



# The Michigan Association of Substance Abuse Coordinating Agencies

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of Substance Abuse  
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## History, Background, and Recommendations

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### Substance Abuse Michigan's Major Public Health Crisis

Michigan's publicly funded substance abuse services network is currently in crisis. The absence of funding increases over the past 12 years has resulted in decreased services as inflation has steadily eroded the purchasing power of available funding. The following information has been assembled by the Michigan Association of Substance Abuse Coordinating Agencies (MASACA) as a mechanism through which to bring attention to this important health issue, and to describe a process through which to generate constructive solutions.

**Fact 1:** According to the Michigan Department of Community Health, approximately 1.27 million addicted persons live in Michigan, approximately 13 percent of the population.

**Position 1:** All Michigan residents in need of substance abuse services should have immediate access to such services.

**Fact 2:** Michigan sustains an estimated \$2.7 billion in damages annually as a consequence of substance abuse, including, but not limited to, health care costs, low productivity, traffic accidents, law enforcement, and costs incurred through the criminal justice system. In spite of this, Michigan is tied for last place in overall substance abuse expenditures as a portion of the state's budget.

**Position 2:** Revenue allocations associated with prevention and treatment programs are highly cost effective and can result in savings to the state of Michigan.

**Fact 3:** Damages inflicted through substance abuse go far beyond financial issues, and include the anguish associated with infant mortality and trauma, drunk driving morbidity and mortality, mental retardation, impaired learning and school performance, domestic violence, criminal activity, and other negative social indicators.

**Position 3:** The investment of resources in effective substance abuse prevention and treatment programming will improve the health, welfare, and productivity of Michigan residents.

**Fact 4:** The financial and/or emotional consequences of substance abuse affect every department in state government.

**Position 4:** Restoration of the full intent of PA 368 of 1978, as it pertains to substance abuse services, will benefit all Michigan residents and every department in state government.

**Fact 5:** There currently exists at the local level an administrative infrastructure that governs public expenditures associated with substance abuse services.

**Position 5:** The existing infrastructure governing the administration of substance abuse services is effective and should be enhanced.

**Fact 6:** There exists a body of research indicating that both substance abuse prevention and substance abuse treatment programs are effective.

**Position 6:** Michigan's coordinating agencies are experienced and effective at ensuring the development of high quality, cost effective, substance abuse prevention and treatment programs.

## **General Background**

From the perspective of service recipients, health professionals and policy-makers, there are four important and unavoidable conclusions that surface when assessing Michigan's position with respect to substance abuse:

- 1) The problem is enormous, and affects all segments of society.
- 2) There are effective strategies for preventing and treating substance abuse.
- 3) These strategies are proven to be highly cost-effective.
- 4) Recent years have nevertheless witnessed a steady erosion of financial and programmatic resources dedicated to substance abuse, and a corresponding reduction in the ability to address the issue responsibly.

## **The Problem**

A study commissioned by the Robert Wood Johnson Foundation in February, 2001 estimated the economic cost of alcohol and other drug abuse to the nation's economy at a staggering \$276 billion annually.<sup>1</sup> This translates into an average cost of \$5.5 billion per year per state. Taken a step farther it means an average of \$458 million per month in every one of our nation's fifty states. This same report indicates that nationwide, more than 23 million persons are in need of treatment, but only a small number receive it.

The costs of substance abuse to employers are also staggering. Research indicates that alcohol and other drug users are less productive than their non-using counterparts, use three times as many sick days, are more likely to either sustain or cause an injury, and are five times more likely to file workers' compensation claims.<sup>2</sup> In fact, the National Institute on Health reports that \$27 billion annually is lost in productivity due to substance abuse.

A January, 2001 study financed by the Starr Foundation, the Robert Wood Johnson Foundation, the Carnegie Corporation of NY, and others, reported that in 1998 states spent a combined total of about \$620 billion of their own funds to operate state government and provide public services. "A stunning 13.1 percent of that amount – \$81.3 billion – went to shoveling up the wreckage of substance abuse and addiction, a problem that too many of us prefer to deny or ignore."<sup>3</sup> In spite of widespread consensus among professionals on the magnitude of the problems associated with substance abuse, as a field it has historically received a disproportionately small amount of funding and policy-making attention. To wit, a recently written report entitled "The Health of the Public in Michigan"<sup>4</sup> did not contain even one reference to substance abuse or its impact on public health and policy.

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<sup>1</sup> Substance Abuse, the Nation's Number One Health Problem, Prepared by the Schneider Institute for Public Health Policy, Brandeis University, for the Robert Wood Johnson Foundation, Princeton, NJ.

<sup>2</sup> "Alcohol, Tobacco, and Other Drugs in the Workplace," Michigan Resource Center, Spring, 1995.

<sup>3</sup> Shoveling Up: The Impact of Substance Abuse on State Budgets, The National Center on Addiction and Substance Abuse at Columbia University, January 2001

<sup>4</sup> The Health of the Public in Michigan, prepared for Executive and Legislative Candidates by The Future of Public Health Committee, September, 2002.

In Michigan, the disparity between the size of the problem and the amount of attention it receives is far worse than in almost any other state in the nation. It is both incredible and alarming that an examination of substance abuse expenditures as a percentage of states' budgets reveals that Michigan is tied for last place at .008 percent. The next lowest state, South Carolina, spends more than two times as much as Michigan on substance abuse treatment and prevention as a percentage of their state budget. Again, as a percentage of their state budget, North Dakota spends more than 103 times as much on substance abuse treatment and prevention as does the state of Michigan. Spending on substance abuse in Michigan was at the cynically low level of 19 cents per person in 1998. Compare this to Delaware at \$31.34, Oregon at \$23.96, or Minnesota at \$12.23.<sup>5</sup>

Michigan's substance abuse services network receives a portion of its funding through the state tax on licensed beverages. Although the revenue generated through liquor sales and licensing has risen sharply, increasing from \$188.26 million in 1990 to \$272.02 million in 2001, this influx of revenue has not translated into commensurate increases in the overall funding to support substance abuse treatment and prevention programming in Michigan.<sup>6</sup>

More facts:

- In Michigan, an estimated 1.27 million persons are in need of treatment for chemical dependency,<sup>7</sup> a number representing more than twice the population of the greater Lansing area.
- Fewer than one-fourth of Michigan residents in need of treatment will receive it.<sup>8</sup>
- There is a huge link between the incidence of both chronic and communicable diseases and substance abuse, including sexually transmitted diseases, HIV infection, tuberculosis, and hepatitis B and C.
- Alcoholism and other drug dependence are treatable and preventable.<sup>9</sup>
- Relapse rates for chemical dependency are about the same as relapse rates for asthma and other chronic relapsing disorders.<sup>10</sup>
- The costs to business are staggering, and include lost productivity, increased sick days, the increased likelihood of injuries and worker's compensation claims, and increased industrial fatalities.<sup>11</sup>
- Alcohol and other drug abuse and addiction are implicated in the crimes and incarceration of 80 percent of prison inmates.<sup>12</sup>
- 50 percent of incarcerated batterers report current addiction, a figure that increases to 89 percent when court documents are examined.<sup>13</sup>

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<sup>5</sup> Shoveling Up: The Impact of Substance Abuse on State Budgets, January 2001, Prepared by the National Center on Addiction and Substance Abuse at Columbia University for the Starr Foundation, the Robert Wood Johnson Foundation, the Carnegie Corporation of New York, and others.

<sup>6</sup> The Michigan Liquor Control Commission: Revenue, Sales, and Licensing Statistics, 2001.

<sup>7</sup> The Michigan Department of Community Health, 1999.

<sup>8</sup> Ibid

<sup>9</sup> Strategies for Reducing Alcohol and Other Drug Related Problems in Michigan, the National Council on Alcoholism and Drug Dependence of Michigan, April 2002.

<sup>10</sup> Substance Abuse, the Nation's Number One Health Problem, prepared by the Schneider Institute for Health Policy, Brandeis University, for the Robert Wood Johnson Foundation, Princeton, NJ, February 2001, pg. 75.

<sup>11</sup> "Alcohol, Tobacco, and Other Drugs in the Workplace," Michigan Resource Center, Spring, 1995.

<sup>12</sup> Behind Bars: Substance Abuse and America's Prison Population, funded by the Charles E. Culpeper Foundation and the Robert Wood Johnson foundation, January, 1998, pg. iii.

<sup>13</sup> Substance Abuse Treatment and Domestic Violence, Treatment Improvement Protocol, Center for Substance Abuse Treatment, 1997, pg. 25.

- Binge drinking rates in Michigan are an estimated 30 percent higher than national levels, and Michigan's drinking and driving rates are nearly twice the national average.<sup>14</sup>
- Michigan has not increased its financial contribution to addiction treatment and drug use prevention in over ten years, resulting in an annual loss in purchasing power through inflation of an estimated \$2.2 million annually.
- Several studies have established that substance abuse treatment is cost effective, saving between \$7 and \$10 for every \$1 spent.<sup>15</sup>
- 50-75% of children in protective services cases or out of home placement in foster care have family substance abuse involvement.<sup>16</sup>

Over the past several years, Michigan's health care professionals have struggled for treatment and prevention dollars. Some of these difficulties are understandable: budget shortfalls clamor for attention in the face of a troubled economy, other pressing issues compete for the attention of policy makers and the public alike, and the social stigma historically associated with chemical dependency still persists today. Despite efforts, the situation appears to be getting even worse. Legislative decreases in the FY 2002/03 budget will also reduce the federal "match," resulting in the loss of approximately another \$1 million in federal revenue.<sup>17</sup> This information is particularly salient in the face of an overwhelming body of evidence that for every dollar not spent to treat and prevent substance abuse, many more dollars will be spent later in order to "clean up" after it. This "clean up" involves the morbidity and mortality associated with car crashes, crime, unnecessarily high infant mortality rates, fetal alcohol syndrome, and diminished school performance. It is difficult to imagine any other public health issue that would receive a corresponding lack of public resources under these compelling circumstances.

### **Substance Abuse/The State Administrative Infrastructure**

PA 368 of 1978 (Michigan's Public Health Code) established the Michigan Office of Substance Abuse Services, a Type I agency with a dedicated State Advisory Commission. This agency provided a unified focus on substance abuse issues and was represented by the director at cabinet meetings. Since approximately 1990, state efforts to administer publicly funded substance abuse services have suffered from a lack of administrative priority, numerous reorganizations, several changes in physical location, a reduction in authority, and absorption into other administrative infrastructures. In addition, there has been an alarming tendency to contract for publicly funded substance abuse services outside of the administrative framework defined in the Public Health Code.

In spite of this "administrative beating," all of the ingredients essential to the responsible administration of substance abuse services are still in place and functioning. Michigan's Public Health Code, which is considered a national model for public health legislation, is intact. The regional system of locally administered substance abuse coordinating agencies is functioning. This system is comprised of a network of professionals who understand and appreciate the enormity, complexity, and importance of this issue.

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<sup>14</sup> Recommendations of the Michigan Association for Local Public Health on Substance Abuse Policy.

<sup>15</sup> The Chevron Corporation EAP Study, 1996; the State of California, 1992; the U.S. News, 1996.

<sup>16</sup> Navigating the Pathways: Lessons and Promising Practices in Linking Alcohol and Drug Services with Child Welfare; SAMSHA/CSAT Tap 27; 2002, p, 4-5.

<sup>17</sup> Maintenance of Effort Information, Michigan Association of Substance Abuse Coordinating Agencies, November, 2002.

Unlike most other diseases, the manifestations of substance abuse are not always obvious. One cannot examine school dropout rates under a microscope and attribute them to chemical dependency. One cannot listen to domestic violence with a stethoscope and hear the sound of alcoholism. For these reasons, Michigan's publicly funded network of substance abuse treatment and prevention services is badly in need of administrative consistency and stability; as well as a renewed priority on preventing and treating this problem responsibly, constructively, therapeutically, and sensitively.

### **Coordinating Agencies**

Michigan's regional system of substance abuse coordinating agencies was described and established by Public Act 368 of 1978. Representatives from 16 coordinating agencies have formed an organization known as the Michigan Association of Substance Abuse Coordinating Agencies (MASACA). This group meets regularly to discuss problems of mutual concern, and to collaborate on potential solutions.

Combined, coordinating agencies provide funding to a current total of approximately 261 treatment programs. Coordinating agencies receive funding through several different revenue sources and, in turn, distribute funding to local programs depending upon the number of clients served, the type of service provided, and the needs that may be unique to that community or region. It is the legally mandated responsibility of Michigan's substance abuse coordinating agencies to ensure that publicly funded programs are consumer focused, research based, and that they operate effectively and efficiently. In addition, coordinating agencies develop annual plans outlining priority needs in their areas, provide technical assistance to local organizations, and track morbidity data and accounting information from programs. Far from adding exorbitant administrative expenses to the "bottom line," costs associated with these services are under ten percent of the overall substance abuse budget. Indeed, Michigan's coordinating agencies have become adept at stretching the limited dollars available to them.

This regional system takes into account widespread variations in the ways drugs are used in Michigan, and also reflects the fact that the needs and demands of this system are continually shifting as new drugs enter the marketplace and as different segments of the population become involved in drugs in different ways. A thorough knowledge of these drugs, their demographic distribution, and the segments of the population that are most vulnerable to them, is essential for the efficient programming of public dollars. For these reasons the substance abuse field, in partnership with the community mental health system, has worked successfully with the Michigan legislature to ensure the maintenance of this regional system for the administration of substance abuse services.

Under current law, Michigan's 83 counties are individually responsible for appointing their own regional authority to oversee the administration of publicly funded substance abuse programs. Not only is there a statutory authority behind the current structure for service delivery, but there is also an important rationale for the existing structure. The local designation in Public Act 368 has facilitated regional flexibility and the efficient management of the very limited dollars that are available for substance abuse treatment and prevention. Any movement to alter this framework would be viewed by counties as a serious infringement of local prerogative.

## **Collaboration**

It is widely accepted that the collective damages sustained either directly or indirectly by all Michigan residents as a consequence of substance abuse are enormous. These damages can be counted in dollars as well as in the immeasurable pain, suffering, and anguish of friends, family, and communities. The fact that treatment and prevention programs are effective is also well established, as is the cost effectiveness of those programs. In addition, the system of substance abuse coordinating agencies operating in Michigan is effective and experienced at developing, implementing, and overseeing these services.

What is still badly needed in Michigan's system of publicly funded substance abuse programs is an open, collaborative process through which to constructively address the growing problems posed by substance abuse. To this end, MASACA proposes the formation of a statewide task force of service providers, representatives of the Executive Office, representatives of the Department of Community Health, interested legislators, and other involved parties in order to address the issues described in this document. MASACA is optimistic that such a collaborative effort will facilitate identification of ways in which to "phase in" solutions to the problems now facing this field, and to restore Michigan to a responsible position in the administration of substance abuse services. As a network of substance abuse services administrators, and also as concerned Michigan residents, members of MASACA look forward to the opportunity to participate in such an effort.

### **The Michigan Association of Substance Abuse Coordinating Agencies (MASACA)**

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