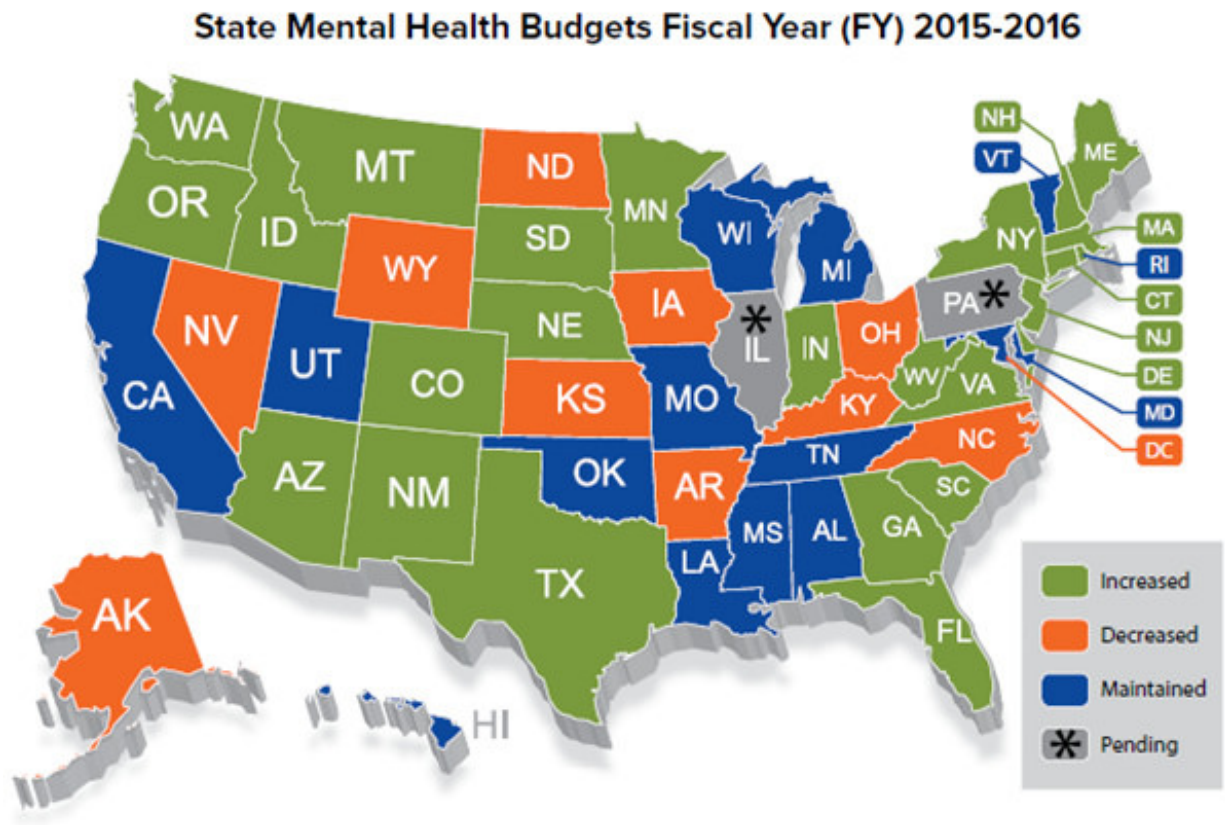


Mental health spending nets return by reducing jail population

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Mental health spending. Credit: Oregon State University

Each dollar a state spends on mental health care cuts roughly 25 cents off its jail expenditures by reducing its inmate population, a new study shows.

The findings, published in the journal *Social Science & Medicine*, suggest that 35 of the 44 states analyzed could reduce jail populations by spending more on public inpatient mental health care while maintaining their current level of community mental health care. The U.S. average cost for housing a jail inmate is \$60 a day.

Jangho Yoon and Jeff Luck, professors in the College of Public Health and Human Sciences at Oregon State University, looked at data from 44 states plus the District of Columbia over a nine-year period, examining the relationships among government spending on community mental health care, spending on inpatient mental health care and jail population.

Community care, which traces its roots to President Kennedy's signing of the 1963 Community Mental Health Act, evolved as an alternative to institutionalization. It involves a mix of public and private organizations that work with patients as they continue to live in their home city or town. Inpatient care, meanwhile, refers to facilities such as state mental hospitals.

People with mental illness make up a significant portion of jail populations, and many of those inmates could be safely supervised and more effectively treated somewhere other than jail. Effects of the treatment could include being less likely to behave in a way that results in being jailed.

While emphasizing their work does not support cutting spending for community mental health services, the researchers note that from a strict intersystem return on investment perspective, inpatient spending has a greater effect on lowering jail spending.

"Everyone has a right to treatment in the most safe and humane environment possible," Yoon said. "Our findings show that if per-capita public inpatient mental health spending is increased by 10 percent, the

jail population shrinks by 1.5 percent. The positive spill-over effect of increased inpatient spending is greater at lower levels of community spending, which shows the principle of diminishing marginal return applies here."

Likewise, Yoon noted, the positive spill-over effect of community spending is greater at lower levels of inpatient spending, "although a change in per-capita community mental health expenditure on average does not have a statistically significant effect on jail population size.

"An increase in public inpatient spending would decrease jail populations in the 35 states that spend less than \$134 per capita on community mental health care, and the District of Columbia, which also spends less than \$134 per capita," Yoon said.

Below that \$134-per-capita level, he added, "the associated benefit-cost ratio is 26 cents, which indicates a positive intersystem return on investment of 26 percent. Every dollar spent annually on inpatient mental health by a state would yield a positive spillover benefit of a quarter dollar for the jail system by reducing the number of inmates."

The research showed that spending on community mental health care loses its ability to reduce jail populations once spending levels rise to greater than \$16 per capita. Forty-two of the 44 states analyzed, as well as the District of Columbia, are below that threshold; thus, those states' jail populations would likely decline with an increase in community mental health spending while maintaining the current level of inpatient funding.

"Although there is significant cross-state variation, the ROI overall is much greater for inpatient spending," Yoon said. "Our results suggest that states whose policy aim is to reduce jail populations direct increased spending toward inpatient mental health rather than outpatient-based

community mental health."

More information: Jangho Yoon et al, Intersystem return on investment in public mental health: Positive externality of public mental health expenditure for the jail system in the U.S., *Social Science & Medicine* (2016). [DOI: 10.1016/j.socscimed.2016.10.015](https://doi.org/10.1016/j.socscimed.2016.10.015)

Provided by Oregon State University

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