Comparing Costs of Incarceration vs. Drug Treatment

Research over many years has found that drug addiction treatment is more cost-effective than incarceration for drug offenders. Additionally, studies have shown that drug offenders who receive addiction treatment show more signs of reducing criminal behavior than those who receive prison time.

**COST COMPARISONS**

State and national studies have estimated that it costs between $26,390 and $38,383 annually to incarcerate a drug offender in Maryland. Costs for treatment vary by level of care and length of treatment, but even the most expensive treatment is less costly than incarceration. A 2008 study estimated treatment costs ranged from an average of $2,326 for non-methadone outpatient services—and $7,409 per episode for methadone treatment—to $21,404 for therapeutic community treatment.

A 2004 Justice Policy Institute study for the State of Maryland found that the annual cost of incarceration for a drug offender was significantly more than average treatment costs for the year 2000. Factoring in an annual inflation rate of 2 percent and assuming no significant changes other than inflation, incarceration costs in 2014 continue to be significantly higher.

<table>
<thead>
<tr>
<th>Year</th>
<th>Incarceration Cost Estimate</th>
<th>Treatment Cost Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$20,000</td>
<td>$4,000</td>
</tr>
<tr>
<td>2014</td>
<td>$26,390</td>
<td>$5,278</td>
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</tbody>
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**EFFECT ON CRIME**

The effect that addiction treatment has on crime varies depending on the treatment type, but studies indicate treatment for drug offenders is significantly more effective than incarceration in reducing criminal behavior.

Multiple studies have demonstrated the cost effectiveness of treatment. The earliest study on the cost benefit of addiction treatment found that out-patient treatment had a return of $4.28 per dollar spent and residential treatment had a return of $2.01. Recent studies have shown a return of between $1.33 and $23.33 for each dollar spent, with most of the benefits stemming from reduced criminal activity. It appears that a broad application of treatment in lieu of incarceration is cost-effective, but that it can be made more cost-effective through careful assessment of criminal risk in addition to addiction treatment needs.

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