



DOLLARS AND SENSE: THE COST OF SUBSTANCE ABUSE TO MISSOURI

SCOPE OF THE PROBLEM

- **Alcohol and other drug abuse is ranked the most costly health care issue in the United States.**
- Substance abuse and addiction costs the state of Missouri an estimated **\$1.3 billion annually.**¹
 - Only \$3 of every \$100 the state of Missouri spends on substance abuse is spent on prevention and treatment.²

Substance Abuse Issue	Number of Missourians	Cost to the State
Alcohol Abuse or Dependence	329,000	\$4.2 Billion
Drug Abuse or Dependence	76,000	\$3.5 Billion

SUBSTANCE USE DISORDERS: HEALTH, CRIMINAL JUSTICE AND CHILD WELFARE IMPLICATIONS

- **60 - 80% of all crime involves some type of drug use.**
 - In 2006, 23% of offenses resulting in incarceration were directly related to drugs and driving under the influence; not including crimes committed while under the influence of alcohol and drugs.¹
 - In 2007, approximately one in 20 crashes and one in four fatal crashes were alcohol related. Despite legal consequences, **more than 4,500 DWI offenders repeat offenses each year; many of whom need treatment for alcoholism.**
 - Missouri is renowned for Methamphetamine production and abuse. The DEA estimates the cost of clean-up with a methamphetamine laboratory to be between \$2,000 and \$3,000. In 2007, Missouri's annual laboratory costs were estimated to be \$3 million.
- Approximately one in eight HIV cases and one in seven AIDS cases in Missouri is related to intravenous drug use. The cost of lifetime treatment for an individual with HIV averages \$155,000 in Missouri.
- **State spending on children impacted by substance abuse is estimated to be \$480 million annually.**
 - A normal birth in Missouri costs approximately \$8,500, while the cost of a drug-affected birth averages \$27,000. Lifetime costs associated with caring for a child with a Fetal Alcohol Spectrum Disorder are estimated to be \$2 million.
 - Between fiscal years 2005 to 2008, 395 babies were born drug-free to mothers in CSTAR (Comprehensive Substance Treatment and Rehabilitation) programs, representing a **savings of \$7.3 million to the state of Missouri.** CSTAR programs are the only programs in the state funded by MoHealthNet (Medicaid).

EVIDENCE BASED POLICIES AND PRACTICES

Missouri needs to take a comprehensive approach to solving the drug and alcohol problems in the state. The following evidence-based practices and policies are proven to be effective and are a cost-savings to the state:

- Substance Abuse Treatment and Recovery Support Services
- Drug Courts
- Alcohol Excise Tax

¹ Missouri Department of Mental Health, Missouri Division of Alcohol and Drug Abuse, The Burden of Substance Abuse on the State of Missouri, November, 2008 <http://dmh.mo.gov/ada/BurdenofSAonMissouri.pdf>

² The National Center on Addiction and Substance Abuse at Columbia University. Shoveling Up: The Impact of Substance Abuse on State Budgets (January 2001).



THE IMPORTANCE OF TREATMENT AND RECOVERY SUPPORT

IMPORTANCE OF ACCESSIBLE RECOVERY OPTIONS

- **Recovery is a *process*, not a single event.**
- To enhance and sustain long term recovery; the system should offer a continuum of care including clinical treatment and support throughout recovery, such as:
 - social networks
 - temporary housing
 - employment training
 - transportation
 - care coordinator
 - family engagement
 - child care
 - spiritual life skills
 - re-entry coordination
- Recovery involves rejoining and **rebuilding a life in the community.**
- **Treatment and recovery support services need to be accessible.**
- The need for substance abuse treatment and recovery services far exceeds the supply.
 - According to a survey conducted for the Missouri Department of Mental Health Division of Alcohol and Drug Abuse (ADA) providers in December 2010, there were 3,883 individuals on waiting lists for ADA services.
 - Rates of unmet treatment needs for alcohol use have generally been at or above the national average, and in 2005-2006 the rate for individuals age 18 to 25 was among the highest in the country – 17.03 for the U.S. vs. 20.97 for Missouri.

ACCESS TO RECOVERY GRANTS

- In 2004, 2007, and 2010, the state of Missouri received **Access to Recovery (ATR) grants** which provided recovery support services to nearly 8,100 individuals and clinical treatment to 23,500 individuals.
 - Surveys collected from individuals participating in the ATR program at intake and 6 months post-intake provided data showing **improvements in rate of employment, housing, and abstinence, as well as a decrease in criminal activity.**
- Regardless of the proven success, funding for Missouri's ADA Access to Recovery Grants will be cut by \$2.8 million in FY 2012.³

³ Missouri Department of Mental Health. FY 2012 Core Reductions.
<http://dmh.mo.gov/docs/diroffice/DMHFY12BudgetSummary.pdf>



TREATMENT VS. INCARCERATION

The Facts

- It is estimated that **70-75% of all offenders need substance abuse treatment.** ⁴
- According to substance abuse screening done by the Missouri Department of Corrections, approximately 85% of offenders within 12 months of incarceration need substance abuse services.
- Missouri admitted 9,749 persons into state prisons in FY 2010.
 - Of these: 46% (4,434) had drug or alcohol felonies, 38% (3,648) had a drug or alcohol felony as their most serious charge, and 8,923 offenders were returned to prison from supervision in the community.
- Missouri has insufficient resources to provide substance abuse, vocational and educational services to all the citizens, including offenders, who need those services.
 - In 1994, the number of nonviolent offenders in prison was 7,461; **today it is 14,204.**
 - At a rate of \$16,432 per offender, **Missouri continues to spend \$233.4 million per year placing nonviolent drug and alcohol offenders in prisons without significant reduction in crime.** This figure does not include the annual cost of \$100 million to operate each of the 21 prisons.
 - Of nonviolent offenders, the **recidivism rate**, or rate of those who returned to prison within two years, is **41.6 per cent**, translating to a cost of **\$23.4 million annually.** Many of these individuals have substance abuse addictions.
- A better solution: **evidence-based sentencing** to assess each offender's risk and placement of that individual in the most cost-effective rehabilitation program.

Treatment Works and is Cost Effective

- National research reveals that for offenders who are incarcerated and who have substance abuse problems, treatment in prison followed by continuing care and recovery support services in the community is more effective in preventing recidivism than institutional treatment without community continuing care.
- **Missouri tax dollars should go toward remediating abuse and addiction.**
- **To treat an individual in an ADA program for one year costs a mere \$1,346 vs. \$17,300 to society not to treat.** ⁵
- Average state and federal costs of incarcerating a mother total \$30,000 per year, and the resulting cost of placing a child in foster care averages \$47,000 annually.

⁴ Missouri Department of Mental Health, Missouri Division of Alcohol and Drug Abuse, The Burden of Substance Abuse on the State of Missouri, November, 2008
<http://dmh.mo.gov/ada/BurdenofSAonMissouri.pdf>

⁵ Chief Justice William Ray Price, Jr. State of Judiciary Address (2011).

DRUG COURTS

What is a Drug Court?

- Drug courts blend justice, treatment, and social service systems and specialize in cases where substance abuse is the chief cause of the crime. Typically only **nonviolent offenders** are eligible for drug court.⁶
- Drug court participants undergo intensive regimens of substance abuse treatment, case management, drug testing, supervision and monitoring, and immediate sanctions and incentives while reporting to regularly scheduled hearings before a judge with expertise in the drug court model.
- Drug courts **increase the probability of participants' success by providing ancillary services** such as mental health treatment, trauma and family therapy, job skills training, and other services which might be needed.
- Most drug court programs keep individuals in treatment long enough for it to work, while supervising them closely, for a **minimum of 12 months**.
- Drug courts typically operate in phases.
 - To advance phases, the participant must meet all requirements of the drug court including attendance at all treatment meetings, appointments with the probation office, court dates with the judge, and reporting when called in for random drug testing.
 - Participants must stay clean and sober by testing negative on all drug tests, complete community service as directed, continue working towards a G.E.D (if applicable), and maintaining (or actively pursuing) employment.
 - Other requirements may be assigned for advancement in the program depending on the circumstances of the participant. This can include making child support payments, obtaining a driver's license, finding suitable housing, or enrolling in school.

How Successful are Missouri's Drug Courts?

- Since drug courts' inception in 1989, **71% of all offenders successfully completed their program**, resulting in the reduction of drug use and criminal behavior.
- Because of the nearly 3,000 drug court diversions each year, Missouri has avoided building at least two new prisons, \$200 million in avoided costs to build buildings, not to mention tens of millions in operational costs.⁷
- In 2010, there were 2,351 participants in one of 128 operational treatment courts.⁸
- Drug courts are known to be effective solutions. At one-fourth to one-fifth of the cost of incarceration and with a recidivism rate of around 10 percent, **Missouri drug courts have graduated 9,820 individuals**.⁸
- 539 babies have been born to female participants during treatment. 412 of these have been born drug free.⁸
- The latest study concluded that **drug courts reduce crime by 8 to 26 per cent**,⁴ thereby saving Missouri taxpayers the costs associated with incarceration.
- **Missouri tax payers have the option to either spend \$3,000 per year to treat DWI offenders with the disease of alcoholism, or \$16,000 per year to incarcerate these individuals.**

⁶ U.S. Department of Justice, Office of Justice Programs (1997) *Defining Drug Courts: The Key Components*

National Association of Drug Court Professionals, *A Drug Court Within reach of Every American in Need and the Facts: Facts on Drug Courts*

⁷ Chief Justice William Ray Price, Jr. State of the Judiciary Address (2011).

⁸ State of Missouri: Office of State Courts Administrator. Drug Courts Coordinating Commission Treatment Court Program Status (2010).

A STATE IN FINANCIAL CRISIS – SHOULD THE ALCOHOL EXCISE TAX BE RAISED?

Present State of Missouri's Alcohol Excise Tax

- **The rates of Missouri's alcohol excise tax do not come anywhere close to offsetting these costs to the state.** Alcohol related healthcare costs in Missouri exceed \$794,000,000 +/-, while the annual alcohol tax collected in Missouri is estimated to be \$30,000,000 +/-.
- Missouri's per-gallon alcohol taxes are:
 - 6 cents for beer (national average: 26 cents)
 - 42 cents for wine (national average: 72 cents); and
 - \$2 for spirits (national average: \$3.82).
- **The last time taxes on alcoholic beverages were adjusted in MO was in 1970.** Proposed legislation to raise the tax has failed over the past three decades.

Why Raise Missouri's Alcohol Excise Tax?

- ADA treatment services are vital in helping individuals find recovery. Funds generated from raising the Excise Tax could be used to support drug and alcohol treatment and recovery support services.

Why Now?

- **The Department of Mental Health is facing a reduction in General Revenue of approximately \$15 million,** of which \$1,137,746 will come from reduction of ADA treatment core (a 3 per cent reduction).
- As introduced, funding for the Dept. of Mental Health, Division of Alcohol and Drug Abuse in FY 2012 is **\$1.2 million lower than the appropriations from last year's bill.**