

The DASIS Report

June 18, 2004

Alcohol and Drug Services Study (ADSS) Cost Study

The Alcohol and Drug Services Study (ADSS) was a multi-phase study of substance abuse treatment facilities and clients, conducted by the Substance Abuse and Mental Health

Services Administration (SAMHSA) between 1996 and 1999. Its financial component, the ADSS cost study, aimed to provide national estimates for cost, revenue, counseling activities, and staffing. The ADSS cost study was the first study of treatment costs with validated cost data from a nationally representative sample of substance abuse treatment facilities.¹

In Brief

- The mean cost per admission was highest for outpatient methadone treatment (\$7,415) and lowest for outpatient treatment (without methadone) (\$1,433)
- Non-hospital residential care had the highest mean cost per enrolled client day (\$76.13)
- The average cost per outpatient visit for outpatient methadone treatment was \$17.78, compared with \$26.72 per visit for outpatient treatment (without methadone)

Methodology

The ADSS study was administered in three stages.² Phase I of ADSS surveyed a nationally representative sample of 2,395 treatment facilities by telephone.

Phase II, upon which the ADSS cost study was based, consisted of site visits to a subset of 280 facilities. Facility-level data were collected from in-person interviews with administrators. For each facility, information was obtained on costs, clients served, staffing, and services provided. In addition, client-level data were obtained

Table 1. Estimated Total Costs for Substance Abuse Treatment and Cost per Admission, by Type of Care: 1997 (inflated to 2002 cost levels)

Type of Care	Annual Treatment Costs	Annual Admissions	Cost per Admission
Non-Hospital Residential (n=48)	\$2,736,348,408	712,643	\$3,840
Outpatient Methadone (n=44)	\$967,417,204	130,472	\$7,415
Outpatient Non-Methadone (n=222)	\$3,083,179,206	2,151,694	\$1,433

Table 2. Estimated Cost per Enrolled Client Day and per Outpatient Visit, by Type of Care: 1997 (inflated to 2002 cost levels)

Type of Care	Cost per Enrolled Client Day	Cost per Outpatient Visit
Non-Hospital Residential (n=48)	\$76.13	N/A
Outpatient Methadone (n=44)	\$12.65	\$17.78
Outpatient Non-Methadone (n=222)	\$11.24	\$26.72

Source: ADSS Cost Study, Office of Applied Studies, July 2003. (Costs updated to 2002 level in Tables 1 and 2.)

from a sample of client treatment records. Among the Phase II facilities, 48 offered non-hospital residential treatment, 44 offered outpatient methadone treatment, and 222 offered outpatient treatment (without methadone). Some facilities provided more than one type of care. Facilities with hospital inpatient care only were excluded from Phase II and the cost study.

Phase III consisted of follow-up interviews with clients sampled in Phase II. Phase III data were not used in the cost study.

The ADSS cost study assessed the validity of the data collected in Phase II using automated programs which tested the relationships among client counts, costs, staffing, and other resource and utilization measures. Cost data were verified and refined using call-backs to facilities. Treatment costs were estimated for each type of treatment for 1997.³ The cost study dollar amounts reported here have been adjusted for inflation. Using 1997 as the base year, the medical care

services component of the Consumer Price Index was used to inflate costs to 2002 levels.

Cost Per Admission and Cost Per Enrolled Client Day

Cost per admission and cost per client day were calculated by dividing total annual costs by annual admissions and by estimated annual treatment days, respectively. Total annual costs included all costs and expenditures for treatment during a 12-month period. This included explicit costs (direct and indirect facility outlays and operating noncapital expenditures) as well as implicit costs (asset depreciation and the estimated market value of resources used free of charge, such as use of donated space).

The mean cost per admission was highest for outpatient methadone treatment (\$7,415) and lowest for outpatient treatment (without methadone) (\$1,433) (Table 1).

The mean cost per admission for residential care was \$3,840. Since an admission is the start of an episode of care, mean cost per admission represents mean cost per treatment episode.

Non-hospital residential care had the highest mean cost per enrolled client day (\$76.13) (Table 2.) The mean cost per enrolled client day was much lower for outpatient methadone and outpatient treatment (without methadone): \$12.65 and \$11.24, respectively.

Although cost per enrolled client day was lower for outpatient methadone than for non-hospital residential treatment, outpatient methadone had higher costs per admission because clients stayed in outpatient methadone treatment longer, an average of 520 days compared with 45 days for non-hospital residential treatment. Outpatient treatment (without methadone), with an average length of stay of 144 days, had the lowest costs per client day and per admission.

Outpatient costs were also analyzed by the cost per

Figure 1. Personnel Costs as a Percentage of Total Facility Costs, by Type of Care: 1997

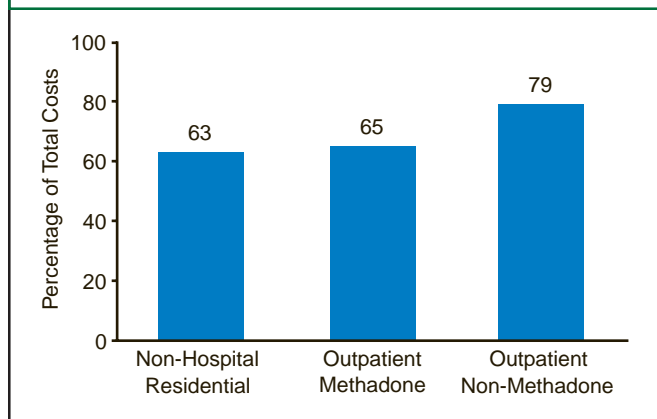
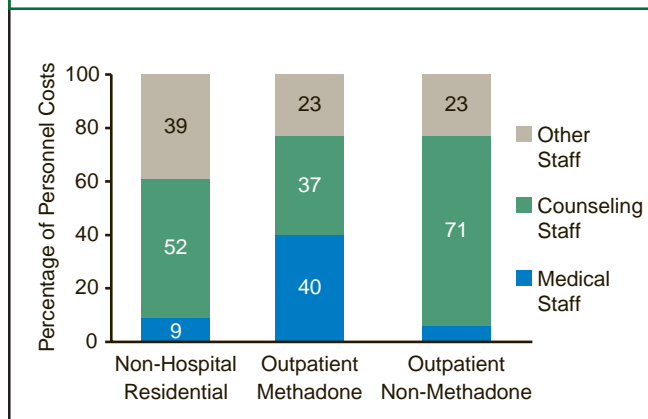


Figure 2. Distribution of Personnel Costs by Staff Type, by Type of Care: 1997



outpatient visit (annual costs divided by estimated outpatient visits).⁴ The average cost per outpatient visit for outpatient methadone treatment was \$17.78, compared with \$26.72 per visit for outpatient treatment (without methadone) (Table 2). Outpatient methadone facilities were less likely to offer some of the treatment and support services provided by other facilities.⁵

Personnel Costs

Personnel costs comprised the largest component of costs for all types of care. Personnel costs accounted for 79 percent of total costs for outpatient treatment (without methadone), 65 percent for outpatient methadone treatment, and 63 percent for residential treatment (Figure 1). The share attributable to personnel was lower for outpatient methadone and residential treatment because both had proportionally higher levels of administrative, medical, or housing costs than occurred in outpatient treatment (without methadone).

Distributions of personnel costs by staff type varied across types of treatment (Figure 2). For outpatient treatment (without methadone), 71 percent of personnel costs were for counseling staff, compared with only 52 percent for non-hospital residential and 37 percent for outpatient methadone care. Medical staff accounted for 40 percent of personnel costs for outpatient methadone treatment, but only 9 percent for non-hospital residential treatment and 6 percent for outpatient treatment (without methadone).

End Notes

¹ Substance Abuse and Mental Health Services Administration, Office of Applied Studies. *The ADSS Cost Study: Costs of substance abuse treatment in the specialty sector*, Analytic Series A-20, DHHS Publication No. (SMA) 03-3762, Rockville, MD, 2003.

² See the ADSS methodology report at <http://www.oas.samhsa.gov/adss.htm#Methods> for more details on the sampling and methodology for ADSS.

³ The ADSS reports, including the full ADSS cost study report, are available at <http://www.oas.samhsa.gov/adss.htm>.

⁴ Cost per visit is higher than cost per enrolled day because not every enrolled day in outpatient treatment includes a visit.

⁵ Substance Abuse and Mental Health Services Administration, Office of Applied Studies. *Alcohol and Drug Services Study (ADSS): The national substance abuse treatment system: Facilities, clients, services, and staffing*. Rockville, MD, 2003.

ADSS is a nationally representative, multi-phase sample survey of substance abuse treatment facilities and clients, sponsored by the Substance Abuse and Mental Health Services Administration (SAMHSA). The objectives of ADSS were to collect information on the characteristics of treatment facilities and their clients and to study relationships among facility characteristics, treatment services, treatment costs, and clients in treatment. The ADSS Cost Study validated the cost data and made detailed estimates of treatment costs.

The DASIS Report is prepared by the Office of Applied Studies, SAMHSA; Synectics for Management Decisions, Inc., Arlington, Virginia; and RTI, Research Triangle Park, North Carolina.

Information and data for this issue are based on the ADSS Cost Study report, dated July 2003. Estimates are for 1997, with costs inflated to the 2002 level.

Access the ADSS Cost Study report at: <http://www.oas.samhsa.gov/adss.htm#Reports> or <http://www.oas.samhsa.gov/adss/ADSSCostStudy.pdf>

Access the ADSS public use files at: <http://www.oas.samhsa.gov/adss.htm#Files>

Other substance abuse reports are available at: <http://www.oas.samhsa.gov/>



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