

FACT SHEET

Medical Costs and Unrecognized/Untreated Substance Use Disorders: A Case for Health Reform

BACKGROUND

Substance use disorders are a chronic disease identified in about 9.5% of the general population (about 24 million Americans over the age of 12):

- Of those, 3% or 7 million people are current users of prescription drugs taken non-medically
- Among the elderly, about 8% have been identified as heavy drinkers
- Substance use disorders are associated with over 110,000 deaths annually and are the 2nd leading cause of disability (WHO, 2003)
- Pre-deployment data indicates that approximately 8% of military service members are heavy weekly drinkers, 45% engage in binge drinking, and 11% report at least one alcohol-related problem (Jacobson et al., 2008) with substance dependence and PTSD a significant clinical problem in returning veterans (Eggleston et al., 2009)
- Public funding constitutes the vast majority of addiction treatment expenditures – over 80% of all expenditures for treatment
- Federal, state, and local governments pay twice for this care---in the 20-40% rates of uncompensated healthcare (particularly in hospitals and ERs) and the 50-75% rates of jail and prison costs for untreated addicted offenders
- Yet, only about 10% of those identified are treated in the specialty treatment system and over 40% of those who try to get help are denied treatment because of cost or insurance barriers (NSDUH, 2005)

THE PROBLEM

I. Substance use disorders are prevalent throughout the healthcare system.

- While 9.5% of the general population (about the same as Type II Diabetes) and 2.5 million adolescents suffer from substance dependence, **SUBSTANCE DEPENDENCE AFFECTS 22% OF THOSE IN MEDICAL SETTINGS;**
- Among young adults between 18 and 34 between 10% and 20% have substance use disorders, **AND AGAIN 90% RECEIVE NO CARE.**

II. Health care costs increase for people with treated and untreated substance use, alcohol and other drug disorders; costs in 2008 were about \$62 billion in healthcare alone (more in crime and welfare costs) (Harwood, 2000 updated and adjusted for 2008).

- Individuals with untreated substance use disorders have higher medical costs than those without such disorders (Clark et al. 2009) especially for emergency department visits and hospitalizations;
 - Individuals with substance use disorders use about 8 times more healthcare services;
 - Families of untreated individuals with substance use disorders have significantly higher medical costs than other families (Ray et al. 2000);
 - ◊ In fact, families of such individuals use about 5 times more health care driven by hospitalizations, pharmacy costs, and primary care visits;
 - Drug or alcohol use disorders are identified in about 3% of all hospital stays in the U.S., totaling about \$12 billion in hospital costs (AHRQ, 2006 and 2007);
 - ◊ For the uninsured, the emergency department is the entry point for hospital stays for more than 50% of individuals with drug use disorders and over 75% of those with alcohol use disorders;
 - Among both the uninsured and Medicaid patients, about 25% of hospital stays are the result of alcohol use disorders;
 - Almost 20% of Medicaid hospital costs and nearly \$1 of every \$4 spent on inpatient care by Medicare is associated with substance use.
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