

Treatment Alternatives to Incarceration for People with Mental Health Needs in the Criminal Justice System: The Cost-Savings Implications

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DIRECTOR'S NOTE

Jails and prisons are expensive to operate and costs are even greater when the person entering custody requires treatment for a mental health condition. Because they are so costly, providing access to treatment in lieu of a prison or jail sentence can save money while also improving health outcomes and reducing the likelihood of rearrest in the future.

States are increasingly realizing the potential for non-custodial options to improve the health of individuals and the well being of communities. However, many people with serious mental illness still find themselves caught in a revolving door of repeat incarceration. By compiling the research on the benefits and cost savings that can be realized by providing treatment as an alternative to incarceration, we hope that this brief is helpful to decision makers and practitioners as they consider more cost-effective and humane policy options.



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Introduction

The disproportionate number of people with behavioral health disorders involved in the criminal justice system puts a tremendous strain on scarce public resources and has a huge impact on health care and criminal justice budgets. However, with appropriate treatment and access to community-based services, this population is less likely to be incarcerated and more likely to lead healthy, productive lives, resulting in substantial costs savings.

Scope of the Problem

The rate of serious mental illness is two to six times higher among incarcerated populations than it is in the general population. Serious mental illness has been documented in 14.5 percent of men and 31 percent of women in jail settings.¹ The vast majority of this population is charged with minor, non-violent crimes.² Over 70 percent of people in jails with serious mental illness also have a co-occurring substance-use disorder.³ Veterans returning from combat are also at higher risk for mental health and substance-use problems and are therefore more apt to be involved in the justice system.⁴ Despite these high rates, between 83 percent and 89 percent of people with mental illness in jails and prisons do not receive care.⁵ Moreover, mental health treatment in correctional settings is generally inadequate. People with serious psychiatric needs are more likely to be violently victimized⁶ and more likely to be housed in segregation while in prison⁷ and stay for longer periods. For example, on Rikers Island, the average stay for all persons is 61 days, but it is 112 days for those with a mental illness despite no differences in criminal charge or risk of re-arrest.⁸ These disparities result in significant financial and social costs to everyone involved.

Treatment Alternatives to Incarceration

Local governments are employing a range of programs that involve partnerships between community health and justice systems. These programs are proving to be effective approaches to appropriately addressing the high rate of serious mental illness among incarcerated populations—thereby improving health and justice while saving money.

PREVENTION: LAW ENFORCEMENT, CRISIS INTERVENTION TEAMS, AND COMMUNITY-BASED SERVICES

How it works: Specialized policing responses (SPRs)—specifically, crisis intervention teams (CITs) and police-mental health co-responder teams—are trained to link people with mental illnesses to treatment without arrest.⁹ SPRs are built

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on partnerships between mental health providers in the community and designated police units, with the aim of identifying serious mental illness, de-escalating situations with minimal police force, decreasing stigmatization, and when appropriate linking a person to treatment rather than booking them into jail.

How it can save money: SPRs can produce savings by curbing reliance on police, jails, and emergency rooms to handle crisis situations involving a person with mental illness.

- > Research shows that CITs increase the connection of persons with mental illness to psychiatric services in the community and diverts them from unnecessary and expensive jail detentions and emergency room visits. For example, community-based treatment services in Texas cost an average of \$12 a day for adults as opposed to a jail bed at \$137 or an emergency room visit at \$986.¹⁰
- > CIT officers are 25 percent more likely to transport a person to treatment in the community emergency evaluation and treatment facilities than police without special training.¹¹
- > CITs reduce the use of unnecessary force and reduce stigma.¹² An evaluation conducted by officials in New Mexico reported that since the implementation of CIT in Albuquerque, the use of high-cost SWAT teams as a response to mental health crisis situations decreased by 58 percent.¹³
- > Diversion from hospital admission offsets additional service costs and improves longer-term health outcomes that can mitigate future risk of re-arrest or hospitalization.

JAIL DIVERSION

How it works: Jail diversion helps people with behavioral health needs receive treatment through various alternatives to incarceration. While programs that divert people to treatment incur health-care system costs, providing treatment in the community is typically less expensive than serving people in criminal justice settings. There is also the potential for large cost offsets, because diversion can prevent further criminal justice involvement.

How it can save money:

- > Jail diversion helps reduce expenditures associated with unnecessary arrests and detentions. For instance, it can cost two to three times more for a person with serious mental illness to become involved in the criminal justice system compared to receiving treatment in the community.
- > A study of 25,133 people in Connecticut found that the state spent nearly double the amount to both incarcerate and treat a person with serious mental illnesses, compared with the cost of treatment alone.¹⁴
- > A cost-effectiveness assessment of jail-diversion programs in New York City showed an average of \$7,038 lower jail costs per person.¹⁵
- > Implementation of a diversion program in Massachusetts serving 200 people saved an estimated \$1.3 million in episodic emergency health services (for example, ER visits, ambulance) and jail-related costs.
- > Forensic Assertive Community Treatment (FACT) is an example of a justice-health partnership that yields fewer jail bookings, greater outpatient

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contacts, and fewer hospital stays.¹⁷ For example, evaluations of Project Link in Rochester, NY and the Thresholds Jail Program in Chicago, IL demonstrated cost savings of between \$39,518 and \$18,873 per participant, respectively.¹⁸ A randomized trial of a California-based FACT program showed that while providing intensive outpatient services was more expensive at the outset, such costs are subsequently offset by reduced jail and hospital stays.¹⁹

COURTS

How it works: Specialized courts, including drug, mental health, and veterans courts have shown to be an effective way to divert people with behavioral health needs from incarceration and into treatment.²⁰ These voluntary programs operate both pre- and post-adjudication, and allow participants to access treatment as an alternative to incarceration.

How it can save money:

- > Similar to jail and police-based diversions, specialized courts can decrease criminal justice costs associated with arrest and incarceration, recidivism, and court costs, as well as through decreased use of more expensive treatment options (such as inpatient care).²¹
- > A recent meta-analysis examined mental health courts in four jurisdictions and found that participants were less likely to be arrested, had a larger reduction in arrest rate, and spent fewer days incarcerated during the one and one-half years of follow-up after program entry compared to people with similar profiles who only went to jail.²²
- > Court diversion often reduces jail stays for those with mental illness and therefore can save correctional facilities and local governments significant costs. Research has shown that mental health court participants spend less time in jail than comparison groups.²³
- > Court diversion also helps reduce the risk that people with mental illness spend time in prison. Pennsylvania estimated that an average person incarcerated in prison costs the state \$80 per day, while a person with mental illness costs \$140 per day.²⁴
- > A RAND Corporation evaluation of a Pennsylvania Mental Health Court found that over a two-year period, both average mental health services costs and jail costs were reduced, suggesting that the MHC program can help to decrease total taxpayer expenditures. The largest savings were generated by avoiding jail and hospitalization for the subgroups with the most severe psychiatric needs.²⁵

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COMMUNITY REENTRY PLANNING

How it works: The first weeks following release from jail or prison is a perilous time, as people experience 12.5 times the risk of death and are more likely to come into contact with emergency room services.²⁶ Transitional planning to coordinate services for people with substance use and mental health treatment needs in their communities upon release from a correctional facility reduces recidivism and improves health outcomes.²⁷

OPPORTUNITIES UNDER THE AFFORDABLE CARE ACT (ACA)

Health reform offers new opportunities to bolster treatment alternatives, enhance treatment capacity in the community, and save states and local jurisdictions money. These opportunities are a result of Medicaid expansions; mandates to enroll vulnerable populations in health coverage; greater support for people with mental health and substance use problems; and a focus on integrated care and interagency collaboration.

- > In 2014, among states that opt to expand, Medicaid is likely to support more community-based organizations partnering with diversion programs that provide substance use and mental health services.
- > The ACA will increase the health insurance coverage among jail populations, which will help people with mental health and substance use problems access care in the community.
- > Partnerships between justice and health systems combined with increased access and coverage for substance use and mental health treatment are likely to help to dramatically reduce correctional health care costs incurred by localities.

How it can save money:

- > Inadequate transition planning can result in a host of negative, costly outcomes, including compromised public safety, overdose, hospitalization, suicide, homelessness, and re-arrest. Addressing treatment and social-service needs prior to release can be a cost-effective way to mitigate the incidence of these events.²⁸
- > Frequent Users Service Enhancement (FUSE) initiatives are being implemented across the country with positive implications for cost savings. These programs target individuals who cycle in and out of public systems such as correctional facilities, hospitals, and shelters by linking them to supportive housing and other services with the goal of breaking this costly cycle.
- > New York City's targeting of supportive housing to people with multiple stays in jail and homeless shelters has proven to be successful, with a 91 percent housing retention rate, 53 percent reduction in jail days, and 92 percent reduction in shelter days. Keeping people from cycling between the jail and the shelter system showed cost offsets of \$2,953 per person, per year.²⁹
- > An evaluation of a program in Seattle that linked people with chronic co-occurring mental health and substance-use disorders to supportive housing showed improved outcomes in health and housing: a 45 percent reduction in jail bookings and a 42 percent reduction in jail days, generating more than \$4 million in cost-savings to public services after one year.³⁰
- > A randomized trial found that a community-based transition planning program that links former prisoners to comprehensive primary-care services prior to release from prison resulted in significant reductions in costly emergency room visits.³¹
- > Research in Washington State found that untreated substance-use disorders are a major driver of chronic disease progression that can increase risk of hospitalizations, loss of productivity, and dependence on social insurance programs. Health insurance expansions that extended coverage to substance-use treatment slowed the growth of health expenditures for Washington's Medicaid population.³²
- > Ensuring that people with mental health needs who are eligible are enrolled in Medicaid can reduce costs to the justice system by lowering recidivism rates. In Washington State, having Medicaid at release was associated with a 16 percent reduction in the average number of subsequent detentions, and enhanced community service use after jail release.³³

Conclusion

Effective interventions are possible at several stages in the criminal justice process, but the success of these programs relies on strong community-based services. The most cost-effective strategy is to provide accessible treatment that keeps people with mental illness out of the criminal justice system in the first place.

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ABOUT VERA'S SUBSTANCE USE AND MENTAL HEALTH PROGRAM

The Substance Use and Mental Health Program (SUMH) conducts applied research to help public officials and community organizations develop empirically driven responses to the substance use and mental health needs of people involved in justice systems. SUMH staff collect and analyze quantitative and qualitative data and evaluate existing programs to understand the experiences of those affected by psychiatric disorders or substance use and policies that prolong their involvement in the justice system.

The program's work includes:

- > **Using information-sharing to improve access.** Many people in contact with the criminal justice system have mental health and substance use problems, and other chronic health needs. Yet health and justice systems rarely share information in ways that improve awareness of clients' needs or promote continuity in care. SUMH's Justice & Health Connect provides resources to build capacity to share information with the aim of improving access to care, reducing contact with the justice system, and addressing health disparities.
- > **Measuring the impact of drug policy.** States are increasingly reconsidering ways to respond to non-violent drug offenses and there is a pressing need for empirical evidence that can help inform these decisions. SUMH conducts research on the impact of drug policy, such as the use of treatment-based alternatives to incarceration in lieu of lengthy prison sentences.
- > **Informing jail reentry planning.** Many people leaving jail face a range of problems, from accessing mental health treatment to securing a place to live. Evidence shows that access to appropriate services can improve individual health outcomes and reduce the likelihood of future arrests. SUMH is working with jail administrators and communities in New York City and Los Angeles to design more accessible and effective reentry services.
- > **Informing legal representation for people with mental illness.** The growth in the number of people with serious mental illness in the criminal justice system coupled with the expansion of diversion programs creates new and complex challenges for indigent defense providers. SUMH and Policy Research Associates are researching the resources constraints, ethical dilemmas, practical challenges and best practices that impact the ability of indigent defense attorneys to provide effective assistance of counsel that meets the needs of this population.

WHY THIS WORK MATTERS

There are three times as many people with serious mental illness in jails and prisons than in hospitals, and about two-thirds of people in prison report regular drug use. However, justice systems around the country are ill equipped to provide behavioral health services, and individuals often fail to get the help they need. SUMH research helps jurisdictions design policies that increase access to treatment, reduce reliance on the criminal justice system as a response to these problems, and improve public safety.

> For More Information

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For more information about the Substance Use and Mental Health program, contact Jim Parsons at (212) 376-3043 or jparsons@vera.org. This research summary can be accessed at www.vera.org/pubs/treatment-alternatives-to-incarceration.

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