

The NSDUH Report

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Sources of Payment for Substance Use Treatment

In Brief

- An estimated 43.9 percent of individuals who received alcohol or illicit drug use treatment in the past year paid at least a portion of the cost of their last or current treatment with their own savings or earnings
- The majority (52.9 percent) of the individuals who received substance use treatment in the past year used two or more sources of payment for their last or current services
- Among persons who received alcohol or illicit drug use treatment in the past year, females were more likely than males to have paid at least a portion of the costs for their last or current services with private insurance (30.9 vs. 23.5 percent), Medicaid (19.8 vs. 11.6 percent), and other public assistance (21.0 vs. 13.6 percent)

Once individuals develop problems with drug or alcohol use and recognize a need for treatment to deal with those problems, their willingness to seek treatment and success in obtaining it often depend on their ability to pay, either from their own resources or through private insurance coverage or public funding sources. Research on treatment facilities suggests that public funds (i.e., Medicaid, Medicare, or other public payment) are the primary expected sources of payment for treatment for the largest number of clients, followed by client self-payment and health insurance.¹ The National Survey on Drug Use and Health (NSDUH) asks respondents aged 12 or older if they had received treatment for alcohol or illicit drug use problems during their lifetime and the past year.^{2,3} Individuals who ever received substance use treatment were asked how they paid for their last or current treatment.⁴

This report focuses on how individuals who received substance use treatment in the past year paid for their last or current treatment and compares sources of payment by gender and family income relative to the

Federal poverty threshold. Comparisons also are made according to the type of facility where individuals received substance use treatment.⁵ All findings presented in this report are annual averages based on combined 2002, 2003, and 2004 NSDUH data.

Receipt of Treatment for Alcohol and Illicit Drug Use Problems

In 2002 through 2004, an estimated 1.5 percent of individuals aged 12 or older (approximately 3.5 million persons) received treatment in the past year for alcohol or illicit drug use problems. An estimated 1.0 percent received treatment for alcohol problems, and 0.8 percent received treatment for illicit drug problems.⁶

Sources of Payment

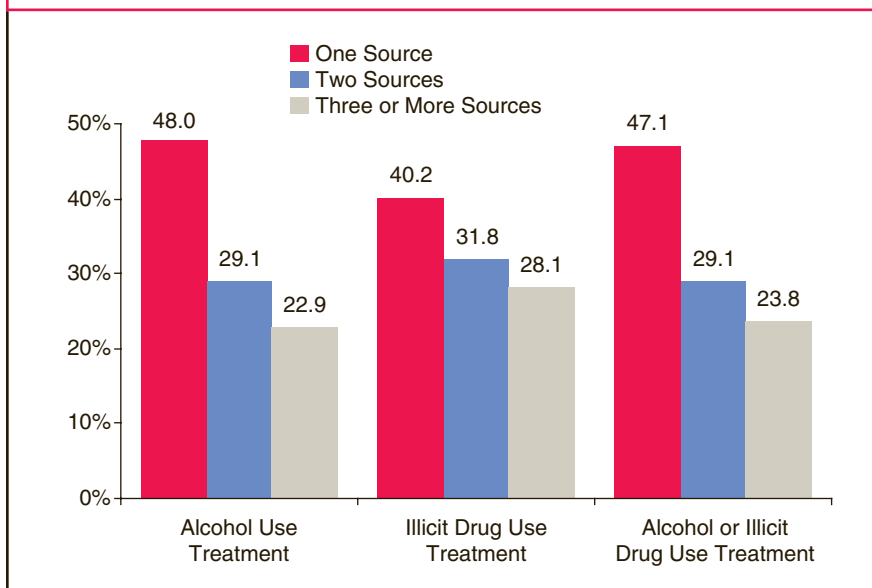
An estimated 43.9 percent of individuals who received alcohol or illicit drug use treatment in the past year paid at least a portion of the cost of their last or current treatment with their own savings or earnings (Table 1). The second most frequently mentioned source of payment was private health insurance (25.9 percent). An estimated 7.1 percent of the individuals who received alcohol or illicit drug use treatment in the past year indicated that their last or current treatment was free.

The majority (52.9 percent) of the individuals who received substance use treatment in the past year used two or more sources of payment for their last or current services (Figure 1).

Table 1. Sources of Payment for Last or Current Substance Use Treatment among Persons Aged 12 or Older Who Received Treatment in the Past Year: 2002, 2003, and 2004

Source of Payment	Alcohol Use Treatment (Percent)	Illicit Drug Use Treatment (Percent)	Alcohol or Illicit Drug Use Treatment (Percent)
Private Health Insurance	24.9	28.2	25.9
Medicare	11.4	15.6	12.1
Medicaid	13.5	18.6	14.2
Public Assistance Program Other than Medicaid	16.1	17.9	15.9
Own Savings or Earnings	47.3	37.7	43.9
Family Members	17.2	20.6	17.8
Courts	9.2	11.9	9.5
Military Health Care	5.2	4.3	4.9
Employer	6.8	5.9	6.2
Free	8.0	5.3	7.1

Figure 1. Number of Sources of Payment for Last or Current Substance Use Treatment among Persons Aged 12 or Older Who Received Substance Use Treatment in the Past Year: 2002, 2003, and 2004



Sources of Payment, by Demographic Characteristics

Among persons who received alcohol or illicit drug use treatment in the past year, females

were more likely than males to have paid at least a portion of the costs for their last or current services with private insurance (30.9 vs. 23.5 percent), Medicaid (19.8 vs. 11.6 percent), and public assistance other than Medicaid

Table 2. Sources of Payment for Last or Current Alcohol or Illicit Drug Use Treatment among Persons Aged 12 or Older Who Received Alcohol or Illicit Drug Use Treatment in the Past Year, by Demographic Characteristics and Type of Treatment Setting: 2002, 2003, and 2004

Demographic Characteristic	Private Insurance	Medicare	Medicaid	Public Assistance Program Other than Medicaid	Own Savings or Earnings	Family Members	Courts	Military Health Care	Employer	Free
Gender										
Male	23.5	10.8	11.6	13.6	45.6	17.2	9.8	5.4	5.8	7.7
Female	30.9	14.9	19.8	21.0	40.2	19.2	8.7	3.9	7.0	5.9
Family Income Relative to Federal Poverty Threshold										
Less than 125 percent	22.1	19.1	25.1	22.3	31.0	13.0	12.9	5.2	5.4	6.4
125 to 199 percent	21.3	12.8	14.8	15.2	45.6	19.5	10.5	7.1	3.4	6.7
200 to 399 percent	27.9	8.7	8.6	14.8	45.7	15.6	8.8	4.8	6.8	8.6
400 percent or higher	31.8	6.2	5.7	9.0	58.4	26.1	5.0	2.9	8.6	6.3
Type of Treatment Setting										
Specialty Facility	36.5	19.7	24.9	25.3	45.8	19.6	10.2	6.3	5.7	1.0
Other Facility Only	22.4	8.6	8.7	12.0	53.5	20.2	11.0	4.2	7.3	14.2

or Medicare (21.0 vs. 13.6 percent) (Table 2).

Individuals with family incomes 400 percent or more of the Federal poverty threshold were more likely than those with family incomes in each of the other poverty threshold categories to have mentioned their own savings or earnings as a source of payment.⁷ The individuals from the highest-income families were less likely than those from the lowest to have mentioned Medicare (6.2 vs. 19.1 percent), Medicaid (5.7 vs. 25.1 percent), and other public assistance (9.0 vs. 22.3 percent).

Sources of Payment, by Main Type of Facility Where Last or Current Treatment Was Received

The source of payment for substance use treatment was related to the type of facility where individuals received treatment. Individuals who indicated that

the main setting of their last or current treatment was a specialty facility were less likely than those who received care in another type of facility to mention that the services they received were free (1.0 vs. 14.2 percent) or to mention their own savings as a payment source (45.8 vs. 53.4 percent). However, they were more likely to mention private insurance (36.5 vs. 22.4), Medicare (19.7 vs. 8.6 percent), Medicaid (24.9 vs. 8.7), or public assistance other than Medicare or Medicaid (25.3 vs. 12.0 percent) as a payment source.

End Notes

¹ Office of Applied Studies. (2003). *Alcohol and Drug Services Study (ADSS): The national substance abuse treatment system: Facilities, clients, services, and staffing*. Rockville, MD: Substance Abuse and Mental Health Services Administration. [Available as a PDF at <http://www.oas.samhsa.gov/adss.htm>]

² Treatment is defined as treatment received to reduce or stop alcohol or illicit drug use or for medical problems associated with the use of alcohol or illicit drugs.

³ NSDUH defines any illicit drug as marijuana/hashish, cocaine (including crack), inhalants, hallucinogens, heroin, or prescription-type drugs used nonmedically.

⁴ Respondents were asked to indicate if their last or current treatment was free or if it was paid for, even if only in part, by any of the following: private health insurance, Medicare, Medicaid, public assistance other than Medicaid, own savings or earnings, family members, courts, military health care, or employer. Respondents could report more than one source of payment for their last or current treatment.

⁵ Respondents were asked to indicate the main type of facility where they received their last or current substance use treatment. Individuals were coded as receiving treatment in a specialty facility (i.e., inpatient hospital, inpatient rehabilitation facility, outpatient rehabilitation facility, or mental health center) or any other type of facility (i.e., self-help group, emergency room, doctor's office, or jail/prison).

⁶ The percentage of individuals who received alcohol treatment and the percentage who received illicit drug treatment in the past year does not total to the percentage who received alcohol or illicit drug treatment because a small percentage of individuals (0.3 percent) received both alcohol and illicit drug treatment.

⁷ The poverty threshold variable is based on the family income of the respondent expressed as a percentage of the Federal poverty threshold as published annually by the U.S. Bureau of the Census. It takes into account family size and the number of children in the household.

Figure and Table Note

Source: SAMHSA, 2002, 2003, and 2004 NSDUHs.

Research findings from the SAMHSA 2002, 2003, and 2004 National Surveys on Drug Use and Health (NSDUHs)

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The National Survey on Drug Use and Health (NSDUH) is an annual survey sponsored by the Substance Abuse and Mental Health Services Administration (SAMHSA). Prior to 2002, this survey was called the National Household Survey on Drug Abuse (NHSDA). The 2002, 2003, and 2004 data used in this report are based on information obtained from the 4,033 persons aged 12 or older who received treatment for alcohol or illicit drug use problems in the past year. The survey collects data by administering questionnaires to a representative sample of the population through face-to-face interviews at their place of residence.

The NSDUH Report is prepared by the Office of Applied Studies (OAS), SAMHSA, and by RTI International in Research Triangle Park, North Carolina. (RTI International is a trade name of Research Triangle Institute.)

Information on NSDUH used in compiling data for this issue is available in the following publications:

Office of Applied Studies. (2005). *Results from the 2004 National Survey on Drug Use and Health: National findings* (DHHS Publication No. SMA 05-4062, NSDUH Series H-28). Rockville, MD: Substance Abuse and Mental Health Services Administration.

Office of Applied Studies. (2004). *Results from the 2003 National Survey on Drug Use and Health: National findings* (DHHS Publication No. SMA 04-3964, NSDUH Series H-25). Rockville, MD: Substance Abuse and Mental Health Services Administration.

Office of Applied Studies. (2003). *Results from the 2002 National Survey on Drug Use and Health: National findings* (DHHS Publication No. SMA 03-3836, NSDUH Series H-22). Rockville, MD: Substance Abuse and Mental Health Services Administration.

Also available online: <http://www.oas.samhsa.gov>

Because of improvements and modifications to the 2002 NSDUH, estimates from the 2002, 2003, and 2004 surveys should not be compared with estimates from the 2001 or earlier versions of the survey to examine changes over time.



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