

# FUNDING ALCOHOL/DRUG TREATMENT IS AN INVESTMENT IN HEALTH CARE COST CONTAINMENT & PUBLIC SAFETY

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# OVERVIEW

- Alcohol/Drug Misuse and Addictions are Widespread
- Untreated Alcohol/Drug Misuse and Addictions has Serious Consequences
- Virtually All State Agency Budgets are Affected by Alcohol/Drug Misuse and Addictions
- Alcohol/Drug Treatment Reduces Health Care and Criminal Justice Costs
- Why is the State Cutting Alcohol/Drug Treatment Given What We Know?
- What Can We Do to Save Taxpayer Dollars?

# Alcohol/Drug Misuse and Addictions Are Widespread

- 13% of adult population 200% Federal Poverty Level and below
- 8% of youth population 200% Federal Poverty Level and below
- 70% of booked arrestees (Seattle/Spokane) tested positive for alcohol and/or other drugs (Kabel et al., 1996)
- 70% of adult prison inmates have alcohol/drug problems (Department of Corrections)
- 82% of youth in state correctional facilities have a substance abuse problem (Juvenile Rehabilitation Administration, DSHS)
- 75% of parents of children in therapeutic foster care had documented substance abuse problems (OCAR, 1993)

# Alcohol/Drug Misuse and Addictions Are Widespread (cont.)

- 66% of parents of children in foster care had documented substance abuse problems (OCAR, 1993)
- 45% of out of home placements for children under two years occurred among the 8% of infants born to mothers documented to be using alcohol/drugs during their pregnancy (Cawthon & Shrager, DSHS, 1995)
- 20% of disabled individuals on Medicaid (Blind, Disabled, GA-X) estimated to need alcohol/drug treatment (Mancuso, et al., DSHS, 2005)
- 30% of individuals on GA-U estimated to need alcohol/drug treatment (Mancuso, et al., DSHS, 2005)
- 13% of TANF recipients estimated to need alcohol/drug treatment (Mancuso, et al., DSHS, 2005)

# Untreated Alcohol/Drug Misuse and Addictions has Serious Consequences

- More crime – higher arrest rate and incarceration rate
- Higher health care cost:
  - Increased accidents
  - Increased injuries
  - Increased disease
  - Increased drug seeking behavior
- Resulting in:
  - Increased Emergency Room visits
  - Longer hospital stays
  - Increased nursing home placements
  - Increased psychiatric hospitalizations
  - Increased pharmacy costs (especially opiates)
  - Increased infant delivery costs

# Untreated Alcohol/Drug Misuse and Addictions has Serious Consequences (cont.)

- Worse birth outcomes
  - Increased very low birth weight births
  - Increased low birth weight births
- Lower employment rates and earnings
- Lower on-time graduation rates
- Higher pre-mature death rate, including fetal death rate
- Increased child abuse/neglect

# Virtually All State Agency Budgets are Affected by Alcohol/Drug Misuse & Addictions

- Department of Social and Health Services
- Department of Health
- Department of Corrections
- Employment Security Department
- Labor and Industries
- Department of Commerce
- Department of Early Learning
- Office of the Superintendent of Public Instruction
- State Patrol

# Alcohol/Drug Treatment Reduces Health Care and Criminal Justice Costs

- Alcohol/Drug treatment reduces crime and associated costs
- Alcohol/Drug treatment reduces health care costs:
  - Emergency Room visits
  - Pharmacy
  - Psychiatric hospitalizations
  - Nursing home
  - Infant delivery costs
- Alcohol/Drug treatment improves birth outcomes:
  - Reduces very low birth rate
  - Reduces low birth weight
- Alcohol/Drug treatment improves employment and earnings
- Alcohol/Drug treatment reduces pre-mature death and infant mortality



# Chemical Dependency Treatment Reduces Crime

- SSI clients who had previously been arrested showed a 16% reduction in arrests and 35% reduction in felony convictions following the initiation of alcohol/drug treatment. (Estee and Nordlund, DSHS, 2003)
- An earlier study found a 21% decline in arrests and a 33% decline in felony arrests among clients beginning alcohol/drug treatment, comparing the year before and after treatment. (Luchansky, et al., 2002)
- Criminal recidivism is reduced as a result of entering treatment: 16% reduction in re-arrest for stimulant users and 19% reduction for other substances. Convictions for any offence are also reduced: 28% for stimulant users and 15% for other substances. (Nordlund, Estee, et al., DSHS, December 2003)

# Chemical Dependency Treatment Reduces Crime (cont.)

- GA-U clients in CY 2006 who received chemical dependency treatment saw a 33% decline in the number of arrests per client in the following year when compared to GA-U clients who needed but did not receive treatment. ADATSA and low income treated clients saw arrest reductions of 18 and 17% respectively. (Mancuso and Felver, DSHS, February 2009)
- Treated low income adults have fewer arrests – 21 arrests avoided for every 100 clients receiving chemical dependency treatment. (*The Persistent Benefits of Providing Chemical Dependency Treatment to Low-Income Adults*, Shah and Mancuso, et al., DSHS, November 2009)
- For clients with an opiate addiction who complete “drug free” chemical dependency treatment, the risk of re-arrest is 43% lower compared to untreated clients with opiate addiction. The risk of a felony conviction is 86% lower and 61% lower for any conviction. (Nordlund, Estee, et al., DSHS, June 2004)

# Chemical Dependency Treatment Reduces Health Care Costs

- Cost offsets for stimulant abusers (including methamphetamine) and other substance abusers (who receive treatment) are about the same: \$296 and \$267 per member per month. This includes cost offsets in medical, psychiatric and nursing homes. (Nordlund, Estee, et al., DSHS, December 2003)
- Treated low income adults experience lower medical costs - \$2,274 lower annual medical costs for treated versus non-treated individuals. (*The Persistent Benefits of Providing Chemical Dependency Treatment to Low-Income Adults*, Shah and Mancuso, et al., DSHS, November 2009)
- Medical “cost savings were \$210 per member per month based on a weighted average across three treatment modalities.” (*Medical Costs Decline for GA-U Clients Who Receive Chemical Dependency Treatment*, Wickizer, et al., February 2009)

# Chemical Dependency Treatment Reduces Health Care Costs (cont.)

- “The estimated annual reduction in medical costs for GA-U clients who received chemical dependency treatment was \$2,520 per person.”  
(*Medical Costs Decline for GA-U Clients Who Receive Chemical Dependency Treatment*, Wickizer, et al., February 2009)
- Average monthly ER (Emergency Room) cost is \$442 for SSI clients who need chemical dependency treatment but do not receive it. These costs are reduced to \$288 per month for SSI clients who receive chemical dependency treatment – an ER cost offset of \$154 per client per month. This represents a 35% reduction in average monthly ER related medical costs. (*Chemical Dependency Treatment Reduces Emergency Room Costs and Visits*, Nordlund and Mancuso, DSHS, July 2004)
- For clients with an opiate addiction who enter but do not complete “drug free” chemical dependency treatment the average monthly Medicaid cost offset is \$479 per person per month. For those completing treatment, the average monthly cost offset increases to \$626 per person per month. (Nordlund, Estee, et al., DSHS, June 2004)

# Chemical Dependency Treatment Improves Birth Outcomes

- Rate of very low birth weight for singleton infants of substance abusers who received prenatal substance abuse treatment was less than half that for infants of women identified as substance abusers in the prenatal period who did not receive prenatal treatment (0.8% compared to 1.9%). (*First Steps Database: Substance Abuse, Treatment and Birth Outcomes for Pregnant and Postpartum Women in Washington State*, Cawthon and Schragger, DSHS, January 1995)

# Chemical Dependency Treatment Improves Employment and Earnings

- For low income clients, a pattern of higher earnings for the treated group was sustained over the five year study period with treated clients earning an average of \$2,081 more in annual income by FY 2008 relative to their untreated counterparts. (*The Persistent Benefits of Providing Chemical Dependency Treatment to Low-Income Adults*, Shah and Mancuso, et al., DSHS, November 2009)

# Chemical Dependency Treatment Reduces Pre-Mature Death

- Treated low income adults have a lower risk of dying – in the first year after treatment, the regression – adjusted risk of dying was 48% lower for the treatment group. The treated group continued to experience a lower risk of dying through the fifth year when it was 24% lower. (*The Persistent Benefits of Providing Chemical Dependency Treatment to Low-Income Adults*, Shah and Mancuso, et al., DSHS, November 2009)
- Fetal death rate for substance abusers who received prenatal substance abuse treatment was substantially lower than that for women identified as substance abusers in the prenatal period who did not receive substance abuse treatment (0.45% compared to 1.42%). (*First Steps Database: Substance Abuse, Treatment and Birth Outcomes for Pregnant and Postpartum Women in Washington State*, Cawthon and Schragger, DSHS, January 1995)

# Why is the State Cutting Alcohol/Drug Treatment Given What We Know?

- Key players (DSHS, Governor's Office, Legislature) aren't aware of the negative cost shifts or positive benefits?
- Nobody is looking at the big picture?
- Need to make cuts and alcohol/drug services not on the priority list?
- No organized, state-wide pressure to influence policy makers?



# What Can We Do To Save Taxpayer Dollars?

- Create brief policy paper summarizing value of Alcohol/Drug Treatment
- Using policy paper, implement state-wide campaign to educate local, state and federal elected officials (after legislative session)
- Create some kind of ask (additional resources as economy grows, implement federal parity law for all Medicaid integrated managed care plans)
- Work together, including everyone's lobbyists, using the same data and same message – be assertive and relentless

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