

# Researchers estimate societal costs of the opioid epidemic

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The devastating consequences of the opioid crisis are far-reaching in the United States, impacting public health as well as social and economic welfare. Penn State researchers recently collaborated to address the issue

in a supplement of *The American Journal of Managed Care* titled "Deaths, Dollars, and Diverted Resources: Examining the Heavy Price of the Opioid Epidemic."

According to Dennis Scanlon, distinguished professor of health policy and administration and director of the Center for Health Care and Policy Research at Penn State, the articles and commentaries in the special issue focus on the costs to governments, notably state governments.

"State and local governments have long shouldered the burden of the [opioid](#) epidemic and its costs to individuals and families. They are at ground zero for the epidemic, where services for those being harmed by opioids are significant and costly, spanning well beyond healthcare for treatment and prevention."

Scanlon, along with Christopher Hollenbeak, professor of health policy and administration at Penn State, authored the introduction to the special issue, noting "We take an opportunity to raise several important broader questions we believe have not received enough attention but are critically important for learning from the current opioid epidemic and preventing the potential burdens that could be associated with the next epidemic."

Topics in this special issue are diverse and include the costs of the opioid crisis on employment and labor market productivity, burdens on the child welfare system and special education, the increased costs to the criminal justice system, and the economic burden on state Medicaid programs.

"The supplement fulfills our initial goal of exploring the effects of the opioid crisis on societal costs," Scanlon explained. "Each article in this special issue presents complex cost analyses of the implications of opioid misuse, shedding new light on the opioid epidemic at the state level, and adds to a growing body of literature about the opioid epidemic."

For example, researchers found that between 2000 and 2016, opioid misuse reduced Pennsylvania state tax revenue by over \$11 billion, including approximately \$10 billion in lost income tax revenue and almost \$2 billion in lost sales tax revenue. In another paper, researchers found that between 2007 and 2016, total costs to Pennsylvania's criminal justice system from the opioid crisis was over \$526 million.

Meanwhile, total Medicaid costs associated with opioid use disorder more than tripled between 1999 and 2103, reaching more than \$3 billion. Additionally, total annual education costs for children born in Pennsylvania with neonatal abstinence syndrome associated with maternal use of prescription opioids was estimated at over \$1 million. Finally, researchers also found increased costs of almost \$3 billion to the [child welfare system](#) from 2011 to 2016.

"Due to these [costs](#), every American has suffered and will continue to suffer from resources diverted to the [epidemic](#) that could have been made available for a more productive societal use," said Scanlon.

Another unique aspect of the issue is the strong Penn State presence, as all authors are either faculty or staff or current or former graduate students. Additionally, one of the commentaries is co-authored by the Commonwealth of Pennsylvania Secretary of Health Rachel Levine, who provides further perspective into the opioid crisis at the state level.

Provided by Pennsylvania State University

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