

The background of the entire page is a collage of US dollar bills, including \$100, \$20, and \$10 bills, arranged in a pattern that suggests a stack or a flow of money. The bills are slightly faded and overlapping, creating a textured, monochromatic effect.

# **The Impact of Addiction on Florida's Economy**

## **Research Proposal**

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## **Background Information**

Florida is at a crossroads. The consequences of untreated substance use are evident in all segments of Florida's social and economic reality. The effect of untreated substance use is seen daily in our communities: unsafe streets; packed hospital emergency rooms; dramatic prison bed increases; dropouts from school; early deaths across the life span; and children entering the child welfare system as a result of parental substance use. Yet, we do not know the true impact or cost of these consequences on the state for there has never been an impact study on the consequences of substance abuse on Florida's schools, healthcare system, roads, public safety and health care and workplace.

In addition, the environment confronting the substance abuse service delivery system is characterized by declining resources and constant social, economic, political, regulatory and practices changes. The state and local substance abuse providers must accommodate and address these changes and diminishing resources while maintaining their primary mission to facilitate client recovery. Substance abuse providers are the first line of defense for prevention and intervention for substance abuse. When these agencies are not adequately funded, other systems, such as medical and law enforcement first responders, are placed in a costly reactive posture. And, unfortunately, policy makers are often reactive in prioritizing funding allocations depending on which service system is in a state of crisis at that point in time

Historically, substance abuse treatment stakeholders have been incrementally successful in their advocacy efforts for new substance abuse treatment resources to address service treatment gaps. However, in recent years that trend has changed. During the 2008 legislative session, funding for substance abuse services was cut with the greatest impact on children and families in the child welfare system. Recent changes in property taxes resulted in local government revenue losses that resulted in funding cuts to local substance abuse treatment and prevention providers. Funding increases in the current political and economic climate are unlikely and the possibility of continued local and state cuts seems the more likely scenario. This trend brings a sense of urgency to document for policy makers the impact of addiction on Florida's economy; the true and hidden costs of addiction and the cost effectiveness of treatment based on evidence-based practices.

The Florida Substance Abuse and Mental Health Corporation (SAMH) and the Florida Alcohol and Drug Abuse Association (FADAA) are proposing a collaborative research project to collect original Florida specific data and compile existing data to determine the impact of addiction on the State's economy. The research project would address specific segments of the state's economy, Florida's health care system and workplace/workforce. The project would also establish an economic impact database which can be used by policy makers as a first step in linking cost data to clinical outcomes. The research finding would be used to inform state and local policy makers and leaders of the potential cost avoidance and cost savings resulting from addiction prevention and treatment services and the compelling need for to adequately fund these services.

Both partners in this collaborative effort are recognized leaders in impacting public policy and improving service delivery. The Florida Substance Abuse and Mental Health Corporation leads state efforts to improve interagency coordination of substance abuse and mental health services to ensure that these services promote recovery and resiliency-based systems of care. The Corporation provides oversight of the publicly funded substance abuse and mental health systems and makes policy recommendations for system efficiency. The Florida Alcohol and Drug Abuse Association (FADAA) is a non-profit organization representing over 100 of Florida's premiere community-based substance abuse treatment and prevention agencies and over 1,000 individual members. FADAA advances addiction treatment, prevention, and research through public policy leadership, communications, and professional development. FADAA has a long standing history of successful advocacy, advancing practice and collaboration with state and local partners to improve client care.

### **Statement of the Problem**

The Office of National Drug Control Policy (ONDCP) estimated that drug related disorders drained the nation's economy of \$180.9 billion in 2002 and alcohol addiction had a similar impact of \$185 billion in 1998. These estimates include health care expenditures and workplace issues including lost productivity. ONDCP reports that in 2008, the federal government budgeted \$4.9 billion for substance abuse prevention, treatment and enforcement of laws related to addiction.

These ONDCP data and hundreds of national studies spanning two decades have documented the economic impact of addiction on the nation's economy and the significant ability of substance abuse treatment to reduce the fiscal and societal costs of substance abuse. Yet the national data and dissemination of the findings remains fragmented and insufficient for policy makers to fully understand the economic consequences of substance abuse. Significant areas warranting additional national research include the organizational, delivery and financing structure of addiction services.

Nowhere is this research gap and lack of informed decision-making more evident than in Florida. Public sector data documenting the prevalence of substance abuse and the resources allocated to substance abuse prevention and treatment is rarely compiled or analyzed across state agencies. The economic impact of addiction on the private sector is even more sketchy, fragmented and isolated within specific industries. We do not know how many hospital beds are being used for untreated addiction problems or how many emergency room visits occur as a result of substance abuse. Nor do we know how many lost days of work, worksite accidents or lost productivity is the result of employee addiction. Original Florida specific research is essential to provide an accurate and comprehensive picture of the impact of addiction on Florida's economy, especially the private sector where limited research exists.

The state and local data that is available makes a compelling case for the need for more in-depth original Florida-based research to help policymakers understand the burden of

addiction on the State's economy. The Florida Department of Children and Families (DCF) reports there are currently 1,153,325 adults and 325,319 children in need of substance abuse treatment services statewide. The Florida DCF estimates that its funding is meeting 30 percent of the estimated substance abuse service needs of adults. The remaining 70 percent go without treatment or must obtain treatment from the private sector creating a financial barrier for those without insurance or go untreated and use emergency room, jails, or child welfare agencies as interventions. Further, eighty percent of the individuals completing detoxification do not enter another treatment modality. Thousands of Floridians in every community in Florida sit on waiting lists to access treatment. Thousands of Floridians in every community in Florida sit on waiting lists. Thousands of adults are on waiting lists for substance abuse treatment services. The DCF has absorbed recent budget cuts within the administrative functions of the Department and TANF substance abuse funding was cut by over \$3 million. If the economic downturn continues and additional budget cuts are made, substance abuse services are in peril.

Prisons, jails and juvenile justice detention centers are being used as inadequate substitutes for treatment due to the lack of resources for substance abuse and mental health treatment services. This practice is not only inhumane, it is costly (*Florida Substance Abuse & Mental Health Corporation: Community Care Not Crisis Care, 2006 Annual Report*). Recent declines in state revenue and the current political and economic climate have already resulted in a loss of \$3.58 million (up to 500 non-secure community substance abuse treatment beds) in substance abuse services for individuals being released into the community from the Department of Corrections. An immediate \$3.58 million savings today will potentially result in five hundred new inmates entering the prison system at a cost of \$17.3 million.

In spite of comprehensive studies in Texas and Kansas which document that substance abuse prevention and treatment works and is a more cost effective alternative to incarceration and a wise investment in public safety, Florida lawmakers are apprehensive that this may not hold true for Florida and continue to cut funding for substance abuse reentry services and institutional substance abuse services; hence, the need for Florida specific research.

The impact of substance abuse on Florida's most vulnerable citizens is profound. Seven out of ten abused and neglected children in family courts and the child welfare system have substance abusing parents (*Substance Abuse, Juvenile Justice and the Children Left Behind, 2004, CASA-Columbia*). In Florida, only 45 percent of adults in Child Welfare Protective Supervision who have case plans requiring substance abuse treatment receive substance abuse treatment (*Florida Department of Children and Families, Performance Scores, 2005*). Fetal Alcohol Syndrome affects an estimated 40,000 infants each year (*National Organization on Fetal Alcohol Syndrome: What Everyone Should Know, Retrieved June 13, 2008, from [www.nofas.org/resource/factsheet.aspx](http://www.nofas.org/resource/factsheet.aspx)*).

For all youth in Florida's juvenile justice commitment programs, 35 percent have been diagnosed with substance-related disorders and an additional 30 percent demonstrated behaviors suggesting substance abuse (*Florida Substance Abuse and Mental Health Corporation - Community Care Not Crisis Care, 2006 Annual Report*).

Approximately 79,000 Florida students (10.2 percent) drove a car or other vehicle when they had been drinking alcohol one or more times during the past 30 days (*Florida Youth Risk Behavior Survey, 2005*). Approximately 213,000 Florida students (27.2 percent) rode in a car or other vehicle at least once during the past 30 days when someone who had been drinking alcohol was driving (*Florida Youth Risk Behavior Survey, 2005*). Forty-two percent of drug-related emergency department visits of patients age 12-20 involved alcohol (*Substance Abuse and Mental Health Services Administration, Drug Abuse Warning Network, 2004*).

### **Research Approach**

As a first step in the proposed project, FADAA and SAMH representatives identified a nationally recognized consultant with expertise in the area of health economics and familiarity with addiction services in Florida, Michael French, PhD, Professor, University of Miami, Departments of Sociology, Economics, Epidemiology and Public Health; Associate Director of Health Administration and Policy Program, University of Miami; Director, Health Economics Research Group.

Dr. French and his colleagues developed the Drug Abuse Treatment Cost Analysis Program, a standardized data collection instrument that estimates the cost of alcohol and other drug treatment programs. He is currently conducting research for the Florida Department of Children and Families regarding the impact of underage drinking on Florida's economy and was a research consultant for the Treatment Research Institute at the University of Pennsylvania on a highly recognized study, *Economic Benefits of Drug Treatment: A Critical Review of the Evidence for Policy Makers*. It is our intent to engage Dr. French as the principal investigator for the proposed project and he has expressed willingness to assume this role.

As a nationally recognized expert in the area of health economics, Dr. French was able to provide guidance regarding the research scope and pricing for this research project. Based on his input and the need to have access to immediate data to present to the Florida Legislature prior to the 2009 legislative session, a research approach involving two phases is proposed. The specific research methodologies to be used in both phases of the project would be determined by Dr. French. In the first phase, researchers would use existing national and Florida data to extrapolate basic economic costs for use in the upcoming legislative session and to identify specific research gaps/needs to be addressed in the second phase of the research project. The estimated cost for phase one ranges from \$50,000 to \$100,000.

Phase two of the research would focus on the use of expert panels, specific focus groups and the collection of original data specific to Florida. This advanced research could provide a first step to link cost data to clinical outcomes. The estimated cost for this phase ranges from \$500,000 to \$1 million.

To fund the first phase of the research, FADAA and SAMH will approach Florida foundations that have demonstrated an interest in improving health care service delivery. Funding by key Florida foundations will engage a key state constituency and provide credibility to the project for state and local leaders. Grant funding through national sources, such as the Department of Health and Human Services, the National Institutes on Health or prominent national foundations, would be pursued to fund the more costly second phase of the research.

### **Information Dissemination**

The final activity in the proposed project is dissemination of the research finding to the widest possible audience, including state and local government officials, other key stakeholders and the media. The first step in the information campaign will be the development of key messages as evidenced by the research findings.

A variety of promotional tools will be used including, dissemination of published and electronic versions of the research findings, including posting the research findings on stake holder websites. The campaign will include press releases, press availability, submission of letters to the editor by FADAA and SAMH board members, and meetings with editorial boards to generate dissemination findings to the general public. Representatives of FADAA and SAMH would meet with key legislators, legislative staff, the Governor's Budget Office staff, and other stakeholders and prominent state and local government officials to present the research findings. Both organizations would include summaries of the research finding in other publications as appropriate and encourage all partner organizations to do the same.

Based on current and past communication activities for FADAA and SAMH, the cost for this component of the project would range from \$25,000 to \$40,000.

### **Conclusion**

It is imperative that we define the burden that untreated addiction places on Florida's social and economic infrastructure and the lives of our citizens; only then can policy makers fully understand and address the need for substance abuse prevention and interventions in both the public and private sectors. The anticipated outcomes of the proposed research project would be increased awareness regarding the cost of addiction on the healthcare system and workplace in Florida and an improved quality of life for our citizens.