



DEFINING THE ADDICTION TREATMENT GAP

ADDICTION IS A DISEASE.  LET'S TREAT IT THAT WAY.

CLOSING THE ADDICTION TREATMENT GAP



OUR SOCIETY AND OUR HEALTH CARE SYSTEM HAVE BEEN SLOW TO RECOGNIZE AND RESPOND TO ALCOHOL AND DRUG ADDICTION AS A CHRONIC BUT TREATABLE CONDITION, LEAVING MILLIONS OF AMERICANS WITHOUT ACCESS TO TREATMENT.

EXECUTIVE SUMMARY

An estimated 23.5 million Americans are currently addicted to alcohol and/or other drugs and need treatment and other supportive services.

Unfortunately, only one in 10 of them (2.6 million) receives the treatment they need. The result: a treatment gap of more than 20 million Americans. Lack of insurance, inadequate insurance coverage and insufficient public funds are the primary reasons for this treatment gap.

Like heart disease, diabetes and hypertension, addiction is a chronic disease that can be managed successfully over time—as long as there is access to quality treatment services, integrated medical care and continuing support. Unfortunately, our society and health care system have been slow to recognize and respond to addiction as a chronic but treatable condition, leaving millions of Americans without access to the treatment and supportive services they need to sustain their long-term health.

The March 2010 passage of health care reform means that millions of

Americans will have insurance coverage for addiction treatment as part of their basic benefit package. This represents a major step forward in making addiction treatment part of a comprehensive approach to integrated health care.

Congress embraced addiction treatment as an essential part of health care reform. But federal and state regulators are now tasked with translating and implementing that vision by defining what will be included in the addiction treatment benefit for both public and private insurance. For the promise of this historic opportunity to be realized, a meaningful addiction treatment benefit will include a full continuum of effective, integrated treatment practices.

The following summary of data related to drug and alcohol addiction and treatment is designed to provide a statistical context for efforts to close America's addiction treatment gap, including the design of an addiction treatment benefit as part of health care reform implementation.

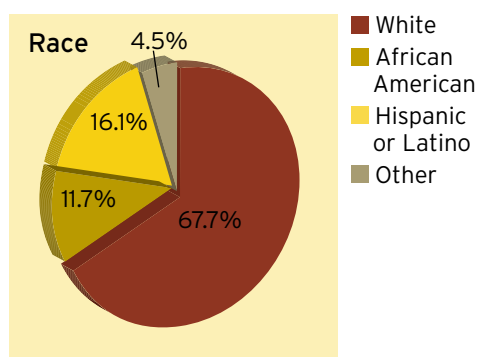
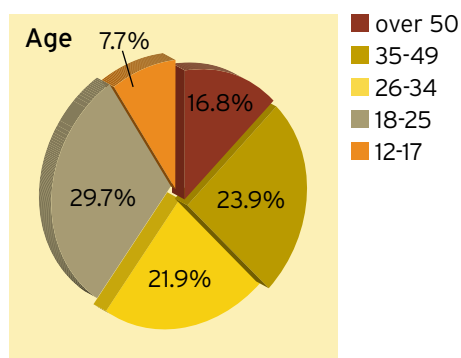
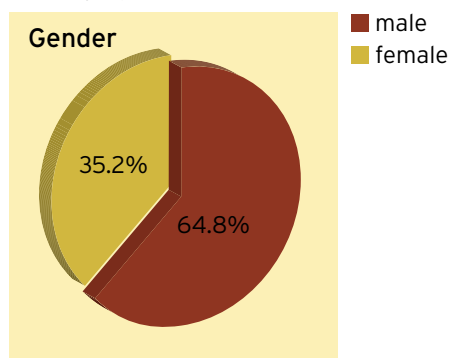
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THE 23 MILLION AMERICANS WHO ARE ADDICTED TO ALCOHOL OR DRUGS REPRESENT EVERY SEGMENT OF OUR SOCIETY—MEN AND WOMEN, YOUNG AND OLD, EVERY RACE AND ETHNICITY.

THE FACE OF ADDICTION IS THE FACE OF AMERICA

The 23 million Americans who are addicted to alcohol or drugs come from all walks of life.

Demographics of Addiction



Most of the adults aged 18 and over with addictions are employed: 53 percent working full-time and 17.1 percent working part-time.

While nearly half have a high school education or less, 23.3 percent are college graduates and nearly 27.5 percent attended at least some college.

The majority of those with an addiction—18.7 million people—use alcohol. More than 7 million use drugs: Over 4 million use marijuana, 1.9 million misuse pain relievers, 1.1 million use cocaine and fewer than 1 million each use tranquilizers, hallucinogens, stimulants, heroin, inhalants and sedatives. More than 3 million people are addicted to both alcohol and drugs.

The Face of Treatment: Only 10 Percent Get the Addiction Treatment They Need

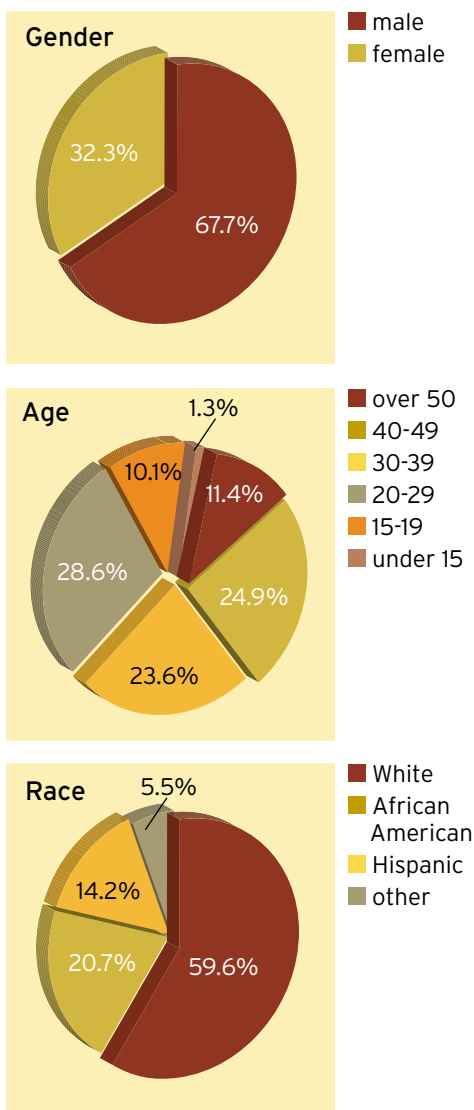
In 2009, 2.6 million people received treatment for alcohol or drug problems at a specialty facility—as inpatients in hospitals, at drug or alcohol rehabilitation centers and/or mental health centers.

Like the overall population of Americans addicted to alcohol or drugs, those receiving treatment cut across categories of age, race, and gender.

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IN 2008, 2.3 MILLION PEOPLE RECEIVED TREATMENT FOR ALCOHOL OR DRUG ADDICTIONS AT A SPECIALTY FACILITY.

Demographics of Addiction Treatment



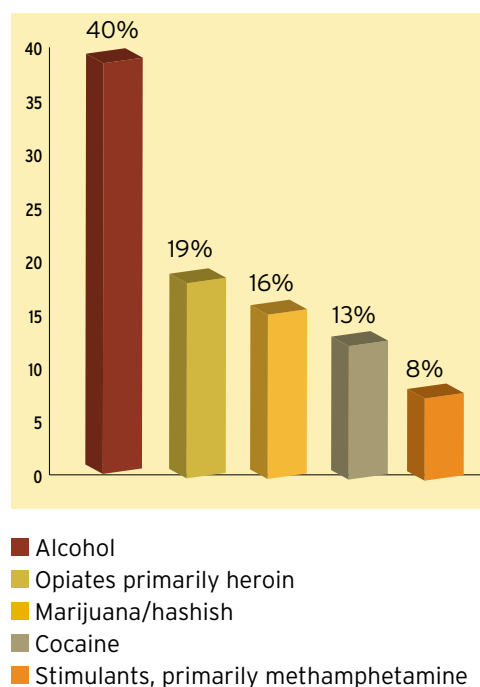
Nearly one third—29 percent—of individuals receiving addiction treatment were employed; 21.5 percent had full-time jobs. Those admitted to treatment for alcohol only were most likely to be employed (42 percent). The proportion of employed was lowest for those addicted to cocaine and heroin—16 percent each.

In terms of education, 44 percent of those receiving treatment completed high school and 23.6 percent completed at least some college. Education levels were highest among those being treated for addiction to sedatives, followed by those being treated for problems with alcohol.

Treatment Needs Vary: Alcohol and Four Drugs Account for Nearly All Treatment Admissions

Five substances accounted for 96 percent of 2007 treatment admissions tracked in the Substance Abuse and Mental Health Services Administration's Treatment Episode Data Set, and 45 percent of the admissions primarily for alcohol also reported problems with other drugs.

Substances of Addiction



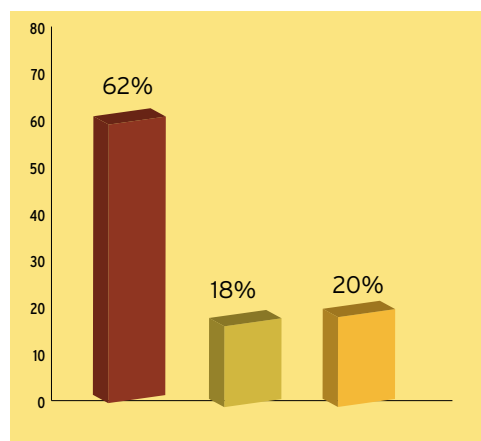
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IN 2008, ONE MILLION PEOPLE FELT THEY NEEDED TREATMENT BUT COULD NOT GET IT—MOST CITE COST AND LACK OF INSURANCE.

Most Seek Treatment as Outpatients

The majority of addiction treatments tracked in 2007 was conducted through outpatient admission at specialty facilities.

Outpatient Treatment Admissions

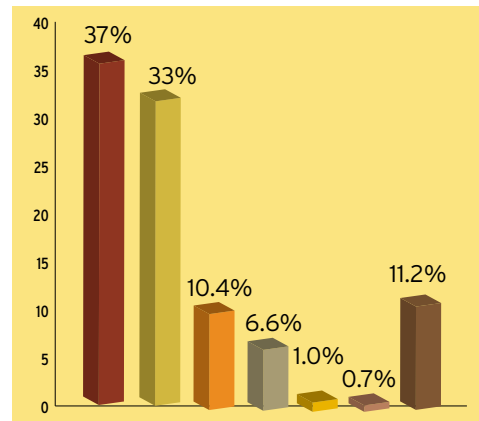


- Ambulatory/outpatient treatment
- Rehabilitation/residential programs
- Detoxification programs

One-Third Refer Themselves for Treatment; Fewer Than Seven Percent Are Referred By Physicians

Slightly more than two-thirds of those receiving treatment got there through self-referrals or the criminal justice system, while fewer than seven percent were referred by a health provider. This provides compelling evidence that addiction screening and treatment are not integrated into the nation's health care delivery system.

Treatment Referral Type



- Criminal justice system
- Themselves
- Substance abuse treatment provider
- Health care provider
- School
- Employer/employee assistance program
- Other community referral

Affordability and Lack of Insurance are Main Reasons One Million Did Not Get Treatment

In 2009, an additional 1.1 million people felt they needed treatment but did not get it. Of these, 34.9 percent say they made an effort to get treatment. The top reasons these people did not get the treatment they needed are:

- No health coverage and cannot afford cost (36.8 percent)
- Not ready to stop using (30.5 percent)
- Able to handle the problem without treatment (10.2 percent)
- No transportation (9.7 percent)
- Had health coverage but did not cover treatment or did not cover cost (8.8 percent)
- Might have negative effect on job (8.6 percent)
- Might cause neighbors/community to have negative opinion (8.5 percent).

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FUNDING OF TREATMENT SERVICES DISPROPORTIONATELY COMES FROM PUBLIC SOURCES; PRIVATE INSURANCE COVERS ONLY 10 PERCENT.

STATE AND LOCAL GOVERNMENTS PAY FOR HALF OF TREATMENT COSTS WHILE PRIVATE INSURANCE PAYS FOR ONLY 10 PERCENT

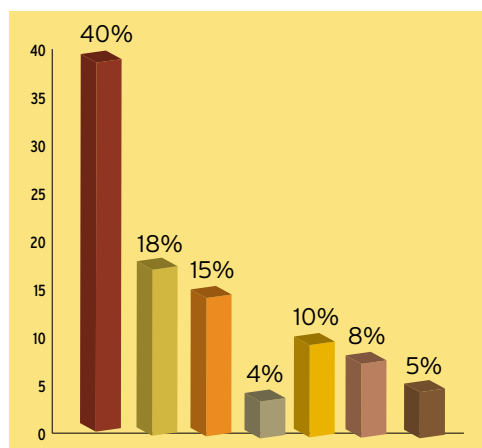
In 2003, an estimated \$21 billion was spent on drug and alcohol addiction treatment. This represents 1.3 percent of all health care spending for that year.

In contrast to other chronic diseases, funding for addiction treatment disproportionately comes from government sources. More than three-quarters—77 percent—of treatment costs are paid by federal, state and local governments, including Medicaid and Medicare.

Private insurance covers only 10 percent of addiction treatment costs, with out-of-pocket expenditures and other private funding making up the remaining percentage. In contrast, private insurance pays for approximately 37 percent of general medical costs. The passage of federal parity and health care reform legislation should help address this imbalance in the future.

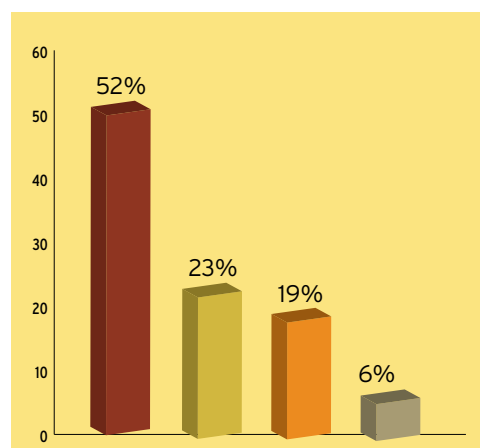
On an individual level, nearly half of those receiving treatment reported using their own money to pay for their care, and 34.8 percent report using private health insurance.

Total Funding of Addiction Treatment



- State and local governments (excluding Medicaid)
- Medicaid
- Federal government
- Medicare
- Private insurance
- Out-of-pocket expenditures
- Other private funding

Public Funding of Addiction Treatment

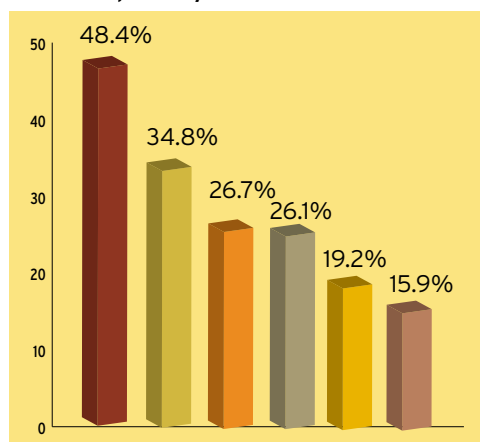


- State and local government funding (excluding Medicaid)
- Medicaid
- Federal spending (excluding Medicare and Medicaid)
- Medicare

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NEARLY HALF OF THOSE RECEIVING TREATMENT REPORTED USING THEIR OWN MONEY TO PAY FOR THEIR CARE.

How People Pay for Treatment



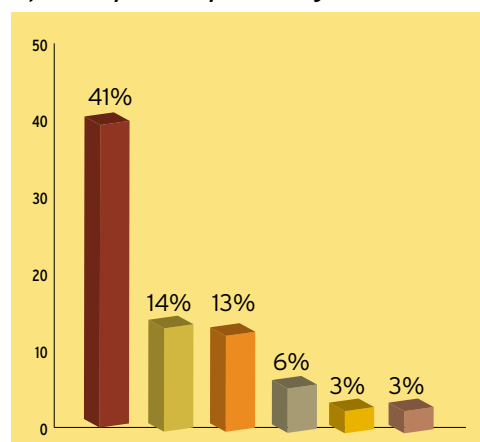
- Own savings and earnings
- Private health insurance
- Medicaid
- Public assistance other than Medicaid
- Medicare
- Funds from family members

[note: individuals could report multiple sources of funding for treatment]

Most Addiction Treatment Funding Goes to Specialty Facilities

In 2003, close to 80 percent of expenditures for addiction treatment went to specialty providers such as hospitals, psychiatrists, addiction treatment professionals, mental health professionals, multiservice mental health organizations (MSMHOs) and specialty substance abuse centers (SSACs).

Specialty Facility Funding



- SSACs
- Specialty units of general hospitals
- Independent psychologists, counselors, social workers
- MSMHOs
- Specialty hospitals
- Psychiatrists

Of the total \$20.7 billion spent on addiction treatment in 2003, \$10.5 billion was directed toward alcohol addiction and \$10.2 billion was allocated for other drug use.

Most of the Uninsured Have Jobs Without Health Benefits or Cannot Afford Premiums

Nationally, there are 42 million uninsured Americans. The percentage of uninsured in states ranges from a low of 7.8 percent in Massachusetts, which in 2006 enacted a state law moving toward universal coverage, to a high of 26.8 percent in Texas. In 30 states, the uninsured make up 15 percent or more of the population.

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FOR EVERY \$1 DOLLAR SPENT ON ADDICTION TREATMENT, SOCIETY BENEFITS BY MORE THAN \$12.

In 2005, only 60 percent of employers offered health insurance to their workers. While two-thirds of uninsured non-elderly adults are working, they are likely to have jobs that do not offer health insurance coverage, and in cases where it is offered they often cannot afford the premiums. More than half of the uninsured are in low-income families. In fact, adult members of low-income families are three times more likely to be uninsured than their counterparts with higher incomes. Close to half of the uninsured are ethnic or racial minorities. More than one-quarter of the uninsured did not graduate from high school and nearly two-thirds have no college education.

Of those with insurance, 63 percent are covered through their job or the employer of a family member; 14 percent have coverage through Medicare; and 11 percent through Medicaid and the State Children's Health Insurance Program (SCHIP). Approximately eight percent purchase private individual health insurance, and three percent are covered through military programs.

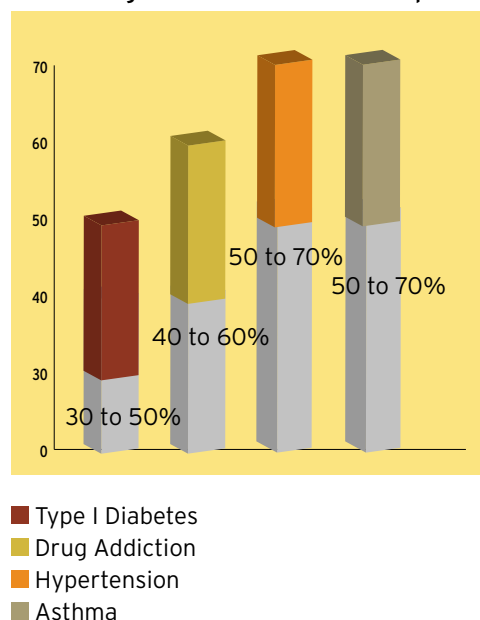
Of the 23 million Americans addicted to alcohol and drugs, many of them will have health insurance coverage for addiction treatment, assuming health care reform is properly implemented. Still many more may remain without coverage as those with addictions and other barriers to enrollment are more

likely to remain uninsured than the general population.

EFFECTIVENESS OF TREATMENT: ADDICTION CAN BE MANAGED SUCCESSFULLY

According to the Centers for Disease Control and Prevention, addiction is a "treatable chronic disease" and comprehensive treatment is as effective as treatments for other chronic diseases like diabetes and asthma. Addiction treatment is also sustainable, resulting in a 67 percent reduction in weekly cocaine use, a 65 percent reduction in weekly heroin use, a 52 percent reduction in heavy alcohol use, and a 61 percent reduction in illegal activity. Studies find that individuals generally maintain these positive outcomes for at least five years after completing treatment.

Percentage of Patients Who Relapse



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Recent cost benefit studies consistently find that benefits to society that result from treatment (i.e., improved health, increased employment, decreased crime) are greater than the costs of addiction. In addition to reducing drug use, addiction treatment has been shown to reduce crime by 80 percent, and reduce arrests by up to 64 percent.

According to the State Associations of Addiction Services, studies show that taxpayers save \$7 for every \$1 spent on treatment and \$5.60 for every \$1 spent on prevention. These savings come from an increase in productivity and reduced spending for health care, criminal justice, and social services.

LOOKING TO THE FUTURE: HEALTH CARE REFORM PRESENTS AN OPPORTUNITY TO NARROW THE ADDICTION TREATMENT GAP

Federal and state regulators are now tasked with implementing health care reform, including designing the minimum benefit package and specific provisions related to addiction treatment. If the new provisions

are properly designed, millions of Americans will finally have insurance coverage for addiction treatment. This will represent an historic step toward a comprehensive, integrated approach to health care that includes the treatment of addiction. The treatment gap may remain, but funding will no longer be an obstacle for millions of Americans.

Unfortunately, systemic and societal obstacles continue to prevent many people from seeking addiction treatment. A number of current government policies result in discrimination—housing, education, health care and employment—against those who disclose a history of addiction. These barriers can hinder the long-term health of those seeking to address an addiction through treatment. Although there has been progress in reducing both the stigma and the discriminatory policies, many people with addiction histories are unable to fully exercise their rights and participation in society.

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Closing the Addiction Treatment Gap (www.treatmentgap.org) is a national program initiated by the Open Society Foundations and involving nine other local and national organizations working to expand addiction treatment. This initiative is designed to create an awareness of—and increase resources to close—an alarming treatment gap: currently, only one in ten Americans who need drug and alcohol addiction treatment is able to get it. The initiative aims to mobilize public support for expanded treatment by increasing public funding, broadening insurance coverage, and achieving greater program efficiency.

Active in more than 70 countries, the Open Society Foundations work to build vibrant and tolerant democracies whose governments are accountable to their citizens. Working with local communities, the Open Society Foundations support justice and human rights, freedom of expression, and access to public health and education.

FOR MORE INFORMATION VISIT WWW.TREATMENTGAP.ORG



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