The Business Case for Effective Substance Use Disorder Treatment

A new awareness is emerging among those working to improve the U.S. healthcare system – we will be unable to solve the quality and cost problems ($3 trillion per year and counting) until we address the healthcare needs of persons with serious mental health and substance use disorders and the behavioral health needs of all Americans.

Substance Use Disorder Treatment in the Critical Path

There are tens of millions of Americans with comorbid chronic health and behavioral health conditions such as substance use disorders. These individuals have higher healthcare costs and are generally not getting the care they require to address these issues. The combination of these factors is creating a major roadblock in our efforts to fix the healthcare system. Consider the following.

High Prevalence: In 2011, nearly 20 million U.S. adults (8 percent) had a substance use disorder and more than 41 million (18 percent) had any mental illness.[1] 10.8 million full-time adult workers have a substance use disorder, as do 3.3 million part time workers, 2.2 million unemployed adults, and 3.3 million adults who are not in the labor force.[2] Behavioral health disorders are the leading cause of disability in the U.S. and Canada.[3]

High Medical Cost: Medical costs for treating those patients with chronic medical and comorbid mental health/substance use disorder (MH/SUD) conditions can be 2-3 times as high as for those who don't have the comorbid MH/SUD conditions. The *additional* healthcare costs incurred by people with behavioral comorbidities were estimated to be $293 billion in 2012 across commercially-insured, Medicaid, and Medicare beneficiaries in the United States.[4]

Low Priority: Just 10 percent of adults with substance use disorders receive treatment in a given year, with 29 percent of those who do get treatment receiving care considered to be minimally adequate.[5] Only 7.4 percent of the 8.9 million people with co-occurring mental health and substance use disorders received treatment for both conditions, and 55.8 percent did not receive any treatment.[6]

Substance Use Disorder Treatment Makes a Difference

What national researchers have determined:

A ranking of 25 preventive services recommended by the United States Preventative Services Task Force (USPSTF) based on clinically preventable burden and cost effectiveness found that **alcohol screening and intervention** rated at the same level as colorectal cancer screening/treatment and hypertension screening/treatment.[7]

What a large health plan found:

Kaiser Permanente Northern California analyzed the average medical costs during 18 months pre and post SU treatment and found that the **SU treatment group** had a **35% reduction in inpatient cost, 39% reduction in ER cost, and a 26% reduction in total medical cost**, compared with a matched control group.[8, 9]

Kaiser also found that **family members** of patients with SU disorders had **high healthcare costs** and were more likely to be diagnosed with a number of medical conditions than family members of similar persons without a SU condition.[10] For families of SU patients who were **abstinent at one-year** after treatment began, the **healthcare costs of family members were no longer higher** than other Kaiser members.[11]

What the academic researchers are telling us:

Randomized trials of **Screening and Brief Intervention** for substance use disorders show that the intervention saves money and improves outcomes. UK: **$2.30 cost savings** for each $1.00 spent in intervention; US Level 1 Trauma Center: **$3.81 cost savings** for each $1.00 spent in intervention; U.S. Primary Care Clinic: **$4.30 cost savings** for each $1.00 spent in intervention.[12, 13, 14, 15, 16, 17, 18]

What Washington State calculated:

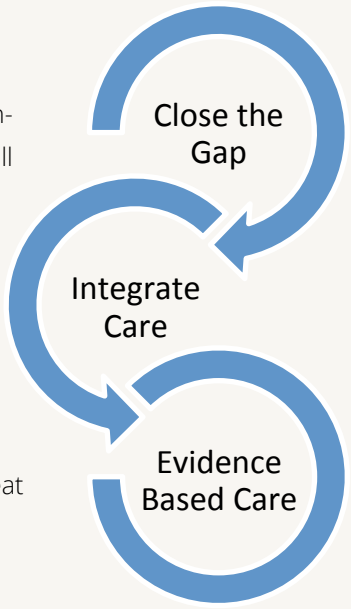
Comparing **disabled Medicaid enrollees receiving SU treatment** with the untreated population, average monthly medical costs were $414 higher for those not receiving treatment, and with the cost of the treatment added in, there was a **net cost offset of $252 per month** or $3,024 per year. For **individuals with opiate-addiction, cost offsets rose to $899 per month** for those who remain in methadone treatment for at least one year.[19, 20, 21, 22]

Washington State also found that **prior to their SU treatment expansion** initiative, healthcare costs for Medicaid disabled clients with SU problems were **rising** at a rate of **11% per year. Under the SU treatment expansion** initiative, the **growth in healthcare costs was slowed to 2.8% per year**.[23]

The Three-Part Solution

The solution to addressing the healthcare needs of persons with serious mental health and substance use disorders and the behavioral health needs of all Americans is straightforward.

1. Close the gap between those needing behavioral healthcare and those receiving it.
2. Better integrate medical and behavioral healthcare, as well as substance use and mental health care.
3. Expand the use of evidence-based practices to coordinate care, treat behavioral health disorders, and treat chronic medical conditions.



A Path to the Three-Part Solution

States, health plans, and communities are moving toward the three part solution by:

- **Rolling Out High Impact Strategies:** Identify and fund high impact strategies that target high cost individuals with substance use disorders, wrapping care around this group to reduce their use of emergency and inpatient care, freeing up preventable healthcare expenditures.
- **Expanding the Strategies:** Use the savings to fund and expand the number of high-impact strategies and serve a greater number of people with substance use disorders and preventable health conditions.
- **Resizing the Funding Pools:** Provide long term funding for the strategies by resizing the funding pools for acute care, specialty care, primary care and behavioral healthcare, taking advantage of lower acute care and specialty utilization and cost to permanently fund expanded primary care and behavioral health services.

This path, if pursued over time, will support the shift from a *sick care* system to a true *health* system in the United States.

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