

CITY OF BALTIMORE

SHEILA DIXON, Mayor



HEALTH DEPARTMENT

Joshua M. Sharfstein, M.D., Commissioner
210 Guilford Avenue
Baltimore, MD 21202

FOR IMMEDIATE RELEASE

CONTACT: Rianna Brown
PHONE: 443-984-3606
Rianna.Brown@baltimorecity.gov

New Reports Show Drug Treatment Can Reduce Health Costs

BALTIMORE, MD (October 16, 2007) – The Baltimore City Health Department and Baltimore Substance Abuse Systems, Inc. are releasing two new studies on the value of drug treatment in reducing healthcare costs in Maryland. The studies find that expanding access to treatment could pay for itself by reducing medical costs and also result in more than \$4 million in cost savings per year.

“This new research shows that we are already paying for the consequences of drug addiction,” said Mayor Sheila Dixon. “It’s time for all of our state and local partners to invest more in drug treatment. Doing so will reduce this costly burden on our healthcare system and save lives.”

“This information justifies both a major investment in drug treatment and a major expansion of health insurance to cover effective treatment for heroin and other addictive drugs,” said Dr. Joshua M. Sharfstein, Commissioner of Health.

Researchers from the University of Maryland at Baltimore County, Center for Health Program Development and Management, conducted the analyses. The studies were funded by a grant from the Annie E. Casey Foundation.

The first new study, *Comparing Pre-Treatment to Post-Treatment Medicaid Utilization in Individuals Who Enter Methadone Therapy*, followed more than two thousand patients with an addiction to opiates before and after starting on methadone. For city residents, the study found a significant reduction in inpatient hospitalization after starting treatment. For non-city residents, there were declines in emergency department visits. Both city and non-city residents had fewer visits for respiratory illnesses after starting drug treatment.

The study authors concluded that “expanding treatment access has the potential to reduce both individual suffering and overall society burden associated with opioid dependence without increasing the cost of medical care.”

The second new study, *An Evaluation of Whether Medical Savings Are Associated with Expanding Opioid Maintenance Therapy for Heroin Addiction in Baltimore City*, is a summary of the four studies on the cost-effectiveness of drug treatment prepared by the University of

Maryland at Baltimore County for Baltimore this year. This analysis study projects that providing effective therapy for addiction to heroin and other opiates could save \$4,586 per person per year in medical costs. These savings exceed the cost of the drug treatment itself. Using the ballpark estimate of 25,500 untreated individuals, the researcher project total cost savings – on top of paying for treatment – of more than \$4 million dollars per year.

In addition to these two new reports, the University of Maryland at Baltimore County released a corrected version of an earlier report. The new version finds a greater potential for cost savings statewide and in Baltimore City than the earlier report.

All of the studies by the University of Maryland in Baltimore County are online at <http://www.baltimorehealth.org>.

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