

National Release of the Cost of Substance Abuse in Canada, 2002 Study

Alberta Fact Sheet

Highlights

- The results of the *Costs of Substance Abuse in Canada 2002* study are scheduled for national release on April 26, 2006. It estimates that, in 2002, abuse of tobacco, alcohol and illegal drugs cost Canadians about \$40 billion. The cost to Alberta was \$4.4 billion.
- The study is a collaborative project led by the Canadian Centre on Substance Abuse (CCSA), with over 10 organizations – federal, provincial and territorial agencies, including Health Canada and AADAC, as partners. The 2006 study uses 2002 numbers due to the time needed to compile information from all parties involved and to complete analysis.
- The study began over three years ago with an interdisciplinary team of researchers and cost about \$500,000 to complete. AADAC contributed \$50,000 in each of two fiscal years for a total of \$100,000. The study fills a 10 year gap, following the release of the first comprehensive cost estimate study of substance abuse in Canada for 1992 that was also completed by the CCSA and released in 1996.
- The new study describes substance abuse as a significant burden on the Canadian economy in terms of both direct impact on health care and criminal justice costs and through its indirect toll on productivity resulting from disability and premature death.
- Overall cost for Alberta: \$4.4 billion (\$1,414 per capita).
- Costs by substance:
 - Alcohol: \$1.6 billion for Alberta and \$14.6 billion for Canada
 - Tobacco: \$1.8 billion for Alberta and \$17 billion for Canada
 - Illegal drugs: \$1 billion for Alberta and \$8.2 billion for Canada
- Costs by category for Alberta (expressed as % of the total cost of \$4.4 billion):
 - Direct health care costs: 23%
 - Direct law enforcement costs: 11%
 - Other direct costs: 3%
 - Indirect costs: productivity losses, representing the largest portion of cost, accounting for over 63% of the estimated total
- Alberta sits roughly in the middle of the provinces and territories for per capita costs of substance abuse.
- Highlights of the national cost study is available at www.ccsa.ca.

What Alberta is Doing

- The Alberta government considers the health and well being of Albertans as its most important resource.
- AADAC is continually working with various provincial and national stakeholders to enhance the quality and access of its programs and services for youth, adults, families, and individuals with mental health and substance abuse problems.
- Key initiatives include:
 - Leading the *Alberta Drug Strategy* and the *Alberta Tobacco Reduction Strategy*.
 - Developing a comprehensive alcohol strategy with key stakeholders.
 - Opening additional youth detoxification and residential treatment beds in southern and northern Alberta.
 - Supporting new legislation that provides youth at risk with court-ordered substance abuse detox and assessment (*Protection of Children Abusing Drugs Act*).
 - Formalizing health partnerships with the health care providers to enhance service delivery for mentally challenged individuals with substance abuse issues.
- For more information about AADAC's programs and initiatives, visit our website at www.aadac.com.

Future Research

- AADAC and its partners will be looking at how much of the social costs in the study are avoidable. In this regard, Health Canada has supported the development of *International Guidelines for the Estimation of Avoidable Costs of Substance Abuse*.
- These guidelines will be available in spring, 2006. Other plans are also under way to broaden the methodology to include tobacco and illegal drugs.
- More detailed analysis of the cost study and Alberta's ranking continues on the following pages.

For More Information, Please Contact:

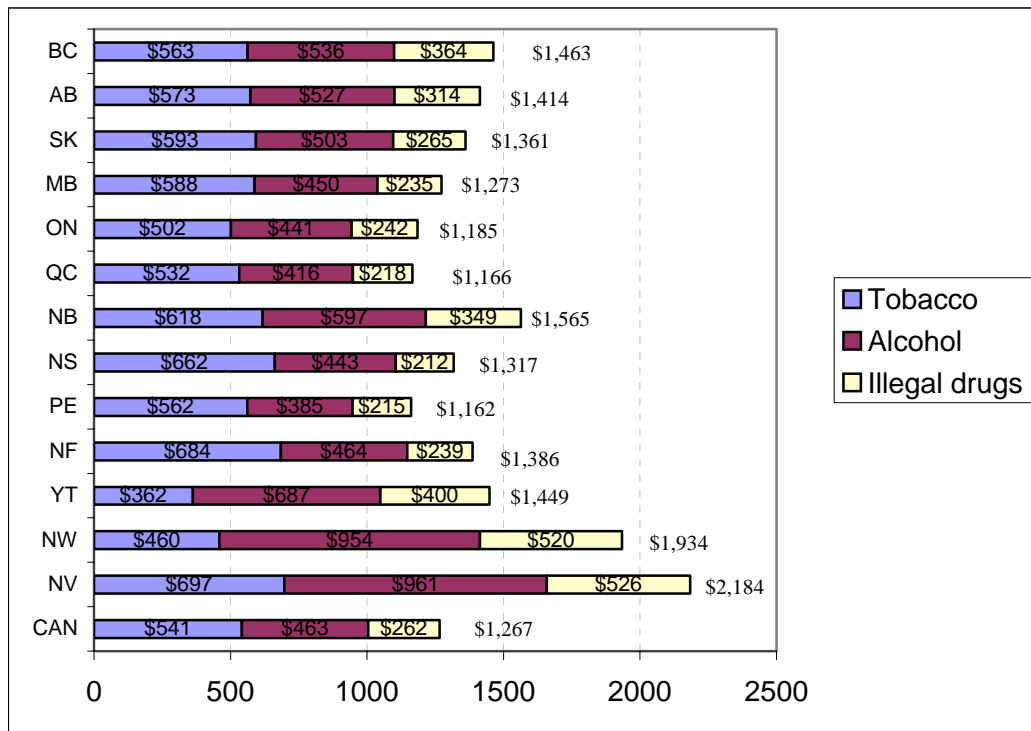
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Alberta Results

How Alberta and other Jurisdictions Rank

- Overall, the results of substance abuse were relatively uniform across Canada, except in the Territories, where social costs were higher compared with the provinces (Figure 1).
- Of the 13 provinces and territories, Alberta ranks in the middle (sixth out of 13) in terms of total per capita cost.
- Estimates for the territories are conservative because some territorial residents may receive specialized treatment in neighboring provinces and may be counted there.
- The differences among provinces are slightly flattened because national averages were used in cases where provincial data were not available.

Figure 1: Per Capita Costs of Substance Abuse in Canadian Provinces and Territories, 2002



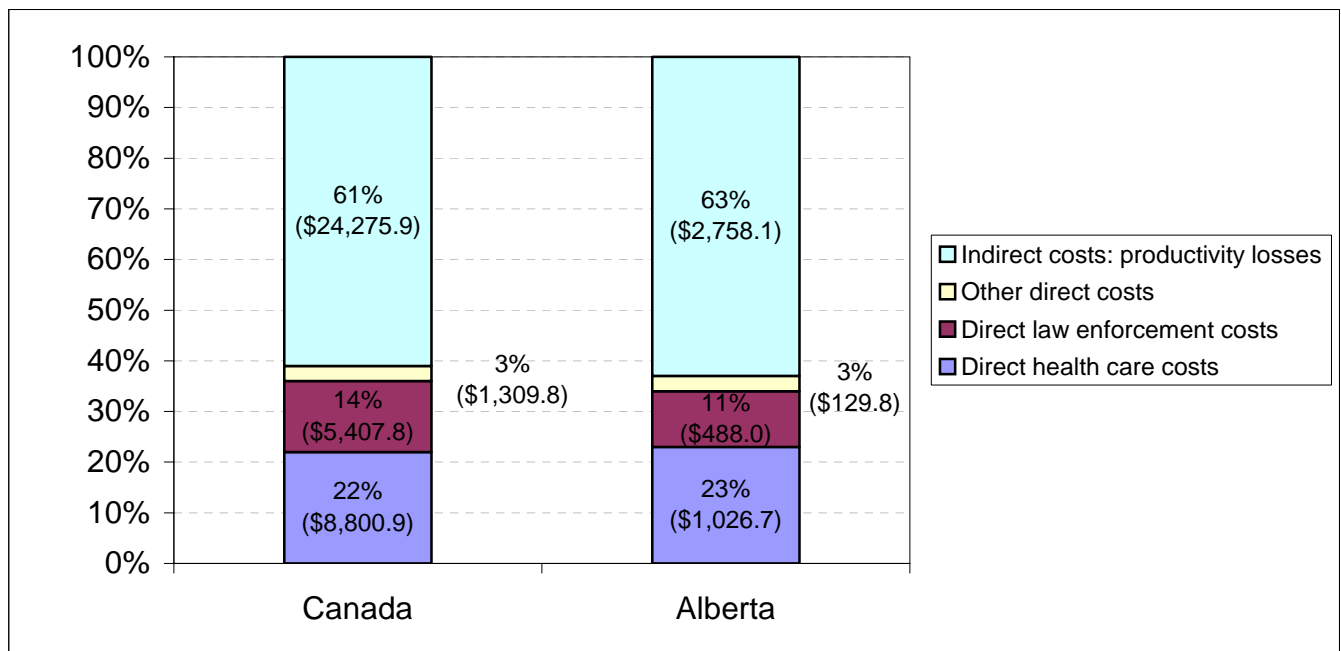
Costs Attributable to Substance Use

- The overall social cost of substance abuse in Alberta in 2002 was estimated to be \$4.4 billion.
- This estimate is broken down into four major categories in Figure 2 and five categories in Table 1. Canada and Alberta have a similar proportion of costs for the categories.

Indirect Costs: Productivity Losses

- Productivity losses accounted for an estimated \$2.8 billion or 63% of the total cost in Alberta and 61% of the total estimated cost in Canada.
- These indirect costs included lost productivity in the workplace or at home in whole or in part from substance abuse and were estimated from a national community health survey.
- Most of the estimated cost in Alberta and Canada was due to short-term and long-term disability related to substance abuse resulting in productivity losses.

Figure 2: Costs Attributable to Substance Abuse by Cost Category – 2002 (in millions of dollars)



Direct Health Care Costs

- Health care costs accounted for an estimated \$1 billion or 23% of the total cost in Alberta and 22% of the total estimated cost in Canada.
- Health care costs included acute care and psychiatric hospitalization, specialized inpatient and outpatient treatment, ambulatory care, doctors' fees, visits to a family doctor, and prescribed drugs to treat a substance abuse problem.
- A substantial proportion of the estimated direct health care costs in Alberta and Canada were due to acute care hospitalization associated with substance abuse related morbidity and costs of prescription drugs.

Direct Law Enforcement Costs

- Law enforcement was the third largest contributor to the total estimated cost of \$488 million or 11% of the total cost in Alberta and 14% of the total estimated cost in Canada.

Table 1: The Social Costs of Tobacco, Alcohol and Illegal Drugs, 2002 (in millions of dollars)

		Tobacco		Alcohol		Illegal Drugs		Total TAD	
		Canada	Alberta	Canada	Alberta	Canada	Alberta	Canada	Alberta
1	Direct health care costs	4,360.2	470.6	3,306.2	406.9	1,134.6	149.2	8,800.9	1,026.7
2	Direct law enforcement costs	-	-	3,072.2	275.2	2,335.5	212.8	5,407.8	488.0
3	Direct costs for prevention and research	78.1	7.7	53.0	5.3	16.5	1.6	147.6	14.6
4	Other direct costs	87.0	8.6	996.1	98.7	79.1	7.8	1,162.2	115.2
5	Indirect costs: productivity losses	12,470.9	1,296.0	7,126.4	854.6	4,678.6	607.5	24,275.9	2,758.1
Total		16,996.2	1,782.9	14,554.0	1,640.6	8,244.3	979.0	39,794.4	4,402.6

“-“ not available

TAD – Tobacco, Alcohol, and Illegal Drugs

- Based on surveys of the Canadian prison population, the proportion of the wide range of criminal activities linked to alcohol and drug use activity were generated and then applied to overall expenditures for policing, the courts, and prisons.
- Most of the estimated law enforcement costs in Alberta and Canada were related to policing.

Other Direct Costs

- Other direct costs accounted for estimated \$130 million or 3% of the total substance-related costs in Alberta and 3% of the total estimated cost in Canada.
- In Figure 2, these costs included substance-related research and prevention, fire damage, vehicle collision damage and a range of costs to the workplace associated with providing Employee Assistance Programs and drug testing. In Table 1 research and prevention are in separate category from other direct costs.
- Excluding research and prevention, most of the estimated other direct costs in Alberta and Canada were caused by traffic accidents.

Estimated Costs By Type Of Substance

In Table 1 and Figure 3, the estimated costs are also presented by type of substance: tobacco, alcohol and illegal drugs.

Tobacco

- In Alberta, tobacco costs accounted for an estimated \$1.8 billion or 40.5% of the total substance-related cost.
- In Alberta, lost productivity due to tobacco use-related illness and premature death was the largest cost (\$1.3 billion). Direct health care costs attributed to tobacco use were estimated at \$471 million.

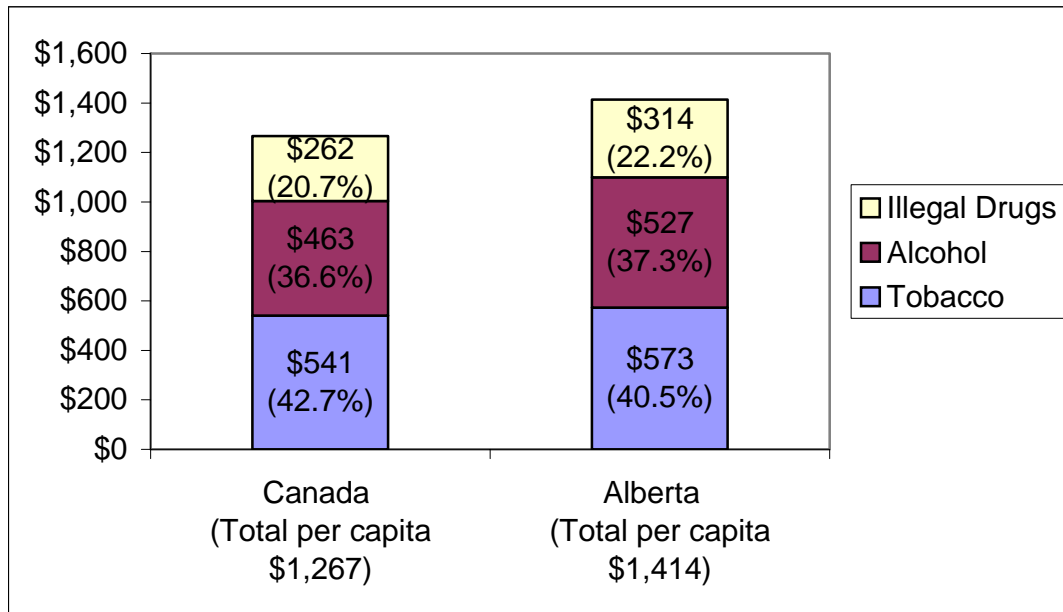
Alcohol

- Alcohol accounted for an estimated \$1.6 billion or 37.3% of the total estimated cost in Alberta.
- A substantial proportion of the costs related to alcohol-related illnesses in Alberta were due to the indirect cost of workplace productivity losses. The \$855 million total includes costs associated with short-term and long-term disability and premature death. In addition to productivity losses, alcohol-related illnesses cost \$407 million for direct health care services.

Illegal Drugs

- Illegal drugs accounted for about \$979 million or 22.2% of the total estimate of substance abuse costs in Alberta.
- In Alberta, costs related to illegal drugs were attributed to lost productivity due to illness and premature death (\$608 million), law enforcement activities (\$213 million), and direct health costs (\$149 million).

Figure 3: Per Capita Costs Of Substance Abuse – 2002 (in millions of dollars)



Change Over Time

- The rise in substance abuse costs reflect, in part, the number of deaths caused by substance abuse, the number of years of potential life lost as a result of those deaths, and the number of days spent in a hospital for health problems related to substance abuse.
- In Alberta, the total cost of substance use was estimated at \$1.6 billion in 1992 and in 2002 the estimated cost was \$4.4 billion (Table 2).

Table 2: Total Cost of Substance Abuse in Canada and Alberta – 1992 and 2002 (in millions of dollars)

	1992		2002	
	Canada	Alberta	Canada	Alberta
Total	\$18,450	\$1,600	\$39,800	\$4,403