

The Economic Costs of Alcohol Abuse in Alaska

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**Prepared for:
Alaska Mental Health
Trust Authority**

March 2017



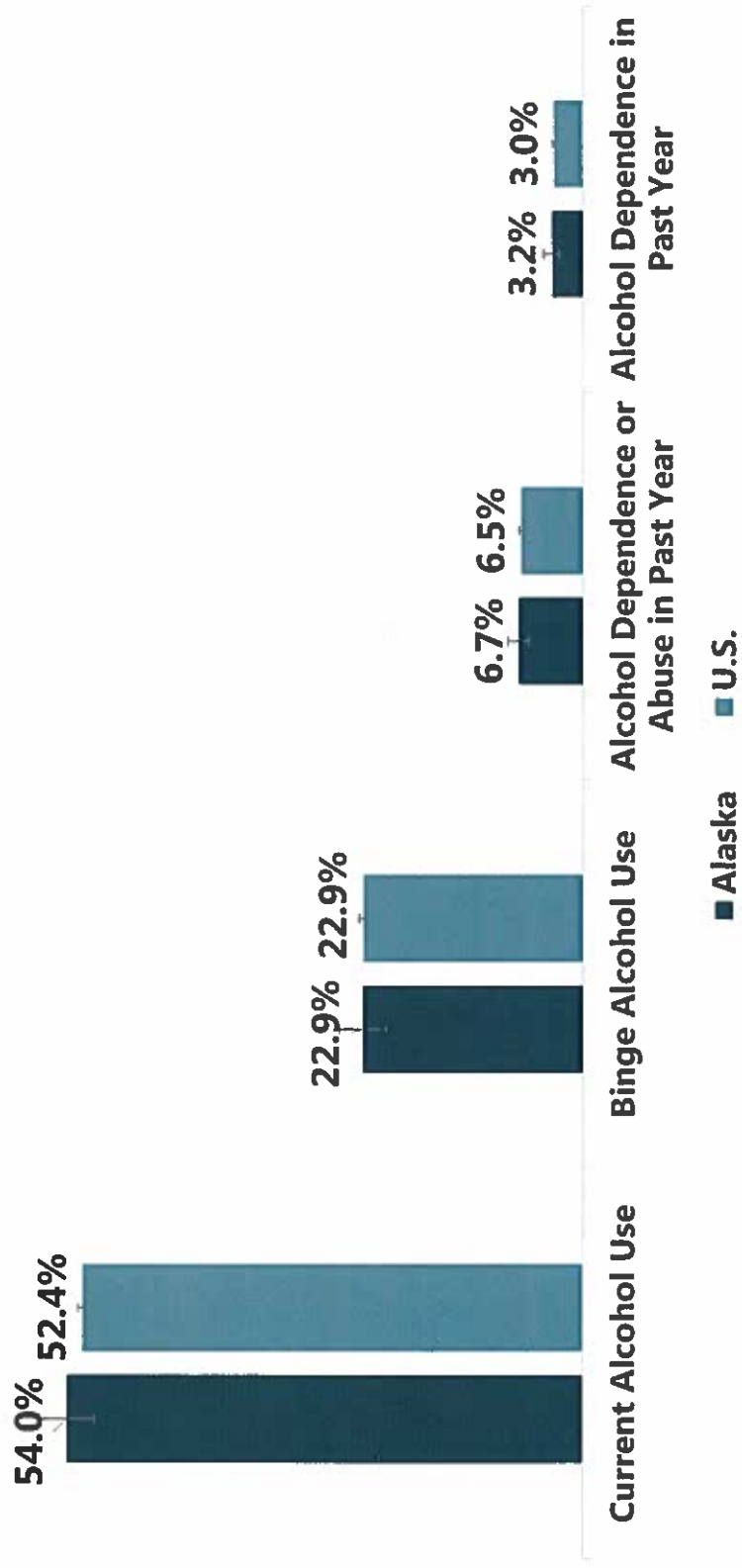
Why Understanding the Economic Costs Matters

- Assessment of the extent of the problem
- Valuable insights into factors that may influence alcohol abuse and its adverse effects
- Inform planning and implementation of prevention strategies
- Assessment of the cost of prevention strategies relative to the cost of alcohol-attributable harms
- Builds awareness of the public/private sector costs

Methodology (continued)

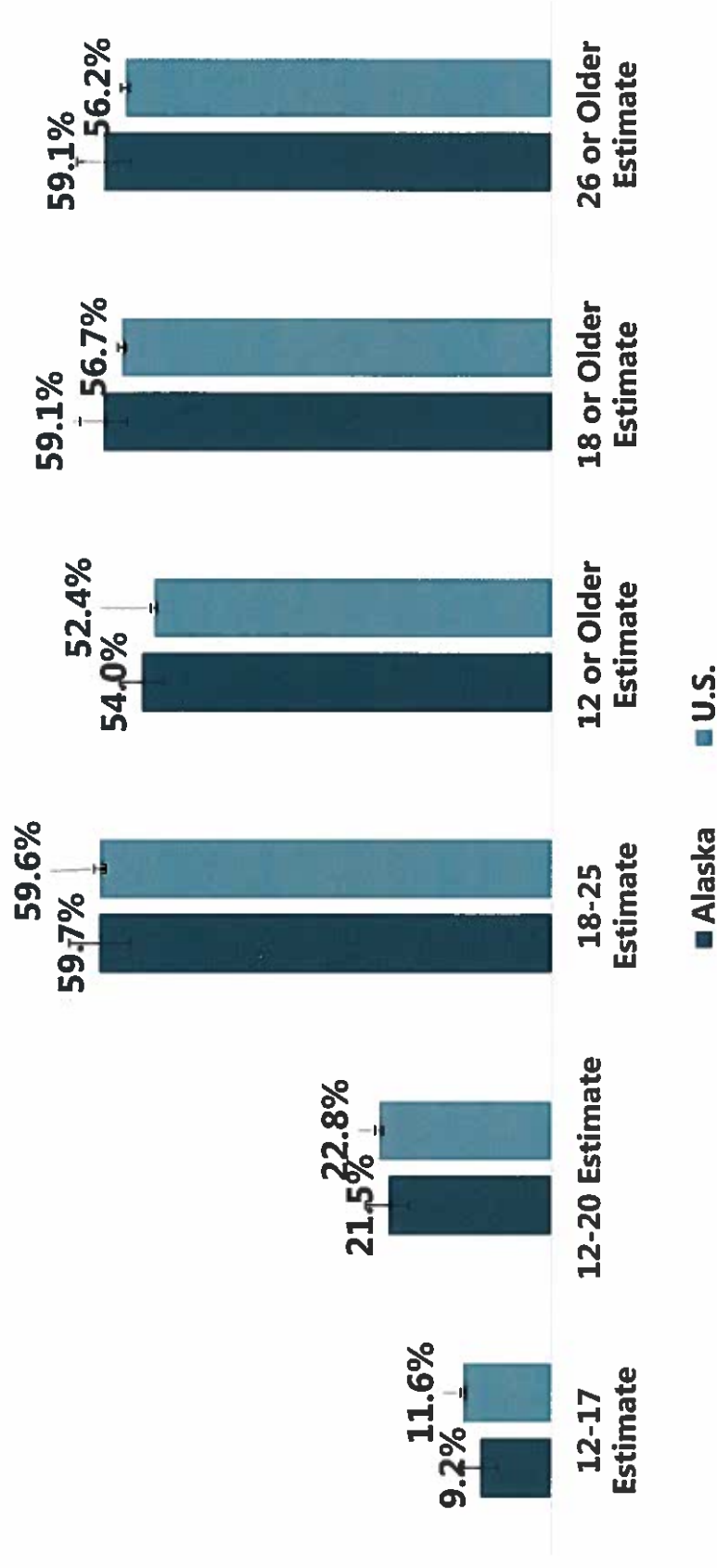
- Criminal Justice and Protective Services
 - Offenses and Arrests – DPS, FBI, and Lewin Group's alcohol attributable rates
 - Criminal Justice System – NIH report, *The Cost of Crime to Society: New Crime-Specific Estimates for Policy and Program Evaluation*, and Lewin Group's report
 - Criminal Victimization – Bureau of Justice Statistics, DOLWD/ACS, and Lewin Group's alcohol attributable rates
 - Protective Systems – *National Survey of Children and Adolescent Well-Being*, National Data Archive on Child Abuse and Neglect, OSC, National Institute on Drug Abuse (NIDA)
- Health Care
 - Inpatient, ED, and Outpatient Costs – HFDR, NIDA, and Lewin Group's AAF
 - Treatment for Alcohol Abuse – DBH and Medicaid
 - Skilled Nursing and Long Term Care – NIDA and DSDS
 - FAS/FASD – BVS and Health Analytics, Vital Reports, and Canadian study, *The Burden of Prenatal Exposure to Alcohol: Revised Measurement of Costs*
 - Prevention Services – DBH

Alcohol Consumption Patterns (2013-2014)



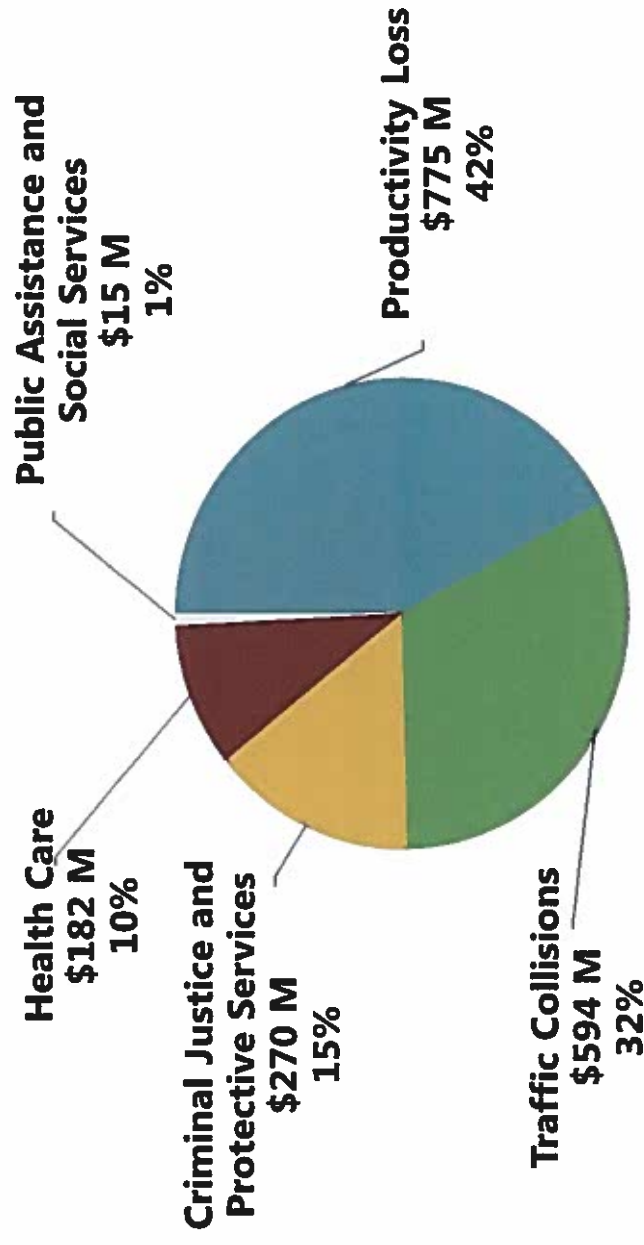
Source: National Survey of Drug Use and Health, SAMHSA

Current Alcohol Use (age 12+), by Age Group



Source: National Survey of Drug Use and Health, SAMHSA

Total Economic Costs of Alcohol Abuse – \$1.84 B



Source: McDowell Group calculations. Criminal justice and protective services estimate does not include intangible costs related to victimization, an estimated \$605 million in additional costs.

Health Care – \$181.8 M

Cost Category	Alcohol-related Costs	% of Total
Medical inpatient	\$85.4 M	48%
Medical ED	\$32.7 M	18
Medical outpatient	\$22.6 M	12
Alcohol/Drug treatment	\$25.9 M	14
Prescription drug	\$10.7 M	6
Nursing Home/LTC	\$1.5 M	1
FASD	\$3.0 M	2
Total	\$181.8 M	100.0%

Source: McDowell Group calculations.



Underage Drinking – \$350 M

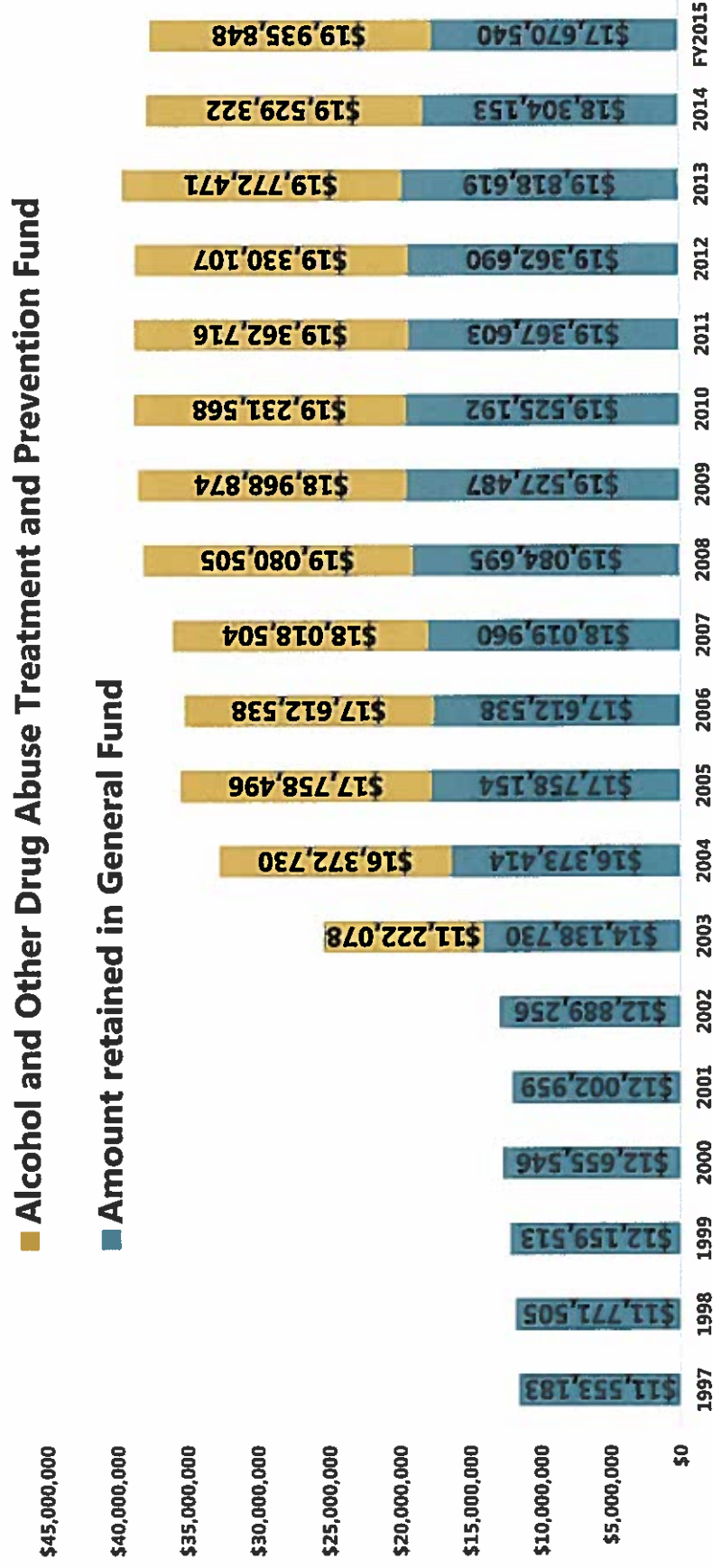
- In 2013-2014:
 - Underage Drinkers: 9% of Alaskans age 12-17 and 22% of Alaskans age 12-20
 - Underage Binge Drinkers: 5% of Alaskans age 12-17 and 13% of Alaskans age 12-20
- In 2010, PIRE estimated costs from underage Alaskan drinkers at ~\$350 million (2016\$)
- Youth violence represent 48% of underage drinking costs, followed by youth traffic accidents (28%)

Productivity Losses – \$775.1 M

Productivity Category	Alcohol-related Costs	% of Total
Premature death (primary diagnosis)	\$581.5 M	75%
Incarceration	\$ 41.5 M	5
Diminished productivity	\$145.6 M	19
Substance abuse treatment	\$1.5 M	0.2
Medical conditions	\$5.0 M	1
Total	\$775.1 M	100%

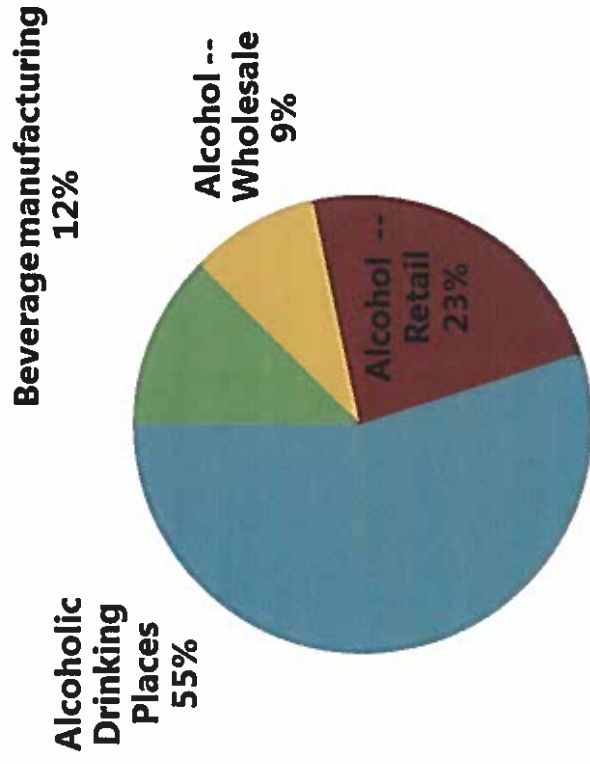
Due to rounding, some columns may not sum to total.

State Alcohol Beverage Tax Revenue (FY1997-2015)

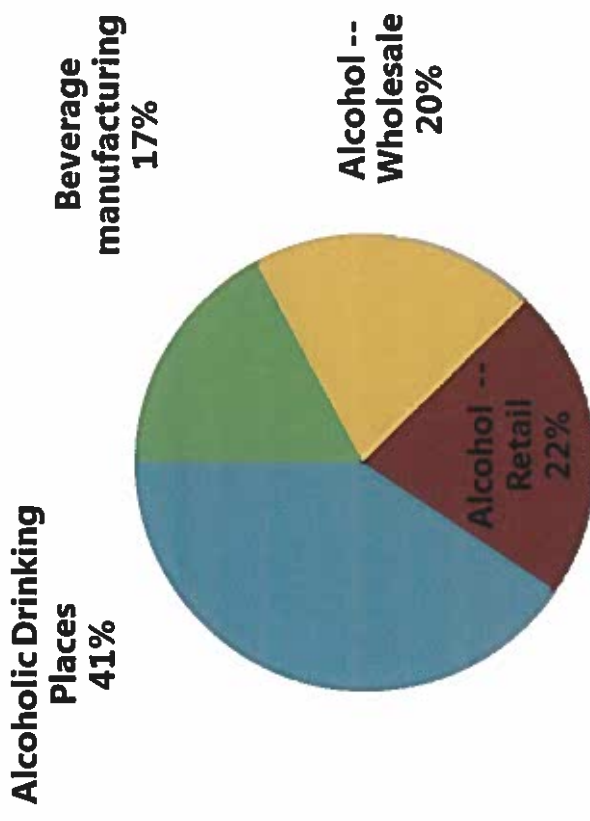


Source: Alaska Department of Revenue

Jobs and Wages – Alcoholic Beverage Sector, 2014



Total Jobs: 2,887



Total Wages: \$66.4M

Source: Alaska Department of Workforce and Labor Development.

The Economic Costs of Drug Abuse in Alaska, 2016



Illicit Drug Use, 2013-2014

- **77,000** Alaskans used illicit drugs within the past 30 days
 - 69,000 consumed marijuana
 - 20,000 used other illicit drugs
- **26,000** Alaskans used pain relievers for non-medical purposes in the past year
- **13,000** Alaskans are dependent on illicit drugs
- Marijuana consumption is the only drug in Alaska statistically different than U.S.
 - **12%** Alaskans used marijuana in past 30 days – 8% in U.S.
 - **20%** Alaskans used marijuana in past year – 13% in U.S.



In Conclusion

- **\$1,840.0 M** – Total Economic Costs of Alcohol Abuse (2016)
- **\$1,220.0 M** – Total Economic Costs of Drug Abuse (2016)
- **\$3,100.0 M** – Total Combined Economic Costs of Alcohol and Drug Abuse in Alaska (2016)