

## Impact of U.S. Insurance Reimbursement Policy on Healthcare Business and Entrepreneurship

**Authors :** Iris Xiaohong Quan, Sharon Qi, Kelly Tianqin Shi

**Abstract :** This study focuses on the critical role of insurance policies in a world grappling with increasing mental health challenges, as they significantly influence the dynamics of healthcare businesses and entrepreneurial ventures. The paper utilizes the mental health sector as a case to examine the impact of insurance policies on healthcare service providers, entrepreneurs, and individuals seeking mental health support. This paper addressed the following research questions: To what extent do changes in insurance reimbursement policies affect the accessibility and affordability of mental health services for patients, and how does this impact the overall demand for such services? What are the barriers and opportunities that mental health entrepreneurs face and what strategies and adaptations do mental health businesses employ when navigating the evolving landscape of insurance reimbursement policies? How do changes in insurance reimbursement policies, specifically related to mental health services, influence the financial viability and sustainability of mental health clinics and private practices? Employing a self-designed survey aimed at autism spectrum disorder (ASD) treatment companies, alongside two in-depth case studies and an analysis of pertinent insurance policies and documents, this research aims to elucidate the multifaceted influence of insurance policies on the mental health industry. The findings from this study reveal how insurance policies shape the landscape of mental health businesses and their operations. A total of 821 autism treatment organizations or offices were contacted by telephone between November 1, 2019, and January 31, 2020. About half of the offices (53.33%) were established in the past five years, and 80% were established in the past 15 years. There is a significant increase in the establishment of ABA service centers in the recent two decades as a result of autism insurance reform, the increasing social awareness of ASD, and the redefinition of autism. In addition, almost half of the ABA service providers we surveyed had a patient size ranging from 20 to 50 in the year when the residence state passed the legislation for autism insurance coverage. On average, an ABA service provider works with 5.3 insurance companies. This research find that insurance is the main source of revenue for most ABA service providers. However, our survey reveals that clients' out of pocket payment has been the second main revenue sources. Despite the changes of regulations and insurance policies in all states, clients still have to pay a fraction of, if not all, the ABA treatment service fees out of pocket. This research shows that some ABA service providers seek federal and government funds and grants to support their services and businesses. Our further analysis with the in-depth case studies and other secondary data also indicate the rise of entrepreneurial startups in the mental health industry. Overall, this research sheds light on both the challenges and opportunities presented by insurance policies in the mental health sector, offering insights into the new industry landscape.

**Keywords :** entrepreneurship, healthcare policy, insurance policy, mental health industry

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