



THE COST OF MENTAL HEALTH IN AMERICA

- The World Health Organization has reported that four of the 10 leading causes of disability in the U.S. and other developed countries are mental disorders. By 2020, major depressive illness will be the leading cause of disability in the world for women and children.¹
- The overall U.S. cost of schizophrenia in 2002 was estimated to be \$62.7 billion, with \$22.7 billion in direct health care cost. The total direct non-healthcare related costs, including living cost offsets, were estimated to be \$7.6 billion. The total indirect costs were estimated to be \$32.4 billion.²
- Depression is a chronic illness that exacts a significant toll on America's health and productivity. Lost productive time among U.S. workers due to depression is estimated to be in excess of \$31 billion per year.³
- The costs of persistent mental illness are exceedingly high. Four of the ten leading causes of disability in the U.S. are mental disorders. In 1996, the direct costs of mental health services in the U.S. totaled \$69 billion, or 7.3 percent of total health spending. Indirect costs of mental illness resulting from lost productivity were estimated to exceed \$78 billion.⁴
- By 2000, the economic burden of depression alone was estimated to exceed \$83 billion. More than 50 percent of all mental health expenditures are borne by the public sector (Medicaid, Medicare, and state and local government), and individuals with serious mental illness represent the single largest diagnostic group receiving Supplemental Security Income.⁵
- Approximately 53 percent of all mental health and substance abuse treatment costs are publicly funded, compared to 47 percent of total health care spending.⁶
- Medicaid accounts for more than 50 percent of state and local mental health spending. Medicaid is nearly 15 percent of many state budgets, second only to education.⁷
- Direct costs, including hospitalizations and medications, to the U.S. for mental illness are estimated to be \$70 billion annually. Indirect costs to the U.S. for mental illness, including lost wages, family care-giving and lost productivity due to absenteeism and suicide, are estimated to be an additional \$80 billion annually.⁸
- Only 6.2 percent of current U.S. health care spending is devoted to the treatment of mental disorders.
- According to the *American Journal of Psychiatry*, serious mental illnesses (SMIs), which afflict about 6 percent of American adults, cost society \$193.2 billion in lost earnings per year.
- Persons with other chronic illnesses like diabetes, hypertension, or cardiac disease, in addition to their depression, have much poorer courses of illness, have much greater costs of care, and ultimately experience poorer outcomes – including excess rates of mortality.⁹

¹ National Alliance on Mental Illness, January 2007

² Florida Council for Community Mental Health, "The Economic Burden of Mental Illness: A Fact Sheet," January 2007

³ Mental Health America, "Ranking America's Mental Health: An Analysis of Depression Across the States," November 2007

⁴ Ibid

⁵ Ibid

⁶ National Alliance on Mental Illness, "Take Action: Mental Health Facts and Myths," 2002

⁷ Ibid

⁸ Ibid

⁹ Mental Health America, "Ranking America's Mental Health: An Analysis of Depression Across the States," November 2007