

Cost of Untreated Mental Illness

KANSAS

Approximately *one in every 10 adults* in Kansas has a serious mental illness (SMI). Although serious mental illnesses such as major depression, schizophrenia, bipolar disorder, and anxiety disorders can be effectively treated, about 40% of cases are untreated. Without treatment, these can lead to unemployment, increased hospital and emergency room use, incarceration, suicide, and early death due to chronic medical conditions.

An economic model was developed by The HSM Group to quantify the costs of untreated SMI among adults. Census data was combined with prevalence rates to estimate *177,727 duplicated cases of untreated SMI in Kansas*.

Overall, the annual cost burden of untreated serious mental illness to Kansas is estimated to be \$1.17 billion.

A high proportion, 87.5%, of these costs is in the form of indirect costs to employers and individuals. Indirect costs include unrealized earnings due to higher unemployment rates, the cost of lost productive time at work due to untreated SMI (presenteeism), time missed from work (absenteeism), and unrealized earnings due to permanent disability or premature death (suicides). About 10.5% of the overall costs are estimated to be direct costs, or medical expenses associated with lack of sustained treatment. Direct costs include increased inpatient care/hospitalizations, outpatient care, long-term care/nursing homes, and money spent by mental health organizations. The remaining costs are due to criminal activity, Social Security disability, and social welfare administration costs.

In Kansas, untreated SMI is associated with an estimated 128 suicides, 21,000 incarcerations, and 29,000 unemployed adults.

Who Pays for Untreated Serious Mental Illness?

Untreated serious mental illnesses in Kansas cost the private sector, including employers, nearly \$429 million per year. Unrealized earnings for individuals due to unemployment, disability, institutionalization, or suicide amount to approximately \$522 million annually. It costs state and local governments over \$112 million per year and the federal government, \$111 million per year.

Mental illness also affects the whole spectrum of lifestyle factors that, although very important and often preventable, could not be quantified in this model. Overall, the economic models show that improving the treatment rate for mental illness is something our society cannot afford to ignore.

