

## ECONOMIC COSTS AND TREATMENT BENEFITS

Aside from the vast social and emotional suffering inflicted, untreated substance abuse strains resources and impedes economic growth. According to economic studies, the societal costs of substance abuse in the United States were \$184.6 billion for alcohol abuse in 1998 [60], \$160.7 billion for drug abuse in 2000 [74], and \$157 billion for cigarette smoking in 1999 [57]. These nationwide costs total \$502.3 billion per year, and Missouri's proportional share of this burden is estimated to be \$10 billion. On a per capita basis, substance abuse has an annual cost of almost \$1,800 per Missouri resident, including more than \$1,200 per resident for alcohol and drug abuse. These costs include loss of productivity due to substance abuse related illnesses and deaths, motor vehicle crashes, fire destruction, crime, fetal alcohol syndrome, and AIDS. A report issued in 2001 by the National Center on Addiction and Substance Abuse at Columbia University concluded that 12.5 percent of Missouri's state spending in 1998—over \$1.3 billion—was related to alcohol and drug abuse. However, almost 97 percent of this amount was used to “shovel up the wreckage of substance abuse and addiction” while only 3.2 percent was used to prevent substance abuse and provide treatment services. The study found that the impact of substance abuse is especially severe in the state sectors of justice and corrections, education, health, child and family assistance, mental health, public safety, and employment [49].

Substance abuse is treatable, yet private treatment is prohibitively expensive for the disproportionate number of people needing treatment who have low incomes and lack insurance coverage. In 1999, clients in 64 percent of substance abuse treatment admissions nationwide had no health insurance coverage for alcohol and drug abuse treatment and relied on public support. Medicaid provided coverage for 14 percent of clients, while only 22 percent had private insurance or other forms of payment [65]. Similarly, a federal study that included a survey of Missouri treatment programs and clients in 2002 indicated that 78 percent of the clients were treated in certified non-profit programs that utilize state and federal funds, while only 22 percent were treated in private programs [68]. These figures suggest that approximately 78 percent of the 461,845 adults and 29,378 adolescents cited earlier in the 2003 prevalence study need publicly supported services [51]. Programs funded by the Division of Alcohol and Drug Abuse were able to provide treatment services to 37,072 adults and 3,885 adolescents in fiscal year 2003, only 10.3 percent of the adults and 17.0 percent of the adolescents needing those services.

Treatment for substance abuse has a good success rate and is cost effective. In 2002, Missouri completed a study of clients receiving treatment in programs funded by the Division of Alcohol and Drug Abuse [48]. The follow-up data identified several positive treatment outcomes. Two-thirds of the clients were not using alcohol or drugs six months after entering treatment, and three-fourths of those not using at six months were also not using one year after entering treatment. Clients showed improvement in the areas of earned income, physical and mental health, family and social relations, and legal status. Studies from other states and from employee assistance programs have documented substantial cost savings and other benefits from substance abuse treatment [64]. A follow-up study of 3,000 treatment clients in California showed that the cost of treatment averaged \$1,400 but yielded savings of about \$10,000 per client [62]. An Oregon study found that the state reduces its costs for tax-supported health, corrections, and welfare services by \$5.62 for each dollar spent on those who complete treatment [1]. The Center for Substance Abuse Treatment has estimated that a per capita expenditure of \$45 per year could provide services to everyone needing treatment for addictive disorders—a small fraction of the estimated \$1,200 per capita cost incurred for untreated alcohol and drug abuse [63].