



HOW MUCH DOES UNTREATED MENTAL ILLNESS COST INDIANA?

1 in 5 people in the US will experience mental illness each year, but the majority will not receive treatment (NIMH, 2023; SAMHSA, 2021). A lack of treatment is associated with reduced quality of life, productivity losses, worsening overall health, unemployment, and justice system involvement (NIMH, 2023; GAO, 2019).

A recent study from Indiana University Center for Health Policy researchers, Dr. Heather Taylor, Dr. Nir Menachemi, Amy Gilbert, JD, MPH, Jay Chaudhary, JD, and Dr. Justin Blackburn, focused on both direct and indirect costs attributable to untreated mental illness in Indiana in 2019¹. The study utilized the US National Survey on Drug Use and Health, the National Survey of Children’s Health, Indiana government sources, and Indiana Medicaid enrollment and claims data to estimate the annual cost of untreated mental illness among Hoosiers.

Societal costs measured in the study included direct nonhealth care costs (justice system involvement, homeless shelters), indirect costs (unemployment, workplace productivity losses due to absenteeism and presenteeism, all-cause mortality, suicide, caregiver direct healthcare, caregiver productivity losses, and missed primary education), and direct health care costs (disease-related health expenditures). The table below details the costs to Indiana residents annually. Mental illness is separated into two categories: serious and other. Serious mental illness disrupts a person’s daily life and affects their ability to function (e.g. schizophrenia) while other mental illness is less severe but may still affect the individual (e.g. anxiety).

Societal costs	Serious mental illness ^a	Other mental illness ^b	Children	Total
Direct non-health care costs	\$74,936,667	\$108,392,069	\$2,036,473	\$185,365,210
Indirect costs	\$1,652,503,056	\$1,593,527,853	\$68,806,700	\$3,314,837,610
Direct health care costs	\$281,174,561	\$358,439,604	\$68,835,888	\$708,450,053
All costs totals	\$2,008,614,286	\$2,060,359,526	\$139,679,061	\$4,208,652,873

^aAny mental, behavioral, or emotional disorder resulting in serious functional impairment.

^bAny mental, behavioral, or emotional disorder not characterized as serious (e.g., anxiety, bulimia, impulse control disorder, etc.).

In total, the economic burden of untreated mental illness in Indiana was \$4.2 billion annually. The study findings suggest the financial toll of untreated mental illness at the societal level is substantial and warrants investments in mental health care access, treatments, and workforce. In Indiana, this work has already been used to support the passing of Indiana Senate Bill 1 – Behavioral health matters (2023 session) which seeks to expand community mental health services demonstration programs, create a “9-8-8” crisis response center and line, and establish the Indiana Behavioral health commission. Beyond Indiana, this research outlined a framework to estimate costs associated with untreated mental illness which can be used by other states to generate data for more informed decision-making with local stakeholders and policymakers.

¹Taylor, Heather L., Nir Menachemi, Amy Gilbert, Jay Chaudhary, and Justin Blackburn. “Economic Burden Associated With Untreated Mental Illness in Indiana.” *JAMA Health Forum* 4, no. 10 (October 13, 2023): e233535.