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STUDY SHOWS LOWER COSTS, SOLID RETURN ON PROPOSITION 63 MENTAL HEALTH SERVICES INVESTMENT

Sacramento, CA—The lives of individuals with serious mental illness in California are improving due to a “whatever-it-takes” approach to services; in addition, these programs are resulting in significant cost savings, according to a just-released UCLA report.

The report, done by the UCLA Center for Healthier Children, Families and Communities, shows that these Full Service Partnerships (FSPs), result in a cost savings of \$1.27 for every Proposition 63 dollar spent. FSPs are designed to meet the needs of individuals with serious mental illness; treatment may include psychiatry, medical care, therapy, housing, job or life skills training.

Because of the multi-pronged, integrated approach that FSPs provide, more people with severe mental illness are improving. The most recent figures show that about 21,000 new clients were enrolled in FSPs in California during the two years studied, with a 22 percent increase in enrollment in year two.

The evaluation report found that as more people are being served by FSPs, overall costs continue to go down because of money saved in other areas: incarceration, psychiatric hospitalization and homelessness. For Transitional Age Youth (16-25 years old), the cost savings was most dramatic: almost 150 percent. TAY is traditionally at high risk for criminal justice and crisis management services and FSP participation apparently has a significant impact on this age group. For adults (18-59) and older adults (60 years and older), the greatest proportion of cost offset each year comes from a reduction in psychiatric hospitalizations—an 80 percent savings.

The study shows it costs, on average, about \$20,000 a year--\$50 a day—to treat someone in a Full Service Partnership; from year one to year two, there was a cost reduction of 17 percent per person. “Although the argument of cost savings should never be advanced as the primary reason for providing public mental health services, results of this magnitude make a strong case for the wisdom of investing public resources in programs such as FSPs,” UCLA states.

In addition to other state, federal and county funding, more than two thirds of the cost of FSPs is funded by voter-approved Proposition 63, the Mental Health Services Act, which places a 1% tax on incomes above a million dollars. Prop 63 also funds hundreds of other types of mental health programs in California.

The UCLA report concludes, “Overall, these results suggest a very positive treatment outcome, and return on investment, for FSP clients.”

“Proposition 63 is delivering on its promise,” says Mental Health Services Oversight and Accountability Commission Chair Larry Poaster. “We’re seeing less homelessness, fewer incarcerations and an improved quality of life at a cost savings to Californians.”

The study was funded by the Mental Health Services Oversight and Accountability Commission, the oversight body of Proposition 63, the Mental Health Services Act. The full report can be viewed here: <http://bit.ly/Wabo7F>

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