

The opioid epidemic is deadly and expensive. Here's what it has cost Texas

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Every fentanyl death in North Texas is exponentially destructive. Classroom chairs sit empty. Families mourn. Grandparents go back to



work to raise their orphaned grandchildren.

Then come the bills.

Funeral and medical expenses can cost tens, even hundreds of thousands of dollars. But each life squandered to overdose or addiction equals lost hours working, parenting, creating and spending that ripple across the Texas economy in ways that can scarcely be measured.

In 2022, Texas lost the financial equivalent of around 15 Dallas Cowboys franchises, or more than Warren Buffett's net worth, because of opioids.

The epidemic's total financial impact can't be fully calculated. It's nearly impossible to separate the cost of fentanyl from the cost of opioids overall. Comprehensive data takes months or years to gather; fentanyl's invasion of North Texas has been swift.

There is no good cost estimate for fentanyl at the state level, said Ray Perryman, president and CEO of the highly-regarded Waco economic research firm The Perryman Group.

What economists have been able to analyze is the broader opioid epidemic, and the conclusions are grim. Here's what we know—and what we don't—about how fentanyl has burdened the state's economy.

The opioid landscape

Beyond Cowboys franchises, last year's losses in Texas can only be measured by other absurd yardsticks: \$135 billion is about the amount that the entire country spent on school supplies this year. The number is more than 800 times the size of Texas, if you measure Texas in acres.



It breaks down like this: Use of fentanyl and other opioids cost Texas \$50.1 billion in economic output and \$84.6 billion in pain and suffering, lost quality time with family and limited personal activity, according to an analysis by The Perryman Group. It also resulted in the loss of almost 517,000 jobs.

"As large as these numbers are, they likely understate the true impact," Perryman said. "It's widely acknowledged that drug addiction is underreported."

The research firm's recent report, prompted by questions from The Dallas Morning News, examined <u>medical expenses</u>, drug treatment costs, criminal justice costs and lost earnings across more than 500 industries last year. It pulled data from the National Institutes of Health, the Centers for Disease Control and Prevention and other health agencies in its analysis.

The people who died of overdoses in 2022 left a hole in the economy that will ultimately cost the state \$114.6 billion in gross product and 1.2 million years of work, the study showed.

Losses measured in the billions across an entire state can be hard to conceptualize, but Kathy O'Keefe had to face such a reality when her son Brett died of an accidental drug overdose in 2010.

O'Keefe and her husband, who live in Flower Mound, had to file for bankruptcy because of the growing pile of bills from hospital visits, rehab stays and funeral costs. Brett overdosed three times, the second of which led to a \$726,000 hospital stay.

"You're scrambling just trying to keep your kid alive," O'Keefe said. "You're doing everything you can possibly do, and then you get hit with all the financials."



Tackling the epidemic's cost

For years, states and counties have been fighting to make opioid manufacturers pay a share of these losses.

Dallas County has reached settlement agreements with several opioid companies and is set to receive more than \$30 million, Dallas County Judge Clay Lewis Jenkins said. The county is also applying for grants from the Texas Opioid Council for opioid harm reduction programs.

"The fentanyl crisis is costing us far more than what those settlements are going to get us," Lewis Jenkins said in August in his State of the County address.

The CDC recently awarded \$279 million to 49 states, Washington, D.C., and local health departments through the Overdose Data to Action initiative. Dallas County Health and Human Services will receive about \$11 million of that over the next five years to create a 24/7 overdose prevention hotline, among other programs and services.

Schools, increasingly the sites of fentanyl overdoses, have responded by stocking the overdose reversal drug naloxone, training employees and educating students and families. These efforts tap existing funds and nonprofit partnerships. Richardson ISD, for example, has received support from the Grant Halliburton Foundation.

Unseen costs

Economists measuring <u>drug addiction</u> have to stop somewhere, but the actual cost of the disease is more insidious. Businesses not only lose workers and profits to opioid misuse, they rearrange their entire structure to adapt. Even kids too young to work could lose income



potential they'll never recover.

In a 2019 study, Paige Ouimet, a finance professor at the University of North Carolina at Chapel Hill, found that businesses—primarily those in the manufacturing industry—in areas with high prescription rates struggled to find workers and ultimately lost money.

"If they're having trouble hiring, what are they going to do?" Ouimet said. "Well, they're going to find ways to replace employees with technology."

Her research found examples of this in communities devastated by the first wave of the crisis in the '90s and early 2000s.

"Once the local McDonald's has gone to touch-screen ordering, they're not going back," Ouimet said.

Children orphaned, displaced or traumatized make up another unseen cost. In families touched by addiction, they suffer not just immediately, but long term. They are at an increased risk of suicide and should receive mental health screening, according to a 2019 University of Chicago study in *JAMA Psychiatry*.

Children could also lose future productivity and earning potential, Ouimet said.

"How are they going to interact with the labor market as they grow up and how are they going to be stunted by this impact? We're counting on these people to continue growing our economy.

"There are so many children who have been harmed by this. And we still don't know the cost of that. That's still coming."



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