



Washington State  
Department of Social  
& Health Services

Research & Data Analysis  
Division

DSHS Research and Data Analysis Division, 4.50fs

# Non-Methadone Chemical Dependency Treatment For Opiate Addiction Reduces Health Care Costs, Arrests And Convictions

WASHINGTON STATE SUPPLEMENTAL SECURITY INCOME RECIPIENTS

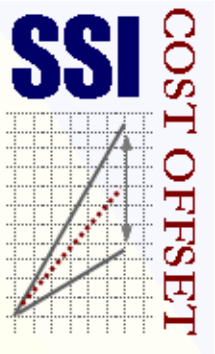
## Treating Opiate Addicts In Non-Methadone – Or “Drug Free” – Chemical Dependency Programs Reduces Health Care Costs

Medicaid-paid medical, mental health, and long-term care costs are significantly reduced when persons addicted to opiates participate in a “drug free” chemical dependency (CD) treatment program.<sup>1</sup> “Drug free” programs for chemical dependencies do not dispense methadone or other approved substitute drugs to persons addicted to opiates.

These cost offsets can be interpreted as **costs avoided** for clients already receiving treatment, and as **potential savings** that might be realized by treating the untreated.

- The **average net cost offset is \$512** per person per month for “drug free” CD treatment of opiate addiction.
- The average monthly **treatment cost is \$200** for “drug free” CD treatment to persons addicted to opiates.
- **Reduced medical costs account for 94 percent** of the offset.<sup>2</sup>

The chart below compares the monthly Medicaid costs for opiate addicts who do not enter treatment with costs for those who participate in “drug free” CD treatment for opiate addiction.



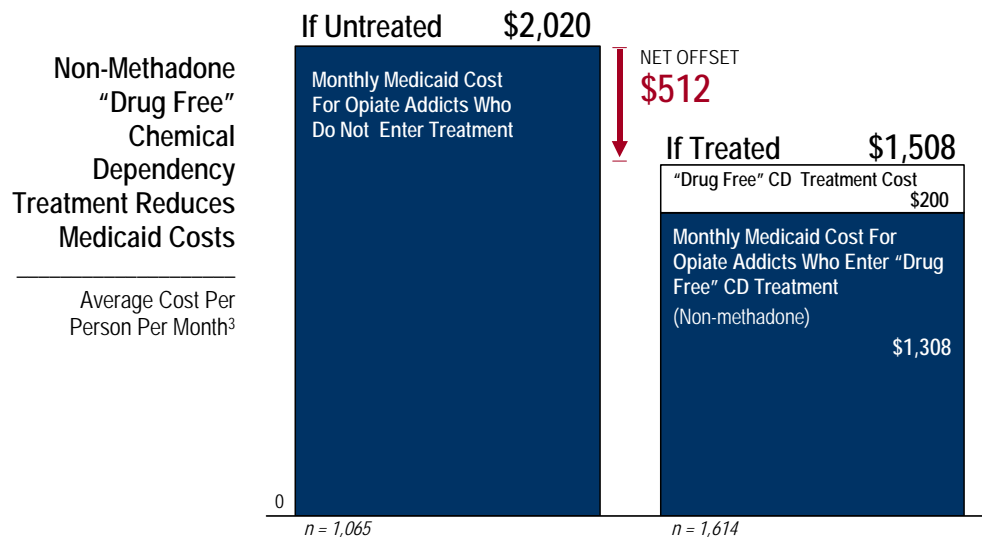
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<sup>1</sup> Mental health costs include state psychiatric hospital, community psychiatric hospital, and outpatient mental health expenditures. Long-term care expenditures include nursing home costs. Costs reported are generally Medicaid-paid claims receiving 50/50 state/federal match. Mental health costs include some “state-only” dollars.

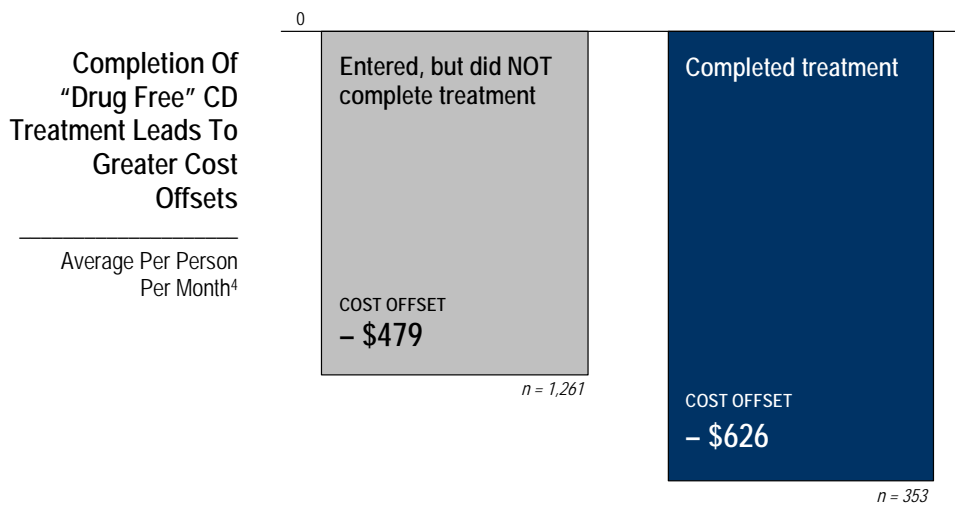
<sup>2</sup> Non-medical cost offsets include reductions in mental health (state psychiatric, community psychiatric, outpatient mental health), and nursing home costs.

<sup>3</sup> Cost offsets were estimated using regression models in which the effects of covariates (age, gender, race/ethnicity, baseline medical expenditures, dual eligible status) are controlled.

## Completing “Drug Free” Chemical Dependency Treatment For Opiate Addiction Results In The Greatest Cost Offset

Cost offsets were examined for those who entered but did not complete treatment and compared with those who completed their treatment program. It was found that completing “drug free” CD treatment for opiate addiction results in the greater cost offset. However, the offset for those who entered but did not complete their treatment program was also found to be substantial.

- For those who enter but do not complete their “drug free” CD treatment program, the **average monthly offset is \$479** per person per month.
- For those who complete their “drug free” CD treatment program, the **average monthly offset is \$626** per person per month.



### ABOUT “DRUG FREE” CHEMICAL DEPENDENCY TREATMENT

“Drug free” treatment for opiate addiction is distinct from methadone – or opiate substitution – treatment for opiate addiction. “Drug free” CD programs do not dispense methadone or other approved substitute drugs to persons addicted to opiates and may occur in a residential or outpatient setting. Residential modalities are generally highly structured and include intensive inpatient and long-term residential treatment. Intensive inpatient treatment typically lasts 21 to 28 days while long-term residential treatment lasts 90 days or longer. Methadone treatment is an outpatient service including counseling and daily or near-daily administration of methadone or other approved substitute drugs through an accredited treatment agency. Methadone patients also receive education and random urine drug screening to monitor drug use, and are subject to stringent rules regarding compliance.

Compared to opiate addicts receiving methadone treatment, opiate addicts who receive “drug free” CD treatment tend to have fewer years of regular heroin use prior to treatment, less intensive use of heroin in the 30 days prior to treatment, and less dependence on income acquired through illegal activity.<sup>5</sup>

<sup>4</sup> Cost offsets were estimated using regression models in which the effects of covariates (age, gender, race/ethnicity, baseline medical expenditures, dual eligible status) are controlled.

<sup>5</sup> Carney, M., Elworth, J., Calsyn, D., Kivlahan, D., Peavy, M., Floyd, A., and Donovan, D., 2003. *Washington State Outcomes Project: Opiate Study Sample (Final Report)*. University of Washington Alcohol and Drug Abuse Institute, University of Washington Department of Psychiatry, and VA Puget Sound Health Care System, Seattle Division, October.

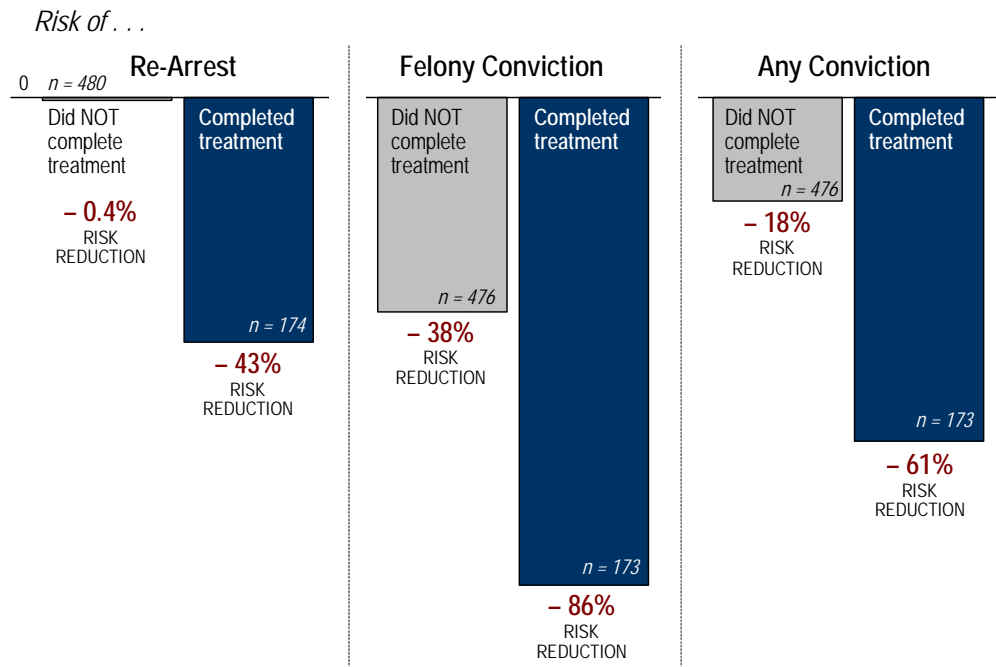
## “Drug Free” Chemical Dependency Treatment For Opiate Addiction Reduces The Risk Of Re-Arrest And Conviction

Entering “drug free” CD treatment for opiate addiction reduces recidivism among clients with prior criminal histories. Completing treatment results in the most dramatic reduction in the risk of re-arrest or conviction:

- The risk of **re-arrest is 43 percent lower** for clients completing “drug free” CD treatment, compared to untreated clients with opiate addiction.<sup>6</sup>
- The risk of a **felony conviction is 86 percent lower** for clients completing “drug free” CD treatment, compared to untreated clients.
- The risk of **any conviction is 61 percent lower** for clients completing “drug free” CD treatment, compared to untreated clients.

## “Drug Free” Chemical Dependency Treatment For Opiate Addiction Reduces The Risk Of Re-Arrest And Conviction

*Risk relative to untreated clients with opiate addiction*



<sup>6</sup> Percentages reflect the change in the hazard of re-arrest or conviction, relative to untreated clients. Estimates are from proportional hazards models that control for age, gender, and race/ethnicity. The zero axis represents the baseline risk for the untreated.

### TECHNICAL NOTES

This paper examines “cost offsets” – costs avoided for clients already receiving treatment or potential savings that might be realized by treating the untreated – of Medicaid medical, mental health, and long-term care costs among opiate addicts who received “drug free” CD (non-methadone) treatment. The paper also compares arrest and conviction rates among those addicted to opiates who participate in “drug free” CD treatment. These analyses are restricted to clients with prior criminal histories.

The study population included clients who received Supplemental Security Income (SSI) benefits at some time between July 1997 and December 2001 and who were identified as having a substance abuse problem based on administrative records. The SSI program provides cash and medical assistance to persons with little or no income who are unable to work due primarily to physical or mental disability. Results of the original study<sup>7</sup> and comparisons for stimulant drug abusers<sup>8</sup> and those who participated in methadone treatment<sup>9</sup> are also available from the authors.

The need for treatment for these clients was identified through events recorded in administrative data. Information used to identify a need for treatment included medical diagnoses or procedures; detoxification, assessment, or alcohol or drug (AOD) treatment encounters; and arrests for drug or alcohol-related offenses. Clients were included in the analysis only if they had at least one month of medical assistance eligibility both before and after the “index event” indicating a need for AOD treatment.

For this report, a subset of 3,354 persons was identified as dependent on opiates by the presence of:

- Heroin, non-prescription methadone, prescribed opiate substitutes, or other opiates and synthetics as primary, secondary, or tertiary drug of abuse in TARGET records.<sup>10</sup>
- Diagnosis of opiate abuse or dependence in Medicaid claims data.

Medicaid costs of clients receiving “drug free” CD treatment for opiate addiction were compared with costs of opiate-addicted clients who remained untreated. Offsets were estimated using regression models to control for the potential confounding effects of covariates such as age, gender, race/ethnicity, and baseline medical expenditures.

<sup>7</sup> Estee, S. and Nordlund, D., 2003. *Washington State Supplemental Security Income (SSI) Cost Offset Pilot Project: 2002 Progress Report*. Washington State Department of Social and Health Services, Research and Data Analysis Division, February.

<sup>8</sup> Nordlund, D., Estee, S. and Yamashiro, G., 2003. *Treatment of Stimulant Addiction Including Addiction to Methamphetamine Results in Lower Health Care Costs and Reduced Arrests and Convictions: Washington State Supplemental Security Income Recipients*. Washington State Department of Social and Health Services, Research and Data Analysis Division, December.

<sup>9</sup> Nordlund, D., Estee, S., Mancuso, D. and Felver, B., 2004. *Methadone Treatment for Opiate Addiction Lowers Health Care Costs and Reduces Arrests and Convictions: Washington State Supplemental Security Income Recipients*. Washington State Department of Social and Health Services, Research and Data Analysis Division, March.

<sup>10</sup> TARGET is the database maintained by the Division of Alcohol and Substance Abuse that contains a record of all publicly funded chemical dependency treatment in Washington State.

Additional copies of this fact sheet may be obtained from the following websites:

<http://www1.dshs.wa.gov/RDA/> or <http://www1.dshs.wa.gov/dasa/>

or through the Washington State Alcohol/Drug Clearinghouse by calling 1-800-662-9111 or 206-725-9696 (within Seattle or outside Washington State), by e-mailing [clearinghouse@adhl.org](mailto:clearinghouse@adhl.org), or by writing to 6535 Fifth Place South, Seattle, Washington 98108-0243.

