

Mental Health: The Business Case

Treatment Works...People Recover!



Ohio Department of Mental Health

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Introduction

Mental health is essential to overall health. Our emotional well being and our physical health are inextricably intertwined. Over the last decade, the growth of research on the nature of causes of mental illness has increasingly shown the biological basis for mental illness. With each day we learn more.

The mental health of our citizens is also essential to the vitality of our communities. To create an environment where business can grow and flourish, Ohio must build and support a competitive, educated, responsive and productive workforce. To achieve this we must have school success, create livable urban areas, attract a world-class workforce and maintain the health of our communities. All of these require mentally healthy citizens.

Over the last two decades, employers have increasingly recognized the importance of mental health to workplace productivity¹. We must make the same connections for our communities. Communities that promote positive mental health and have high levels of social connectedness are more likely to have high productivity and growth rates. They are certainly better places to live and work.

The high costs of health care and government programs are frequently in the news. In Ohio, Medicaid is the single largest item in the state budget. Medicaid is also our country's single largest payer for mental health services². Through targeted and proven approaches to mental health treatment and care, we can reduce the overall healthcare costs for Medicaid. Effective mental health treatment can also reduce costs in corrections and juvenile justice, improve educational attainment and reduce the rate of homelessness.

The purpose of this report is to describe the benefits that are likely to result from increased support for mental health treatment in Ohio. If we provide appropriate services to Ohioans with mental illnesses, we will achieve two simultaneous goals:

- We will support their recovery and reduce the burden on their families, while at the same time
- We will increase the cost-effectiveness of our public and private health care systems.

In sum, this paper will show that:

¹ Washington Business Group on Health, 1999

² Tami, et al. 2005.

- The need for treatment is high and often unmet. We need action now.
- Treatment for behavioral disorders is as effective as treatment for other medical conditions.
- Successful treatment of mental illness improves productivity.
- Treating mental illness will reduce costs for other medical conditions.
- There is a serious need to increase access to mental health services for older adults.
- Providing appropriate mental health services for children saves money in other service systems; and
- Treatment can reduce the scope of problems and costs in the criminal justice system and for those who are homeless.

Action is needed now

The needs for treatment of the various forms of mental illness are extremely high and yet often unmet. Approximately one in four Americans experience a mental disorder in any given year. Between five and seven percent of adults and between five and nine percent of children have serious mental illnesses or emotional disorders.³ These statistics suggest that out of Ohio’s population of 11.4 million more than two million children, adolescents, adults and seniors experience a mental disorder, and more than half a million of these are affected by serious and potentially disabling mental illnesses, every year. As the Final Report of The President’s New Freedom Commission on Mental Health (chaired by Ohio DMH Director Michael Hogan, Ph.D.) says on its first page, “Mental illnesses are shockingly common; they affect almost every American family.”⁴ The Report goes on to point out that, “despite substantial investments that have enormously increased the scientific knowledge base and have led to developing many effective treatments, many Americans are not benefiting from these investments.”⁵

“Investing in mental health today can generate enormous returns in terms of reducing disability and preventing premature death” according to the World Health Organization. “The priorities are well known and the projects and activities needed are clear and possible.”⁶ Treatment works...People Recover!

More than half of children and a significant majority of adults with mental illnesses do not receive services.⁷ A recent study supports this conclusion with findings that only 41.1% of those with a diagnosable condition during the year received treatment⁸. Similarly in a separate study, over half (about 54 percent) of individuals with major depression and a third of those with schizophrenia did not receive services in the course of a year⁹. Untreated mental illnesses impose direct and indirect, economic and non-

..Over half of people with major depression and a third of those with schizophrenia do not receive services.

³ Office of the Surgeon General, DHHS, 1999; DHHS, SAMHSA, 2002.

⁴ New Freedom Commission on Mental Health, DHHS, 2003, p.1.

⁵ Ibid, p. 2.

⁶ WHO, 2003, p. 6

⁷ Office of the Surgeon General, DHHS, 1999

⁸ Wang et al. 2005

⁹ Kohn et al., 2004, p. 861

Reducing the burden of mental illness requires reducing the treatment gap.

economic costs on individuals, families, schools, employers, and society at large. Reducing the burden of mental illnesses requires reducing the treatment gap.¹⁰

One can hardly pick up a newspaper or a magazine today without being reminded that public and private health care costs in the U.S. are rising at an unsustainable rate. Mental health spending has increased more than 15% from 1997 to 2001.¹¹ In 2001, total spending on mental health treatment was \$85 billion. This represents 6.2% of all health spending and \$192 per capita.¹² The indirect costs of mental illnesses from lost productivity exceed the direct costs. The combined total was estimated at \$148 billion in 1990¹³.

Public spending accounts for 63 % of the total and public costs have increased as a percentage of total spending. In fact, Medicaid has become the primary public purchaser of public mental health services¹⁴. These increased public costs are often the result of uneven private sector coverage of mental health treatment and late entry into care.

People with serious mental illness in Ohio had 32 years of life lost and three times greater risk of death...

Mental illnesses are neither contagious nor directly fatal. They can, however, have a devastating impact on the affected individuals, their families and significant others. Left untreated, they reduce life expectancy and may lead to suicide¹⁵. A recent study in Ohio found that people with serious mental illness requiring hospitalization had an average of 32 years of life lost and three times greater risk of death due primarily to other health risks, suicide and accidents. As chronic diseases, mental illnesses can exact a toll over many years. Unlike most other chronic diseases, however, mental illnesses are often highly stigmatized. This inhibits access to care and further exacerbates the consequences of the illnesses.

Worldwide, three of the six leading causes of years lived with disability are neuropsychiatric in nature (depression, schizophrenia and bipolar disorder). Measured by years lived with disability and by premature death, psychiatric and neurologic conditions accounted for 13% of the global disease burden in 2001. Mental illnesses (including suicide) ranked second only to all cardiovascular conditions in the burden of disease. It is likely that one family in four has at least one member who has a mental disorder¹⁶

The scope of public investment in our mental health delivery system and the high public cost of disability create a compelling need for effective public investment strategies. The benefits far exceed the cost of treatment. With the right mix of treatment and support, people recover!

¹⁰ Kohn, 2004.

¹¹ Ibid

¹² Mark et al., 2005

¹³ Rice and Miller, 1996.

¹⁴ Mark et al, 2005

¹⁵ Colton, 2002

¹⁶ World Health Organization, 2003, p. 4

Treatment for behavioral disorders is as effective as treatment for other medical conditions

Over the course of the past twenty-five years, the treatment of mental disorders has changed dramatically. Today, the vast majority of individuals with mental illnesses live, work and receive treatment and supports in the community, not in hospital settings. Most importantly, mental disorders are as treatable today as are chronic medical conditions. The vast majority of individuals with mental illness who receive appropriate treatment improve. For example, the rate of improvement following treatment for individuals with bipolar disorder is about 80 percent; for major depression, panic disorder and obsessive-compulsive disorder improvement rates are about 70 percent. The success rate for those with schizophrenia is 60 percent.¹⁷ These rates are quite comparable to rates of improvement for individuals who suffer from physical disorders, including asthma and diabetes at 70% - 80%, cardiovascular disease from 60% - 70% and heart disease at 41% to 52%.¹⁸

The consequences of failing to treat mental illnesses early are particularly significant. For instance, the clinical outcomes for schizophrenia are dramatically better if the first episode is successfully treated¹⁹. Continued deterioration and increased disability results from longer periods of psychosis. Early intervention can reduce future expenditures for nursing homes and long term residential supports for people with mental illness. To better understand the size and scope of this effect, an estimated \$300M is spent in Ohio annually on Medicaid reimbursement of nursing facilities for people with mental illness. The early identification and treatment of trauma in children can also help to prevent a lifetime of depression, anxiety and conduct disorder²⁰. A variety of new medications, while increasing short-term costs to Medicaid and other health purchasers, have reduced side effects and improved the long-term outcomes of mental health treatment, including the ability of individuals to successfully return to employment. While the growth in the cost of these medications has alarmed some payers, there are very effective ways to maintain open access to these new drugs while simultaneously managing the costs and maximizing patient outcomes.²¹

Providing treatment services in the community has been shown nationally and in a series of Ohio studies to reduce hospital bed days and overall spending. Data from Licking and Knox Counties, for instance, demonstrated that integrated treatment for people with mental illness and substance use disorders substantially reduced inpatient hospital and jail days²². Some consumers with previous annual hospitalization rates of over 200 days have been able to remain in the community, live independently, work and pay taxes as a result of these integrated services.

Success rates for the treatment of mental illnesses exceed many other medical conditions including asthma, diabetes and heart disease ... for individuals with bi-polar disorder the rate of improvement is 80% or more....

¹⁷ Policymakers' Fact Sheet on the Mental Health System, <http://www.bazelon.org/takeaction/legislation/campaign2000factsheet.pdf> and OACBHA, 2003

¹⁸ DHHS, 2000.

¹⁹ Lieberman, et al, 1997.

²⁰ Greenwald, 2002.

²¹ Dougherty, 2004

²² Communication with D. Crane-Ross, Ph.D. Program Administrator of Clinical Best Practices, ODMH, July 7, 2005.

Providing appropriate treatment and support to people with mental illnesses is highly effective in reducing mental health symptoms and level of disability. However, successful treatment can also help to achieve these other outcomes:

- Improve productivity by preventing premature deaths caused by suicide (generally equivalent to, and in some countries greater, than deaths from traffic accidents).
- Increase productivity from people with mental illnesses who are able to return to work.
- Increase the productivity and quality of life of family members who would otherwise have to provide care and support.
- Reduce absenteeism and presenteeism (present but with significantly diminished effectiveness) at work.
- Reduce spending in other public agencies such as criminal justice, social services, child welfare and juvenile justice.
- Over time, improve educational attainment, increase employment and social integration for young people whose treatment has allowed them to more fully benefit from their education and childhood supports.²³

Successful treatment of mental illness improves productivity

The productivity loss from untreated mental illnesses results in substantial direct and indirect costs to the economy and to individual businesses and public agencies. The reality is that employers, as well as teachers and police officers, are on the “front lines” in dealing with mental illness – they feel the greatest impact from emerging conditions and they are best able to ensure early identification and rapid response to need.

Lost productivity from mental illnesses cost more than \$78B in 1990...

- *The lost productivity and indirect costs are enormous.*
According to *The Surgeon General's Report*, mental illnesses imposed an indirect cost of \$78.6 billion on the American economy in 1990, resulting from lost productivity. In the late 1990's, these costs were estimated to have increased to \$113 billion.²⁴ These indirect costs of mental illnesses include lost productivity at the workplace, school and home due to premature death or disability.²⁵ More than 80 percent of these costs stemmed from disability rather than death.²⁶ Similarly, according to a 1999 study, the combined direct and indirect costs of treatment for employees with depression may be 4.2 times higher than for the average insured²⁷. As an example of these indirect costs, individuals with untreated depression, stress, or anxiety experience about two hours out of each workday that are unproductive²⁸. A 2002 study of short-term disability found that 3% of all employees had disability claims for mental illness. These accounted for 25% of all short-term disability claims.²⁹ Similarly Delta airlines found that depression and other mental illness accounted for

²³ <http://www.who.int/mediacentre/factsheets/fs218/en/>

²⁴ Rice, D. 1999.

²⁵ Rice & Miller, 1996

²⁶ http://www.surgeongeneral.gov/library/mentalhealth/chapter2/sec2_1.html

²⁷ Birnbaum et al, 1999

²⁸ Medstat, 2003.

²⁹ C. Dawa., 2003.

more employee disability days than any other major causes of disability. As a result, Delta has increased referral of employees to treatment to reduce the disability days and costs resulting from their mental illness.³⁰

- *Treatment of depression saves employers money*
A recent study showed a 6.2% increase in productivity and 22.8% fewer absences over two years for depressed individuals who received regular phone calls to encourage them to continue with treatment and medication. Employers saved more than \$2600 annually for each employee.³¹ Dramatically improved results were achieved from a simple additional intervention.
- *Successful treatment returns people to work.*
While 77 percent of the adult working age population is employed, only 33 percent of working age adults with mental health disabilities and only 17 percent of those with severe mental health disabilities are employed.³² This is one of the highest levels of unemployment of any group with disabilities³³. The Ohio Association of County Behavioral Health Authorities reports that 70 thousand individuals in Ohio with severe and persistent mental illnesses are unemployed.³⁴ This is only the tip of the iceberg. Many other chronically unemployed suffer from mental illness that impairs their ability to work but they are not eligible for publicly funded services or do not seek those services out. This high level of unemployment has obvious negative consequences for individuals and their families; but also for the Ohio economy, which loses the productive potential of thousands of residents. It reinforces the perceived disability of people with mental illness and leads to higher long term costs, especially in Medicaid. But survey data suggest that more than half of working-age adults with mental health disorders want, and consider themselves able, to work if they have access to employment services and supports³⁵. Many of these people can and increasingly do find work. Treatment works and people recover!

While two thirds of people with mental illnesses are unemployed, half consider themselves able to work and many of these can find gainful employment.

Successful treatment of mental illness reduces costs for other medical conditions

A large number of studies have identified the increased costs to the physical health care system (including Medicaid) from untreated mental illnesses. A growing body of literature has demonstrated the medical cost-offset resulting from appropriate mental health services³⁶. They have shown that:

- *Many visits to primary care physicians are actually related to mental health issues.*

³⁰ T. Woolridge, 2000.

³¹ Rost et al.2004.

³² Data from the National Health Interview Survey – Disability Supplement, 1994-95 cited in Judith A. Cook, “Employment and Income Supports,” Presented to the President’s New Freedom Commission on Mental Health, August 8, 2002, in Washington, D.C.

³³ Kaye, 2002, cited in Report of President’s New Freedom Commission

³⁴ OACBHA, 2004.

³⁵ Cook, 2002.

³⁶ <http://www.apa.org/practice/offset3.html>

A 1988 study found that between 50 and 70 percent of a physician's normal caseload consists of patients whose medical ailments are significantly related to psychological factors³⁷. Pediatricians are also increasingly overwhelmed by the volume and complexity of behavioral health issues for children in their practices. The challenge is that primary care physicians are generally not reimbursed sufficiently for the detailed evaluations and frequent follow ups that may be required to achieve positive outcomes.

- *Anxiety disorders cost the U.S. about \$42 billion a year in 1990, with more than half (\$23 billion) of that amount being spent on non-psychiatric medical treatment*³⁸. This suggests that “lots of people with anxiety disorders showed up in emergency rooms with panic attacks mimicking heart attacks . . . and in the offices of specialists with back pain, headaches, and many other symptoms – a desperate effort to relieve the symptoms of unrecognized or untreated anxiety.”³⁹ Based upon estimates of total healthcare spending in 1991, the costs of anxiety in both the specialty mental health system and primary care providers is almost 5% of total direct healthcare spending. Thus the total cost of treating anxiety related conditions could account for as much as \$500M in the 2004 Ohio Medicaid budget.
- *Costs for other medical conditions are very high.* People who were depressed were 70 percent more expensive to their employers for other medical costs than everybody else.⁴⁰ A similar study in a large U.S. financial services company found that the impact on employers from depression exceeded heart disease and lower back pain⁴¹. Another study looking at the relationship between quantifiable risk factors and short-term health care costs and found that depression and stress were the most predictive factors for increased short-term physical health care costs.⁴² Finally, a study at the Mayo Clinic identified that medical costs for children with ADHD were 2.2 times the cost of children without ADHD.⁴³
- *“Cuts in mental health services may adversely affect ... health status..., with no overall savings to payers.”*⁴⁴ For example, in several large corporations, the reductions in average utilization of outpatient mental health services by 4.2 units (days) of service was associated with an increase of \$850 per year in other health care costs. Sick time in several large corporations was 21% greater for employees who had used mental health services when those services were reduced. This amounted to an increase of 1.4 sick days that the authors attributed to the reduction in spending on services.
- *Patients with inadequately treated mental illness are heavy users of medical services.*

³⁷ VandenBos and DeLeon, 1988

³⁸ The Journal of Clinical Psychiatry, July 1999 cited in: <http://www.workplacementalhealth.org/-mentalhealthworks/issues/MHW3&4Qtr2004.pdf>

³⁹ Mental HealthWorks, 2004

⁴⁰ Medstat, 2003

⁴¹ Conti and Burton, 1994

⁴² <http://pn.psychiatryonline.org/cgi/content/full/37/12/20>

⁴³ Leibson, 2001.

⁴⁴ Rosenheck et al, 1999

If appropriate mental health services were made available, the resulting decrease in medical utilization could generate large savings for health care programs⁴⁵. Many individuals with chronic *medical* illnesses have been found to lower their *medical* costs between 18 and 31 percent after receiving targeted psychological services⁴⁶. Emotional well being aids in healing. We know that intuitively. In addition, studies have found that the medical costs of individuals who have *serious* mental illnesses can be reduced if those individuals receive appropriate treatment⁴⁷.

An analysis for the U.S. Senate Appropriations Committee projected that appropriate and timely treatment of mental disorders will produce a 10% savings in the use of medical services for these people with mental illness.⁴⁸

Increase access to mental health services for older adults

Across the country, the mental health system for older adults is in disarray. Over the next twenty years the growth in the number of older adults will have significant consequences for all of us. In Ohio, the proportion of the elderly population is expected to grow from 13.4% in 1995 to 19.6% in 2025. Nationally, the number of older adults with mental illness is expected to double to 15 million in by 2020⁴⁹. Proportionately, this would be as many as 650,000 mentally ill people in Ohio over the age of 65. Almost 20% of older adults experience mental problems that are not part of the normal aging experience. The rate of suicide in older adults is the highest of all groups with approximately 25% of all suicides committed by older adults. The physical impact of aging and other conditions, the significant changes in life brought on by retirement, the separation from and the deaths of loved ones and other factors add to the risk of mental illness for older Americans.

Across the country, the mental health system for older adults is in disarray

“Mental illness in older adults is under-diagnosed and under-treated”⁵⁰. In a recent study utilizing data from the 2001 National Survey of Drug Use and Health, older Americans were three times less likely to receive outpatient mental health care.⁵¹ As with all age groups it is critically important for services to be delivered in the least restrictive setting. “Many older Ohioans who need care are remaining in their homes or are moving to assisted living facilities.”⁵² This puts an enormous burden on county and local community based healthcare providers to deliver services to maintain individuals in their community while effectively treating the underlying mental illnesses.

The lack of a comprehensive mental health benefit through Medicare is one piece of the problem. States, counties and private health plans must fill the gap. Difficulty in access to services is another. Services must often be brought to older adults and be co-located with other health providers. Finally, mental illness is often one of several conditions affecting older Americans. Other conditions may be more visible, but poor mental health often has a more profound impact on longevity and quality of life.

⁴⁵ Hankin et al.,1983

⁴⁶ Lechnyr, 1992

⁴⁷ Dua, & Ross, 1993

⁴⁸ National Advisory Mental Health Council, 1993.

⁴⁹ Office of the Surgeon General, op cit.

⁵⁰ Sharfstein et al, APA, 2003

⁵¹ Karlin,B. and Duffy, M, 2004

⁵² OACBHA, Issue X, 2004

Providing appropriate mental health services for children and their families saves money in other service systems

There is evidence of an increasing level of disorder among youth....

Between 14% and 20% of all children have some type of emotional or behavioral disorder. Those with severe disorders are approximately 7% of the population and these children account for the vast majority of spending in children's mental health, child welfare and juvenile justice services. In Ohio, 11 percent of children, nearly 200 thousand, have a behavioral disorder that affects their functioning in school⁵³ and 30 to 40 percent of children in the Ohio child welfare system are diagnosed with mental illness.⁵⁴ Moreover, there is evidence of an increasing level of emotional disorders among youth in recent years, particularly in the juvenile justice system.⁵⁵

Half of all lifetime cases of mental illness begin by age 14...

Half of all lifetime cases of mental illness begin by age 14 according to a major new study.⁵⁶ U.S. Department of Education data shows that high school drop-out rates for youth over 14 with emotional disturbance were over 50%, approximately double that of the next highest disability group.⁵⁷

The high costs exacted by mental disorders are due in part to the fact that onset often occurs at a young age and mortality is relatively low⁵⁸. Numerous studies have demonstrated that the initial investment needed to provide early childhood mental health services returns long-term dividends by fostering improved familial relationships, improving education by ensuring that every child is ready for school, and reducing crime and the terrible toll it exacts from our communities each and every day.

Intervening earlier has the potential to reduce costs significantly over a lifetime. Statewide, over 9,000 children ages birth to five were reported to have received public mental health services in 2004. They primarily received ambulatory services, including assessments and individual counseling⁵⁹. This is a down payment for our future, but the needs are far greater than our current capacity. We need ***access to better care*** for our children. Recognizing this, all child serving agencies in Ohio are working together to improve access and quality of care for children.

A recent national study comparing costs in communities with and without "systems-of-care"⁶⁰ for children and youth found that expenditures for juvenile justice, the child welfare system and inpatient mental health systems were all higher in the non-system-of-care communities. The researchers conclude that the full fiscal impact of improved

⁵³ Ohio Commission on Mental Health, 2001, p. 18.

⁵⁴ *Ibid.*

⁵⁵ Schwank et al (2003).

⁵⁶ Kessler et al , 2005

⁵⁷ Stoddard and Kraus, 2004

⁵⁸ WHO, 2003, p. 14

⁵⁹ Ohio Multi-Agency Community Services Information System.

⁶⁰ Children's mental health "systems of care" refer to a set of 59 programs and communities funded by the Center for Mental Health Services at SAMHSA (and certain other replications) to deliver comprehensive services to families and children with serious emotional disturbance.

mental health services can be assessed only in the context of their impact on other sectors.

“Core mental health systems and special education costs were higher in the system-of-care community. . . [but] including spending in other service sectors in the analysis reduced the between-community cost difference from 81 percent to only 18 percent more for system of care.”

Dr. E. Michael Foster, who led the study, says,

"Mental health services that keep youth out of the juvenile justice system, for example, not only save tax dollars that would have to be spent on that sector but also reduce the suffering of the youth and their families. In addition, by not having a juvenile justice record, youth improve their chances of finishing high school and making a successful transition to adulthood and becoming future taxpayers." ⁶¹

Mental disorders in children disrupt their education and early careers. Untreated disorders reduce lifetime earnings and future tax payments, and may lead to the need for income supplements, housing and employment supports. On average, the first incidence of anxiety and impulse control disorders occurs at age eleven⁶². This is much earlier than previously thought. These are treatable conditions and yet a lifetime of difficulties and reduced performance may lie ahead of these youth if we don't treat them effectively. A particularly promising school and community based intervention is Ohio's "Care Team" approach. These teams are led by the principal and teachers in each school. They emphasize collaboration among the various agencies and professionals in the community to help students achieve success. These teams have dramatically increased graduation rates (62% to 92%) and proficiency scores and reduced severe behavior problems (students with three or more suspensions were reduced from 111 to 24) and delinquencies (from 60 to 2).⁶³

We can more effectively intervene through prompt and effective treatment of child and youth trauma. This can result in a lifetime of savings for many children. As an example of the impact of trauma, the National Mental Health Association⁶⁴ highlights the following statistics: "Incarcerated girls report significantly more physical and sexual abuse than boys, with more than 70% of girls reporting such experiences.⁶⁵ As a result of repeated exposure to multiple forms of violence and trauma, Posttraumatic Stress Disorder (PTSD) is prevalent among adolescent girls in the juvenile justice system, with nearly 50% meeting diagnostic criteria for the disorder.⁶⁶". These are preventable conditions with effective treatment and supports!

*More than
70% of
incarcerated
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physical or
sexual abuse...*

⁶¹ http://www.news-medical.net/print_article.asp?id=8700; also, <http://psychservices.psychiatryonline.org/cgi/content/abstract/56/1/50>

⁶² Kessler, RC et al, 2005

⁶³ Source - Richard L. Hull, Director of Curriculum Instruction and Special Services, Fairless Local Schools, Navarre, Ohio

⁶⁴ NMHA, See <http://www.nmha.org/children/justjuv/girlsjj.cfm>

⁶⁵ Evans, W, et al, 1996

⁶⁶ Cauffman, et al, 1998

Children of parents with bipolar disorder had a significantly increased risk of mental and affective disorders

Today's children are tomorrow's employees, employers and taxpayers...

For many, the criminal justice system has become the mental health system by default ...

The early treatment of mental illnesses among parents, especially poor women (many of whom are on Medicaid), is essential and represents a “high leverage” prevention strategy. Untreated mental illness in mothers can have a significant negative impact on their children. The impact is particularly clear for depression. The home visitation program known as Every Child Succeeds in Cincinnati⁶⁷ found that approximately 33% of the young mothers they visited had positive screens for depression and an additional 16% screened positive in the first year of parenting. A study of women and children in Australia found that children as old as 15 who were exposed to as little as one to two months of major depression in their mothers, or to more than 12 months of mild depression, had significantly elevated risks of depression themselves.⁶⁸ Other recent research showed that maternal depression was associated with antisocial behavior in children⁶⁹. Finally, yet another study revealed that children of parents with bi-polar disorder had a significantly increased risk of mental and affective disorders⁷⁰. While many mothers with these conditions are able to provide adequate care for their children in spite of their condition, many cannot and experience significant difficulty in teaching their children how to behave appropriately. Effective treatment can lessen the impact on our children.

Today's children are tomorrow's employees, employers and taxpayers. Investing in effective mental health treatment has a long-term benefit to our families, communities and society.

Treatment can reduce the scope of problems for the criminal justice system and for those who are homeless

According to the U.S. Department of Justice...in virtually every county in the nation, the county jail holds more people with severe psychiatric illnesses than any psychiatric facility in that county. Nationally, the Department of Justice estimates that 16% of the prison population, or 1 million people, had a mental illness⁷¹. The Ohio Department of Rehabilitation and Correction estimates that 12 percent of inmates are diagnosed as “seriously mentally ill.” Among Ohio’s incarcerated youth, the Department of Youth Services finds that approximately 40 percent have a significant mental health disorder, compared to 20 percent in the general population.⁷²

Untreated mental illnesses result in significantly increased cost and risk for the justice and correctional systems. For many, the criminal justice system has become their mental health system by default. Study after study shows, however, that the costs of incarceration far exceed the costs of mental health treatment and that savings can be realized by avoiding unnecessary incarceration.⁷³ Furthermore, inmates with severe

⁶⁷ A partnership of Cincinnati Children's Hospital Medical Center, Cincinnati-Hamilton County Community Action Agency/Head Start, and United Way of Greater Cincinnati.

⁶⁸ Hammen and Brennan, 2003

⁶⁹ Kim-Cohen et al., 2005

⁷⁰ Lapale, Hodgins, and LaRoche, 1997.

⁷¹ Bureau of Justice Statistics Special Report, Mental Health Treatment of Inmates and Probationers (NCJ 174463).

⁷² OACBHA, Issues I and III.

⁷³ For example, OACBHA reports that the average cost for a child to receive outpatient mental health treatment for one year is \$3,400, while it costs \$57,440 for the Ohio Department of Youth Services to incarcerate a child for one year. OACBHA, Issue III. The order of magnitude of cost differences is similar for adults.

mental illnesses ... are more likely to be beaten, victimized or commit suicide than those who are not sick.

Failure to treat people before they enter the criminal justice system is a major reason for the increase in jail populations. Inmates and probationers with mental illness are far more likely to have been unemployed and homeless, victims of physical or sexual abuse (more than 1/3rd), children of alcoholics and wards of the child welfare system⁷⁴. When people with severe mental illness are being treated, they are no more violent than the rest of the population. But lack of treatment significantly increases the risk of violence. When untrained law enforcement and corrections personnel, rather than medical professionals, care for people in psychiatric crisis, a significant risk is posed for the officers and the individual; the liability for local government escalates significantly.”⁷⁵

Incarceration is generally the result of violence or crimes against property but it is also a significant by-product of chronic homelessness. An estimated 30% of individuals in Ohio who are homeless have a serious mental disorder and many do not receive treatment.⁷⁶ California’s AB-34 Initiative demonstrated a 72% reduction in days of incarceration by reaching out to those who are chronically homeless. There was a corresponding decrease of 56% in days of psychiatric hospitalization and a 65% increase in the number of days of full-time employment.⁷⁷

30% of (the homeless) have a serious mental disorder...

The solutions lie in effective diversion programs, screening and treatment of prisoners and re-entry initiatives. To divert many individuals who are better served with treatment rather than prison, and to achieve a lower cost to society, Ohio has developed numerous efforts. For the past five years, Ohio has funded nine diversion programs that prevented 6568 jail days over a four year period.⁷⁸ As one example of the effectiveness of mental health courts, participants in Butler County Substance Abuse and Mental Illness (SAMI) Court had significantly lower combined costs in the community than they would have incurred in prison.⁷⁹ Ohio leads the country in its recent training of more than 1200 police officers on Crisis Intervention Teams. Additional screening efforts can help to identify the need for treatment in the prison population. Finally, re-entry initiatives are increasingly showing promise and are likely to help reduce the extraordinarily high readmission rates (more than 60% are rearrested in three years and 41% are reincarcerated⁸⁰). In 2004, Ohio’s Community Linkage program arranged care for over 2,300 post release offenders.⁸¹ These re-entry programs can help parolees find treatment, ensure access to medications and receive the housing and employment supports that will keep them out of jail in the future.

⁷⁴ Bazelon Center - See

<http://www.bazelon.org/issues/criminalization/factsheets/criminal3.html#>

⁷⁵ Faust, 2003

⁷⁶ Roth et al., 1985; see also Dickey, 2000 (citation missing)

⁷⁷ <http://www.ab34.org/data.asp>

⁷⁸ Balanced Score Card, 2004.

⁷⁹ Spaite and Kinnan, 2002.

⁸⁰ Beck, 2000.

⁸¹ Communication with Sandra Cannon, Chief, Office of Forensic Services, ODMH

Summary and conclusion

This paper has presented substantial evidence in support of the notion that Ohio and the nation should be providing timely and appropriate mental health care to all the children and adults who need it. As one group of researchers has said, “Mental health care is a necessary part of comprehensive health care systems, not because of its potential to save costs but, rather, because mental disorders are real and have adverse, sometimes life-threatening, consequences and because treatments are available that effectively reduce common mental symptoms and associated disabilities.”⁸²

We should find ways to expand access to care because ***treatment works*** and it is cost effective. With treatment, ***people recover***.

⁸² Olfson, Sing and Schlesinger, 1999, p. 80.

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