THE COST OF UNTREATED SUBSTANCE USE DISORDERS IN OHIO

Presented by the Ohio Alliance of Recovery Providers and The University of Akron Institute for Health and Social Policy

November 3, 2008

www.ohioarp.org
info@ohioarp.org
1-866-943-8406

The Ohio Alliance of Recovery Providers Membership

Dan Barksdale **McKinley Hall** 1101 E. High St. Springfield, OH 45505 (937) 328-5300x142 (o) (937) 390-1919 (h) dbarksdale@mckinleyhall.org	**Saundra Jenkins** **Nova House Association** 732 Beckman St. Dayton, OH 45410 (937) 253-1680 (o) (513) 675-9120 (c) SJenkins@novahouse.org	**Margo Spence*** **First Step Home** 2203 Fulton Cincinnati, OH 45206 (513) 961-4663 (o) (513) 403-4012 (c) margo.spence@firststephome.org
James Billow **Quest** 1341 Market Avenue North Canton, OH 44714 (330) 453-8252 (o) JamesB@questrs.org	**Sandra Kuehn** **Center for Chemical Addictions Treatment** 830 Ezzard Charles Dr. Cincinnati, OH 45214 (513) 381-6672 (o) (xxx) xxx-xxxx (c/h) skuehn@ccatsober.org	**Thomas D. Stuber** **Lorain County Alcohol & Drug Abuse Services** 2115 West Park Drive Lorain, Ohio 44053 (440) 282-4777 (o) (440) 669-0723 (c) tstuber@lcada.com
Melanie Blasko **Lake-Geauga Recovery Centers Inc** 9083 Mentor Ave. Mentor, OH 44060 (440) 205-2674 (o) (440) 478-0360 (c) mblasko@lgrc.us	**Kenneth Lloyd*** **Community Solutions Association** 320 High Street N.E. Warren, OH 44481 (330) 394-9090 (o) (330) 550-2808 (c) klloyd@csatrumbull.org	**Neil Tilow*** **Talbert House** 2600 Victory Parkway Cincinnati, OH 45206 (513) 751-7747 (o) (513) 382-4359 (c) Neil.Tilow@talberthouse.org
Ken Bond **Recovery Services of Northwest Ohio** 511 Perry St. Defiance, OH 43512 (419) 782-8820 (o) (419) 439-2977 (c) kenb@rsnwo.org	**David Logan*** **Prospect House** 682 Hawthorne Ave. Cincinnati, Oh 45205 (513) 921-1613 (o) (513) 300-6391 (c) dlogan@prospect-house.org	**Eloise Traina*** **Family Recovery Center** P.O. Box 464 Lisbon, OH 44432 (330) 424-1468 (o) (330) 337-3572 (c) etraina@familyrecovery.org
Jerry Carter* **Neil Kennedy Recovery Clinic** 2151 Rush Blvd. Youngstown, OH 44511 (330) 744-1181 (o) (330) 509-3648 (c) jerry.carter@gatewayrehab.org	**Lawrence J. Moliterno*** **Meridian Services** 527 N. Meridian Road Youngstown, OH 44509 (330) 797-0070 (o) (330) 770-3203 (c) lmoliterno@meridianservices.org	**Patricia Weston-Hall*** **Glenbeigh** P.O Box 298 Rock Creek, OH 44084 (440) 951-7000 (o) (440) 969-0569 (c) Pat.weston-hall@glenbeigh.com
Joe Gay * **Health Recovery Services, Inc.** 224 Columbus Rd. Athens, OH 45701 (740) 592-6725 (o) (740) 703-3707 (c) jgay@hrs.org	**Virginia O'Keeffe*** **Amethyst, Inc.** 455 E. Mound Columbus, OH 43215 (614) 242-1284 (o) (614) 578-1841 (c) okeeffev@amethyst-inc.org	**Ted Ziegler*** **Community Health Center** 702 East Market Street Akron, OH 44305 (330 315-3721 (o) (330) 697-2072 (c) cdbceo@aol.com
Ed Hughes **The Counseling Center, Inc.** 1634 11th St. Portsmouth, OH 45662 (740) 654-6685 (o) (740) 352-6032 (c) ehughes@thecounselingcenter.org	**Debbie Rodriguez** **Recovery Resources** 3950 Chester Ave. Cleveland, OH 44114 (216) 431-4131 (o) (216) 544-0887 (c) drodriguez@recres.org	
Carolyn Ireland **House of Hope** 825 Dennison Avenue Columbus, OH 43215 (614) 291-4691 (o) (614) 578-0677 (c) cireland@hofhope.org	**Trisha Saunders** **The Recovery Center** 1856 Cedar Hill Rd Lancaster, OH 43130 (760) 687-4500 (o) (740) 215-0543 © tsaunders@therecoverycenter.org	** indicates founding members*

The Ohio Alliance of Recovery Providers

Mission
To ensure access to a full continuum of care
of clinically appropriate alcohol and drug addiction
treatment and prevention services for all Ohio Citizens.

Executive Summary

Over 851,000 Ohioans suffer from substance dependence or abuse; however, only 11% of those needing treatment for alcohol and drug problems presently receive it. Of the over 2.8 million children in Ohio, it is estimated that over 700,000 Ohio children are affected in some way by substance abuse. Approximately 79,000 Ohio youths either abuse or are dependent on illicit drugs. About half of all workers' compensations claims in Ohio are related to alcohol or drug abuse in the workplace. On average, an employee with an unaddressed substance use disorder can cost an employer $7,000 per year in lost productivity and health care costs. About 80% of Ohio inmates have a substance disorder. Alcohol and drugs affect all Ohioans in some way.

For every dollar spent on substance abuse, only four cents goes to prevention and treatment with the remainder going towards the burden of substance abuse on public programs, such as law enforcement. And yet, alcohol and drug addiction treatment is effective as demonstrated in over 600 published scientific papers. Of those ages 18 or older who feel they need treatment but have not received it, one third say they have not received treatment because they lack health insurance and are unable to pay. At a modest return of $7 saved for ever $1 spent on treatment, Ohio's prevention benefit could exceed $202 million every year.

The Ohio Alliance of Recovery Providers strongly believes that advocating for access to treatment for substance use disorders is a top priority. We have identified areas that we believe can have an impact on improving access and engagement in treatment and recovery services.

- **PRIORITY ISSUE ONE: PROVIDE A FULL-CONTINUUM FOR CARE FOR ALL OHIO CITIZENS WITH SUBSTANCE ABUSE DISORDERS**
- **PRIORITY ISSUE TWO: ENACT MANDATED INSURANCE BENEFITS FOR TREATMENT COVERAGE FOR ALL LEVELS OF CARE**
- **PRIORITY ISSUE THREE: REDUCE UNNECESSARY REGULATORY CONDITIONS AND/OR REQUIREMENTS FOR OHIO RECOVERY PROVIDERS**

Our efforts focus on building recovery-oriented capacity and client-centered care. This report presents key findings related to issues directly impacting our recovery system in Ohio. Over the next year, the Ohio Alliance for Recovery Providers will convene provider panels to help to define Ohio's recovery-oriented services. We will work against resistance for change and strive to reduce stigma and discrimination related to addictions. Finally, it is our intent to institute changes to address the inequitable, inadequate and inflexible funding streams for treatment and recovery services in Ohio.

Introduction

The Ohio Alliance of Recovery Providers plans to foster and develop a recovery-oriented system of care for Ohio. We hope to build recovery-oriented capacity and client-centered care. This report presents key findings related to issues directly impacting our recovery system in Ohio. Over the next year, the Ohio Alliance for Recovery Providers will convene provider panels to help to define Ohio's recovery-oriented services. We will work against resistance for change and strive to reduce stigma and discrimination related to addictions. Finally, it is our intent to institute changes to address the inequitable, inadequate and inflexible funding streams for treatment and recovery services in Ohio.

Substance use disorders (abuse and dependence) are a pervasive problem, afflicting one in ten Americans. Substance abuse/dependence is a diagnosable, chronic, potentially fatal disease. A growing body of neuroimaging studies provides evidence that a physiological basis underlies the clinical experience of SUD chronicity.[1] Substance use disorders affect persons of all ages and backgrounds. According to the Substance Abuse and Mental Health Services Administration (SAMHSA), 22.6 million persons aged 12 or older were classified with substance use disorders in the last year.[2] According to the National Center on Addiction and Substance Abuse (CASA), 94% of primary care physicians and 41% of pediatricians fail to diagnose substance abuse, meaning that the number suffering from substance abuse disorder can potentially be much higher.[3] Of those diagnosed, SAMHSA reports approximately 1.8 million individuals are in treatment.[4] **However, more than 80% of persons who need treatment do not receive it.**[5] If eight out of ten congestive heart disease patients were not receiving treatment, the situation would not be tolerated. Consequently, one must consider the stigma carried by individuals with a substance abuse disorder and how this stigma affects access to service and society's allocation of resources. Individuals who are recovering still face discrimination as they seek employment, insurance, housing, and other life necessities.

SAMHSA estimates that over 851,000 Ohioans suffer from substance dependence or abuse; however, only 11% of those needing treatment for alcohol and drug problems presently receive it, according to the State Associations of Substance Abuse Services.[6] More than a half million Ohioans are suffering from untreated substance dependence or abuse.[7] Public policy debates and media representation fail to address the systematic causes of prolonged substance abuse; rather, they portray substance abuse disorders as a problem with the individual: their dysfunction, laziness, deviance, or general deficiency.[8]

Substance Use Disorders Impact Ohio Children

Substance use disorders affect one of four children.[9] Nationwide, more than 9 million children live with a parent who is dependent on alcohol and/or drugs.[10] **Of the over 2.8 million children in Ohio, it is estimated that over 700,000**

Ohio children are affected in some way by substance abuse.

Substance use disorders in adolescents continue to grow, according to the NYU Child Study Center and the Schneider Institute for Health Policy. By eighth grade, 52% of adolescents have consumed alcohol, 41% have smoked cigarettes, and 20% have come into contact with marijuana. By the 12th grade, 80% have used alcohol, 63% have smoked cigarettes, and 49% have experienced marijuana.[11]

SAMHSA reports that approximately 79,000 Ohio youths either abuse or are dependent on illicit drugs.[12] In 2003, 2,121 juveniles were arrested for drug abuse in Ohio.[13] According to CASA, if we can keep children from smoking cigarettes, abusing alcohol, and using drugs until they are 21, they are virtually certain never to do so.

The Cost of Untreated Substance Use Disorders

Substance use disorders are expensive. More deaths and disabilities result from substance abuse each year in the U.S. than from any other single cause.[14] Overall, one in four U.S. deaths can be attributed to alcohol, tobacco, or illicit drug use.[15] **Untreated substance use disorders are more expensive than heart disease, diabetes, and cancer combined.**[16] Substance use disorders cause more deaths, illnesses, and disabilities than any other treatable health condition.[17]

According to CASA, the burden of the failure to prevent and treat substance use disorders and the cost of coping with the impact fall heavily on governors, state legislatures, and taxpayers.[18] **The economic burden of substance use disorders on the U.S. economy is currently estimated at $414 billion.**[19] Direct medical costs (hospital costs attributable to alcohol and drug abuse) were over $114 billion; morbidity costs (losses in productivity due to alcohol and drug abuse) totaled $103 billion; mortality costs (the present value of future earnings lost due to alcohol and drug abuse and smoking) were over $114 billion; and other related costs were over $96 billion.[20]

Alcohol and drug-related abuse by employees costs companies roughly $100 billion a year.[21] In addition, those with substance use disorders tend to have higher healthcare costs and use services more frequently.[22]

In 1998, according to CASA, Ohio spent a total of $620 billion, of which substance abuse received $81.3 billion. Of the $81.3 billion, only $3 billion went to prevention, research, and treatment. **For every dollar that was spent on substance abuse, four cents went to prevention and treatment with the remainder going towards the burden of substance abuse on public programs, such as law enforcement, courts, and corrections.** Ultimately, substance abuse served as a $77.9 billion burden to state programs in 1998. The breakdown is as follows:

Justice: $30.7 million
Education: $16.5 million
Health: $15.2 million
Child and Family Assistance: $7.7 million
Mental Health: $5.9 million
Public Safety: $1.5 million
State Workforce: $.4 million

Medicaid enrollees with untreated substance abuse pose a significant cost to the Medicaid system. A recent study (N=1043) compared Medicaid reimbursement costs for Medicaid enrollees with a substance abuse diagnosis who did and did not receive treatment. The average monthly Medicaid costs ($257) for the untreated enrollees were higher in the year prior to identification than were costs ($207) for those who were treated. The monthly costs in the 6 months following identification were $761 for the untreated and $373 for the treated. The costs in the next 6 months returned to near the original for the treated ($224), whereas those for the untreated remained higher at $340.[23]

The National Institute on Drug Abuse reports that more than 90% of alcohol users and 74% of illicit drug users are employed. **On average, 15 to 17% of employees in every U.S. company abuse substances (Bureau of Labor Statistics).** The Ohio Bureau of Workers' Compensation reports that 47% of serious workplace accidents and 40% of fatal workplace accidents involve drugs and/or alcohol. From 38% to 50% of all workers' compensations claims are related to alcohol or drug abuse in the workplace. In 40% of the accidents caused by a substance user in the workplace, a coworker is injured. **On average, an employee with an unaddressed substance use disorder can cost an employer $7,000 per year in lost productivity and health care costs.**[24]

Treatment Works

In Ohio, a study of the economic implications of substance use treatment found a 91% decrease in absenteeism, an 88% decrease in problems with supervisors, a 93% decrease in mistakes at work, and a 97% decrease in on-the-job injuries for those who entered treatment.[25]

The costs of drug abuse to society—which include costs for health care, substance use disorder prevention and treatment, and lost resources resulting from reduced worker productivity or death—are estimated at $67 billion annually.[26] Every American pays nearly $1,000 per year for the damages of substance use disorders, with CASA reporting that each American pays $227 per year in state taxes alone to deal with the burden of substance use disorders.[27] **At a modest return of $7 saved for ever $1 spent on treatment, Ohio's prevention benefit was $202,496,658 in 2006.**[28] Prevention measures also cause a positive return on investment with every $1 spent on prevention returning $5.60 to taxpayers.[29] The same applies in other states as well. In California, every dollar spent on drug and alcohol abuse treatment saves the public $7.[30] The greatest economic gains arise from reducing the costs of criminality, including victimization and the costs of incarceration. North Dakota presents a greater than 7:1 ratio of benefits to costs for a net benefit of $59,251,500 for 3,465 episodes of care.[31] Kentucky similarly shows that for every dollar spent on treatment, there is a $4.98 cost offset in crime, incarceration, and unemployment.[32]

In the state of Ohio in State Fiscal Year 2006 alcohol and other drug prevention services reached more than 236,000 clients at a cost of $29.2 million.[33] **The**

effects of treatment saved Ohioans more than $370 million in out-of-home childcare, prison costs, and wages earned.[34]

According to CASA, 10% of state education funding—totaling $16.5 billion—goes towards the costs of substance abuse. Specifically, the money is geared to assist with special education programs for students with substance-related retardation or learning disabilities, programs for children at risk, student and employee assistance programs, and to pay for property damage and liability insurance.

Nationwide, nearly 25% of all emergency room admissions, 33% of all suicides, and more than 50% of all homicides and incidents of domestic violence are alcohol-related.[35] When considering the impact of illicit drug abuse, these numbers would be staggering when drug and alcohol-related ER visits, suicides, and incidents of domestic violence were considered together**. Illicit drug users make over 527,000 costly emergency room visits each year for drug-related problems.**[36] More than 75% of domestic violence victims report that their assailant had been drinking or using illegal drugs at the time of the incident.[37] **In Ohio over the last two years, 30,943 children were removed from homes where substance abuse was a contributing factor.**[38] Seven out of ten cases of child abuse are exacerbated by a parent's abuse of alcohol and/or other drugs.[39]

Alcoholism is the number one cause of preventable mental retardation.[40] Life-long care for a child with Fetal Alcohol Syndrome can cost over $1.5 million, and many of these costs will be born by government and consequently taxpayers.[41] Further, a substance abuse treatment prenatal program for pregnant drug abusers returns the initial expenditures more than twice over in what is not spent on increased crime and psychosocial functioning and less emergency room visits.[42]

Every 30 minutes in our nation, an alcohol-related motor vehicle crash kills someone and injures someone every 2 minutes.[43] The cost of alcohol-related crashes in the US tops $51 billion annually.[44]

Approximately 80% of Ohio's inmates are estimated to have a substance use disorder.[45] Since 1985, drug offenders account for more than 33% of the growth in the state prison population and more than 80% of the increase in the number of inmates in federal prisons.[46] **At the time of their arrest, 50% of all state prison inmates were under the influence of drugs or alcohol, and roughly one in six committed a crime to support a drug habit.**[47] In Ohio, the annual cost of prison is roughly $24,000 for an individual, whereas treatment can be successfully completed for around $5,000 on average.[48] **The cost of substance use disorders treatment is 15 times less than the cost of incarcerating a person for a drug-related crime.**[49] Further, as CASA has demonstrated, an inmate who successfully completes a comprehensive program and becomes a taxpaying, law-abiding citizen adds an annual economic benefit of $68,800 to society.[50]

Although many substance-involved women and men in prison share the same treatment needs—such as drug dependence, poor health, mental illness, and absence of drug-free support networks—the manifestations and severity of these needs differ for each gender.[51] Women's substance abuse is different. Addiction occurs more rapidly, involves more than one mood-altering substance, and tends to produce serious medial consequences over a shorter period of time for women.[52] **Compared with incarcerated males, women are more likely to have a coexisting psychiatric disorder, have lower self-esteem, to use "hard" drugs, and to have used them more frequently before being incarcerated, to have taken drugs intravenously, and to test HIV-positive.**[53] Findings show that up to 80% of women offenders in state prisons have severe, long-standing substance abuse problems.[54] It costs substantially less to treat a woman than to build a jail cell to incarcerate her or to pay for her children to be placed in foster care. Recommendations for gender-specific treatment include provisions for children, treatment for sexual abuse, gynecologic care, treatment for coexisting psychiatric disorders, addressing issues of low self-esteem, sexuality and women's socialization, and the provision of all-women treatment spaces and counselors.[55]

Substance use disorders also impact the homeless in Ohio. At least 50% of homeless people have significant current problems with alcohol and other drugs.[56]

Substance abuse does not merely impact only younger adults. According to SAMHSA, admissions to treatment services jumped 52% between 1996 and 2005 for individuals over age 40. Among men, the jump was 44% and it was 82% for women.[57]

Trauma is typically defined as the personal experience of interpersonal violence. Occurrences such as physical abuse, sexual abuse, severe neglect, loss, combat, and the witnessing violence all fall under the umbrella of trauma. Those who experience trauma are more likely to have substance abuse disorders. Trauma-informed care is essential for successful substance abuse treatment as 75% of those in treatment report abuse and trauma histories.[58] Teenagers with alcohol and drug problems are 6 to 12 times more likely to have been sexually abused than those without the same problems.[59]

Substance Abuse Can be Treated and Ohioans Recover

Substance use disorders are chronic diseases, much like diabetes, asthma, or hypertension.[60] Consequently, one course of treatment will not always be the cure. However, most who receive treatment for substance use disorders will recover. **The conclusion that alcohol and drug addiction treatment is effective is demonstrated in over 600 published scientific papers.**[61]

Treatment has been shown to cut alcohol and drug use in half, reduce crime by 80% and arrests by up to 64%, and has been shown to have a positive impact on HIV risk behaviors.[62] Further, treatment results have been proven to be sustainable over time. One year after completing treatment, there is a 67% reduction in weekly cocaine use, a

65% reduction in weekly heroin use, a 52% decrease in heavy alcohol use, a 61% reduction in illegal activity, and a 46% decrease in suicidal intention.[63] Thus, treatment appears to have a potentially lasting effect on those affected by substance use disorders.

Treatment saves lives, but also saves dollars that would otherwise be spent in other areas of medical care and social services. The costs of treatment can be expensive, but ultimately cost less then the continuing effects of abuse and dependency. The Department of Rehabilitation and Corrections' budget is among the top three in the state, along with the Department of Jobs and Family Services and the Department of Education. Money spent on treatment could assist in reducing the money necessary to run Ohio's prisons.

In a 2008 PricewaterhouseCoopers survey, it was estimated that each drug addict in the United Kingdom costs taxpayers roughly $1.569 million. However, the key finding was that the cost to society can be reduced to around $137,000 if the individual receives treatment prior to turning 21.[64]

A less studied element of successful treatment involves the need for supportive housing. Housing is the cornerstone for recovery.[65] Supportive housing costs less than half of a stay in jail or prison, and costs a fraction of what a stay in the state hospital or local hospital costs. It results in decreases of more than 50% in tenant's ER visits and hospital impatient days and decreases emergency detoxification services by 80%.[66] According to the University of Pennsylvania, such housing creates an average annual savings over $16,282 per unit by reducing the use of public services.[67] With the current two-bedroom housing wage in Ohio at $13.07 (up from $12.31 a year ago) it is apparent that the cost of renting is on the rise, particularly in large cities such as Akron, Cincinnati, Columbus, and Cleveland.[68] Given that recovering addicts and abusers are often discriminated against in hiring, it is imperative to determine means through which they can receive adequate housing.

Obstacles to Treatment in Ohio

Of those ages 18 or older who felt they needed treatment but did not receive it, **31.2% indicated they did not receive treatment because they lacked health insurance and were unable to pay.**[69]

According to the Ohio Department of Alcohol and Drug Abuse Services (ODADAS), Ohio has systemic barriers in providing adolescent treatment. **Financing and pay structures are often inadequate, not all areas of the state are served equally, the array of services offered is not comprehensive, clients are assigned to levels of care that do not match their assessment, and specialized services are lacking.** Many families lack transportation, fear treatment, and cannot afford the costs.[70] There is simply not enough money in general for treatment services. When individuals are placed in levels of care that do no match their assessment, they are more likely to experience a treatment failure—increasing the odds of future treatment being necessary.

Priority Issues for the Ohio Alliance of Recovery Providers

The Ohio Alliance of Recovery Providers strongly believes that advocating for access to treatment for substance use disorders is a top priority. We have identified areas that we believe can have an impact on improving access and engagement in treatment and recovery services.

- **PRIORITY ISSUE ONE: PROVIDE A FULL-CONTINUUM FOR CARE FOR ALL OHIO CITIZENS WITH SUBSTANCE ABUSE DISORDERS**

Presently approximately eight out of ten Ohioans needing treatment for a substance abuse disorder are not receiving treatment. While Medicaid and Medicare are often mentioned as funding options, it is imperative to note that most individuals are NOT eligible for these services.

Treatment is provided in many different settings and for various lengths of time, with many treatment models that have been proven effective. It is important to provide the most appropriate mix of services and settings, as well as the appropriate model of treatment, for each client based on an assessment of individual needs and cultural relevance.

"Treatment is provided in both outpatient and inpatient/residential settings, with different levels of intensity. **Detoxification** services, in which a person is withdrawn safely from alcohol or other drugs, may be provided within a hospital, residential program, or on an ambulatory basis, with durations ranging from 2 to 20 days, depending on the substance. **Residential or inpatient** treatment, where a person stays overnight in the program, often lasts from 30 days to a year or more. Residential programs provide intensive treatment services within the program; some may require the residents to begin outside employment or volunteer work as part of their reintegration back into the community. **Outpatient** treatment is provided from 1 to 30 hours per week, with the higher intensity services often referred to as intensive outpatient or day treatment. All persons will require continuing care services for an extended period after treatment to prevent relapse and support recovery."[71]

It is imperative that the public be aware of evidence created through scientific inquiry, clinical evaluation, and clinical experience. The evidence strongly demonstrates that treatment for alcohol and other drug abuse is ultimately successful if matched to the needs of individual clients.

- **PRIORITY ISSUE TWO: ENACT MANDATED INSURANCE BENEFITS FOR TREATMENT COVERAGE FOR ALL LEVELS OF CARE**

Ohio has the tenth highest number of uninsured individuals in the nation. Of the state population of 11,478,006, 1,206,000 (or 10.5%) are without health insurance.[72]

Addiction is a chronic disease, like diabetes or asthma, and paying for its treatment yields as good a return as paying for treatment for other chronic illnesses. In 2004, of the 20.3 million adults classified with substance dependence or abuse, 77.6 percent (15.7 million) were employed either full

or part time.[73] Yet, the number of Americans with employer-provided insurance coverage for alcohol and drug addiction is restricted by day and visit limits, annual and lifetime expenditure limits, and cost-sharing requirements not imposed on other illnesses. These limits mean that individuals can quickly exhaust their insurance coverage for treatment. In 2004 and 2005, an annual average of 21.1 million persons aged 18 or older were classified as needing treatment for a substance use problem in the past year. Individuals needing substance use treatment in the past year were less likely than adults not in need of treatment to have some type of health insurance coverage in the past year (74.4 vs. 86.6 percent).[74]

Compared with people who have full private insurance, those who do not have behavioral health benefits, but who have some health insurance—the underinsured—were found to be less likely to use behavioral health services, particularly in the specialty sector.[75] Other studies have found that people who lacked behavioral health coverage were more likely to drop out of treatment early or to receive treatment that did not follow generally accepted guidelines.[76]

When individuals do have benefits, many cannot obtain access to the type, level, or duration of care they need because of inappropriate managed care practices that deny access to necessary services. Many of the individuals who made an effort to receive treatment but were unable to reported that the cost and/or health insurance barriers prevented them from gaining access to the level of treatment they required.

When privately insured individuals exhaust or are unable to access their benefits, they opt to turn to the public sector for treatment—increasing costs to federal, state, and local governments. Given the lack of funding for treatment and the extent of the addiction problem, achieving parity in insurance coverage for alcohol, drug and mental health treatment is absolutely imperative.

A study funded by SAMHSA found that 77.4% of treatment in 2003 was paid for by Medicaid, Medicare, and other federal, state, and local sources, up from 50.4% in 1986. Meanwhile, the private sector's share of the treatment cost burden slipped from 49.6% in 1986 to 22.6% in 2003.

Implementation of insurance parity and managed care reform should include:

- Meaningful equity with medical and surgical benefits in the provision of alcohol/drug and mental health benefits for both in- and out-of-network benefits;
- Parity for benefits for treatment of the full range of substance use disorders and mental health conditions in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders, 4th. Edition (DSM-IV);
- The provision of medical necessity criteria and reasons for any denials of reimbursement to participants and beneficiaries upon request;
- The protection that state laws which provide better insurance and consumer protections remain in effect and are not preempted by new federal laws or policies; and
- The requirement that managed care companies make fair and medically

appropriate decisions in terms of approving the types and duration of treatment covered.[77]

If the U.S. took only the first step of providing treatment and recovery services to an additional 1 million Americans annually, a mere 5 percent of those who are not served properly, and phased in service expansion over 5 years, it would cost approximately $4 billion per year. While this is a significant amount of money, helping another 1 million Americans achieve and maintain recovery would save countless lives and both public and private sector funding. Next to these enormous actual and social costs, $4 billion is a small price to pay.

Ohio Insurance Companies are mandated to provide a minimum of $550 for alcohol and drug addiction benefits. This dollar amount has not changed in more than 20 years and often the $550 are the only dollars allocated by the insurance company to cover this devastating illness. Contrast this to ACT 106, which is the Pennsylvania law that provides for mandatory chemical dependency treatment benefits. The mandated benefits are:

- Up to 7 days of detoxification per year, 28 days per lifetime
- Minimum of 30 days rehabilitation per year, 90 days per life time, and
- Minimum of 30 units of outpatient/partial hospitalization per year, 120 units per lifetime.

The law was originally passed in 1986 as Act 65 and mandated treatment for alcoholism. It was expanded to include drugs other than alcohol in 1989.

While the insurance industry has made attempts to alter the impact of Act 106, the courts have consistently upheld it, wisely leaving the determination of treatment in the hands of physicians and providers.

- **PRIORITY ISSUE THREE: REDUCE UNNECESSARY REGULATORY CONDITIONS AND/OR REQUIREMENTS FOR OHIO RECOVERY PROVIDERS**

Outpatient treatment providers face tremendous challenges in their efforts to serve the population in need of treatment. The Ohio Alliance of Recovery Providers seeks to work collaboratively in Ohio to improve access to care and continuity of care by setting systems in place that eliminate systems barriers, streamline administrative procedures, and provide incentives and assistance to provider networks.

Administrative demands on substance abuse treatment organizations result from the fragmented and complex financing environment in this sector. Providers may be involved in initial and ongoing accreditation and licensing processes. Many deal with increasing demands to document care processes and conduct preauthorizations, ongoing utilization review and follow-up reviews for managed care clients. Some have to manage detailed requirements of various external funding sources, such as state governments and private agencies including United Way. Even the previously simple activities of hiring staff or billing for services have become increasingly more complex as a result of federal employment requirements, patient information privacy concerns

covered in the Health Insurance Portability and Accountability Act (HIPPA), and greater complexity in provider payer and government information systems.

At the same time, providers are being asked to operate more efficiently. The growing emphasis on outcome measurement and cost reduction mean that treatment facilities must survive with increasingly fewer available resources. These forces suggest that providers have to consider how administrative burden affects the provider's ability to offer services. An administrative burden study of outpatient substance abuse treatment organizations conducted in 2003 found that treatment organizations facing increasing administrative burden have no choice but to shift resources away from the provision of care. The study found that the average administrative burden increased significantly between 1995 and 2000. Since the majority of treatment occurs in a "face-to-face" context, typically the largest expense factor in substance abuse treatment is salaries. Organizations have been forced to hire additional staff to meet administrative requirements, including clerical, management and information systems experts. [78]

SUMMARY STATEMENT

Fostering and developing a recovery-oriented system of care for Ohio is the primary goal of the Ohio Alliance of Recovery Providers. Our efforts focus on building recovery-oriented capacity and client-centered care. This report presents key findings related to issues directly impacting our recovery system in Ohio. Over the next year, the Ohio Alliance for Recovery Providers will convene provider panels to help to define Ohio's recovery-oriented services. We will work against resistance for change and strive to reduce stigma and discrimination related to addictions. Finally, it is our intent to institute changes to address the inequitable, inadequate and inflexible funding streams for treatment and recovery services in Ohio.

[1] J.S. Fowler, et al. 2007. "Imaging the addicted human brain." *Science & Practice Perspectives* 3, 2: 4-16.
[2] http://www.oas.samhsa.gov/nsduh/2k6nsduh/2k6Results.cfm#Ch7.
[3] http://www.casacolumbia.org/absolutenm/articlefiles/379-Shoveling%20Up.pdf.
[4] http://www.oas.samhsa.gov/teds2k6highlights/teds2k6highWeb.pdf.
[5] http://www.proa.org/pdf/The%20Facts%20About%20Addiction.pdf.
[6] http://www.oas.samhsa.gov/nsduh/2k6nsduh/2k6Results.cfm#Ch7.
[7] http://www.oas.samhsa.gov/2k6State/Ohio.htm.
[8] "Without Housing." Western Reserve Advocacy Project.
[9] http://www.adasbc.org/prevelance%20and%20costs%20to%20society.htm.
[10] http://www.ncadd.org/facts/numberoneprob.html#1.
[11] http://www.ncjrs.gov/pdffiles1/ojjdp/fs200117.pdf
[12] http://www.oas/samhsa.gov/2k6State.Ohio.htm.
[13] http://www.crimestats.ohio.gov/2003%20Juvenile%20Arrests%20in%20Ohio.pdf.
[14] http://www.ncadd.org/facts/numberoneprob.html#1.
[15] http://www.innovatorsawards.org/facts.
[16] http://www.ncadd.org/facts/numberoneprob.html#1.
[17] http://www.ncadd.org/facts/numberoneprob.html#1.
[18] http://www.casacolumbia.org/absolutenm/articlefiles/379-Shoveling%20Up.pdf.
[19] http://www.innovatorsawards.org/facts.
[20] http://www.hamilton-co.org/ADAS/Press/Media%20Fact%20Sheets.PDF.
[21] http://www.usdoj.gov/dea/demand/speakout/05so.htm.
[22] http://www.icpsr.umich.edu/SAMHDA/NTIES/NTIES-PDF/SHEETS/140_economic_benefits.pdf.
[23] Lowell Gerson, et al. 1991. "Medical care use by treated and untreated substance abusing Medicaid patients." *Journal of Substance Abuse* 20, 2: 115-120.
[24] http://www.odadas.state.oh.us/gd/gd.aspx?Page=4&TopicRelationID=109&Content=3631.
[25] http://www.addictionintervention.com/intervention/success_rates.asp.
[26] http://www.gao.gov/archive/2000/he00060t.pdf.
[27] http://www.ncadd.org/facts/numberoneprob.html#1.
[28] http://www.drugfreeactionalliance.org/docs/PositionPaper_000.pdf.
[29] http://www.rand.org/publications/randreview/issues/rr.fall.99/math.html.
[30] http://www.drugabuse.gov/NIDA_Notes?NNVol10N2/CAStudy.html
[31] http://www.nd.gov/dhs/info/pubs/docs/research-note-1-ave-costs-sa-treatment.pdf.
[32] http://news.uky.edu/news/display_article.php?artid=3723.
[33] http://www.odadas.state.oh.us/gd/gd.aspx?Page=4&TopicRelationID=286&Content=4285.
[34] http://www.odadas.state.oh.us/gd/gd.aspx?Page=4&TopicRelationID=109&Content=3631.
[35] http://www.ncadd.org/facts/numberoneprob.html#1.
[36] http://www.innovatorsawards/facts.
[37] http://www.innovatorsawards/facts.
[38] Ohio Association of County Behavioral Health Authorities. "Behavioral Health: Developing a Better Understanding." Vol 3, Issue XI.
[39] Ohio Association of County Behavioral Health Authorities. "Behavioral Health: Developing a Better Understanding." Vol 3, Issue XI.
[40] http://www.cdc.gov/ncbddd/fas/fasask.htm.
[41] http://www.legacyfoundation.ca/main/page.php?page_id=48.
[42] http://jhbmc.jhu.edu/pediatrics/peds/cap.
[43] http://www.iatf.org/ncaaw/2007/pdf/18.pdf.
[44] http://www.1800duilaws.com/common/econeffects.asp.
[45] http://www.adasbc.org/prevelance%20and%20costs%20to%20society.htm.
[46] http://www.innovatorsawards/facts.
[47] http://www.adasbc.org/prevelance%20and%20costs%20to%20society.htm.
[48] http://www.adasbc.org/prevelance%20and%20costs%20to%20society.htm.
[49] http://www.odadas.state.oh.us/gd/gd.aspx?Page=4&TopicRelationID=109&Content=3631.
[50] CASA: Shoveling Up: The Impact of Substance Abuse on State Budgets.
[51] Jordon Peugh and Steven Belenko. 1999. "Substance-involved women inmates: Challenges to providing effective treatment." *The Prison Journal* 79, 1: 23-44.
[52] Substance Abuse Treatment for Women Offenders: Guide to Promising Practices. http://www.kap.samhsa.gov/products/manuals/taps/23c.htm.

[53] Dorothy J. Henderson. 1998. "Drug Abuse and Incarcerated Women." *Journal of Substance Abuse Treatment* 15, 6: 579-587.

[54] Substance Abuse Treatment for Women Offenders: Guide to Promising Practices. http://www.kap.samhsa.gov/products/manuals/taps/23c.htm.

[55] Dorothy J. Henderson. 1998. "Drug Abuse and Incarcerated Women." *Journal of Substance Abuse Treatment* 15, 6: 579-587.

[56] http://www.knowledgeplex.org/kp/text_document_summary/scholarly_article/relfiles/hpd_0203_baumohl.pdf.

[57] Charles M. Blow, "Why is Mom in Rehab?," *The New York Times*, June 14, 2008.

[58] Ohio Association of County Behavioral Health Authorities. "Behavioral Health: Developing a Better Understanding." Vol 3, Issue XIII.

[59] Ohio Association of County Behavioral Health Authorities. "Behavioral Health: Developing a Better Understanding." Vol 3, Issue XIII.

[60] http://www.ireta.org/budget/ireta_addiction_facts.pdf.

[61] http://www.ireta.org/budget/ireta_addiction_facts.pdf.

[62] http://www.drugabuse.gov/Infofacts/CJtreatment.html.

[63] http://www.ireta.org/budget/ireta_addiction_facts.pdf.

[64] www.jointogether.com. "Audit Estimates Public Cost of a Single Drug Addict at $1.5 Million."

[65] Ohio Association of County Behavioral Health Authorities. November 2007 News.

[66] Ohio Association of County Behavioral Health Authorities. November 2007 News.

[67] Ohio Association of County Behavioral Health Authorities. November 2007 News.

[68] "Ohio Rental Costs Remain Out of Reach for Low and Moderate Wage Earners." Coalition on Homelessness and Housing in Ohio. May 2008, Volume 8, Issue 5.

[69] http://www.oas.samhsa.gov/2k7/insurance/insurance.htm.

[70] http://www.ebasedtreatment.org/files/FAMILY_REPORT_FINAL_08.doc.

[71] http://www.hamilton-co.org/ADAS/Press/Media%20Fact%20Sheets.PDF.

[72] http://www.census.gov/prod/2007pubs/p60-233.pdf.

[73] http://www.oas.samhsa.gov/NSDUH/2k4NSDUH/2k4overview/2k4Overview.htm.

[74] http://www.oas.samhsa.gov/2k7/insurance/insurance.htm.

[75] Wells KB, Sherbourne CD, Sturm R, et al. Alcohol, drug abuse, and mental health care for uninsured and insured adults. Health Services Research. 2002;37:1055–1066.

[76] Edlund MJ, Wang PS, Berglund PA, et al. Dropping out of mental health treatment: patterns and predictors among epidemiological survey respondents in the United States and Ontario. American Journal of Psychiatry. 2002;159:845–851.

[77] Legal Action Center and State Association of Addiction Services: A New Path for Public Policy.

[78] Christy Harris Lemak, Jeffrey Alexander, Cynthia Campbell, Administrative Burden and Its Implications for Outpatient Substance Abuse Treatment Organizations, Psychiatric Services, Vol. 54, No. 5, May, 2003: 705-711.