The Economics of Prevention: A Perspective from Washington State

Stephanie Lee, Director Washington State Institute For Public Policy

NASEM

Committee on a Blueprint for a National Prevention Infrastructure for Behavioral Health Disorders

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Washington State Institute for Public Policy

Created by the WA Legislature

- ✓ Mission: "to assist policymakers . . . in making informed judgments about important, long-term issues facing Washington State."
- ✓ Explicitly nonpartisan staff
- ✓ Projects assigned via legislative bills or Board of Directors

Governed by a bipartisan Board of Directors

- ✓ 16-members, representing:
- ✓ Legislature (10), Governor (2), higher education (4)

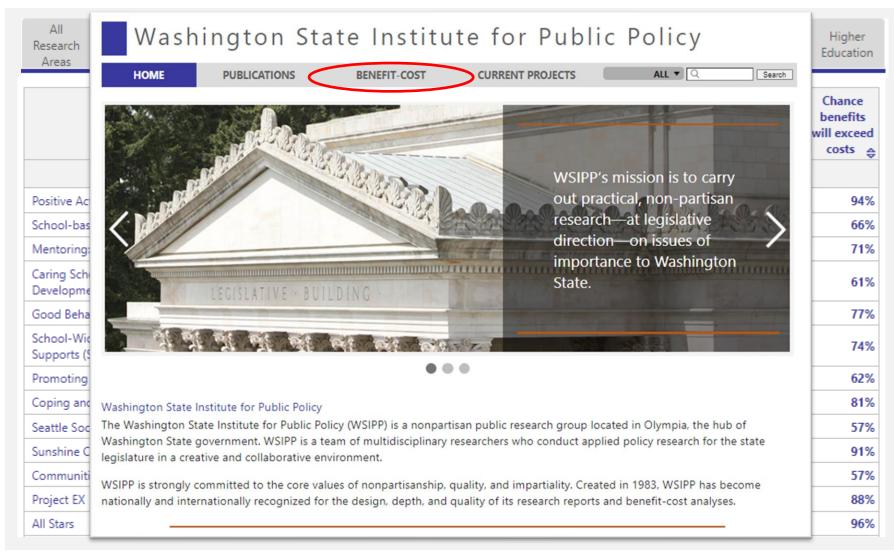
Typical assignments

- ✓ What works?
- ✓ Benefit-cost analysis
- ✓ General research questions

Website: www.wsipp.wa.gov



Website: Benefit-Cost Database



WSIPP Benefit-Cost Analysis: Required Components

- 1. **Cost:** How much will it cost the state on average, perparticipant?
- 2. Magnitude of effect(s): How much change do we expect to result from the program?
 - ✓ Meta-analysis
- 3. Price of outcomes: For the outcomes measured in an evaluation, what is the expected cost to society?
 - ✓ Includes relationships with other, unmeasured outcomes

Price: Direct Consequences of Depression

- ✓ Health care system
 - Total medical expenditures
 - Lifetime cost ~ \$31,000
- ✓ Labor market earnings
 - Adults with MDD are less likely to be employed
 - Adults with MDD earn less money once employed
 - Lifetime cost ~ \$56,000
- Mortality
 - Adults with MDD are more likely to die
 - Lifetime cost ~ \$3,000
- ✓ Additional impacts for youth
 - Youth with MDD are less likely to graduate from high school
 - Youth with MDD are more likely to repeat a grade

Price: Direct Consequences of AUD

- ✓ Health care system
 - Hospitalization
 - Emergency department visits
 - AUD treatment
 - Lifetime cost ~ \$5,000
- ✓ Labor market earnings
 - Adults with AUD are less likely to be employed
 - Adults with AUD earn less money once employed
 - Lifetime cost ~ \$175,000
- Mortality
 - Adults with AUD are more likely to die
 - Lifetime cost ~ \$13,000

Price: Indirect Consequences of Early Alcohol Use

✓ Alcohol use by middle
✓ Costs include school \$ Healthcare Later alcohol use disorder \u2224 (~17 percentage points) \$ Labor market earnings Reduced HS graduation-\$ Mortality (~1 percentage point) \$ Criminal justice system Crime — **\$** Victimizations (~5 percentage points) Lifetime cost ~ \$55,000

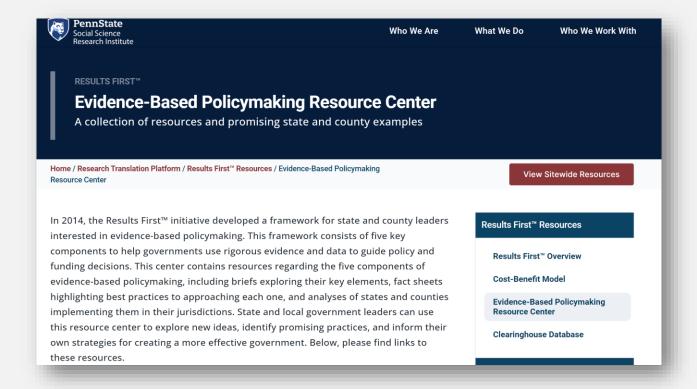
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WSIPP Inventories



Ongoing Work

Results First continues



Thank You

