

Teresa Lampl, LISW-S
House Medicaid Committee
Testimony on HB 96 (SFY 2026-27 Operating Budget)
March 5, 2025

Chair Gross, Vice Chair Barhorst, Ranking Member Baker and members of the House Medicaid Committee thank you for the opportunity to offer testimony on House Bill 96, Governor Mike DeWine's executive budget proposal for state fiscal years 2026-2027.

I am Teresa Lampl, CEO of the Ohio Council of Behavioral Health and Family Services Providers (the Ohio Council). The Ohio Council is a statewide trade and advocacy association representing over 170 private businesses that provide community-based prevention, substance use, mental health, recovery, and family services throughout Ohio. Our member organizations employ nearly 40,000 people and provide services to approximately 2.5 million Ohioans from all walks of life. Our members are nationally accredited and state certified organizations that strive to offer high-quality services in every community.

Today, more Ohioans of all ages need mental health and substance use services – yet most have difficulty accessing care due to the lack of available providers. Waiting times in many communities are too often the norm rather than exception. Current data finds that 1 in 4 Americans reported mental health or substance use need, and 53% of high school girls and 27% of high school boys experience symptoms consistent with major depression. A 2021 survey of parents conducted by Nationwide Children's Hospital found 53% of working parents have missed work at least one day a month to care for their child's mental health, and that their work performance was impacted by their child's needs. Caregiving for a person with a serious mental health disability requires on average, 32 hours per week – essentially a full-time job.

Further, the economic toll of untreated mental health and substance use is staggering, with wide-ranging effects on labor market outcomes, productivity, and overall economic growth. Untreated mental health issues lead to higher rates of absenteeism, decreased productivity, reduced participation in the workforce, and unemployment. Each year, the U.S. forfeits nearly \$300 billion from its GDP from costs associated with untreated mental health and substance use disorders. This translates to an annual cost for employers in the U.S. per employee of over \$2,800 more in healthcare expenses, an additional \$4,700 in missed workdays, and approximately \$5,700 per year due to employee turnover. As Ohio seeks to attract new businesses and build a thriving economy, investment in community behavioral healthcare is essential to have a healthy, productive workforce.

Recognizing these challenges, the Ohio Council applauds Governor DeWine for his leadership and bold vision for Ohio's Medicaid program, which through provider reimbursement, significantly supports the system of care for community mental health and substance use disorder treatment in Ohio. Throughout his tenure, Governor DeWine's message has been clear – his administration

intends to fulfill promises of the past by partnering with lawmakers to develop and sustain a high-quality, accessible and effective behavioral health system. Similarly, I want to acknowledge and thank the members of this committee and the entire Ohio General Assembly for your efforts in recent years to strengthen and expand access to behavioral health services for Ohioans in need. These investments have been critical to support the behavioral health workforce and set the stage for the development of a full continuum of integrated care for all Ohioans.

The important policy initiatives and key funding investments included in HB 96 that sustain Medicaid rate increases for behavioral health services; support expanded crisis services and integrated care; pursue data sharing and technological innovation; and enhance prevention and school-based services will pay dividends far into the future. No doubt, these investments are critical drivers for the economic vitality of Ohio and contribute to having a world-class workforce necessary to attract new businesses and jobs.

Investing in mental health and substance use care is sound public policy and wise economic strategy. Every \$1 spent on improved access to behavioral health treatment leads to a \$4 return on investment in improved health and productivity. Upstream investments in prevention and early intervention yield even greater returns, as every \$602 invested in these efforts to support youth results in an average \$7,754 cost savings, per person by the time they reach age 23. Expanded access to care grows workforce participation by up to 42%, which would in turn, increase U.S. economic outputs by \$53 billion each year – creating a positive feedback loop that both fuels economic growth and reduces public spending on governmental assistance programs

With respect to key provisions in the executive budget, I would like to highlight certain provisions that specifically address Ohio Council priority areas and offer a few recommendations.

Medicaid Behavioral Health Rate Increases

The Ohio Council enthusiastically supports the Department of Medicaid's budget proposal and appreciates the resources included in HB 96 that sustain the home and community-based services (HCBS) rate increases from the last budget bill. The behavioral health system of care still faces significant workforce challenges, and we are grateful for this recognition and investment in Ohio's behavioral health services. These important provider rate increases are steps in the right direction during this challenging and volatile labor market – yet, unfortunately, more must be done to stabilize our behavioral health workforce and begin to recruit and retain talent necessary to meet the demand for services.

As you may know, the behavioral health workforce encompasses a wide range of disciplines and educational levels, providing prevention, treatment, and recovery services for mental health and substance use disorders. The 2024 Ohio Council Compensation and Benefits Survey revealed that in 2024, organizations increased salaries across front-line provider types by 6.5%-9.8%; made market rate salary adjustments and sustained robust fringe benefits despite inflationary cost pressures. While this enabled salary increases, the labor market value accelerated at a faster pace for most positions, and particularly for licensed practitioners. Meaning, salaries in community behavioral health care positions, with a couple exceptions, remain well below those for similar positions with similar education and licensure requirements in other health care sectors and service sectors.

In fact, current job openings offer, on average 23.4% higher wages compared to the 2024 median salaries of a cross section of community behavioral health positions posted on Indeed.com. Turnover rates increased to 41% in 2024 across the community behavioral health industry. This is a 4% increase from 2022 and a 10% increase from 2020. Organizations in suburban areas and in Southwest Ohio had higher turnover rates at 46%, respectively. In short, the previous investment was critical, but more investment is needed to sustain, attract, and retain the community behavioral health workforce in today's accelerating labor market while building the workforce needed for the future.

Accordingly, we respectfully ask for your support to maintain and increase this critical funding for Medicaid community behavioral health services by an additional 5 percent or approximately \$123 million each year (all funds) to strengthen the behavioral health workforce and incentivize careers in community behavioral healthcare. It cannot be forgotten that it is the combination of state and federal resources directed toward Ohio's Medicaid program, which is an important work support program, that has become the key pathway for Ohioans to access mental health and substance use treatment services.

Ohio Department of Mental Health and Addiction Services

The Ohio Council applauds the Department of Mental Health and Addiction Services (OhioMHAS) for its efforts to develop, strengthen, and enhance the community behavioral health system of care, and we generally support the direction the department is moving toward in HB 96. The Ohio Council eagerly supports the language seeking to implement the certified community behavioral health centers (CCBHC) whole-person, integrated model of care in Ohio; expansion of 988 and the crisis infrastructure with mobile response and stabilization services (MRSS) for youth and adults; and investment in universal prevention and early intervention.

The Ohio Council appreciates the department's continued prioritization of the behavioral health workforce. We agree that building the behavioral health workforce is essential, and that Ohio faces severe and worsening shortages despite recent efforts and investments. Simply put, there are more people needing care than those available to provide care. Valuing our workforce for the lifesaving and lifechanging behavioral health interventions they provide requires both opportunities for training, education, and career development, but also must include economic value through higher wages commensurate with offerings in similar settings in the labor market.

We strongly encourage the general assembly to consider further investments in the behavioral health workforce. Due to the historic low pay, opportunities for tuition reimbursement, paid internships, loan forgiveness as well as resources for community behavioral health organizations to provide training supervision and recruitment/retention bonuses are effective. We recommend investing an additional \$10 million to support recruitment and retention. Further, we recommend creating an entry-level mental health credential, based on the existing SUD entry-level credentials. This entry level credential is complementary to existing behavioral health professional pathways and fills a gap by creating both non-degree and degree entry level career opportunities.

Recreational Marijuana Tax Revenue Distribution

While technically a tax matter, I did want to raise a budget matter that affects the OhioMHAS budget – the distribution of revenue generated by recreational marijuana sales. HB 96 would alter the distribution methodology from the state ballot initiative that passed last year, namely it would reduce from twenty-five percent to just fourteen percent the amount of revenue directed to the department to support prevention, substance use treatment, and the operations of the 988-crisis line. *The Ohio Council strongly urges the committee to restore the distribution amount to the original level as passed by the voters.*

Ohio Department of Insurance

The Ohio Council is pleased to see resources in HB 96 for the Ohio Department of Insurance's efforts to raise awareness and conduct greater enforcement of the Mental Health Parity and Addiction Equity Act of 2008. More must be done to share information and resources to help Ohioans and employers better understand their rights and responsibilities under the law. Robust insurance parity enforcement can help expand treatment capacity and services by ensuring the commercial insurance market appropriately covers and pays for services in a timely, financially sound, and appropriate manner. In no other sector of health care – other than behavioral health – is Medicaid preferred over commercial or private insurance. Most lawmakers and policy makers are not aware of this phenomenon so we raise it here to encourage this committee to consider efforts that would incentivize commercial insurance plans to reimburse at appropriate and actuarial sound levels thereby relieving some pressure on Medicaid and the public health system.

Conclusion

Investing in mental health and substance use care is sound public policy and wise economic strategy. Every \$1 spent on improved access to behavioral health treatment leads to a \$4 return on investment. Upstream investments in prevention and early intervention yield even greater returns, as every \$602 invested in these efforts to support youth results in an average \$7,754 cost savings, per person by the time they reach age 23. Expanded access to care grows workforce participation by up to 42%, which would in turn, increase U.S. productivity and economic outputs by \$53 billion each year – creating a positive feedback loop that both fuels economic growth and reduces public spending on governmental assistance programs.

The Ohio Council looks forward to working with the DeWine Administration and lawmakers during this budget process to advance sound policies, and direct resources to support behavioral health providers, and most importantly help Ohioans seeking mental health and substance use disorder services. These investments help ensure Ohio has a healthy, productive workforce that can continue to attract businesses and great jobs that grow our economy so every child can reach their full potential, and families can flourish as they strive to reach their dreams.

Thank you for your time and consideration today. I am happy to answer any questions.

Ohio's Behavioral Health Workforce Crisis: The Missing Link to Economic Growth

Bridging the Gaps for Behavioral Health Workforce Crisis

Ohio's behavioral health crisis is more than a public health challenge – it is an economic emergency.

Demand for behavioral health (BH) services has never been higher, with nearly one-in-four U.S. adults experiencing a mental health condition in 2023 and adolescent anxiety and depression soaring.ⁱ Yet, Ohio's BH workforce is shrinking, as stagnant wages, funding shortfalls, and limited career pathways leave current workers underpaid, undervalued, and overburdened – driving record turnover and deterring new professionals from entering the field. If left unaddressed, this crisis will stifle economic growth, disrupt workforce productivity, and increase healthcare and public assistance costs. Ohio can reverse these trends by valuing lifesaving behavioral healthcare through strategic investments in workforce incentives, modernized career pathways, and improved reimbursement – ensuring better health outcomes and economic growth. The time for policymakers to act is now.

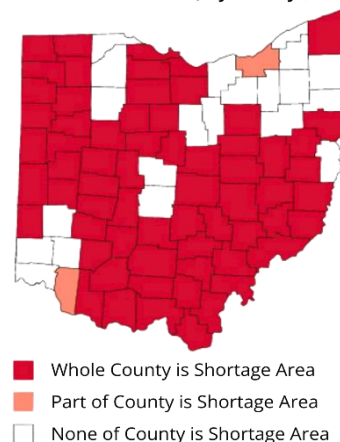
Current Workforce Challenges & Future Projections

From 2013 to 2019, the Ohio Department of Mental Health & Addiction Services reported that Ohio experienced a 353% surge in demand for behavioral health (BH) services, while the workforce expanded by only 174% during that same period; leaving 2.4 million Ohioans living in regions without enough BH professionals. The disparity in supply of providers versus demand for care resulted in an approximate 41-46% of unmet demand for services across Ohio.ⁱⁱ

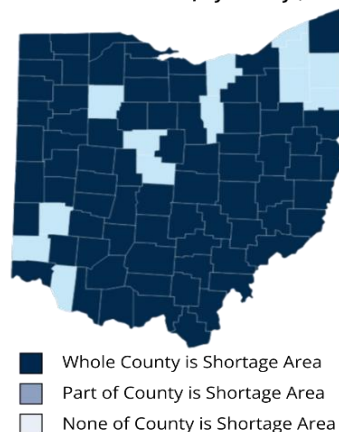
Following the pandemic, disparities in BH workforce supply and demand have continued to grow. In 2021, 76% of Ohio counties were designated by the Health Resources Services Administration (HRSA) as Mental Health Professional Shortage Areas (MHPSA), or regions where, due to provider shortages, residents struggle to access mental health care.ⁱⁱⁱ Despite ongoing statewide efforts to grow the BH workforce, today Ohioans face even greater hardship accessing mental healthcare, as 85.2% of the state is now designated as a MHPSA, constituting a **10% increase** in MHPSAs across the State of Ohio in only three years.^{iv}

BH workforce shortages have far reaching economic impacts that hurt the labor market and stifle economic growth.^v In Ohio, the opioid epidemic alone costs the state between \$6.6 to \$8.8 billion per year—about the same amount as spent annually on K-12 education.^{vi} Positively, every \$1 spent on improved access to behavioral health treatment leads to a \$4 return on investment.^{vii} Upstream investments in prevention and early intervention yield even greater returns, as every \$602 invested in these efforts to support youth results in an average \$7,754 cost savings, per person by the time they reach age 23.^{viii} Expanded access to care grows workforce participation by up to 42%, which would in turn, increase U.S. economic outputs by \$53 billion each year – creating a positive feedback loop that both fuels economic growth and reduces public spending on governmental assistance programs.^{ix, x} (Read *The Ohio Council's* recently published briefs, "[Cultivating a Healthy Workforce Grows a Thriving Economy](#)" and "[The Effectiveness & Economic Impact of Prevention Programs](#)".)

Ohio's Health Professional Shortage Areas: Mental Health, By County (2021)



Ohio's Health Professional Shortage Areas: Mental Health, By County (2024)



While the financial toll of BH workforce shortages is already significant, without intervention, by 2037 it will become even more severe – putting even greater financial strain on Ohio’s economy. HRSA maintains a [Health Workforce Projections Dashboard](#), which forecasts the network adequacy of the healthcare workforce through the year 2037 by comparing data of the projected supply of the available healthcare workforce (i.e. practitioners who are working or seeking work in the healthcare sector) compared to the number of workers needed to meet the anticipated demand. By 2037, network adequacy for Mental Health Counselors is projected to be only 49%, while adequacy of Substance Use Disorder Counselors will stand at an alarming 30%. **Meaning, more than 1-in-2 Ohioans (51%) with a MH condition, and 7-in-10 Ohioans (70%) seeking SUD care will be unable to access it – solely because of an inadequate number of providers available to meet the projected demand.**^{xi}

Unpacking the Drivers of Behavioral Health Workforce Challenges

The drivers contributing to Ohio’s current BH workforce challenges are complex and interrelated. Ohio has taken steps to mitigate some of these factors through various pilot programs, listed below. These programs on a smaller scale have demonstrated early success slowing the impact of these drivers; and expansion of these key initiatives should be considered as viable options to further stabilize and grow Ohio’s BH workforce.

Driver #1 – Salary Disparities & Lack of Professional Value: BH professionals receive significantly lower wages than their peers in other similar healthcare or direct service sectors.^{xii} A recent analysis of job postings found that starting salaries in community behavioral health are **23.4% lower** than comparable positions in other practice settings. While the 2024 Ohio Medicaid rate increase enabled salary increases, the market value outpaced the investment. These wage disparities have stifled Ohio’s efforts to recruit new workers to the BH field and have left current BH professionals both under-compensated and undervalued. The lack of competitive wages and professional recognition reflected by industry salary disparities has caused an alarming number of workers to leave the field entirely, as evidenced by skyrocketing organizational turnover rates (*see Driver #4 below*).

COMMUNITY BEHAVIORAL HEALTH POSITIONS	2022 OHIO COUNCIL MEDIAN SALARY	INDEED.COM 2022 AVERAGE MARKETPLACE SALARY	2022 SALARY DIFFERENCE: MARKETPLACE VS COMMUNITY BH	2024 OHIO COUNCIL MEDIAN SALARY	INDEED.COM 2024 AVERAGE MARKETPLACE SALARY	2024 SALARY DIFFERENCE: MARKETPLACE VS COMMUNITY BH
Independently Licensed Clinician (LPCC / LISW)	\$58,300	\$71,100	-22%	\$64,743	\$89,600	-38.6%
Independent Chemical Dependency Counselor (LICDC)	\$55,600	\$67,300	-21%	\$63,560	\$68,520	-7.8%
Licensed Professional Counselor (LPC)	-	-	-	\$53,225	\$83,360	-31%
Licensed Social Worker (LSW)	\$45,900	\$60,000	-23.5%	\$53,933	\$59,800	-10.8%
Chemical Dependency Counselor Assistant (CDCA)	\$38,900	\$45,500	-17%	\$42,266	\$50,500	-18.2%
SUD Case Manager/Case Manager Specialist (Bachelors Degree)	\$38,700	\$44,700	-15.5%	\$43,700	\$41,747	+4.3%
Qualified Mental Health Specialist / CPST (No Degree)	\$35,900	\$44,700	-24.5%	\$39,963	\$39,780	0%
Direct Service Staff (Bachelors Degree)	\$37,500	\$41,600	-11%	\$37,304	\$44,600	-2.7%
Peer Recovery Specialist	-	-	-	\$37,171	\$40,000	-7.6%
Prevention Specialist	-	-	-	\$43,300	\$49,100	-13.4%
Van Driver (No Degree)	\$32,100	\$43,600	-36%	-	-	-
		AVERAGE SALARY DIFFERENCE:	-21.3%	AVERAGE SALARY DIFFERENCE:		-23.4%

Ohio Efforts to Improve Salary Gaps

- **SFY 24-25 Medicaid Rate Increases:** In 2024 a 12.5% Medicaid rate increase was adopted for all direct BH services. The 2024 Ohio Council Salary Survey revealed that in 2024 organizations increased salaries across all front-line provider types by, on average, 6.5%-9.8%; made market rate salary adjustments, and sustained robust benefits despite inflationary cost pressures. While this enabled salary increases, the market value accelerated at a faster pace for most positions, and particularly for licensed practitioners.

Driver #2 – Insufficient Insurance Coverage, Reimbursement, & Funding Sources: Insufficient private insurance coverage and funding for a full continuum of BH services is a key driver of the non-competitive salaries that exacerbate workforce shortages.^{xiii} There is currently no dedicated funding that supports prevention or interventions to address social determinants of health (SDOH). Likewise, while Medicaid covers a broader range of services, there are still gaps in coverage for integral services that reduce overall costs such as crisis services and care coordination. Even worse, most private insurers do not recognize dependently licensed or paraprofessional provider types *at all*; and among BH services that *are* covered by private insurers, the reimbursement rates are

significantly lower than the actuarially sound Ohio Medicaid rates. This lack of parity in private plan reimbursement combined with vast gaps in revenue sources for services like prevention, care coordination, or consultation has created a funding deficit too large for Medicaid rate increases alone to bridge.

Ohio Efforts to Address Funding Limitations

- **OhioRISE:** OhioRISE offers care coordination, attends to SDOH issues, and reimburses for traditional and intensive services using a mix of professionals, paraprofessionals, and peers. These benefits, however, are limited by eligibility and are only available for youth with complex behavioral health needs.

Driver #3 – Barriers to Career Entry & Advancement: The BH sector is facing a deficit of available professionals, due to the lack of clearly defined career ladders and entry level certificates that enable job placement and career growth. Entry-level positions often require state licensure; and the sector lacks a clear career ladder for most employees to grow professionally without a master’s degree.

Ohio Efforts to Expand Career Pathways

- **CDCA / LCDC II Credential:** Certification and licensure that recognizes non-degree experience and educational degree attainment with professional experience to develop substance use practitioner.
- **Peer Support Credential:** Created a credential for peer support paraprofessionals who complete required training to provide recovery supports.

Driver #4 – Recruitment and Retention Rates: The BH sector faces alarmingly high turnover rates, with annual attrition three-to-six times higher than the benchmark to maintain stability.^{xiv} Like first responders, providing lifesaving care often results in vicarious stress and documentation burden often leads to burnout, which coupled with low wages and limited career growth opportunities drive high turnover. Thus, disrupting patient care and threatening the financial stability of BH organizations. Each time an employee leaves their position, agencies encumber an average \$5,700 loss.^{xv,xvi} Since 2020, annual BH attrition rates have risen by more than 10%, with agencies experiencing, on average, 41% of their workforce turn-over in 2024 alone.

Ohio Efforts to Address BH Workforce Recruitment & Retention:

- **Great Minds Fellowship (GMF):** Provides scholarships, paid internships, and loan repayment for graduates who commit to 1 or 2 years of work in a Community Behavioral Health Center; however, no permanent funding is assigned to the program.
- **Welcome Back Campaign:** Provides sign-on bonus for BH employees returning to the workforce; however, the program was funded with ARPA funds and no permanent funding has been identified.

Strategic Actions for Workforce Improvements

To grow Ohio’s Behavioral Health (BH) workforce and further mitigate the above drivers of the current BH workforce crisis, the following policy recommendations should be considered:

Policy Recommendation #1: Address Salary Disparities

- **Examine Reimbursement Rates:** Increase reimbursement rates and covered services across all payers to ensure BH salaries are competitive, improving service delivery, recruitment, and retention.
- **Enable Alternative Reimbursement Strategies:** Encourage alternate payment models that align incentives and risk sharing to support wages and benefits commensurate with education, experience, and levels of responsibility; include opportunities for improved integration, such as Certified Community Behavioral Health Centers, population health, and partnerships with schools and community programs.

Policy Recommendation #2: Enforce Existing Parity Requirements

- **Increase Parity Law Enforcement:** Ensure that BH services are reimbursed at actuarially sound rates to provide network adequacy, as required by federal parity laws.
- **Engage MCOs for Reimbursement Fairness:** Urge private insurers to utilize actuarially sound reimbursement rates for BH services similar to Ohio Medicaid to bolster network access to care.
- **Incentivize MCOs Credentialing Reciprocity:** Incentivize private insurers to provide reimbursement across all levels of BH licensure and certification (including paraprofessionals and peer supporters).

Policy Recommendation #3: Increase Supply of Behavioral Health Professionals

- **Modernize Career Pathways & Credentialing:** Grow the BH workforce by expanding degree and non-degree career pathways, certifications, and licensing opportunities for individuals to enter a BH career, including administrative, finance, and IT professionals.
- **Develop Entry-level MH Certification:** Create the Qualified Mental Health credentials as a visible career pathway into the mental health sector, incorporating both degree and non-degree opportunities immediately following high school and beyond.

Policy Recommendation #4: Implement Recruitment & Retention Strategies

- **Expand Scholarships, Internships & Loan Repayment:** Leverage lessons learned from the Great Minds Fellowship by identifying sustainable funding to permanently expand paid internships, practicums, or other programs that alleviate educational debt for professionals committing to work in underserved areas. Provide training supervision compensation and loan repayment for graduates who commit to 1 year of work in a Community Behavioral Health Center.
- **Invest in Career Development:** Create a stronger pipeline that supports workers to achieve more professional development, enhance intervention skills, and/or advanced licensure by providing funding for community-based BH organizations that provide upskilling and professional training.

Investing in Ohio's Behavioral Health Workforce – A Pathway to Prosperity

Ohio's behavioral health workforce crisis has crossed the breaking point; and without bold policy action, this crisis will continue to worsen. Low wages, funding shortfalls, and career entry barriers have created an unsustainable system where demand far outpaces supply. Left unchecked, these shortages will continue to deprive Ohioans of lifesaving and life-changing behavioral health services: further straining families, communities, and the economy. While current policy efforts have demonstrated modest success, they have not been enough to stem the tide of professionals leaving the field or to incentivize new workers to enter it, leaving tens of thousands of Ohioans without essential care. Fortunately, there is a solution. Ohio's leaders must act now to expand funding, enforce parity, modernize credentialing, and create sustainable workforce incentives. Investing in Ohio's behavioral health workforce is not just necessary – it is urgent. Strengthening wages, enhancing career pathways, and broadening recruitment efforts will improve health outcomes, fuel economic growth, and build a stronger, more resilient Ohio where all residents can be productive and reach their full potential.

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^{iv} Health Resources and Services Administration. *HPSA Find [Dataset]*. U.S. Department of Health and Human Services. <https://data.hrsa.gov/tools/shortage-area/hpsa-find>

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^{viii} Kuklinski, M.R., Oesterle, S., Briney, J.S., & Hawkins, J.D. (2021). Long-Term Impacts and Benefit-Cost Analysis of the Communities That Care Prevention System at Age 23, 12 Years After Baseline. *Prevention Science: The Official Journal of the Society for Prevention Research*, 22(4), 452-463. <https://doi.org/10.1007/s11211-021-01218-7>

^{ix} Hindley, I. (2023). *Labor Impacts of Recovery from Severe Mental Illnesses*. Retrieved from <https://www.americanactionforum.org/research/labor-impacts-of-recovery-from-severe-mental-illnesses/>

^x Deloitte Center for Health Solutions. (2022). *The Economic Burden of Mental Health Inequities*. Nashville TN: Meharry School of Global Health. Retrieved from <https://www2.deloitte.com/us/en/insights/industry/health-care/economic-burden-mental-health-inequities.html>

^{xi} Health Resources and Services Administration. (2024). *Health workforce projections dashboard*. U.S. Department of Health and Human Services. <https://data.hrsa.gov/topics/health-workforce/workforce-projections>

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^{xiii} Health Management Associates. (2021). *Behavioral Health Workforce is a National Crisis*. <https://www.healthmanagement.com/wp-content/uploads/HMA-NCMW-Issue-Brief-10-27-21.pdf>

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CULTIVATING A HEALTHY WORKFORCE GROWS A THRIVING ECONOMY

BACKGROUND

The demand for mental health and substance use services is unrelenting, as nearly 1-in-4 U.S. adults report experiencing a mental health condition each year. Unfortunately, the availability of treatment has not kept up, leaving many without access to the care they need to thrive. In the last year, only half of adults in need of mental health services accessed them, and youth experiencing mental health challenges, fared even worse – with only 43.9% receiving treatment in the past year. Further, over three-quarters (76.9%) of adults in need of support for a substance use disorder did not receive any treatment.[i],[ii]

This lack of access to care hurts individuals, communities, and places a heavy burden on the economy.

Each year, the U.S. forfeits nearly \$300 billion from its GDP from costs associated with untreated mental health and substance use disorders.[iii] These staggering deficits result not only from direct costs like medical expenses, but also from lost productivity, lost wages, reduced labor supply, and decreased tax revenues. Investing resources to improve access to behavioral health care, however, mitigates these losses and yields significant economic benefits and long-term savings. Such investments not only meet the immediate needs of individuals living with mental health or substance use disorders, but also positions states, like Ohio, for future economic growth. In developing strategies to ensure Ohio remains one of the most competitive states for businesses, policymakers should prioritize investments that promote a healthy workforce and strong system for community-based mental health and substance use services. Access to these services and recovery supports are critically needed to foster economic resilience and build a thriving economy.

ENHANCING ECONOMIC HEALTH THROUGH WORKFORCE PRODUCTIVITY

The economic toll of untreated mental health and substance use disorders is staggering, with wide-ranging effects on labor market outcomes, productivity, and overall economic growth. As an example, an Ohio State University (OSU) study found that the opioid epidemic costs Ohio between \$6.6 to \$8.8 billion a year—about the same amount the state spends annually on K-12 education.[i] Untreated mental health issues lead to higher rates of absenteeism, decreased productivity, reduced participation in the workforce, and unemployment. Workers with mild untreated mental illness miss an average of 9.3 hours of work per week, while those with serious mental illness miss 12.5 hours,[ii] and family caregivers of those living with disabling mental illness spend an average of 32.5 hours of unpaid caregiving each week.[iii] In addition to these individual impacts, 53% of working parents miss at least one day of work per month to address their child's mental health needs, significantly impacting economic outputs.[iv]

Globally, depression and anxiety alone cost the economy more than \$1 trillion each year in lost productivity and economic losses.[v] In the United States, those costs are not just encumbered by state and local governments, they are also often passed down to employers, significantly stifling economic growth. Annually, mentally distressed workers cost employers in the U.S. over \$2,800 more in healthcare expenses, an additional \$4,700 in missed workdays, and approximately \$5,700 per year due to employee turnover.[vi]

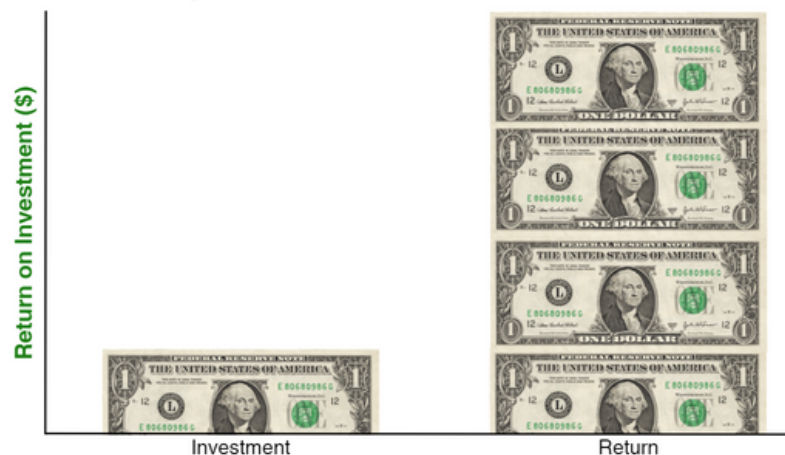
Optimistically, investing in mental health and substance use treatment yields significant economic returns. Recovery from mental illness increases employment and workforce participation by up to 42%.[vii] Investments in these programs promote business through enhanced productivity and reduced costs associated with mental health and substance use challenges. A healthy workforce yields benefits for employers, employees, and local communities, and supports greater economic growth which in turn, stimulates consumer spending – generating considerable tax revenue that benefits local, state, and federal governments.

THE ECONOMIC IMPACT OF INVESTMENTS

The cost to the U.S. economy of untreated mental health challenges is nearly \$300 billion, largely due to 1) lost productivity and 2) higher healthcare expenditures. [i] While this economic burden of untreated mental health issues is significant, the return on investment in behavioral health care is equally substantial. For every \$1 spent on mental health treatment, there is an average return of \$4 in improved health and productivity. [ii] The increased workplace productivity that would result from improved access to mental health supports alone would add an additional \$53 billion in economic output annually by simply reducing workplace absenteeism and lost productivity from working while sick. [iii] This boost in revenue and earnings creates a positive feedback loop that benefits both individuals and the economy by both – fueling economic growth and reducing the reliance on public assistance programs.

The societal impact of untreated mental health and substance use conditions extends beyond economic losses. Left unaddressed, these issues contribute to higher rates of homelessness, substance misuse, crime, and incarceration, all of which strain public resources and increase state and federal spending. [iv], [v] Investing in human services, particularly in effective behavioral health care, produces broader societal benefits and leads to healthier communities. [vi] These outcomes, in turn, promote sustained economic growth and stability, reinforcing the case for increased and ongoing funding in this vital area.

Economic Impact and Return on Investment in Mental Health Care



THE PATH FORWARD:

Investing in mental health and substance use care is sound public policy and wise economic strategy. Addressing mental health and substance use disorders increases workforce participation and stimulates economic growth by improving productivity, reducing health care costs, and increasing tax revenues, while also improving individual well-being. As states like Ohio seek to remain competitive and build thriving economies – prioritizing investment in comprehensive mental health and substance use services is essential to cultivating a healthy workforce and fostering long-term economic stability and prosperity.

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