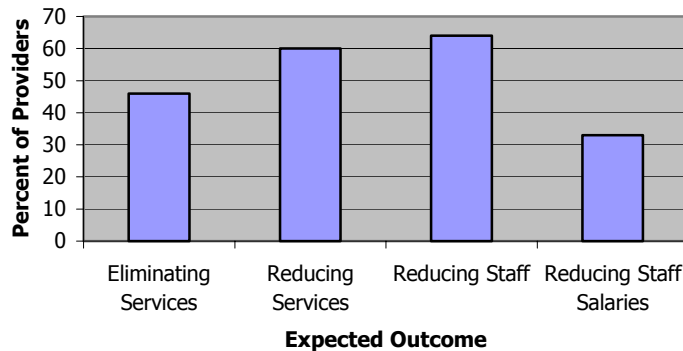


PCPA Survey Results on the Impact of Budget Cuts

Conducted April & May 2003

The Pennsylvania Community Providers Association (PCPA) conducted a survey as a result of the \$104 million cuts in Drug & Alcohol funding and the over \$95 million cuts in mental health funding facing our members. These cuts threaten the proud history of 40 years of developing a comprehensive system of care, a system that stands ready to be decimated.

Impact of Cuts on Agencies



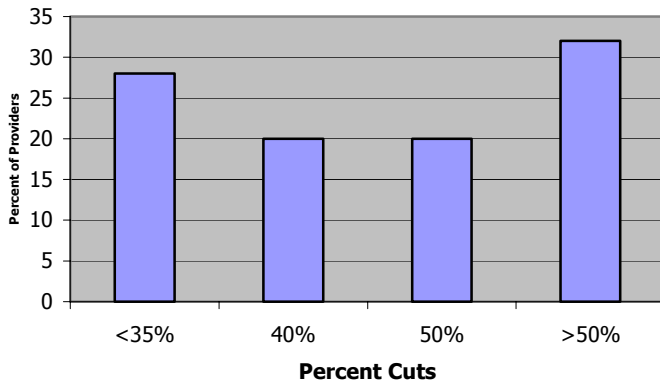
45% of MH and D&A providers are planning to eliminate needed services, 60% are planning to reduce these services, 62% will be reducing crucial staff (eliminating positions) and 31% will reduce staff salaries that are already woefully inadequate. *At the time of the survey, some agencies had not received allocation information from their counties.*

These cuts come at a time when demand for services continues to grow and widens the gap of unserved individuals.

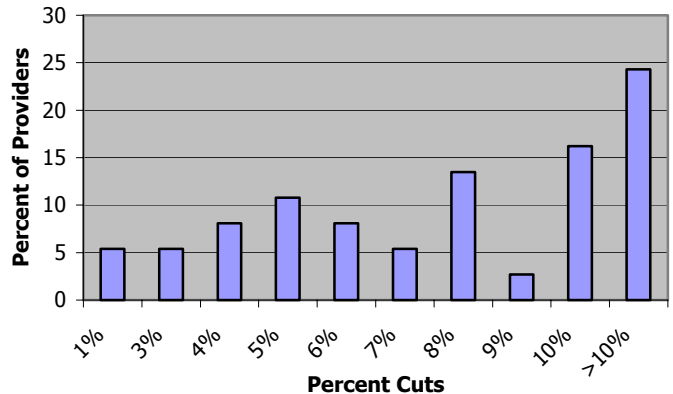
An estimated 3600 to 5200 jobs will be cut due to the budgetary cuts.

The following cuts were reported by community-based providers based on discussions with counties about expected cuts.

County Cuts for D&A Programs



County Cuts for MH Programs



The majority of D&A providers (32%) are expecting over 50% in cuts to their budgets. Over 85% are being told their funds will be cut by 30% or higher. Mental Health programs (53%) are also expecting over 7% cuts. Not only are the mental health programs experiencing the cuts to mental health funding, but the D&A funding cuts are crossing over and impacting mental health services.

The survey indicates that programs to be cut include D&A, Mental Health and Criminal Justice. Examples of such programs follow.

D&A Programs:

Counseling	Pregnant substance abusing women
Prevention programs	Homeless
Methadone Treatment	IOP for Adolescents
Intensive Outpatient	Detox
Partial hospitalization	Perinatal addiction center
Mobile engagement	Outpatient
Residential rehabilitation	

MH Programs:

Infant MH services (part of Headstart)	Inpatient
Drop-in centers	Outpatient
Supported living apartments	Job training/placement services
Residential services	

Criminal Justice Programs:

Forensic MH evaluations	County offender program
Prison MH services	Casemanagement services

While the information above discusses economic impacts as a result of current state budget cuts, the national data referenced below shows a direct correlation between economic and *social* impacts. Factors such as the necessity, efficacy and success of treatment for MH and D&A must be considered when making budgetary decisions.

- For every additional dollar invested in addictions treatment, the **taxpayer saves** at least \$7.46 in costs to society (including the cost of incarceration) [Rand Drug Policy Research Center]. *A restoration of the \$104 million in D&A cuts would therefore equate to at least \$775,840,000 in taxpayer savings!*
- **Suicide** is the third leading cause of death among U.S. adolescents [Agency for Healthcare Research and Quality (AHRQ)]. Service reductions will lead to increased adolescent suicide.
- **Indirect costs of all mental illness** imposed a nearly \$79 billion loss on the U.S. economy in 1990 (the most recent year for which estimates are available) [AHRQ]. For example, \$63 billion of the indirect costs reflects the **loss of productivity** in usual activities because of illness, \$12 billion in mortality costs (lost productivity due to premature death), and \$4 billion in productivity losses for incarcerated individuals [1999 Surgeon General's Report on Mental Health].
- Addictions **treatment effectiveness** ranges from 40-80 percent – depending on numerous variables [The Robert Wood Johnson Foundation].
- **Relapse rates** for treatment of alcohol, opioids and cocaine are less than for those for hypertension and asthma, and equivalent to those of diabetes – all chronic conditions [Myths about the Treatment of Addiction (1996), *The Lancet*, 347, 237-240].
- **Serious mental illness** (SMI) is highly correlated with **substance dependence** or abuse [Substance Abuse and Mental Health Services Administration (SAMHSA)].