Annual Government Spending on Substance Abuse and Addiction Nears a Half Trillion Dollars

Substance abuse and addiction cost federal, state, and local governments in the United States at least $468 billion in 2005, according to a report released by the National Center on Addiction and Substance Abuse (CASA) at Columbia University. CASA researchers found that of $374 billion in federal and state spending, 95.6% ($357 billion) went to "shovel up the consequences and human wreckage" of substance abuse and addiction, whereas only 1.9% went to prevention and treatment, .4% to research, 1.4% to taxation and regulation, and .7% to interdiction.

"Under any circumstances, spending more than 95 percent of taxpayer dollars on the . . . consequences of tobacco, alcohol, and illegal and prescription drug abuse and addiction and only two percent to relieve individuals and taxpayers of these burdens is a reckless misallocation of public funds. In these economic times, such upside-down-cake public policy is unconscionable," said Joseph A. Califano Jr., CASA's founder and chair, in a statement that accompanied the report's release.

The 287-page report, *Shoveling Up II: The Impact of Substance Abuse on Federal, State and Local Budgets,* is based on data collected and analyzed over three years. CASA researchers' intent was to undertake the most comprehensive measurement to date of the costs of substance abuse and addiction to all levels of government. They looked beyond the usual categories in which such spending is estimated—prevention, treatment, research, taxation and regulation, and interdiction—to the much larger costs buried in government budgets, such as spending on health care; the criminal, juvenile, and family court systems; incarceration; child welfare; domestic violence and child abuse; homelessness; and mental illness and developmental disabilities.

Using the most conservative assumptions, the researchers concluded that the federal government spent $238 billion, states spent $136 billion, and local governments spent $94 billion in 2005—the most recent year for which data were available over the course of the study. The largest proportion of federal and state government spending to address abuse and addiction went to health care (58%). (Health care accounted for 74% of the total for the federal government considered separately.) The second largest proportion (13%) of federal and state spending was on justice systems, including incarceration, probation, parole, criminal, juvenile and family courts (32.5% of the state burden).

Abuse and addiction–related spending by federal and state governments in 2005 accounted for 11.2% of all government spending ($3.3 trillion), or more than one of every ten dollars, according to the report. For every dollar that federal and state governments spent on prevention and treatment, they spent $59.83 on public programs to address the damage, despite a growing body of evidence that addiction is a preventable, treatable, and manageable disease and that some well-studied interventions result in substantial cost savings. Among the states, prevention and treatment accounted for $2.38 of every $100 spent on abuse and addiction. Connecticut spent the most ($10.39), and New Hampshire spent the least ($.22). Another finding noted in the report is that for every dollar that federal and state governments collected in alcohol and tobacco taxes and liquor store revenues, they spent $8.95 "shoveling up."

The final chapter of the report, "Moving From Spending to Investing," attributes the runaway spending to "our national blindness about the nature of addictive disease" and recommends actions by federal, state, and local governments in four areas: prevention and early intervention, treatment and disease management, tax and regulatory policies, and expanded research. A 100-page appendix details the survey methods and presents tables of spending data for each state. The report is available for free download from the CASA Web site at www.casacolumbia.org.

IOM Calls for Stronger Protections Against Conflicts of Interest in Research, Education, and Practice

New voluntary and regulatory measures can strengthen protections against financial conflicts of interest in medicine, which threaten the integrity of scientific investigations and erode public trust in physicians' professional judgment, according to a new report by the Institute of Medicine (IOM). Such measures, if implemented successfully, will allow "productive relationships between the medical community and industry that contribute to improved medical knowledge and care," according to Bernard Lo, M.D., chair of the IOM committee that wrote the 338-page report.

The report's release comes at a time when news stories, legal settlements, and institutional announcements have documented a range of disturbing situations, including failure to disclose substantial payments and gifts from drug companies, suppression of negative findings, manuscripts ghostwritten by industry-paid writers, and heavy industry support for accredited continuing medical education programs. The committee calls on all academic medical centers, journals, professional societies, and other entities engaged in research, education, clinical care, and development of practice guidelines to strengthen their policies. Because the committee noted substantial variation in such policies and shortcomings in adherence to them among researchers and clinicians, it recommends standardization of the disclosure format and of categories of relationships to help institutions assess the risk that a relationship poses and to ease the burden for individuals who must report information to organizations with different policies.

Congress should authorize establishment of a public Web site on which pharmaceutical, biotechnology, and device firms are required to report payments they make to individuals, academic institutions, professional societies, patient advocacy groups, and others. A public record could serve as a deterrent to inappropriate relationships and undue industry influence and provide institutions with a way to verify the accuracy of information that individuals have disclosed to them, the report notes.

Researchers, medical school faculty, and private-practice physicians should forgo gifts of any amount from medical companies and decline to publish or present material ghostwritten or otherwise controlled by industry, the report recommends. Consulting arrangements should be confined to legitimate expert services spelled out in formal contracts and paid for at a fair market rate. Physicians should limit their interactions with sales representatives and use free samples only for patients who cannot afford medications. Entities that accredit medical schools should consider setting standards for the adoption of conflict of interest policies and publicly list the institutions that follow those standards. Similarly, the World Association of Medical Editors could publicize which journals have adopted policies consistent with its conflict of interest statements. The report also calls for more research on the impact of conflict of interest policies and on the extent to which conflicts result in biased decision making or harm.

The study was sponsored by the National Institutes of Health, the Robert Wood Johnson Foundation, the Greenwall Foundation, the ABIM Foundation, the Burroughs Wellcome Fund, and the Josiah Macy Jr. Foundation. *Conflicts of Interest in Medical Research, Education, and Practice* can be downloaded or purchased from the National Academies Press Web site at www.nap.edu.

NEWS BRIEFS

Recession threatens gains for children: The economic downturn will undo virtually all progress made in children's well-being since 1975, according to a report based on more than 30 years of data from the annual Child Well-Being Index of the Foundation for Child Development (FCD). *Anticipating the Impacts of a 2008–2010 Recession* presents projections in seven quality-of-life domains, such as health, safety, and community connectedness. The proportion of children in poverty is expected to peak at 21% in 2010, the highest rate since the previous recession in the early 1990s. Other key findings include a decline in social connectedness as the severity of the housing crisis drives families to move or become homeless and a higher rate of childhood obesity as parents come to rely more on low-cost fast food. As in previous recessions, child safety is expected to suffer because of higher rates of violent crime and budget cuts for policing and juvenile crime prevention. Because of poverty and family disruption, fewer children will participate in prekindergarten programs, which research has shown leads to below-basic performance on fourth-, 8th-, and 12th-grade standard tests. FCD calls on the Obama administration to implement policies to circumvent these negative effects, such as using Title I funds to add more prekindergarten programs. The 2009 Child Well-Being Index and the special report are available at www.fcd-us.org.

Transformation-monitoring Web site launched: A new Web site has been set up to keep the public informed about activities being pursued in states that have received Mental Health Transformation State Incentive Grants from the Center for Mental Health Services of the Substance Abuse and Mental Health Services Administration (SAMHSA). Transformation Tracker Explorer is database searchable by keyword and by state, with direct links to live data that the grant states provide to SAMHSA. One goal of the site is to inform stakeholders about transformative ideas that they can implement or advocate for locally. Visitors can post feedback on how states are transforming their systems and discuss specific activities. Transformation Tracker Explorer is at mhtsigdata.samhsa.gov.

Best practices for employee work engagement: Only one in every five employees is highly engaged in his or her work, according to recent research. Disengaged employees cost U.S. employers between $250 and $350 billion a year. A new issue brief from the Partnership for Workplace Mental Health examines this research area and presents key findings. Studies have consistently shown that effective communication between management and employees fosters greater engagement. Giving workers the opportunity to share their views with management and keeping employees informed about what is going on in the organization are key drivers of engagement. The issue brief outlines actions that employers can take at the individual and organizational levels to improve engagement. Case studies describe successful initiatives at three companies. The Partnership for Workplace Mental Health is a program of the American Psychiatric Foundation and 35 major U.S. corporations. The issue brief is available at www.workplacementalhealth.org.

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