaid and CHIP Payment and Access Commission

Overview

- Background and methods
- Enrollees with behavioral health conditions
  - Characteristics
  - Use and spending
  - Children and youth
  - Non-dually eligible and non-elderly adults
- Key takeaways and next steps

Background and Methods
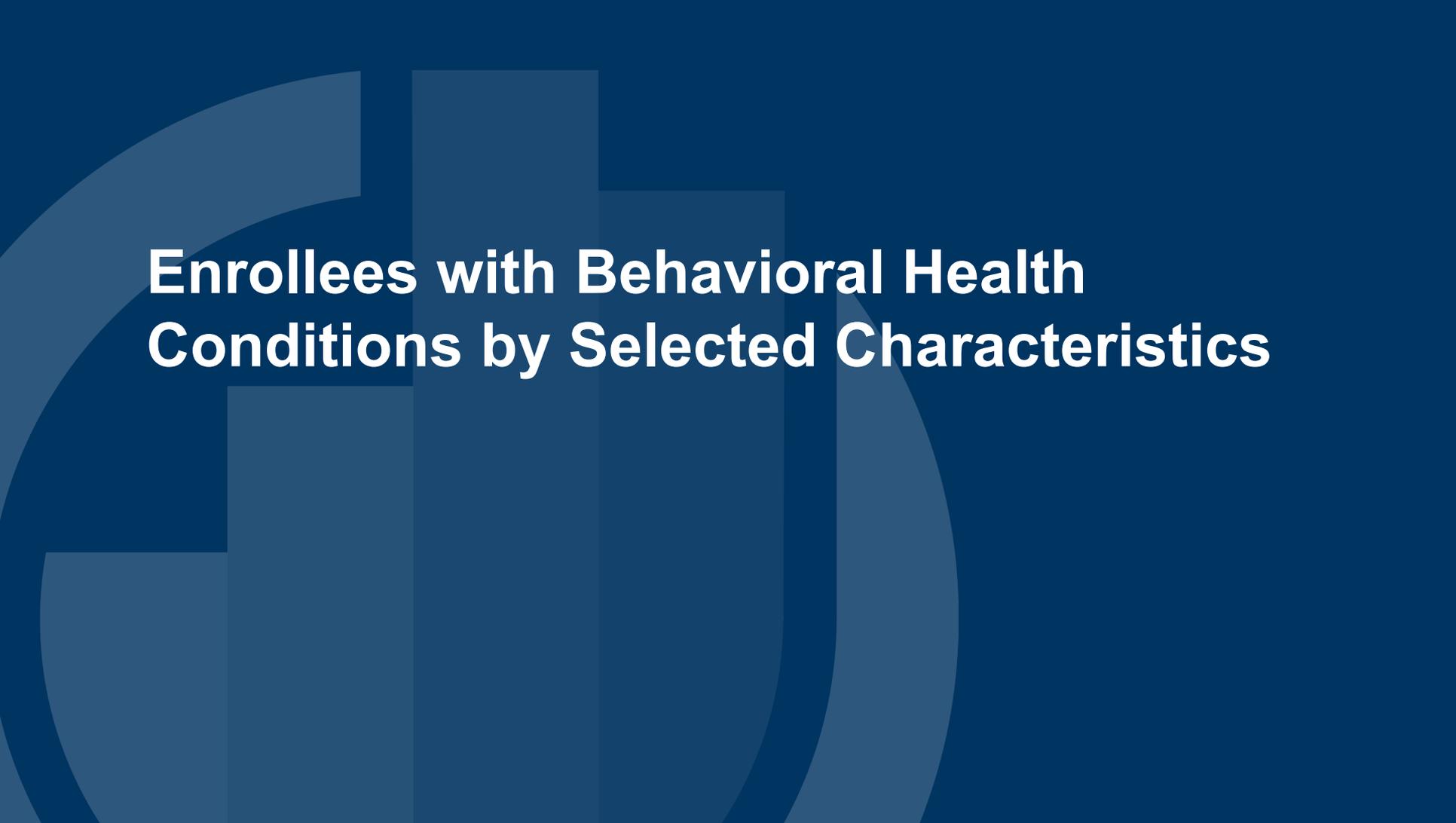
Behavioral Health Conditions and Prevalence

- Behavioral health is a term that includes mental health conditions (e.g., mood and personality disorders) and substance use disorders (SUD) (e.g., drug use disorders)
  - Co-occurring disorders refer to the coexistence of a mental health disorder and an SUD
  - For this analysis, we also included enrollees with intellectual or developmental disabilities (I/DD)
- In calendar year (CY) 2023, nearly 27 million (27.6 percent) of Medicaid and Medicaid-expansion CHIP (M-CHIP) enrollees had a behavioral health condition and accounted for $369.2 billion (57.5 percent) in total spending
  - Approximately 23 million (23.1 percent) enrollees had a mental health condition and 10.3 million (10.6 percent) enrollees had an SUD, accounting for $326.0 billion and $160.3 billion in total spending, respectively

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Behavioral Health Services

- There is no federal, standardized definition for behavioral health services
- Federal law makes certain Medicaid behavioral health services mandatory and others optional
  - Mandatory services include inpatient and outpatient hospital services, federally qualified health center (FQHC) services, and physician services
  - Optional services include case management, clinic services, and prescription drugs
  - States must cover medically necessary behavioral health services to enrollees under 21 through the early and periodic screening, diagnostic, and treatment (EPSDT) benefit
- Medicaid beneficiaries receive behavioral health services in a number of care settings
  - Including inpatient or emergency department, outpatient, residential, and community

Methodology

- Analyzed CY 2023 Transformed Medicaid Statistical Information System (T-MSIS) data for Medicaid and M-CHIP enrollees
  - Used a two-year lookback period for identifying behavioral health conditions
- Defined behavioral health services as any claim or encounter with a primary or secondary behavioral-health-related diagnosis code
  - Classified services by care settings: inpatient, emergency department, FQHC, community mental health clinic (CMHC), outpatient (hospital, telehealth, and other), psychiatric residential treatment facility (PRTF), SUD residential, and other
  - Identified drugs used to treat behavioral health conditions
- Tables and figures report total service-related spending (i.e., fee-for-service (FFS) and managed care encounter claims)
  - Because enrollees can have multiple conditions, enrollees and their associated spending can appear in more than one condition category

# Enrollees with Behavioral Health Conditions by Selected Characteristics

Medicaid and CHIP Enrollees with Behavioral Health Conditions, by Eligibility Group, CY 2023
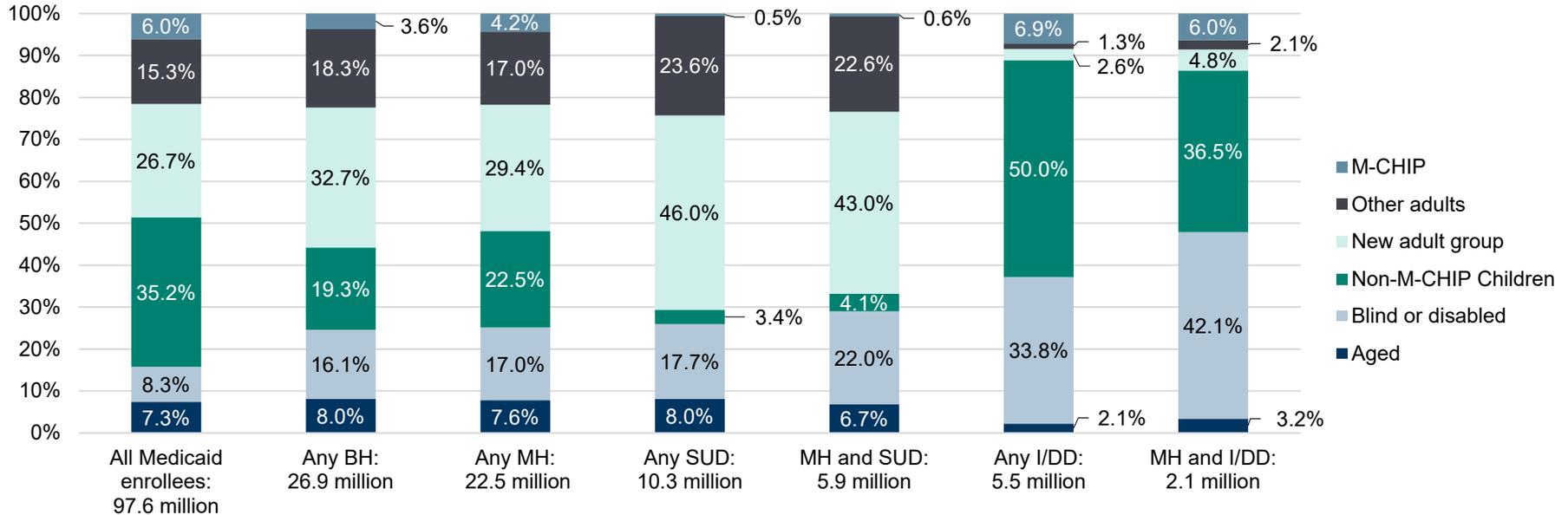
Notes: CY is calendar year. BH is behavioral health. MH is mental health. SUD is substance use disorder. I/DD is intellectual and developmental disabilities. This figure includes all full-benefit Medicaid and Medicaid-expansion State Children's Health Insurance Program enrollees covered in CY 2023. Because behavioral health categories are not mutually exclusive, some enrollees appear in more than one group. Counts of enrollees with an SUD or with co-occurring mental health and SUD conditions exclude children ages 0–12. Non-M-CHIP children include enrollees eligible for Medicaid through a child-related eligibility pathway that are not in a blind or disabled or foster care eligibility group

Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.

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Medicaid and CHIP Enrollees with Behavioral Health Conditions, by Race and Ethnicity, CY 2023
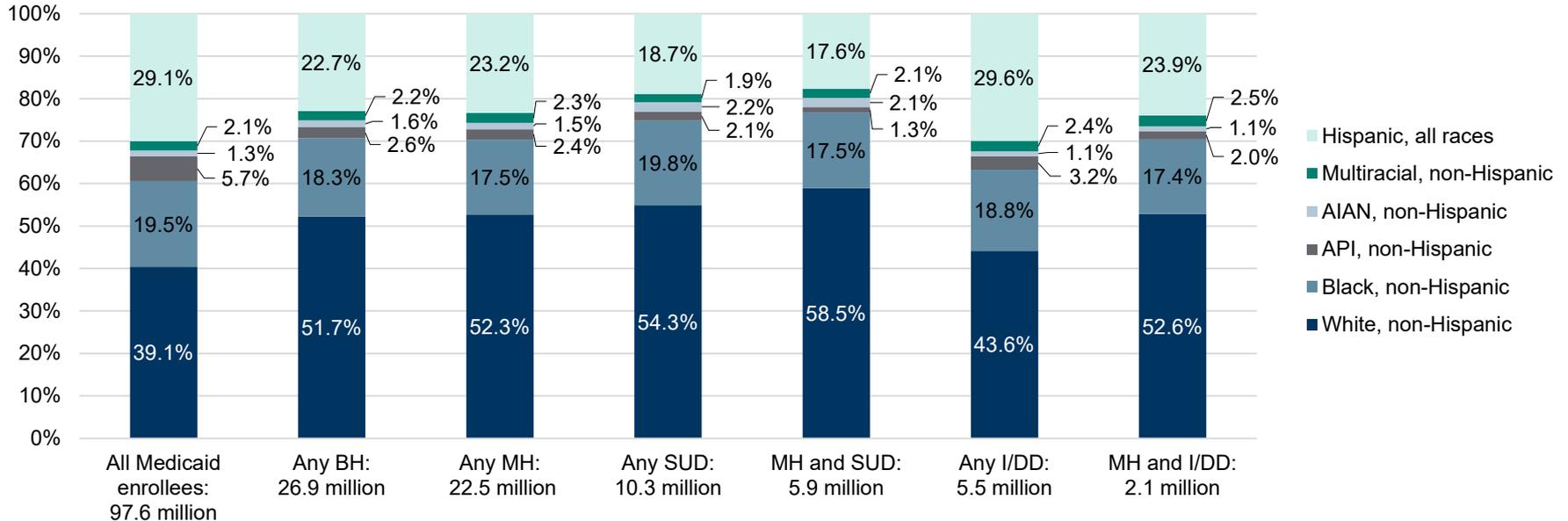
Notes: CY is calendar year. BH is behavioral health. MH is mental health. SUD is substance use disorder. I/DD is intellectual and developmental disabilities. AIAN is American Indian and Alaska Native. API is Asian and Pacific Islander. This figure includes all full-benefit Medicaid and Medicaid-expansion State Children's Health Insurance Program enrollees covered in CY 2023, and excludes enrollees with unknown or missing race or ethnicity, who comprise less than three percent of the population. Because behavioral health categories are not mutually exclusive, some enrollees appear in more than one group. Counts of enrollees with an SUD or with co-occurring mental health and SUD conditions exclude children ages 0–12.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.
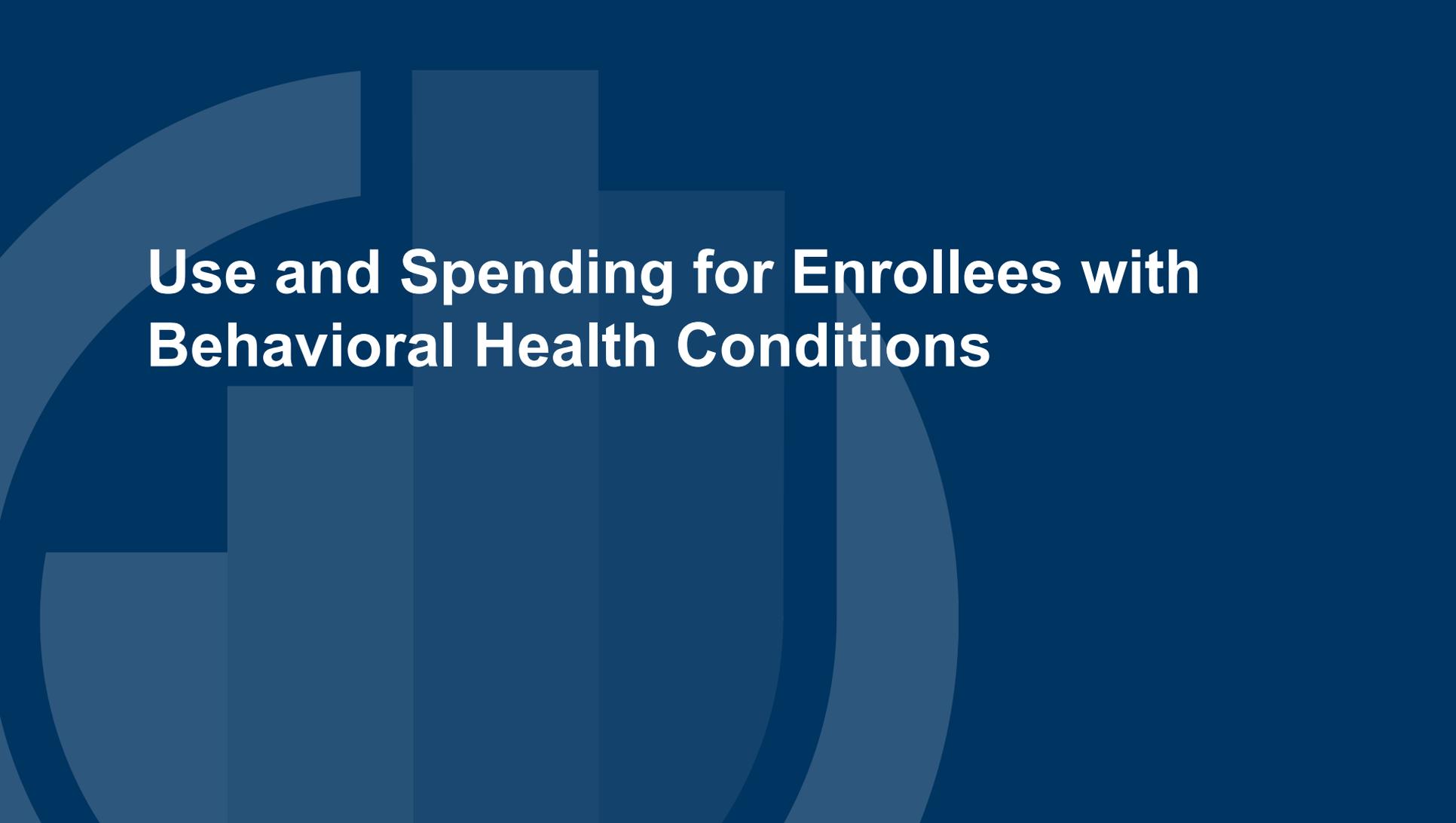
Use and Spending for Enrollees with Behavioral Health Conditions

Total Service-Related Spending for Medicaid Enrollees with Behavioral Health Conditions, by Delivery System, CY 2023
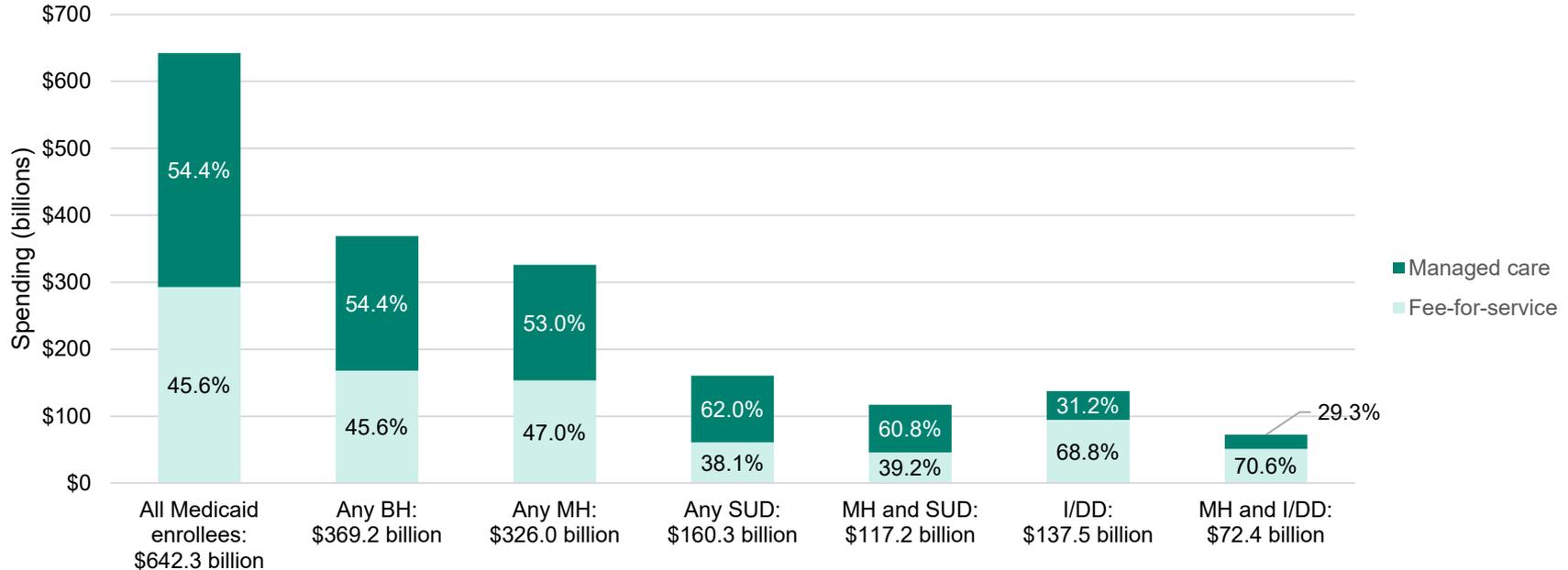

Notes: CY is calendar year. BH is behavioral health. MH is mental health. SUD is substance use disorder. I/DD is intellectual and developmental disabilities. This figure reports CY 2023 spending by delivery system (fee-for-service and managed care), which does not correspond directly to enrollment; enrollees in either delivery system may generate spending in both categories. Spending includes federal and state funds. This figure includes spending for all full-benefit Medicaid and Medicaid expansion-CHIP enrollees. Because enrollees may have more than one behavioral health condition, condition categories are not mutually exclusive.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.

Total Per Enrollee Service-Related Spending, by Selected Mental Health Conditions, CY 2023
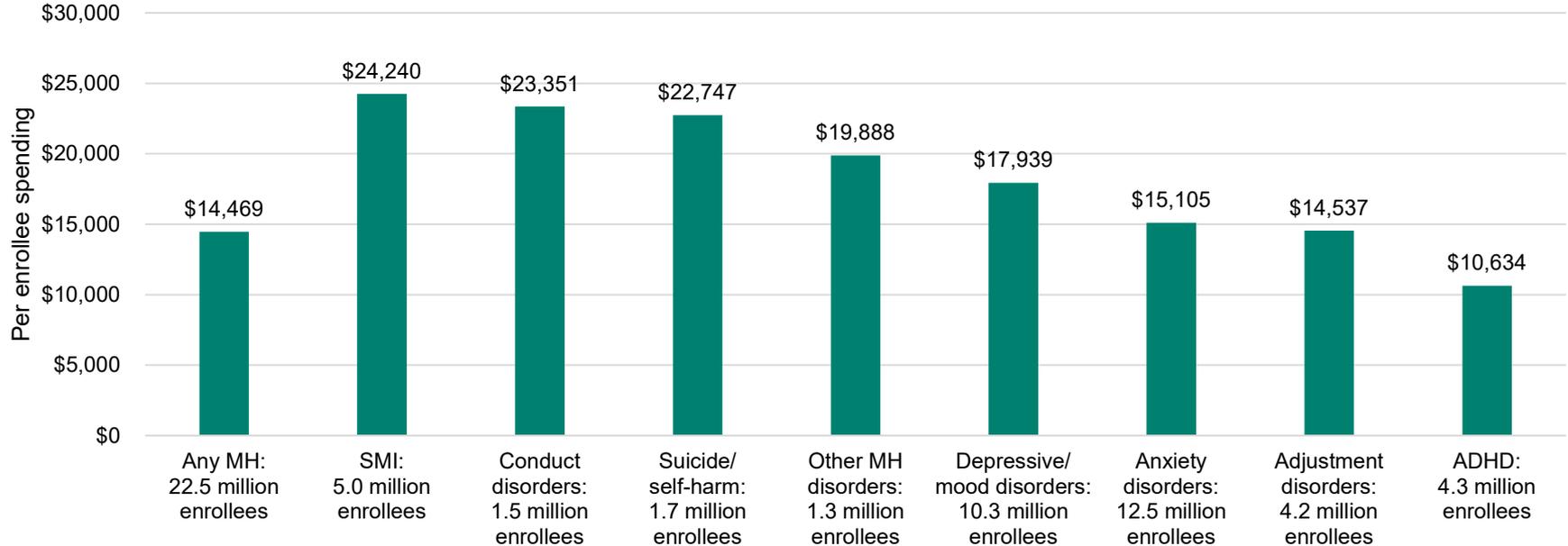
Notes: CY is calendar year. MH is mental health. SMI is serious mental illness. ADHD is attention-deficit and hyperactivity disorder. This figure includes CY 2023 enrollment and spending for all full-benefit Medicaid and Medicaid-CHIP enrollees. Spending includes federal and state funds. Because enrollees can have multiple MH conditions, prevalence estimates for specific conditions are not mutually exclusive. Total spending per enrollee indicates the total service-related spending divided by the number of enrollees with that condition. Serious mental illness describes a diagnosable mental, behavioral, or emotional disorder experienced by someone older than age 18 that substantially interferes with their life and ability to function.

Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.

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Total Per Enrollee Service-Related Spending, by Selected Co-Occurring I/DD and Mental Health Conditions, CY 2023

Per enrollee spending

Condition	Spending
MH and I/DD: 2.1 million enrollees	$34,604
SMI: 0.4 million enrollees	$69,506
Suicide/self-harm: 0.2 million enrollees	$49,908
Conduct disorders: 0.4 million enrollees	$46,361
Depressive/mood disorders: 0.6 million enrollees	$46,122
Other MH disorders: 0.2 million enrollees	$39,247
Anxiety disorders: 0.9 million enrollees	$39,027
Adjustment disorder: 0.5 million enrollees	$28,572
ADHD: 0.9 million enrollees	$20,168

Notes: CY is calendar year. MH is mental health. I/DD is intellectual and developmental disabilities. ADHD is attention-deficit/hyperactivity disorder. This figure includes CY 2023 enrollment and spending for all full-benefit Medicaid and M-CHIP enrollees. Spending includes federal and state funds. Because enrollees can have multiple MH conditions, prevalence estimates for specific conditions are not mutually exclusive. Total spending per enrollee indicates the total service-related spending divided by the number of enrollees with that condition. Serious mental illness describes a diagnosable mental, behavioral, or emotional disorder experienced by someone older than age 18 that substantially interferes with their life and ability to function.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.
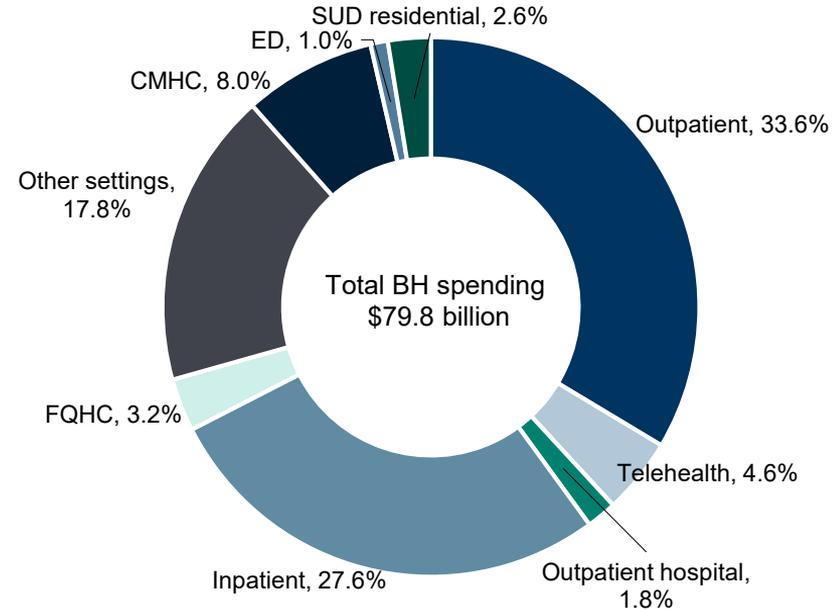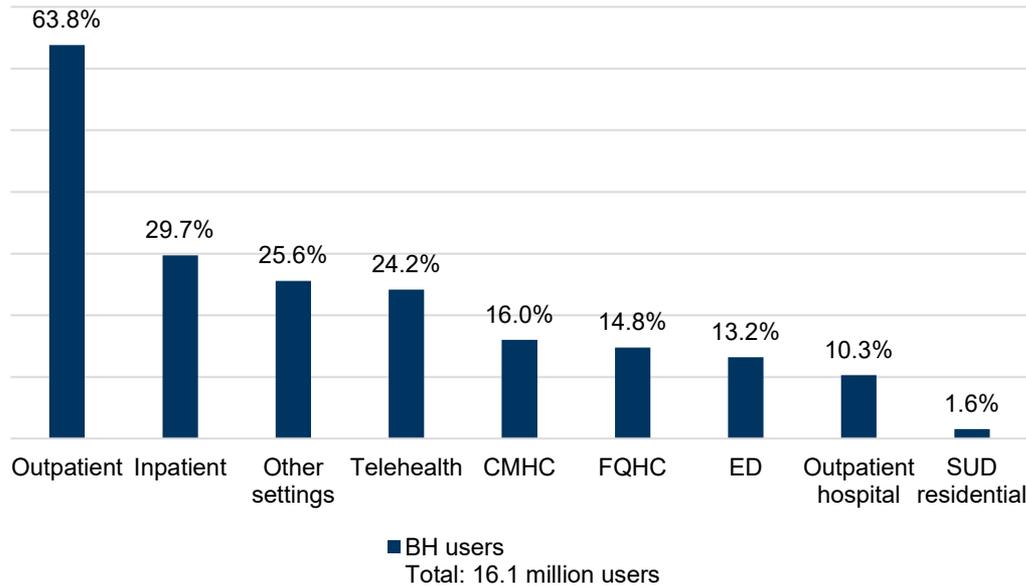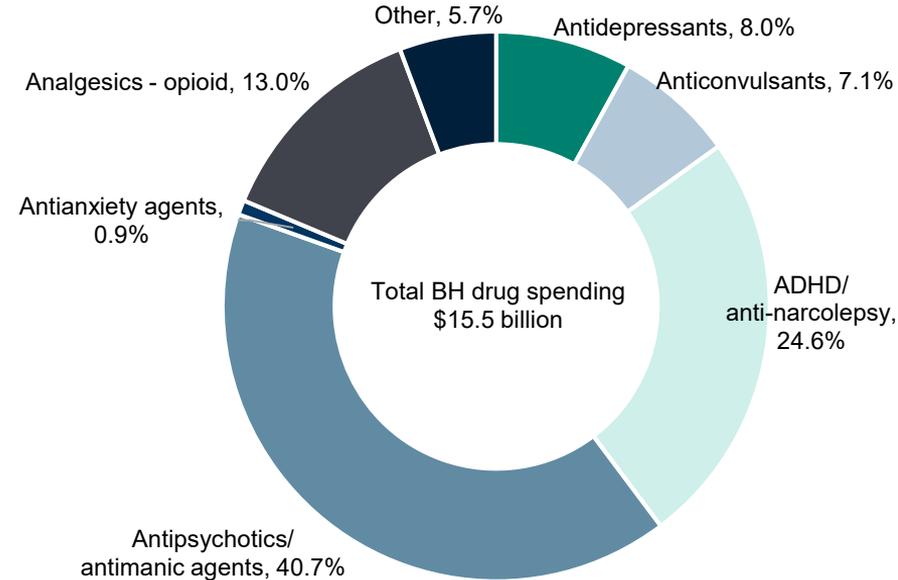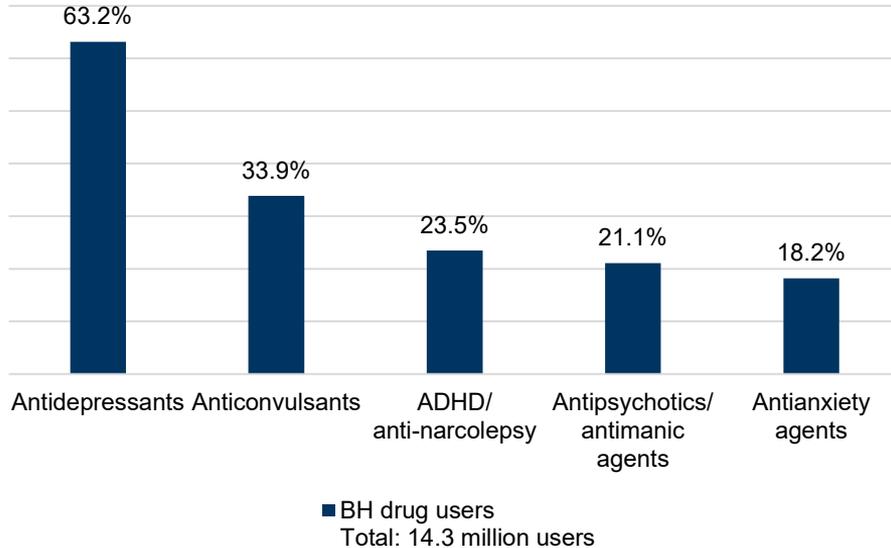
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Total Behavioral Health-Related Use and Spending Among Users with Behavioral Health Conditions, by Selected Care Settings, CY 2023

Bar chart — BH users, Total: 16.1 million users:
- Outpatient: 63.8%
- Inpatient: 29.7%
- Other settings: 25.6%
- Telehealth: 24.2%
- CMHC: 16.0%
- FQHC: 14.8%
- ED: 13.2%
- Outpatient hospital: 10.3%
- SUD residential: 1.6%

Donut chart — Total BH spending $79.8 billion:
- Outpatient, 33.6%
- Inpatient, 27.6%
- Other settings, 17.8%
- CMHC, 8.0%
- Telehealth, 4.6%
- FQHC, 3.2%
- SUD residential, 2.6%
- Outpatient hospital, 1.8%
- ED, 1.0%

Notes: CY is calendar year. BH is behavioral health. CMHC is community mental health clinic. ED is emergency department. FQHC is federally qualified health center. These figures include CY 2023 behavioral health-related utilization and spending for non-dually eligible, full-benefit Medicaid and Medicaid expansion-CHIP enrollees with a behavioral health condition. Because enrollees can receive services in multiple care settings, user percentages sum to more than 100. Spending includes federal and state funds. Total behavioral health spending on enrollees with a behavioral health diagnosis represents spending on services with a primary or secondary behavioral health diagnosis code. Behavioral health spending percentages across care settings will sum to 100.
**Source:** MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.

Behavioral Health Drug Use and Spending Among Users with Behavioral Health Conditions, by Drug Group, CY 2023

Bar chart – BH drug users, Total: 14.3 million users:
- Antidepressants: 63.2%
- Anticonvulsants: 33.9%
- ADHD/anti-narcolepsy: 23.5%
- Antipsychotics/antimanic agents: 21.1%
- Antianxiety agents: 18.2%

Donut chart – Total BH drug spending $15.5 billion:
- Other, 5.7%
- Antidepressants, 8.0%
- Anticonvulsants, 7.1%
- ADHD/anti-narcolepsy, 24.6%
- Antipsychotics/antimanic agents, 40.7%
- Antianxiety agents, 0.9%
- Analgesics - opioid, 13.0%

Notes: CY is calendar year. BH is behavioral health. ADHD is attention-deficit and hyperactivity disorder. This figure includes CY 2023 behavioral health drug utilization and spending for non-dually eligible, full-benefit Medicaid and Medicaid expansion-CHIP enrollees with a behavioral health condition. Because enrollees can use multiple behavioral health drugs, user percentages sum to more than 100. Spending includes federal and state funds. The percentages for spending on behavioral health drugs across all drug groups will sum to 100.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.
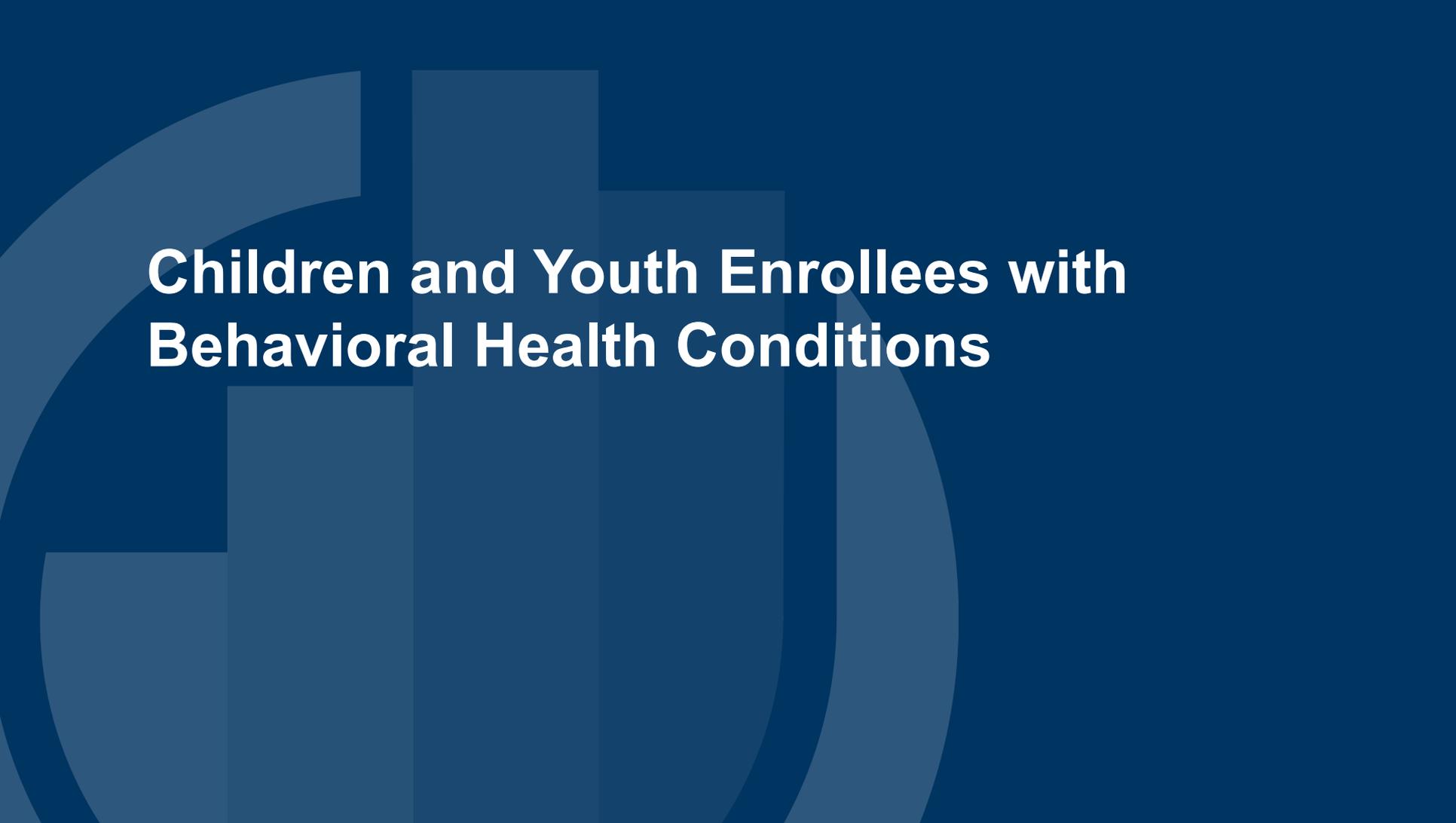
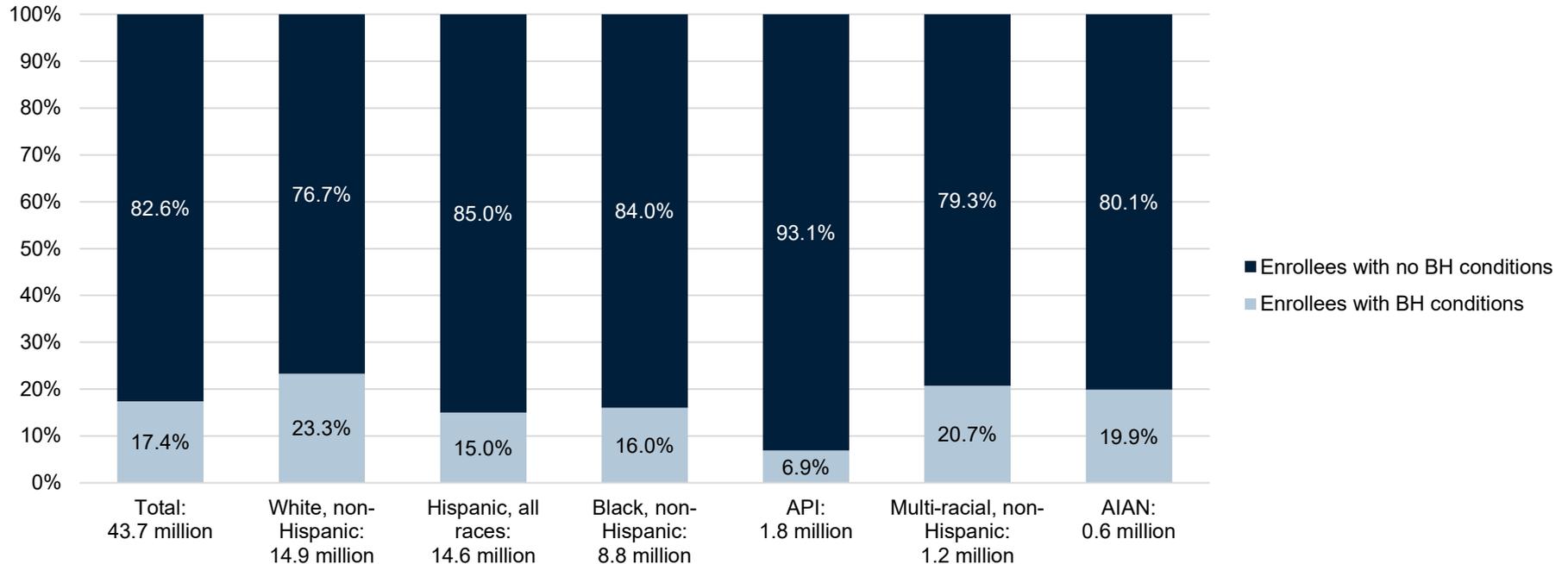# Children and Youth Enrollees with Behavioral Health Conditions

Behavioral Health Prevalence Among Children and Youth Enrolled in Medicaid or M-CHIP, by Eligibility Group, CY 2023

Legend:
- ■ Enrollees with no BH conditions
- ■ Enrollees with BH conditions

Category	Enrollees with BH conditions	Enrollees with no BH conditions
Total: 43.7 million	17.4%	82.6%
Blind or disabled: 1.7 million	40.1%	59.9%
Non-M-CHIP Children: 33.5 million	14.9%	85.1%
M-CHIP: 5.7 million	16.6%	83.4%
Total foster care: 0.9 million	50.0%	50.0%
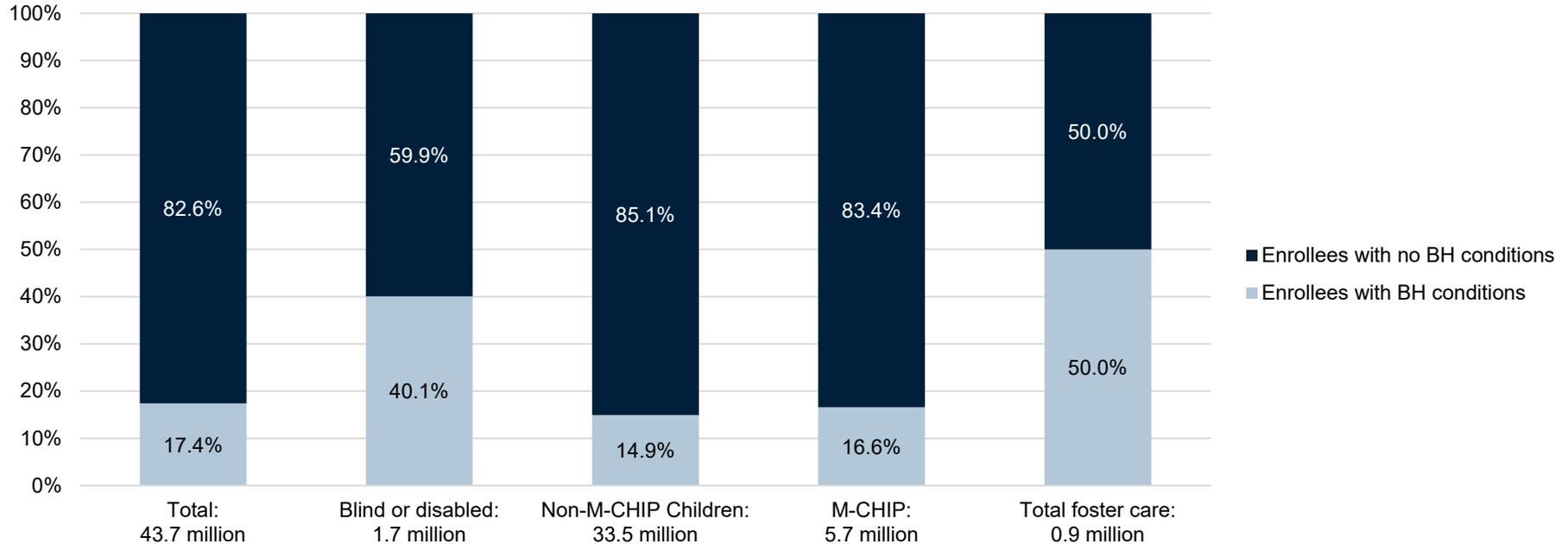
Notes: BH is behavioral health. This figure includes non-dually eligible, full-benefit Medicaid and Medicaid-expansion CHIP enrollees under age 21 and shows the eligibility groups only with the largest number of child and youth enrollees. Non-M-CHIP children include enrollees eligible for Medicaid through a child-related eligibility pathway that are not in a blind or disabled or foster care eligibility group. This figure excludes 4.3 percent of enrollees under age 21 that belong to adult-related pathways.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.

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Behavioral Health Prevalence Among Children and Youth Enrolled in Medicaid or M-CHIP, by Race and Ethnicity, CY 2023

Notes: CY is calendar year. BH is behavioral health. API is Asian and Pacific Islander, non-Hispanic. AIAN is American Indian and Alaska Native, non-Hispanic. This figure includes non-dually eligible, full-benefit Medicaid and Medicaid-expansion CHIP enrollees under age 21 and excludes enrollees with missing or unknown race or ethnicity, which represents less than five percent of the population.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.

Behavioral Health Prevalence Among Children and Youth Enrolled in Medicaid or M-CHIP, by Geographic Location, CY 2023
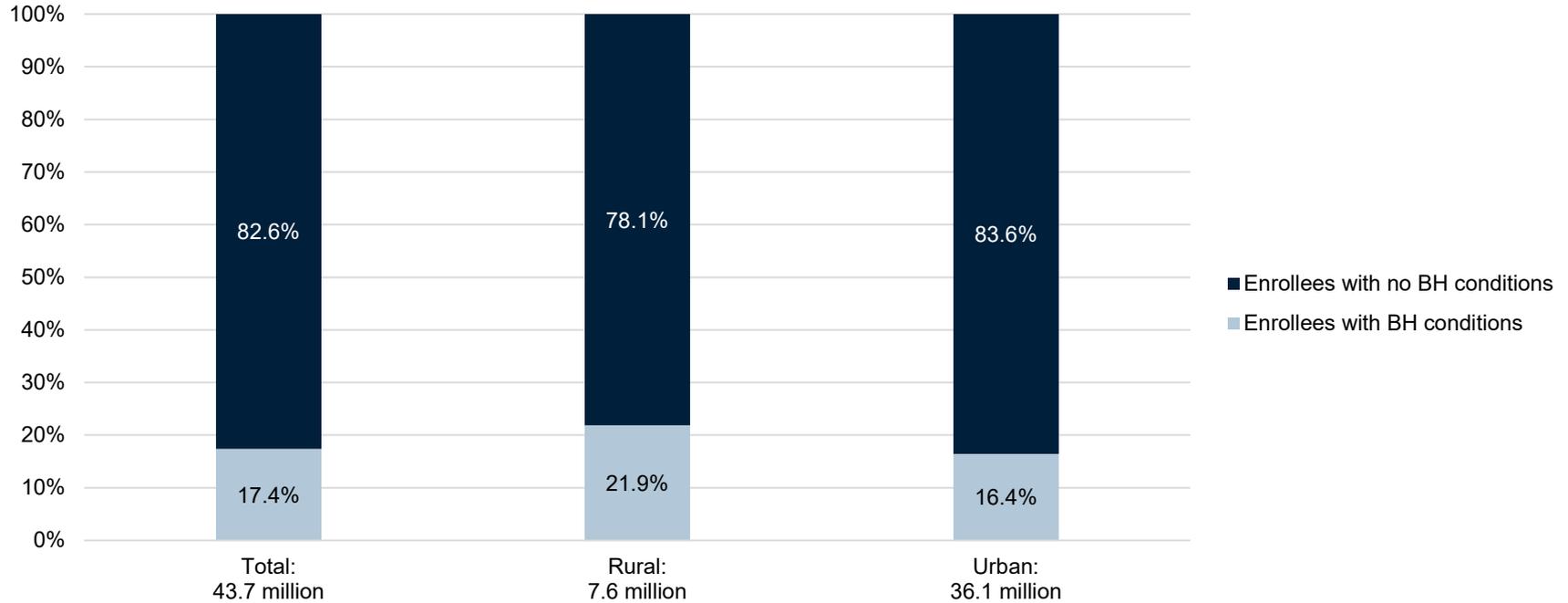
Legend:
- ■ Enrollees with no BH conditions
- ■ Enrollees with BH conditions

Total: 43.7 million — 82.6% / 17.4%
Rural: 7.6 million — 78.1% / 21.9%
Urban: 36.1 million — 83.6% / 16.4%

Notes: CY is calendar year. BH is behavioral health. Urban or rural location is classified based on enrollee ZIP codes using the 2010 Rural-Urban Commuting Area (RUCA) code classification scheme from the U.S. Department of Agriculture. This figure includes non-dually eligible, full-benefit Medicaid and Medicaid-expansion CHIP enrollees under age 21 and excludes enrollees with missing ZIP codes, which represents less than 0.5 percent of the population.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.

Overall and Behavioral Health-Related Spending Among Children and Youth, by Behavioral Health Conditions, CY 2023

	Total enrollees (millions)	Total spending (billions)	Total spending per enrollee	Total BH users (millions)	Total BH spending (billions)	Total BH spending per BH user
BH condition	7.6	$54.3	$7,137	5.6	$26.5	$4,712
MH condition	7.5	53.6	7,190	5.5	26.4	4,760
SUD condition	0.5	6.0	11,223	0.4	3.6	9,169
I/DD condition	4.3	53.2	12,457	3.4	22.7	6,682
MH and SUD conditions	0.4	5.3	13,863	0.3	3.5	11,163
MH and I/DD conditions	1.4	21.7	15,592	1.3	12.0	9,485

Notes: CY is calendar year. BH is behavioral health. MH is mental health. SUD is substance use disorder. I/DD is intellectual and developmental disabilities. Behavioral health utilization and spending among children and youth with SUD excludes children ages 0–12. This table includes enrollment and spending for non-dually eligible, full-benefit Medicaid and Medicaid-expansion CHIP enrollees under age 21. Total behavioral health spending on enrollees with a behavioral health diagnosis represents spending on services with a primary or secondary behavioral health diagnosis code.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.

Behavioral Health Service Use Among Children and Youth with Behavioral Health Conditions, by Age Group, CY 2023
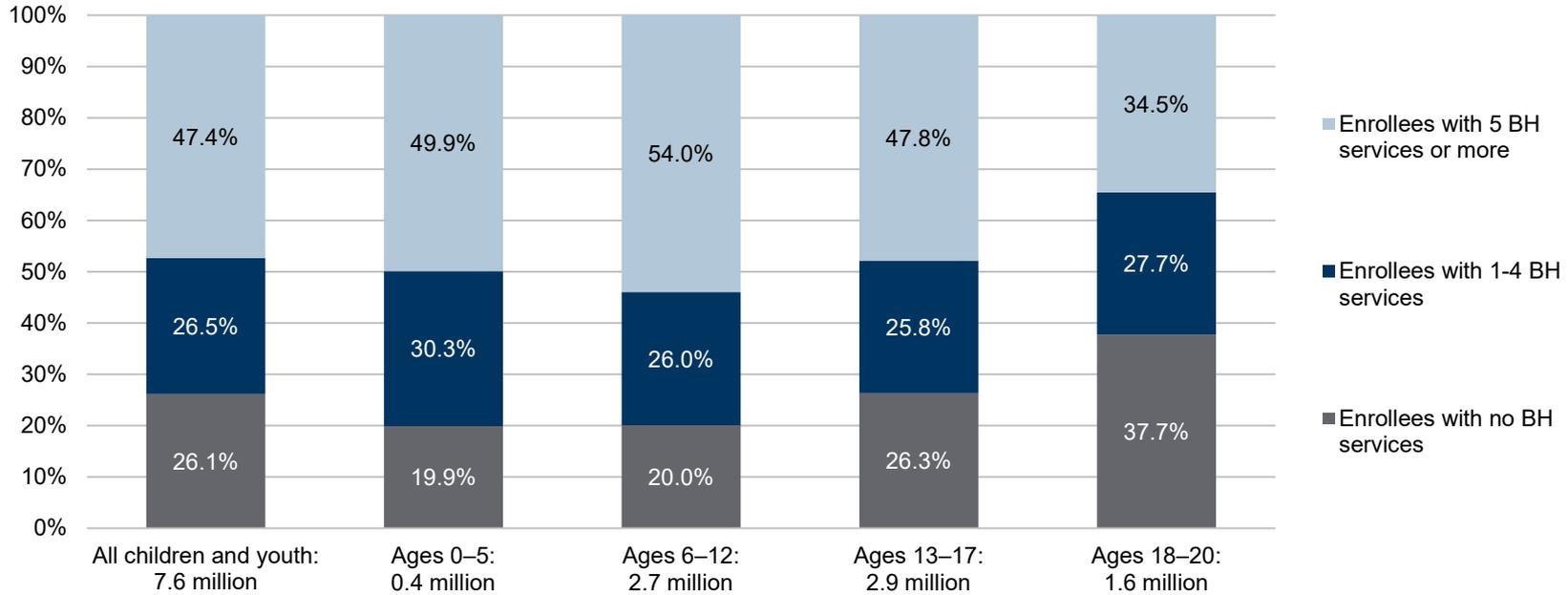
Notes: CY is calendar year. BH is behavioral health. This figure includes non-dually eligible, full-benefit Medicaid and Medicaid-expansion CHIP enrollees under age 21 with a behavioral health condition. The number under each bar represents the number of enrollees with a behavioral health condition in CY 2023. All children and youth include enrollees ages 0–20. Prevalence of behavioral health conditions excludes children ages 0–12 with an SUD condition.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.

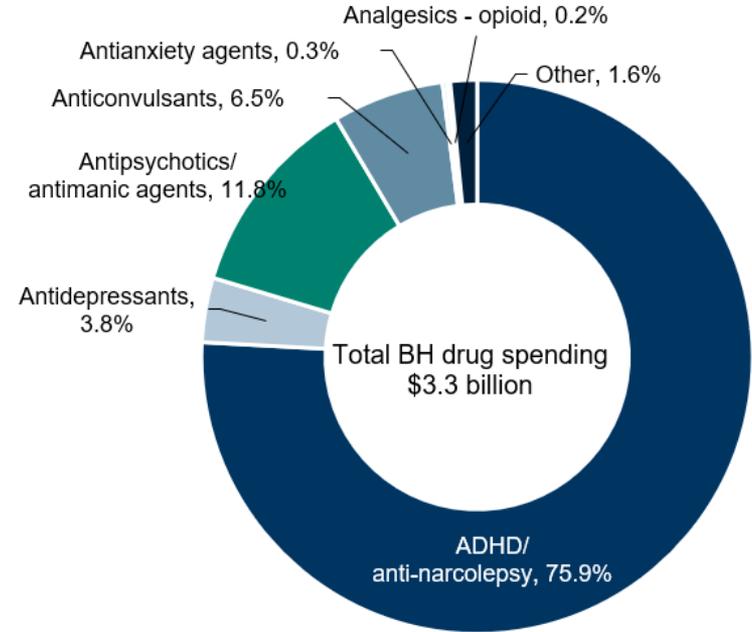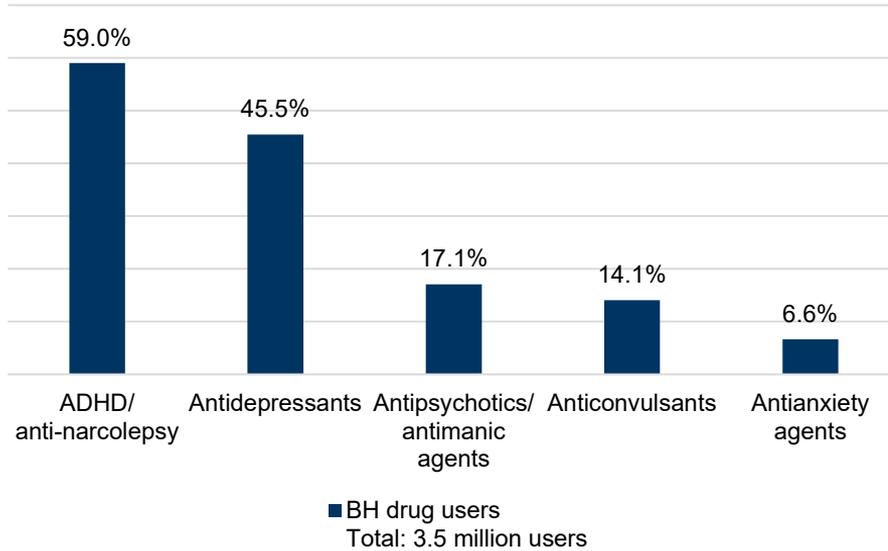# Behavioral Health Drug Use and Spending Among Children and Youth Users with Behavioral Health Conditions, by Drug Group, CY 2023

Bar chart: BH drug users, Total: 3.5 million users
- ADHD/anti-narcolepsy: 59.0%
- Antidepressants: 45.5%
- Antipsychotics/antimanic agents: 17.1%
- Anticonvulsants: 14.1%
- Antianxiety agents: 6.6%

Donut chart: Total BH drug spending $3.3 billion
- ADHD/anti-narcolepsy, 75.9%
- Antipsychotics/antimanic agents, 11.8%
- Anticonvulsants, 6.5%
- Antidepressants, 3.8%
- Other, 1.6%
- Antianxiety agents, 0.3%
- Analgesics - opioid, 0.2%

Notes: CY is calendar year. BH is behavioral health. ADHD is attention-deficit and hyperactivity disorder. This figure includes utilization and spending for non-dually eligible, full-benefit Medicaid and Medicaid-expansion CHIP enrollees under age 21 with a behavioral health condition. Because enrollees can use multiple behavioral health drugs, user percentages sum to more than 100. Spending includes federal and state funds. The percentages for spending on behavioral health drugs across all drug groups will sum to 100.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.

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Non-Dually Eligible, Non-Elderly Adult Enrollees with Behavioral Health Conditions

Behavioral Health Prevalence Among Non-Dually Eligible and Non-Elderly Adults, by Eligibility Group, CY 2023
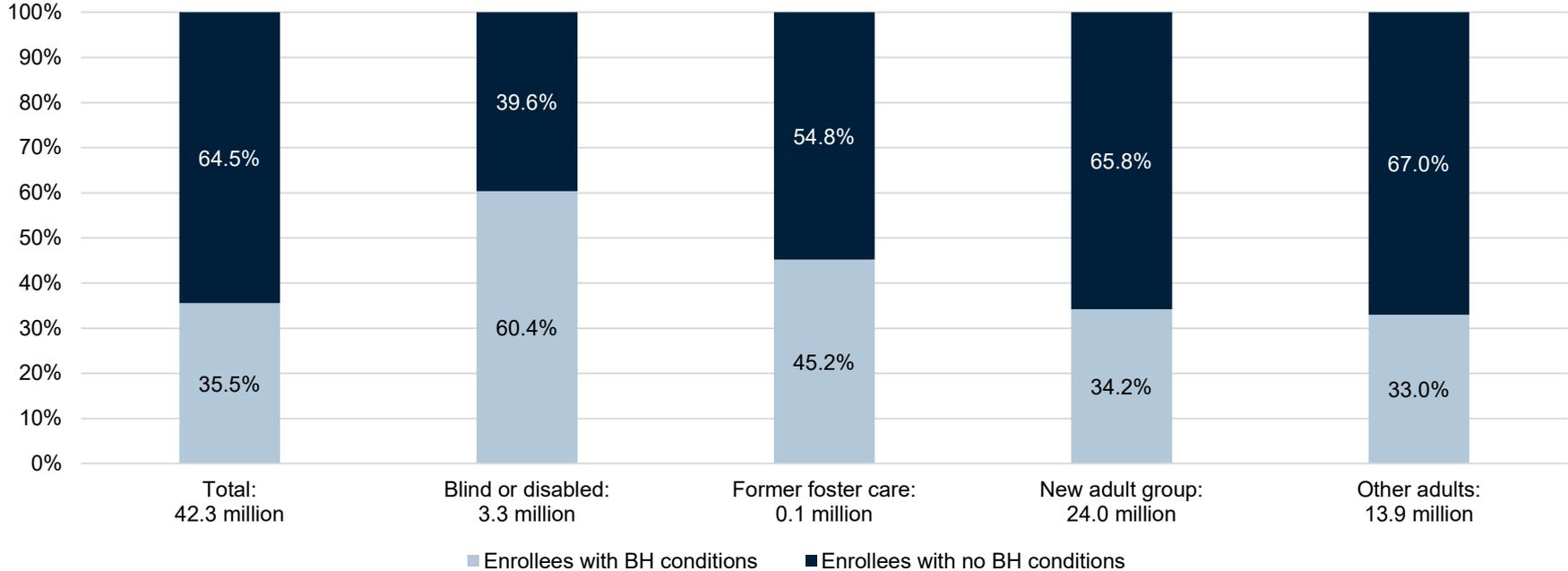
Chart showing stacked bar percentages:

	Total: 42.3 million	Blind or disabled: 3.3 million	Former foster care: 0.1 million	New adult group: 24.0 million	Other adults: 13.9 million
Enrollees with no BH conditions	64.5%	39.6%	54.8%	65.8%	67.0%
Enrollees with BH conditions	35.5%	60.4%	45.2%	34.2%	33.0%

■ Enrollees with BH conditions   ■ Enrollees with no BH conditions

Notes: CY is calendar year. BH is behavioral health. This figure includes non-dually eligible, full-benefit Medicaid enrollees between ages 21–64 and is limited to eligibility groups only with the largest number of adult enrollees. Former foster care youth are individuals under the age of 26, not otherwise mandatorily eligible, who were in foster care and on Medicaid either when they turned age 18 or aged out of foster care. The new adult group includes those enrollees who are eligible under Section 1902(a)(10)(A)(i)(VIII) of the Social Security Act (the Act).
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.
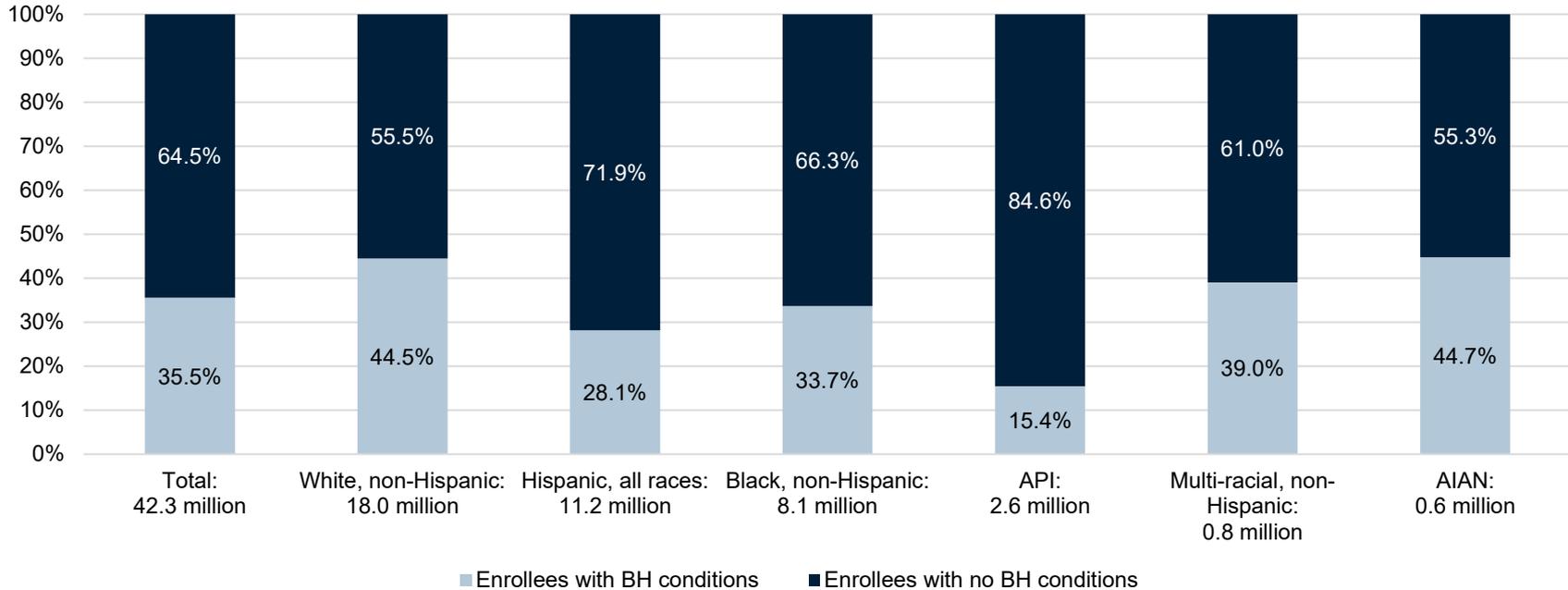
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Behavioral Health Prevalence Among Non-Dually Eligible and Non-Elderly Adults, by Race and Ethnicity, CY 2023

Notes: CY is calendar year. BH is behavioral health. API is Asian and Pacific Islander, non-Hispanic. AIAN is American Indian and Alaska Native, non-Hispanic. This figure includes non-dually eligible, full-benefit Medicaid enrollees between ages 21–64 and excludes enrollees with missing or unknown race or ethnicity, which represents less than three percent of the population.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.

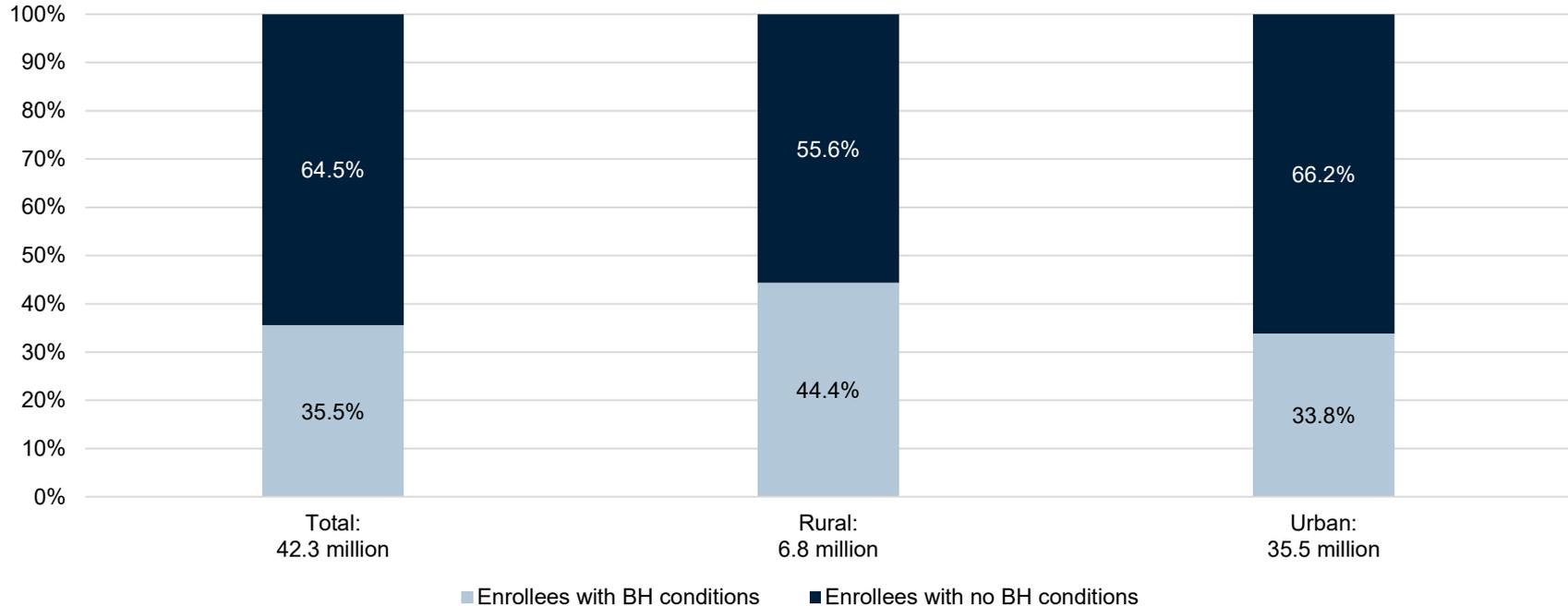# Behavioral Health Prevalence Among Non-Dually Eligible and Non-Elderly Adults, by Geographic Location, CY 2023

Legend: Enrollees with BH conditions | Enrollees with no BH conditions

	Total: 42.3 million	Rural: 6.8 million	Urban: 35.5 million
Enrollees with no BH conditions	64.5%	55.6%	66.2%
Enrollees with BH conditions	35.5%	44.4%	33.8%

Notes: CY is calendar year. BH is behavioral health. Urban or rural location is classified based on enrollee ZIP codes using the 2010 Rural-Urban Commuting Area (RUCA) code classification scheme from the U.S. Department of Agriculture. This figure includes non-dually eligible, full-benefit Medicaid enrollees between ages 21–64 and excludes enrollees with missing ZIP codes, which represents less than 0.5 percent of the population.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.
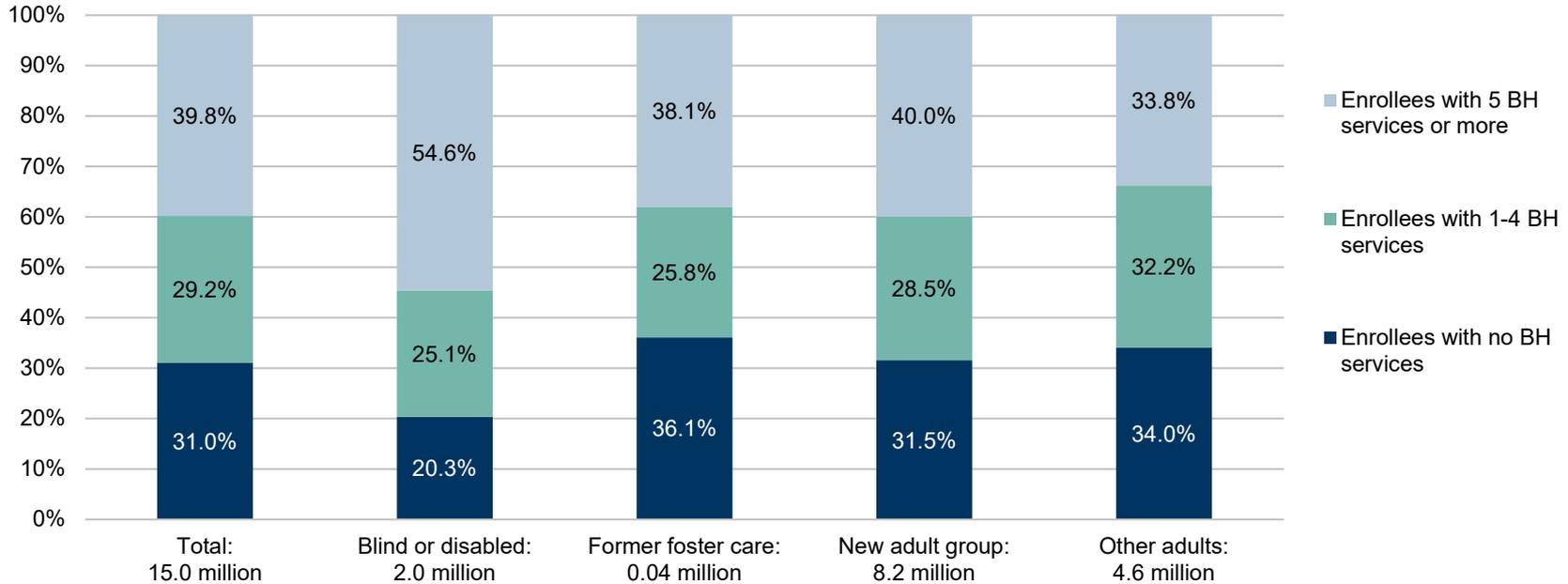
Overall and Behavioral Health-Related Spending Among Non-Dually Eligible and Non-Elderly Adults, by Behavioral Health Conditions, CY 2023

Condition category	Total enrollees (millions)	Total spending (billions)	Total spending per enrollee	Total BH users (millions)	Total BH spending (billions)	Total BH spending per BH user
BH condition	15.0	$197.0	$13,094	10.4	$53.2	$5,120
MH condition	11.6	164.4	14,226	8.6	48.4	5,642
SUD condition	8.0	120.0	14,995	5.5	33.4	6,024
I/DD condition	0.6	34.6	57,764	0.5	21.2	39,794
MH and SUD conditions	4.5	87.5	19,357	3.7	28.6	7,662
MH and I/DD conditions	0.4	21.4	60,086	0.3	13.6	41,104

Notes: CY is calendar year. BH is behavioral health. MH is mental health. SUD is substance use disorder. I/DD is intellectual and developmental disabilities. This table includes enrollment and spending for non-dually eligible, full-benefit Medicaid enrollees between ages 21–64 in CY 2023. Total behavioral health spending on enrollees with a behavioral health diagnosis represents spending on services with a primary or secondary behavioral health diagnosis code.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.

Behavioral Health Service Use Among Non-Dually Eligible and Non-Elderly Adults with Behavioral Health Conditions, by Eligibility Group, CY 2023

Legend:
- Enrollees with 5 BH services or more
- Enrollees with 1-4 BH services
- Enrollees with no BH services

	Total: 15.0 million	Blind or disabled: 2.0 million	Former foster care: 0.04 million	New adult group: 8.2 million	Other adults: 4.6 million
Enrollees with 5 BH services or more	39.8%	54.6%	38.1%	40.0%	33.8%
Enrollees with 1-4 BH services	29.2%	25.1%	25.8%	28.5%	32.2%
Enrollees with no BH services	31.0%	20.3%	36.1%	31.5%	34.0%

Notes: CY is calendar year. BH is behavioral health. This figure includes utilization for non-dually eligible, full-benefit Medicaid enrollees between ages 21–64 with a behavioral health condition. The number under each bar represents the number of enrollees with a behavioral health condition in 2023.
Source: MACPAC, 2025, analysis of 2023 Transformed Medicaid Statistical Information System (T-MSIS) data.

Key Takeaways and Next Steps

Key Takeaways

- In CY 2023, more than 25 percent of Medicaid and CHIP enrollees had a behavioral health condition, and they accounted for over half of total service-related Medicaid spending

- Over 16 million non-dually eligible enrollees with behavioral health conditions used behavioral health services, and 14.3 million used behavioral health drugs, accounting for $79.8 billion and $15.5 billion in behavioral health spending, respectively

  – More than 60 percent of users received care in outpatient settings, accounting for about one-third of total behavioral health service spending

  – Antidepressants were used by 63.2 percent of users, accounting for less than 10 percent of spending on behavioral health drugs

Key Takeaways, cont.

- Over 7 million (17.4 percent) children and youth enrollees had a behavioral health condition, and their behavioral health spending accounted for almost half of their total service-related Medicaid spending
  - Children under age 13 were more likely to use behavioral health services
  - Behavioral health spending per user was highest for those with co-occurring mental health and SUD conditions
- Fifteen million (35.5 percent) non-dually eligible and non-elderly adults had a behavioral health condition and their behavioral health spending accounted for over a quarter of their total service-related Medicaid spending
  - Adults in a blind or disabled eligibility group had the highest prevalence of behavioral health conditions and were more likely to use behavioral health services
  - Behavioral health spending per user was highest for co-occurring mental health and I/DD conditions

Next Steps

- Staff welcome Commissioner feedback on the behavioral health data presented
  - What feedback do Commissioners have on the draft chapter?
  - Are there any areas of particular interest for future work related to behavioral health use and spending?
- The data presented today will be included in a chapter in the March 2026 Report to Congress

January 29, 2026

Behavioral Health in Medicaid and CHIP

Draft chapter for March report

Janice Llanos-Velazquez and Anupama Warrier

MACPAC

Medicaid and CHIP Payment and Access Commission

JANUARY MEETING

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