



Tax Revenue Lost Due to Opioid Epidemic Has Reached Tens of Billions, Study Finds

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A new study found that the opioid epidemic has cost the US tens of billions in tax revenue. This means that the deadliest drug overdose crisis in US history is also having a massive impact on the economy and budgets.

The study, published in *Medical Care*, discovered that the opioid epidemic has cost the federal government \$26 billion in lost tax revenue between 2000 and 2016. At the same time, state governments have lost \$11.8 billion in that same period.

The study combines previous research and surveys, as well as existing empirical tools to measure tax revenue, in order to find the amount of income and sales tax revenue that has been lost from people dropping out of the labor market. This includes those who lost their job for a brief period of time due to opioid misuse, addiction, or overdose. It also includes those who lost their lives due to the epidemic.

Different states were affected differently, according to the researchers. California lost \$843 million in tax revenue, for example. The more populous states with higher tax rates were affected more, as well as the

states hit harder by the opioid crisis.

However, the study did have some limitations. The researchers relied on the National Survey on Drug Use and Health to calculate the effects of opioid misuse, but the survey is known to underestimate total misuse and addiction. And so these figures are mere estimates. It is possible that the study is missing some important variables that could affect the projections.

Still, the study offers some important insight into the epidemic's economic impact. Although the figures might not be completely accurate they still show the financial effects of opioid addiction: from the cost of opioid misuse to the cost of addiction treatment.

The new study shows that the overdose crisis also hits the country's budgets. Policymakers must now focus on creating new and better solutions to the epidemic. Click the link to see Phoenix's top rehab placement programs.

Previous studies have estimated the overall economic impact of the opioid epidemic, beyond just tax revenue. A 2016 study also published in medical Care put the total economic burden of prescription opioid overdose, addiction, and misuse, at \$78.5 billion in 2013. A report in 2017 made an estimate of \$95 billion.

Meanwhile, a White House analysis in 2017 estimated the cost of the opioid epidemic at \$504 billion for the year 2015. For this report, the White House Council of Economic Advisers looked at direct costs as well as the full value of all the activities that people could contribute to if they did not die prematurely. This gave the White House a much broader, and much higher, estimate of total costs.

Both estimates are relevant because they measure the impact of the opioid crisis while also putting potential solutions in context. It now makes more sense when experts and analysts say that the government should spend tens of billions of dollars to tackle the crisis and fund treatment. Addiction experts also urge the government to focus on prevention and harm reduction efforts. In the long run, this can save lives while also saving the economy.

The new Medical Care study could help guide ongoing lawsuits against opioid manufacturers and distributors that have allegedly had a hand in spreading the epidemic. Their role in flooding communities with dangerous, addictive drugs must be further examined.

“Estimating damages that are closely tied to opioid misuse is critical for determining what funds states, and potentially the federal government, may be able to recover in litigation,” Joel Segel, Yunfeng Shi, John Moran, and Dennis Scanlon wrote in the study. “The estimates also have public health implications as damages paid to state or federal governments could potentially be allocated to opioid treatment and

prevention efforts.?

If someone in the family is struggling with opioid or alcohol addiction, it is important to seek help. A combination of medical detox and behavioral therapy can go a long way in the fight against drug abuse. But because every individual is affected by addiction differently, a comprehensive program tailored to their specific needs is necessary. Look for a nearby addiction treatment facility today and find out how drug treatment programs work.

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