



# The Business Case for Investment in Behavioral Health and the Return

The vast majority of individuals with serious mental illness and/or substance abuse disorders, if appropriately diagnosed and treated, will go on to live full and productive lives. And the return on investment (ROI) is significant.

- It is estimated that the economic benefits of expanded diagnosis and treatment of depression has a return of investment (ROI) of \$7 for every \$1 invested. It is penny-wise and pound-foolish to continue down the dangerous path of state behavioral health spending cutbacks.
- Health-services research also shows that comprehensive community-based mental health services for children and adolescents can cut public hospital admissions and lengths of stay and reduce average days of detention by approximately 40 percent.
- A review of the prevention literature by found that school-based substance abuse prevention is generally very cost effective, for example, “Life Skills Training” returned \$21 dollars for every dollar spent on the intervention.
- A number of cost benefit studies of substance abuse treatment have found returns of \$4 to \$7 per dollar spent. These studies have looked at public treatment systems operated by States (e.g., Washington, California, Oregon, Kentucky, South Dakota) and drug courts (New York, Oklahoma, Texas).
- Antidepressant treatment reduces overall healthcare costs not only for persons with depression alone, but also for persons with depression and co-morbid medical illnesses such as cancer and heart disease. Researchers used claims data for nearly 1700 patients from a large health insurer to compare healthcare costs one year before and one year after initiation of antidepressant treatment. Those remaining on antidepressants for at least six months were 74 percent more likely to experience a large reduction in medical care costs, and patients with depression and heart disease who were taking antidepressants, were 72 percent more likely to have a large reduction in medical care costs.
- On average, substance abuse treatment costs \$1,583 and is associated with a monetary benefit to society of \$11,487, representing a greater than 7:1 ratio of benefits to costs. These benefits were primarily because of reduced costs of crime and increased employment earnings. Even without considering the direct value to clients of improved health and quality of life, allocating taxpayer dollars to substance abuse treatment is a wise investment.

An excerpt from the Executive Summary of:

*Too Significant To Fail: The Importance of State Behavioral Health Agencies in the Daily Lives of Americans with Mental Illness, for Their Families, and for Their Communities*

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<http://www.nasmhpd.org/docs/publications/Too%20Significant%20To%20Fail.pdf>