

# The Cost of

## Alcohol and Drug Abuse

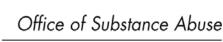
in

## Maine, 2005

# **Executive Summary**

December, 2007





Department of Health and Human Services

John E. Baldacci, Governor

Brenda M. Harvey, Commissioner

#### For more information, contact:

Maine Office of Substance Abuse Information & Resource Center #11 State House Station Augusta, ME 04333-0011 Web: <u>www.maineosa.org</u> Email: <u>osa.ircosa@maine.gov</u> 1-800-499-0027 or (207)287-8900 TTY: 1-800-616-0215

#### **Summary findings**

- In 2005, the total estimated cost of substance abuse in Maine was \$898.4 million.
- This \$898.4 million translates into a cost equaling \$682 for every resident of Maine.
- Substance abuse treatment (\$25.2 million) comprised the smallest proportion of total cost (2.8%), while costs associated with crime comprised the largest proportion of costs (\$214.4 million or 23.9%).

#### Substance abuse treatment

Treatment services available in Maine to help persons with substance use disorders include various levels of residential programs, outpatient programs, medication assisted treatment, detoxification, and specialty programs for youth, pregnant women, and persons who are diagnosed with both mental health and substance use disorders.

#### Summary findings:

- The total estimated cost of providing treatment in Maine in 2005, based on reported annual revenue, was \$25.2 million.
- Of this amount, 38.4% is from state funds (including federal block grants), 33.5% from Medicaid, 2.7% from client payments, 0.9% from other federal government funds, 15.5% from local or other public funds, 3.8% from private insurance, and 5.3% from other or unknown funding sources.
- Approximately 19,593 admissions for drug and/or alcohol related treatment, representing 15,884 distinct individuals, were reported during 2005.

#### Morbidity

Alcohol and drug abuse or dependence may adversely affect an individual's work productivity as well as his or her ability to function in other roles. Examples of reduced work productivity would include a worker calling in sick or working while hung-over from heavy drinking the night before, using drugs or alcohol on the job, or leaving work early to use drugs and consume alcohol. An individual's productivity in other non-work roles may also be affected by alcohol or drug use, e.g. performing household or child-care duties. In all these cases, reduced output resulting from alcohol or drug use can be measured as an economic loss. It is often assumed, incorrectly, that the affected worker or individual incurs all of the costs for his or her behavior. Alcohol and drug abuse or dependence creates an economic loss borne by society at large.

#### Summary findings:

- Total morbidity costs in 2005 due to alcohol or drug abuse were estimated to be \$155.6 million.
- Males accounted for 60.8% of total costs.
- Males aged 45-64 accounted for the largest portion of alcohol morbidity costs.

#### Mortality

A major economic loss is imposed on society by premature death from substance use and abuse. Premature death through illness or injury can occur though auto and other accidents involving alcohol, through liver diseases such as hepatitis and cirrhosis, through increasing the risk of cancer or cerebrovascular disease, and through violence involving drugs or alcohol. When an individual dies prematurely, there is an economic cost to society in the form of the loss of that individual's productive capacity.

Summary findings:

- 681 deaths related to drug and alcohol abuse occurred in 2005, (544 alcohol-related and 137 drug-related deaths), resulting in 15,747 years of potential life lost.
- Major causes of death were:
  - a. cancer (various types) 136 deaths
  - b. cirrhosis, cerebrovascular disease and suicide 48 deaths each
  - c. motor vehicle accidents 42 deaths
- Total mortality costs for 2005 were \$204.2 million. Of this amount, \$132.6 million resulted from alcohol abuse and \$71.6 million from drug abuse.
- The average cost per death in 2005, measured in lost earnings, was \$299,827.

#### Crime

Recent surveys of incarcerated populations provide evidence of the strong link between crime and substance abuse. In 2004, one in four federal inmates (26%) and one in three state inmates (32%) reported that they were under the influence of alcohol or illicit drugs at the time of their current offense. Fifty-three percent (53%) of State and 45% of Federal prisoners met the diagnostic criteria for drug dependence or abuse (US Department of Justice, 2006).

#### Summary findings:

- Of 14 arrests for homicide, an estimated 4 were related to alcohol and 2 to drug abuse.
- In 2005, 7,520 arrests were related to assaults (aggravated, sexual and other), of which an estimated 2,247 were related to alcohol abuse and 369 to drug abuse.
- Total estimated drug- and alcohol-related crime costs in 2005 were \$214.4 million.
- Of the four major crime cost categories analyzed, law enforcement costs were highest
  - (\$101.1 million), followed by the cost of corrections (\$44.0 million).

#### **Medical care**

Alcohol and drug abuse increases the risk of illness or injury and thereby increases the use of health care services. The effects of substance abuse on health care utilization may be obvious and immediate or more indirect and long term. The link between substance use and health care costs is clear in the case of an individual overdosing on drugs and then requiring hospitalization, or a person driving under the influence of alcohol who sustains serious injury in an auto accident and requires emergency hospital treatment. But prolonged alcohol abuse can also increase the risk for a number of diseases, including stomach cancer, cancer of the esophagus, respiratory tuberculosis, liver damage and pancreatitis, thereby increasing the demand for costly medical care as well as premature nursing home care.

#### Summary findings:

- There were approximately 8,349 hospital discharges in Maine in 2005 directly or indirectly related to drug and alcohol use or abuse.
- The total cost of providing hospital inpatient care for these patients, including adjustment for longer stays due to co-occurring substance dependency, was estimated at \$111.2 million, including \$87.0 million, or 78.2% related to alcohol use.
- The estimated cost of outpatient medical care was \$51.3 million.
- Prescription drug costs and nursing home costs attributable to alcohol were, respectively, \$18.2 million and \$6.2 million.
- The total estimated medical cost was \$186.8 million.

#### Other related costs

Substance use and abuse impacts a number of areas not included in the previous sections: Child welfare and the administration of other social welfare programs, fire protection and the destruction caused by fire, and the non-medical costs of motor vehicle accidents.

#### Summary findings:

- An estimated \$52.3 million in child welfare costs related to substance abuse was spent in Maine during 2005.
- An estimated \$2.3 million was spent on the administration of other social welfare programs related to drug and alcohol abuse in Maine during 2005.
- Alcohol is believed to play a role in a large proportion of fires. In 2005, the estimated cost of these fires in Maine was \$9.2 million.
- The cost of alcohol-related motor vehicle crashes in Maine in 2005 is estimated at \$48.4 million.
- The combined cost of all three cost categories was \$112.2 million



John E. Baldacci, Governor Brenda M. Harvey, Commissioner

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