



The Economic Burden of Mental Illness A Fact Sheet

- ❖ Clinical depression has become one of America's most costly illnesses. Left untreated, depression is as costly as heart disease or AIDS to the US economy, costing over \$43.7 billion in absenteeism from work (over 200 million days lost from work each year), lost productivity and direct treatment costs. Depression tends to affect people in their prime working years and may last a lifetime if untreated (Greenberg et al, 1993).
- ❖ The World Health Organization has reported that four of the 10 leading causes of disability in the US and other developed countries are mental disorders. By 2020, Major Depressive illness will be the leading cause of disability in the world for women and children (NAMI, retrieved January 2007).
- ❖ In 1998, the direct costs for the treatment of child mental health problems (emotional and behavioral) were approximately \$11.75 billion or \$173 per child (Sturm et al., 2000; Ringel & Sturm, 2001).
- ❖ Half of all lifetime cases of mental illness begin by age 14, and that despite effective treatments, there are long delays — sometimes decades — between first onset of symptoms and when people seek and receive treatment. An untreated mental disorder can lead to a more severe, more difficult to treat illness, and to the development of co-occurring mental illnesses (National Institute of Mental Health, June 2005).
- ❖ Some of the specific economic and social costs include: (1) lost production from premature deaths caused by; lost production from people with mental illness who are unable to work, in the short, medium or long term; lost productivity from family members caring for the mentally-ill person; reduced productivity from people being ill while at work; cost of accidents by people who have psychiatric disabilities; supporting dependents of the mentally ill person; direct and indirect financial costs for families caring for the mentally-ill person; unemployment, alienation, and crime in young people whose childhood problems, e.g., depression, behaviour disorder, were not sufficiently well addressed for them to benefit fully from the education available; poor cognitive development in the children of mentally ill parents, and the emotional burden and diminished quality of life for family members. (World Health Organization, 2001).
- ❖ The aggregate yearly cost of mental disorders in the U.S. accounted for approximately 2.5% of the gross national product (Rice et al, 1990).
- ❖ The overall U.S. cost of schizophrenia in 2002 was estimated to be \$62.7 billion, with \$22.7 billion excess direct health care cost (\$7.0 billion outpatient, \$5.0 billion drugs, \$2.8 billion inpatient, \$8.0 billion long-term care). The total direct non-health care excess costs, including living cost offsets, were estimated to be \$7.6 billion. The total indirect excess costs were estimated to be \$32.4 billion (Birnbaum, 2005).
- ❖ Mental health conditions are the second leading cause of workplace absenteeism (APF, 2005).
- ❖ In a typical workplace with 20 employees, four will likely develop a mental illness this year (NIMH, 2004).
- ❖ Workers who have depression report losing 5.6 hours a week due to lost productivity compared with 1.6 hours a week among workers without depression. (JOEM, 2005).
- ❖ Global Burden of Disease (2000) estimates show that mental and neurological conditions account for 30.8% of all years lived with disability. Depression causes the largest amount of disability, accounting for almost 12% of all disability. Six neuropsychiatric conditions figured in the top twenty causes of disability (World Health Organization, 2001).
- ❖ Mental, including suicide, accounts for over 15 percent of the burden of disease in the U.S. This is more than the disease burden caused by all cancers (National Institute of Mental Health, 2007).
- ❖ The Global Burden of Disease study suggests that the burdens of mental illness, such as depression, alcohol dependence, and schizophrenia, have been seriously underestimated by epidemiological approaches that measure only deaths. Psychiatric conditions, while resulting in a little more than one percent of total deaths today, account for 10.5 percent of the global disease burden. By 2020, this could rise to 15 percent, a larger projected increase than that for cardiovascular diseases. Unipolar major depression is projected to rank second in DALYs by 2020 (Harvard Medical International, 2006).
- ❖ Among all major medical illnesses, major depression is the leading cause of disability in the U.S. (NAMI, retrieved January 2007).
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It is estimated that in 2000, the United States spent \$83.1 billion for costs associated with depression and \$63.1 billion in 1998 for costs associated with anxiety disorders. According to Langlieb's review, such costs include not only direct health care costs, but also "indirect" costs stemming from suicide, increased medical morbidity, reduced adherence to outpatient treatment leading to relapse and hospitalization, lost wages caused by missed work, and decreased workplace productivity.

- ❖ Langlieb cited a 1998 study of more than 46,000 employees which estimated that each employee with depression generated \$3,189 in annual health care costs compared with \$1,679 annually for non-mental health illnesses. (John Hopkins Medicine, November 2005).
- ❖ In the United States, an estimated 18 million Americans age 18 and older suffer from alcohol abuse or dependence, at an estimated cost of \$185 billion annually. It is estimated that 100,000 deaths annually are attributable to alcohol abuse, making it the third leading cause of death in the United States; in addition, some 20 to 40 percent of hospital admissions are alcohol related (American Psychiatric Association, retrieved January 2007).
- ❖ Substance abuse—smoking, alcohol abuse, and illegal drugs—costs the United States more than \$500 billion a year, with illicit drug use alone accounting for about \$180 billion. Beyond these costs, drug and alcohol abuse tear at the very fabric of society, contributing to the spread of infectious diseases, family disintegration, loss of employment, school failure, domestic violence, child abuse, and other crimes (American Psychiatric Association, retrieved January 2007).
- ❖ The costs of mental illness are exceedingly high. Four of the ten leading causes of disability in the United States are mental disorders. In 1996, the direct costs of mental health services in the United States totaled \$69.0 billion, 7.3 percent of total health spending. Indirect costs of mental illness resulting from lost productivity were estimated to exceed \$78 billion. By 2000, the economic burden of depression alone was estimated to exceed \$83 billion. More than 50 percent of all mental health expenditures are borne by the public sector (Medicaid, Medicare, state and local government) and individuals with serious mental illness represent the single largest diagnostic group receiving Supplemental Security Income (SSI) (American Psychiatric Association, retrieved January 2007).