



## economic impact study

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The Florida Substance Abuse and Mental Health Corporation (SAMH Corporation) has committed its resources to the study of the cost, cost benefit, and cost offsets as they relate to substance abuse and mental health and to the treatment of these illnesses. Understanding this economic impact is imperative because cost and treatment effectiveness are powerful drivers in the political and social environment where decisions are made regarding resource prioritization and distribution.

The SAMH Corporation commissioned an Economic Impact Study in which more than 300 pieces of research were reviewed to create an annotated bibliography. The document was used by SAMH Corporation to guide their discussion and recommendations for further study. The review covered the following areas of impact, age groups and types of services: children & youth, criminal justice, workplace, elders and homelessness.

### ***Common theme: Intervention is a good investment.***

The cost-benefit ratios for early treatment and prevention range from 1:2 to 1:10, meaning that a \$1 investment yields a \$2 to \$10 savings. For example, the cost savings to American communities and businesses by providing early treatment and support for one high-risk youth is between \$1.7 million and \$2.3 million, more than five times the estimated cost of early treatment (California Drug and Alcohol Treatment Assessment, 94-96).

Research shows that “there is a reduction in overall health care costs if individuals with mental illness receive accurate and timely diagnosis and treatment” (Momford et al, 2002).

### ***Knowledge is not enough.***

The vast majority of individuals with mental illness and addictive disorders do not receive adequate care. The Surgeon General reported that less than a third of adults and even fewer children receive any mental health services. According to a 2001 NMHA public opinion survey, “fewer than one out of five individuals reporting the symptoms of depression and anxiety disorder seek treatment.”

Unfortunately, the knowledge that treatment works does not fund the services needed to or marshal the resources necessary to reverse the tide of diminishing resources that can be used for prevention, intervention and treatment service that work.

***This is a matter of understanding the “dollars and sense” of the political and social environment in which decisions regarding funding priorities and resource allocations is made.***

*More information on this study can be found in SAMH Corp’s 2007 annual report.*