



News release

from the EU drugs agency in Lisbon

NEW EMCDDA REPORT — DRUG TREATMENT EXPENDITURE: A METHODOLOGICAL OVERVIEW

How to estimate the cost of drug treatment in Europe?

(18.10.2017, LISBON) It is estimated that over 1 million people receive treatment for drug-related problems in the European Union every year. With shrinking public budgets, increasing pressure on health systems, changes in the substances used and the need to provide ongoing care to chronic cases, how can we estimate the cost of drug treatment in Europe? This is the question explored in a new report released today by the **EU drugs agency (EMCDDA)** entitled ***Drug treatment expenditure: a methodological overview*** ⁽¹⁾.

Data collection and research are well established in Europe on treatment activities and their outcomes ⁽²⁾, yet information is limited on the costs of drug treatment. In a first step towards filling this data gap, the new report offers a unique overview of the economic models currently used to estimate drug treatment expenditure around the world.

According to the report, in the last 10 years, more than half of the EU countries have reported comprehensive estimates for drug-related expenditure incurred by general government, which includes spending on drug treatment. These have estimated total drug-related public expenditure at between 0.01% and 0.5 % of GDP, with health expenditure representing between 15% and 53% of total drug-related expenditure ⁽³⁾.

However, the **EMCDDA** advises caution when interpreting these data (e.g. definitions of drug treatment expenditure and the estimation methods may differ). 'It is still not possible to provide a reliable and complete European picture of public expenditure on drug treatment', states the report, which focuses on the methodologies behind the estimates rather than on the estimates themselves.

A number of factors currently act as barriers to developing this field of analysis: the absence of commonly agreed definitions or methods; a lack of harmonised or complete datasets on drug-related public spending; and a lack of agreement about the most appropriate economic models to use. Developing objective, reliable and comparable means of estimating public expenditure would be an important advancement in the economic evaluation of policies and interventions.

EMCDDA Director Alexis Goosdeel says: 'In this economic climate, more than ever, policymakers and service planners require data and information on the capacity, performance and costs of national treatment systems in order to support investment decisions and to make sound policy choices. I hope that this report will be seen as an important signpost in the development of improved estimates for public expenditure on drug treatment and as a contribution to defining good practice in drug policy evaluation. Ultimately this will lead to a more cost-effective allocation of resources in the future'.

The report sheds light on current good practice in this field and suggests areas for future methodological development. Drawing on the experience of economists, policy advisers and scholars from **Europe**, the **United States** and **Australia**, it provides a state-of-the-art overview of estimating drug treatment expenditure as well as data sources, their uses and limitations.

The report includes, for example:

- a step-by-step approach applied in the **Australian** health system to estimate drug treatment costs;
- a set of studies showing representative examples of data-collection and estimation methods in **Europe**;
- a series of tools to account for costs with different aims, including a calculator developed in the UK to support local authorities in estimating their spending on drug-related specific interventions;
- an assessment of how costs of drug treatment vary according to the type of payer (public versus private payers), type of treatment (inpatient and outpatient providers) and type of pharmacological treatment adopted (pharmacological versus behavioural therapies) (e.g. in the **United States**) and;
- an analysis underlining the need to contextualise results. Spending on drug treatment must be analysed bearing in mind the type of overall healthcare and drug treatment policy, as well as the socio-economic framework.

The report concludes by identifying a set of desirable first steps that may be taken to develop estimates of spending on drug treatment (see table page 188). These include clarifying the scope of the treatment definition and stating whether estimates refer to expenditure linked strictly to a person's drug use treatment or also to the spending on treating associated problems (e.g. infectious diseases).

The **EU action plan on drugs** (2017–20) identifies developments in national evaluations and public expenditure estimates of the EU Member States as an overarching indicator for measuring European achievements in the drug policy field. For its part, the **EMCDDA** will continue to contribute to improving methods to evaluate drug policy and to estimate public expenditure on drug treatment ⁽⁴⁾. As stated in the report: 'The **EMCDDA** hopes that the evaluation of drug policy and the methods used to estimate public expenditure on drug treatment in Europe will become more scientific, widely accepted and integrated with good practice'.

Notes

⁽¹⁾ EMCDDA Insights 24, available in English at www.emcdda.europa.eu/publications/insights/drug-treatment-expenditure-measurement. The report is launched ahead of the conference Lisbon Addictions 2017. A session at the conference will also be dedicated to the costs of drug treatment where the report will be discussed. Structured session 32 — Thursday 26 October (11.00–12.30), see Lisbon Addictions programme at www.lisbonaddictions.eu/lisbon-addictions-2017. Open to media registered on the conference website.

The report is designed to be of interest to both those commissioning — or thinking of commissioning — expenditure/cost studies and those carrying out the studies, including accounting authorities; entities seeking funds to finance their service provision; researchers; officials looking to evaluate drug policy priorities and develop drug policy strategies and action plans; and those involved in the economic evaluation of drug policy.

⁽²⁾ www.emcdda.europa.eu/activities/tdi

⁽³⁾ European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) (2017), *Drug-related public expenditure* www.emcdda.europa.eu/topics/drug-related-public-expenditure

⁽⁴⁾ For more on the EMCDDA's work in this area, see www.emcdda.europa.eu/topics/drug-related-public-expenditure