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## Lessons Learned From Three Mental Health Diversion and Post-Release Programs

Conducted Pursuant to SR 125 of 2003

October 2007

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## Summary and Conclusions

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Senate Resolution 125 calls on the Legislative Budget and Finance Committee to work with the Council of State Governments Justice Center to determine the fiscal impact of three mental health diversion projects and to report on the desirability, viability, and appropriateness of encouraging similar programs throughout the Commonwealth. The three studies to be examined are:

- *Forensic Diversion and Diversion Simulation Model (Chester County)*
- *Justice, Treatment, and Cost: An Evaluation of the Fiscal Impact of Allegheny County Mental Health Court*
- *Assessing the Impact of the Gaudenzia FIR-St. Residential Treatment Program in the Context of Prison Release and Community Outcomes for Released State Prisoners With Mental Illness in Philadelphia*

### Findings

***Forensic Diversion and Diversion Simulation Model (July 2004 revision).***<sup>1</sup> In 2003, the Chester County Departments of Mental Health/Mental Retardation and Adult Probation and Parole began the planning process for a diversion program for individuals with serious mental illness, and often co-occurring substance abuse disorders, from jail to community-based treatment and support services.

As part of the planning process for this program, the Chester County Department of Mental Health/Mental Retardation engaged a consultant team to collect data and develop a diversion simulation model to estimate the program's cost effectiveness.

The study found:

- The amount of cost savings depends on who is diverted: The criminal justice system is more likely to save or avoid costs when program eligibility criteria include more severe offenses, due in large part of the expensive cost-per-day of jail beds.<sup>2</sup> The consultant team conducted three simulations:

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<sup>1</sup>Wertheimer, D., Griffin, P., and Hughes, D. (2004). Consultant Status Report: Forensic Diversion and Diversion Simulation Model. Chester County, Pennsylvania Department of Mental Health/Mental Retardation.

<sup>2</sup>Jail savings include both fixed and variable costs. The consultants used jail savings of \$64.25 per day, as estimated by Chester County officials. The PA Department of Corrections reports, however, that the estimated variable, or marginal cost, of an inmate day is only \$12. Thus the savings estimated by the report could not be achieved in the short term; they could only be achieved if either a jail could be completely closed or if the cost of building a new jail could be avoided.

- Simulation 1 included all misdemeanor offenses, Violation of Probation/Parole (VOP), and ungraded (drug) felonies. It was estimated that such a program would result in eight diversions per month and would save the county \$108,873 over a two-year period.
- Simulation 2 included all misdemeanors and summary offenses. It was estimated that such a program would result in four diversions per month and would cost the county an additional \$79,700 over a two-year period.
- Simulation 3 included all misdemeanors and summary offenses as well as Felony 3 offense. It was estimated that this program would result in six diversions per month and would save the county \$87,436 over a two-year period. The Chester County Forensic Diversion Steering Committee determined that Simulation 3 offers the most feasible and desirable diversion option for Chester County.
- The projected outcomes can only be achieved if appropriate services are delivered to the diverted clients. The consultants noted that one major barrier to the success of jail diversion programs nationally has been the lack of appropriate mental health and substance abuse services being delivered to diverted individuals. This is especially important in that most of the individuals that would be diverted have low levels of functioning and would therefore need relatively intensive levels of treatment services. These types of intensive service, in particular, are in limited supply in Chester County.
- Stable housing is essential to achieving positive outcomes, but Chester County has limited housing options for this population. The simulations assume that at least the majority of diversion participants will have access to stable housing. Because of the critical role housing plays in expected outcomes, the consultants note that the findings would have to be adjusted, or additional housing options would need to be added, if adequate housing could not be found.

***Justice, Treatment, and Cost: An Evaluation of the Fiscal Impact of Allegheny County Mental Health Court (2007).*** The Council of State Governments Justice Center commissioned the RAND Corporation to study the fiscal impact of the Allegheny County Mental Health Court program. This is a special court designed to divert mentally ill offenders out of the criminal justice system and into the mental health treatment system while at the same time ensuring public safety. The report compares the costs for participants in the Allegheny County Mental Health Court (MCH) program against the estimated cost for these same offenders under routine adjudication and processing.

The study found:

- Reduced jail expenditures<sup>3</sup> offset the cost of linking individuals to treatment in the community. In the first year after entering the MHC program, participant costs were \$29,892, 70 percent (\$20,820) of which were mental health treatment costs.<sup>4</sup> The costs for mental health treatment services exceeded the savings generated by reduced jail expenditures. In the second year, however, the drop in jail costs more than offset the treatment costs. Although total cost savings for the two years was not statistically significant, the increased savings generated at the end of the two-year period suggest that the MHC program may help decrease total taxpayer costs over time.<sup>5</sup>
- The diversion program shifts costs from Allegheny County to the Commonwealth and federal government. Although the MCH program may not generate any overall savings, it does shift costs between levels of government. In particular, jail services are funded mostly with county resources, whereas treatment services are funded primarily with Commonwealth and federal Medicaid dollars.
- The MHC program relies on high-quality treatment services being available in the community. MHC participants do not receive any priority for access to behavioral health services in their community. They do get extra support, coordination, and supervision from the MHC program itself, but they otherwise compete for admission to treatment services with all other individuals who need treatment services. In particular, RAND cited concern over difficulty in finding supportive housing, the lack of funding for substance abuse treatment services, and few high-quality programs for people suffering from co-occurring mental and substance abuse disorders in Allegheny County as potentially jeopardizing the program. RAND notes that other communities considering a diversion program need to ensure that sufficient resources exist to provide high-quality, evidence-based mental health and substance abuse treatment services. Nevertheless, the study shows that the MHC led to an increase in the use of mental health treatment services, which suggests that participants were successful in obtaining these services.

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<sup>3</sup>As in the Chester County study, the jail savings estimates are based on both fixed and variable costs. Specifically, RAND used an average daily cost of \$64.66 for an inmate prisoner housed among the regular population and \$98.35 for an inmate housed in a mental health “pod.” As noted above, the Department of Corrections estimates variable, or marginal cost, of an inmate day is only \$12.

<sup>4</sup>Total estimated first year costs (mental health plus jail costs) for hypothetical sentences for these MHC participants were \$27,236, \$13,976 of which were mental health costs.

<sup>5</sup>The study analyzed the data using two different approaches: a “counterfactual” analysis and a one-year pre/post analysis. One approach shows some incremental expense associated with the MHC program and the other shows some savings. RAND also conducted a two-year pre/post analysis which suggests that the costs to taxpayers drop the longer MHC participants are in the program.

- RAND found no evidence that the public safety was jeopardized by the MHC program. On the other hand, the MHC program, at least originally, targeted low-level offenders. More recently, felons with more serious criminal histories have been admitted to the program, raising concerns over the adequacy of supervision.

***Assessing the Impact of the Gaudenzia FIR-St. Residential Treatment Program in the Context of Prison Release and Community Outcomes for Released State Prisoners With Mental Illness in Philadelphia (2007).*** The Pennsylvania Department of Corrections contracted with Stephen Metraux, Ph.D., of the University of the Sciences in Philadelphia, to evaluate the Gaudenzia FIR-St. program. Gaudenzia FIR-St. is a residential, transitional treatment program for offenders with mental illness who are eligible for parole or early release. Gaudenzia FIR-St., therefore, is not a mental health diversion program: persons are not diverted to Gaudenzia FIR-St. rather than going to prison, nor is the program used as a means for expediting release for men treated for mental illness while incarcerated.

The study found:

- Gaudenzia FIR-St. does not reduce prison costs. Because paroling to the Gaudenzia FIR-St. program was not found to be associated with a shorter length of prison episode, there are no related cost savings that can be estimated from these findings.
- No evidence exists to suggest that Gaudenzia FIR-St. reduced rates of reincarceration or homelessness. Gaudenzia FIR-St. participants actually had higher rates of returning to prison than the matched control group, although the report notes that this finding can not be considered conclusive due to the small number of participants in the Gaudenzia FIR-St. program.
- Gaudenzia FIR-St. participants were more likely to be enrolled in Medicaid. Having Medicaid coverage is viewed as a positive outcome because such coverage is a key factor in being able to access community-based mental health services. Of the 50 Gaudenzia FIR-St. participants, 44 percent had Medicaid coverage within six months of prison release, compared to 24 percent of the control group that had received either on-going or intensive mental health services during their prison stay.

## Conclusions

1. Two of the three programs were essentially cost neutral; none yielded significant overall cost savings.<sup>6</sup> Although two of the three simulations used in the Chester County projected cost savings, the savings were modest. The analysis of the Allegheny Mental Health Court program also found few, if any, short term savings, but that at the 18-month mark reductions in jail costs more than offset increases in treatment costs. The Gaudenzia FIR-St. program is not a diversion program (offenders went to Gaudenzia FIR-St. after having served their prison sentence), and no cost savings could be identified.
2. The success of a diversion program depends on the availability of a strong community-based social service system. In Chester County, new housing, mental health, and substance abuse treatment services were not included as part of the program simulation; the model depended on the simulated program to link participants to pre-existing services.

In Allegheny County, MHC participants were linked to existing services in the community. While forensics support specialists do their best to access services for their clients, they report that supported housing can be difficult to find, funding for drug and alcohol programs is insufficient, and there are few high-quality programs for people suffering from co-occurring mental and substance abuse disorders. In the end, offenders must compete for housing and treatment services with others in the community and the availability of stable housing and high-quality mental health and substance abuse treatment services for these offenders is therefore critical to the success of these two programs. As noted above, however, despite these difficulties, the MHC was able to link participants to existing services in the community.

3. Diversion programs shift costs among levels of government. The cost to house someone in a county jail is borne primarily by county government, and the cost to house someone in a state prison is borne primarily by the Commonwealth. However, the cost to provide mental health and substance abuse treatment services is largely funded by the state and federal government, in approximately equal shares, through the Medicaid program. Therefore, even though diversion programs may yield

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<sup>6</sup>As noted earlier, cost saving estimates should be interpreted as possible savings from large-scale changes in utilization over the long run. In the long run, as new jails and prisons are built (or not built) and program funds are renegotiated, adjustments can be made to the capacity funded by the county (in the case of jails) and the Commonwealth (in the case of prisons). In the short run, however, most of the costs for jails and prisons are fixed and only some costs, such as those for medication and food, can be saved when there are only small changes in utilization.

no overall savings--or may even result in additional overall costs--savings may still accrue to an individual county if Medicaid funds can be used to provide treatment to offenders who are living in the community.<sup>7</sup> This point was made in all three reports, although none of the reports provided a financial analysis of the impact of such shifts.

Theoretically, the Commonwealth could similarly shift costs from state-funded prisons to the joint state/federal-funded Medicaid program. However, offenders in state prisons are generally more hardened and violent than those housed in county jails, and thus the risk to the public in diverting offenders who would otherwise go to state prison into the community to receive Medicaid mental health services would likely be viewed as unacceptable.

## Recommendations

Given the mixed results of the three studies cited above, we (the Legislative Budget and Finance Committee and Council of State Government staff) recommend the Pennsylvania General Assembly take an incremental approach to any expansion of county mental health diversion programs.

If the General Assembly decides to establish a competitive grant program to promote local programs, we recommend any such program:

1. *Award planning grants and implementation grants to select county governments that demonstrate—through the establishment and expansion of efforts such as police-based programs, specialized court responses, and jail/mental health partnerships—significant potential to reduce numbers of people with mental illnesses in local jails.*
2. *Require applications to involve local criminal justice advisory boards and require applications be submitted by a criminal justice entity and a mental health entity.*
3. *Require applicants to project the impact of their proposed action on “serious mental illness” jail populations and to explain how they will monitor (and measure) the impact of their efforts.*
4. *Use existing government agencies, such as the Pennsylvania Commission on Crime and Delinquency (PCCD), to administer the grant program, develop a request for proposals, review applications, and select grantees.*

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<sup>7</sup>Medicaid funds cannot be used for treatment for persons who are incarcerated.



## I. Introduction

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In September 2003, the Pennsylvania Senate adopted a resolution directing the Legislative Budget and Finance Committee to review the fiscal impact of three programs designed to divert people with mental illnesses from the criminal justice system into community-based care or to integrate these individuals back into the community upon release from correctional settings. The resolution, SR 125, was passed amid growing recognition that large numbers of people with mental illnesses were coming into contact with the criminal justice system—which was not designed or equipped to provide this population with appropriate services—creating operational and fiscal pressures with ramifications for public safety and public health. Diversion programs, designed to link this population with the services they need, were being implemented across the Commonwealth, but there was little evidence to confirm their effectiveness or data to assess their fiscal impact. SR 125 instructed the Legislative Budget and Finance Committee, working with the Council of State Governments Justice Center (Justice Center), to evaluate the fiscal impact of such programs and determine whether they warranted replication across the state.

SR 125 identified a jail diversion program in Chester County, a mental health court in Allegheny County, and a prison re-entry program in Philadelphia for evaluation, and in 2004 and 2005, the General Assembly provided funding to facilitate these evaluations. Chester County received a grant from the Pennsylvania State Department of Community and Economic Development to set up and evaluate its diversion program, with additional funding support from the U.S. Department of Health and Human Services. Human Services Research Inc. was contracted to conduct the evaluation. The Pennsylvania Department of Public Welfare (DPW) contracted with the Justice Center, which contracted with the RAND Corporation, to study the fiscal impact of the Allegheny County Mental Health Court. Additional support was provided by the Staunton Farm Foundation. The Pennsylvania Department of Corrections (DOC) contracted with the University of the Sciences in Philadelphia to study the prison re-entry program.

The studies, which were completed in December 2006, suggest that diversion programs like the ones in Chester and Allegheny Counties can be cost-neutral at the very least and have the potential to be cost-effective. Depending on aspects of program design (such as the clinical and legal eligibility criteria for program participation) costs associated with administering these programs can be less than the expenses that local and state governments incur for traditional case processing in the criminal justice system, without jeopardizing public safety objectives. The study of the prison re-entry program confirmed existing data that without specialized supervision and treatment, people with mental illnesses are particularly vulnerable and more likely to be re-arrested following release.

Pursuant to SR 125, this report summarizes the findings of the three studies and provides policy recommendations based on those findings for improving the response to people with mental illnesses involved with Pennsylvania’s criminal justice system. The report is structured as follows: Section (I.A) provides a general overview of the issues framed within the national context and Section (I.B) provides an overview of the problem as it exists in Pennsylvania. Section (II) summarizes each study, and Section (III) offers general conclusions and outlines policy recommendations based on the results of the studies.

## A. National Context

### The Problem

Across the country, the prevalence of mental illness in criminal justice settings is higher than it is among the general population. Approximately 5 percent of the U.S. population has a serious mental illness, compared with approximately 16 percent of the prison or jail population, according to U.S. Department of Justice reports.<sup>8,9</sup> Law enforcement, court, and corrections officials are encountering people with mental illnesses at increasing rates. Clinical factors that contribute to this phenomenon include the high rates of co-occurring substance use disorders among persons with mental illnesses that directly increase illicit activity and indirectly contribute to severe disabilities, impaired functioning, and impaired cognitive capacity.<sup>10</sup> Contributing socio-legal factors include high rates of homelessness among populations with mental illnesses/co-occurring substance use disorders that increase visibility and complicate community reintegration; longer periods of incarceration for similar crimes and sentences; and high recidivism rates upon re-entry compared with populations without mental illnesses. The statistics below illustrate a number of these socio-legal factors:

- a. In 1999, the Los Angeles County Jail and New York’s Rikers Island Jail held more people with mental illnesses than the largest psychiatric inpatient facilities in the United States.<sup>11</sup>
- b. Inmates designated as having a mental health problem in the Orange County, Florida Jail are more likely to be repeat offenders, stay in jail 67

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<sup>8</sup>U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Statistics. (2000). *Prison and Jail Inmates at Midyear 2000*. Washington, DC: Beck, A. J. & Karberg, J. C.

<sup>9</sup>U.S. Department of Justice, Office of Justice Programs Bureau of Justice Statistics. (1997). *Correctional Populations in the United States 1997*. Washington, DC. These numbers will be updated based on the upcoming BJS report on people with mental illnesses in prisons and jails.

<sup>10</sup>It is estimated that three-quarters of offenders with mental illnesses have a co-occurring substance use disorder: Abram, K.M., & Teplin, L.A. (1991). Co-occurring disorders among mentally ill detainees: Implications for Public Policy. *American psychologist*, 46(10): 1036-45.

<sup>11</sup>Torrey, E. F. (1999). Reinventing Mental Health Care. *City Journal* 9(4).

percent longer than other inmates, and are more likely to return within three years of being released.<sup>12</sup>

- c. During fiscal year 2003, within six months of their release, 67 percent of the offenders with mental illnesses in Kansas who were under community supervision were returned to prison for a condition violation (compared with about 40 percent of the total population released to supervision).<sup>13</sup>
- d. Miami-Dade County taxpayers spend \$18 per day to house inmates from the general population in jail. Taxpayers spend \$125 per day to house inmates with mental illnesses in jail.<sup>14</sup>

## Opportunities

The federal government has taken several steps to assist state and local governments struggling with these issues. In 2004, Congress unanimously passed the Mentally Ill Offender Treatment and Crime Reduction Act (Public Law 108-414), and in 2006 appropriated \$5 million for the Justice and Mental Health Collaboration Grant Program (JMHCP). An additional \$5 million to provide ongoing funding for the program was included in the FY 2007 budget.

The JMHCP is designed to increase public safety by facilitating collaboration among the criminal justice, juvenile justice, and mental health and substance abuse treatment systems to increase access to services for offenders with mental illnesses. The Bureau of Justice Assistance, an office within the U.S. Department of Justice, awarded 27 grants (three in Pennsylvania) in 19 states and the District of Columbia under the JMHCP in FY 2006. The grantees received funding to plan, plan and implement, or implement and expand collaborations to improve responses to people with mental illnesses involved in the criminal justice system. Many more jurisdictions in the Commonwealth applied for FY 2007 funding and grantees will be announced later this year.

The Substance Abuse and Mental Health Services Administration (SAMHSA) has also provided grant funding for diversion programs through its Targeted Capacity Expansion Initiative for Jail Diversion Program. Since 2002, SAMHSA has awarded over 30 grants of up to \$300,000 in communities—some in Pennsylvania—across the country.

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<sup>12</sup>Council of State Governments Justice Center. (2007). *Increasing Collaboration between Corrections and Mental Health Organizations: Orange County Case Study*. New York, NY: Council of State Governments Justice Center.

<sup>13</sup>Internal Kansas Department of Corrections statistic. (2004). Kansas application for technical assistance to the Council of State Governments and the National Institute of Corrections.

<sup>14</sup>Circuit Court of the Eleventh Judicial Circuit of Florida. (2004). *Final Report of the Miami-Dade County Grand Jury*. [http://www.miamisao.com/publications/grand\\_jury/2000s/gj2004s.pdf](http://www.miamisao.com/publications/grand_jury/2000s/gj2004s.pdf).

## **B. Pennsylvania Context**

### **The Problem**

In Pennsylvania, as is the case across the country, the increasing numbers of people with mental illnesses in contact with the criminal justice system should be understood within the context of an overall growth in prison and jail populations. The Pennsylvania DOC population has grown significantly since 1999 and that growth accelerated in 2005-2006. DOC officials project that the prison population will grow 17 percent by 2011. To accommodate that growth, they project the need to add 9,937 beds and build three new prisons by 2011, at a total construction cost of approximately \$672 million. People with mental illnesses are among the many drivers of this growth: DOC data show a 47 percent increase since 2000 in admissions of offenders with a mental health indicator. During the same period, the population with mental health needs has gone from occupying 14.3 percent of beds in the prison system to 18 percent of the beds.

Policies on the back-end of the criminal justice system contribute to the burgeoning prison population and high numbers of people with mental illnesses therein. People with mental illnesses are less likely to be approved for parole: a recent study conducted by the Pennsylvania Board of Probation and Parole found that offenders on DOC's Psychiatric Review Team Roster received parole approval upon meeting their minimum sentence date at a rate of 21 percent compared to a rate of 61 percent for offenders in the general population.<sup>15</sup>

Pennsylvania counties are struggling with similar trends. County spending on jail construction and operation has increased significantly in just the last five years: eight new jails will have opened in Pennsylvania since 2000, including a jail in Butler County scheduled to open next year.<sup>16</sup> Larger numbers of persons entering Pennsylvania's criminal justice system through county jail doors will invariably put pressure on state prison populations.

### **Opportunities**

The high percentage of people with mental illnesses involved in the criminal justice system is not an issue unique to Pennsylvania, but the Commonwealth is unusual in that policymakers have demonstrated long-standing legislative interest and programmatic activity to improve the response to this population. In addition to the programs that were studied under SR 125, multiple efforts to address the needs of persons with mental illnesses in the criminal justice system have taken place at the local, county, and state level over the last 10 years. Various pilot

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<sup>15</sup>The parole rate for offenders on the Psychiatric Review Team (PRT) roster was 21 percent; the parole rate for offenders on the mental health active roster was 37 percent; and the parole rate for offenders on the mental health inactive roster was 44 percent. This is compared to a 61 percent parole rate for offenders not on the mental health rosters.

<sup>16</sup>DOC figures cited in the *Pittsburgh Tribune-Review*.

projects and programs have been designed and implemented at the state and local level, such as the following:

- a. The Chief Justice of Pennsylvania’s Supreme Court recently formed the “Commission for Justice Initiatives Mental Health Taskforce” to provide Chief-Justice-led, statewide leadership on criminal justice/mental health issues. The taskforce plans to focus on law enforcement and corrections in addition to court systems as it develops its recommendations and action plan.
- b. Philadelphia, a National Institute of Corrections (NIC) learning site, worked to facilitate the re-entry of individuals with serious mental illnesses from the Philadelphia Prison System. Philadelphia was one of five NIC learning sites across the country.<sup>17</sup>
- c. Erie and York Counties operate mental health courts for individuals with serious and persistent mental illnesses, and Lackawanna County is starting a similar program.
- d. The Lancaster County Office of Special Offender Services provides court-funded probation officers and mental-health-funded case managers to clients with mental illnesses during their probation or parole sentences.
- e. Dauphin County received a Targeted Capacity Expansion grant from SAMHSA in 2006 to expand its existing diversion program, which is designed to reduce jail time for people with mental illnesses and co-occurring substance use disorders. The county will use the funds to create additional referral sources for the program, including law enforcement, pre-trial services, court personnel, and county probation.

Across the state, the demand for innovative programs is as high: there were 12 Pennsylvania applications to the federal JMHCP mentioned above in 2006, and three jurisdictions were awarded grants in the first round of funding.

- a. Allegheny County received a planning and implementation grant to design a Crisis Intervention Team for law enforcement officers which it

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<sup>17</sup>The five NIC Corrections/Mental Health learning sites are jurisdictions where corrections and mental health system leaders have made it a priority to increase collaboration between their systems. Teams of corrections and mental health administrators, with technical assistance from the Justice Center, work to improve public safety and public health outcomes for individuals with mental illnesses involved in the criminal justice system, increase collaboration and coordination among the different components of the criminal justice system (law enforcement, courts, and corrections) and community-based service providers, utilize data to inform quality improvement processes make more efficient use of limited corrections and mental health services resources, and translate lessons learned at the local level into comprehensive statewide initiatives.

will pilot in Pittsburgh. As part of program development, triage sites at two mental health facilities are being developed.

- b. Philadelphia received a planning and implementation grant to design a training curriculum and service protocols for a Crisis Intervention Team in the city's East District.
- c. Venango County received a planning grant to convene a collaborative criminal justice/mental health committee of community stakeholders to explore areas in which an intervention might be focused.

## II. Summaries of Senate Resolution 125 Studies

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The studies collectively address a person's initial reception to a jail, their appearance before a judge and sentencing, and re-entry from prison to the community. The first summary focuses on a cost simulation planning tool used in Chester County to plan for programs to divert people with mental illnesses from the Chester County jail.<sup>18</sup> The second summary focuses on the fiscal impact of the Allegheny County Mental Health Court, which provides court-supervised, community-based treatment for individuals in lieu of traditional case adjudication. The third summary focuses on persons with mental illness leaving the Philadelphia jail system, some of whom participated in the Gaudenzia Forensic Intensive Recovery-State (Gaudenzia FIR-St.) prison re-entry program.

### A. Chester County Simulation Planning Tool for Jail Diversion: Projecting Costs and Savings

#### Background

In 2003-2004, a consultant team comprising researchers from the Human Services Research Institute, the National GAINS/TAPA Center, and the Chester County Forensic Diversion Project developed a computerized budget simulation and resource allocation model for projecting the effectiveness and fiscal impact of implementing jail diversion programs for individuals with mental illnesses.<sup>19</sup>

The development and use of a simulation model (rather than an evaluation of an actual program), is useful for a number of reasons. First, models allow policymakers to learn how different aspects of different policies and systems interact and predict unintended consequences of program design before implementation.<sup>20</sup> Second, models allow policymakers to immediately see the effects of hypothetical changes to program design—the model can be easily updated as new information becomes available or circumstances change.<sup>21</sup> Third, models combine actual data with expert judgment to fill in any gaps in information.<sup>22</sup>

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<sup>18</sup>Although it is called the “Chester County Prison,” the facility is in fact a jail and will be referred to as such in the interest of clarity.

<sup>19</sup>Wertheimer, D., Griffin, P., and Hughes, D. (2004). Consultant Status Report: Forensic Diversion and Diversion Simulation Model. Chester County, Pennsylvania Department of Mental Health/Mental Retardation.

<sup>20</sup>Griffin, P. (2006). *Simulation Planning Tool for Jail Diversion: Projecting Costs and Savings*. Unpublished presentation. Harrisburg, PA.

<sup>21</sup>*Ibid.*

<sup>22</sup>*Ibid.*

## Methodology

The Chester County research team considered a variety of factors regarding individuals who might be included in the target population for a diversion program, the types of services they might receive, and expected outcomes based on those services:<sup>23</sup>

- a. Demographics
- b. Mental health status
- c. Current criminal charge
- d. Prior criminal charges in past three years
- e. Prior arrests in past three years
- f. Specific service needs
- g. Various service options
- h. Units of cost for mental health, substance abuse, and criminal justice services
- i. Probable service impacts

Data was collected between July 2003 and May 2004 by jail and Department of Mental Health/Mental Retardation staff. With the help of a panel of stakeholders from Chester County, consultants identified the mental health service packages—based on a range of functional levels—that were currently available in the community and those that would be needed by diverted individuals following the implementation of a program. Representatives from the Chester County criminal justice system provided estimates for the cost of police events, pretrial detention, court/trial events, probation/parole time, and the jail/prison time a person would receive on average for a given offense category.<sup>24</sup> After collecting and inputting this data, the consultant ran the simulation.

## Results

Consultants conducted three simulations based on different legal eligibility criteria. In addition to these differences in eligibility criteria, the simulations focused on the number of people that would likely be diverted per month, the number of jail days saved, net forward progress in individuals' functional level (clinical outcomes), and the cost difference between diverted and non-diverted groups. Table 1 summarizes the findings of each simulation.

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<sup>23</sup> Wertheimer, D., Griffin, P., and Hughes, D. (2004). Consultant Status Report: Forensic Diversion and Diversion Simulation Model. Chester County, Pennsylvania Department of Mental Health/Mental Retardation.

<sup>24</sup>*Ibid.*



Table 1

<b>Comparison of Three Simulations<sup>25</sup></b>			
	<b>Simulation 1</b>	<b>Simulation 2</b>	<b>Simulation 3</b>
<b>Number diverted per month</b>	8	4	6
<b>Charges included in simulation</b>	<ul style="list-style-type: none"> <li>• Misdemeanor 1-3</li> <li>• Violation of probation/parole</li> <li>• Un-graded felony (drug)</li> </ul>	<ul style="list-style-type: none"> <li>• Misdemeanor 1-3</li> <li>• Summary offenses</li> </ul>	<ul style="list-style-type: none"> <li>• Misdemeanor 1-3</li> <li>• Summary offenses</li> <li>• Felony 3</li> </ul>
<b>Jail days saved</b>	7,416	3,164	4,590
<b>Net “forward steps”<sup>26</sup> in functional improvements</b>	86	43	68
<b>Cost difference between diverted and non-diverted groups</b>	-\$108,873	+\$79,700	-\$87,436

Consultants also compared the distribution of costs among the criminal justice and mental health systems for each simulation. For the first simulation, which included violations of probation and parole and un-graded felonies, overall costs were reduced by roughly \$109,000: while criminal justice costs drop from 53 percent to 5 percent, community mental health costs increase from 31 percent to 95 percent compared with costs to serve a non-diverted cohort. In-jail mental health services drop from 16 percent to 0 percent. The number of jail days saved in this simulation explains the dramatic reduction in criminal justice costs and the increase in community treatment costs. In the second simulation, which did not include felonies or violations of probation and parole, overall costs increased by approximately \$79,700. Criminal justice system costs dropped from 48 percent to 5 percent, and community mental health treatment costs increased from 38 percent to 95 percent. In the third simulation, overall costs were reduced by roughly \$87,500 criminal justice costs drop from 45 percent to 5 percent and community mental health treatment costs increase from 35 percent to 95 percent. Exhibit 1 illustrates the cost distributions for Simulation 3.<sup>27</sup>

<sup>25</sup>*Ibid.*

<sup>26</sup>Change in functional levels was tracked according to the number of “forward” and “backward” steps in measured levels of functioning.

<sup>27</sup>Wertheimer, D., Griffin, P., and Hughes, D. (2004). Consultant Status Report: Forensic Diversion and Diversion Simulation Model. Chester County, Pennsylvania Department of Mental Health/Mental Retardation.

Exhibit 1

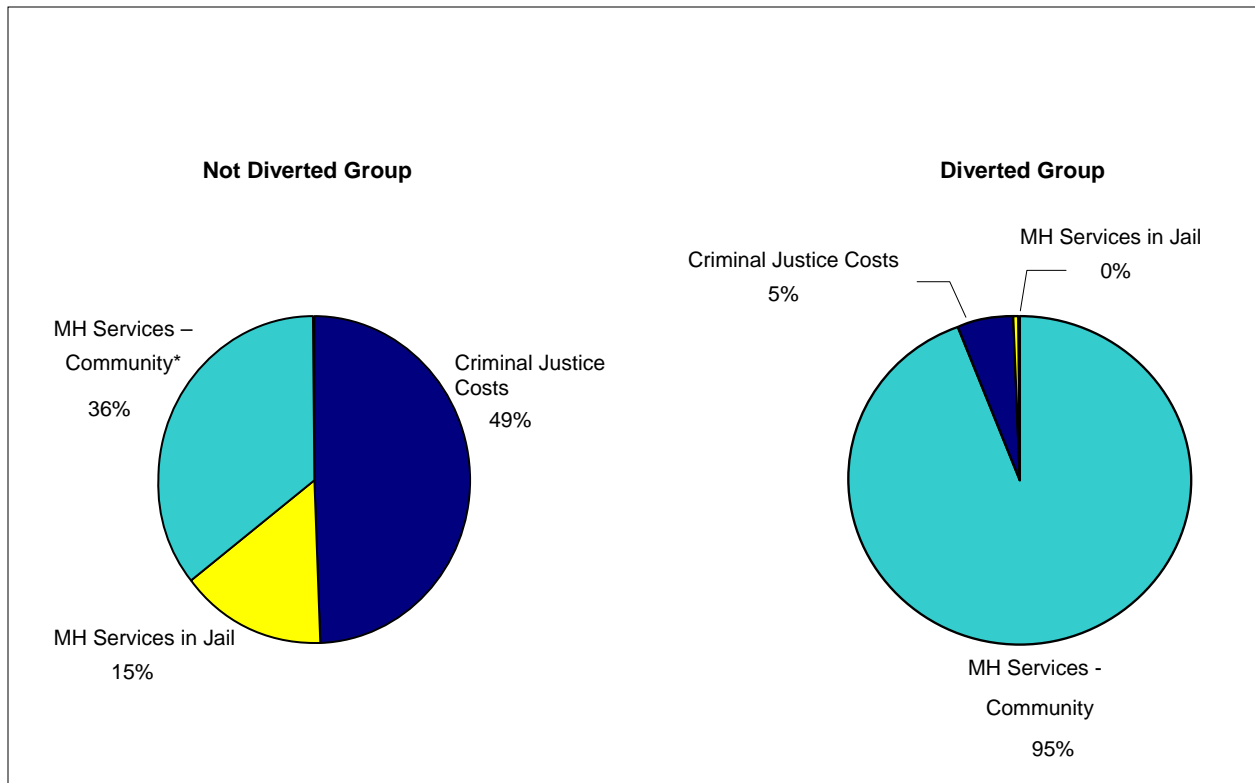
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**Resource Distribution, Simulation 3<sup>28</sup>**

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**Conclusions**

Based on the three simulations summarized above, researchers drew the following conclusions about the potential for a jail diversion program in Chester County:

- a. The criminal justice system is more likely to save or avoid costs when program eligibility criteria include more severe offenses, due in large part of the expensive cost-per-day of jail beds.<sup>29</sup> In subsequent analyses, it is also apparent that programmatic activities need to be sustained for about 18 months before overall costs to the county go down. (See Exhibit 2.)<sup>30</sup>

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<sup>28</sup>Griffin, P. (2006). *Simulation Planning Tool for Jail Diversion: Projecting Costs and Savings*. Unpublished presentation. Harrisburg, PA.

<sup>29</sup>Wertheimer, D., Griffin, P., and Hughes, D. (2004). *Consultant Status Report: Forensic Diversion and Diversion Simulation Model*. Chester County, Pennsylvania Department of Mental Health/Mental Retardation.

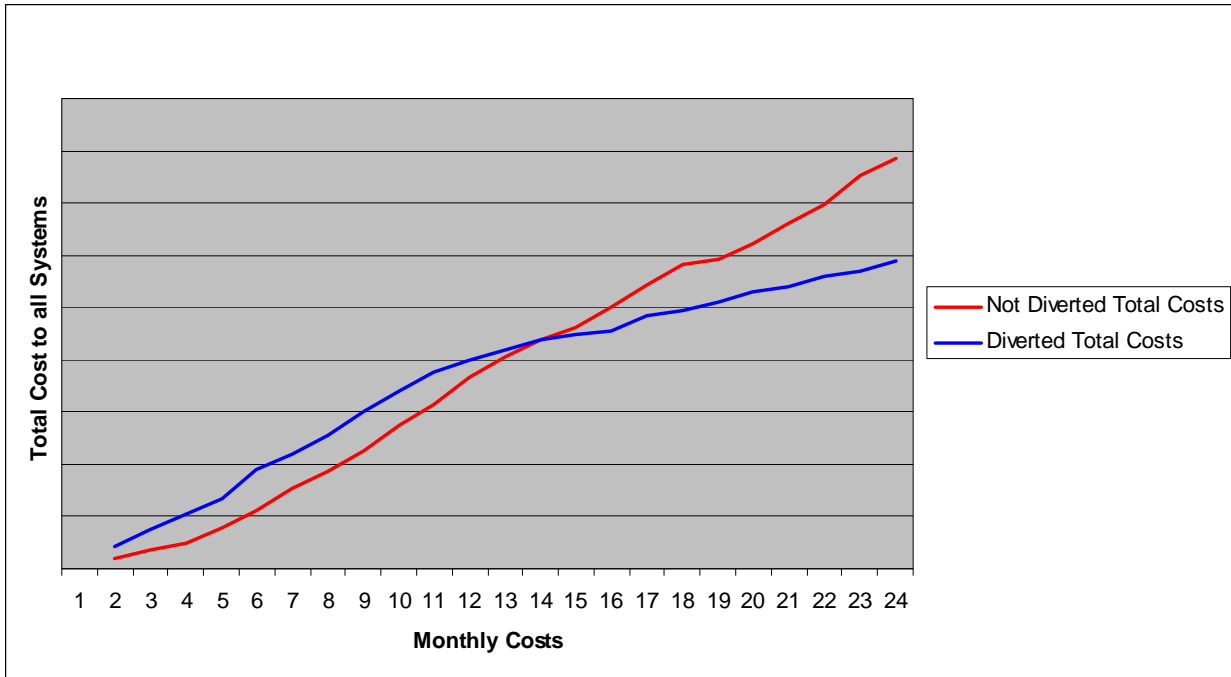
<sup>30</sup>Steadman, H. (2007). *PRA/CSG Jail Diversion Briefing*. Unpublished presentation. New York, NY.

Exhibit 2

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Monthly Jail Diversion Cost Scenarios Over 18 Months

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- b. While jail diversion programs can reduce the number of days an individual spends in jail, other outcomes are dependent on the availability of services. In particular, a basic cornerstone of services is needed to achieve the other outcomes described above: housing, case management (including Assertive Community Treatment), and integrated substance abuse services.<sup>31</sup>
  - c. In the simulations that produced a net savings to the county, the cost burden was shifted from the criminal justice system to the community-based service system, which is already strained for resources; however, it is important to note that the cost of community treatment can be shared with the federal government via Medicaid reimbursements. It is likely, then, that this cost shifting will present less of a burden to the community-based treatment system and may represent more dramatic savings overall to county taxpayers.
  - d. The simulations also suggest that jail diversion programs that accept individuals with more severe clinical diagnosis, more serious criminal

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<sup>31</sup>Griffin, P. (2006). *Simulation Planning Tool for Jail Diversion: Projecting Costs and Savings*. Unpublished presentation. Harrisburg, PA.

charges, and spend more time in the diversion program have the potential to produce the most significant cost savings.<sup>32</sup>

- e. Limitations: Several limitations to this approach should be highlighted. Importantly, simulation models are simply that, and real world applications are required to test the hypotheses. Second, cost shifting from corrections to mental health budgets is an issue that requires County level management to ensure adequate funding is available for community-based services. And finally, the designation of participants with more severe criminal charges for diversion will require active involvement of broad range of stakeholders, especially prosecutors and judges.

## **B. Justice, Treatment, and Cost: An Evaluation of the Fiscal Impact of Allegheny County Mental Health Court**

### **Background**

With grants from the Staunton Farms Foundation and the Pennsylvania Department of Public Welfare, the Justice Center contracted with the RAND Corporation to conduct a fiscal impact study of the Allegheny County Mental Health Court (MHC). Using administrative data from six state and county public agencies, researchers identified the criminal justice, treatment, and financial assistance costs for MHC participants, and compared those costs to the costs of routine adjudication and processing.<sup>33</sup>

Mental health courts are specialized dockets that provide individuals with mental illnesses court-supervised, community-based treatment in lieu of traditional case adjudication. The Allegheny County MHC is a collaboration among the Allegheny County Department of Human Services, Office of Behavioral Health; the Allegheny County Court of Common Pleas; the Office of the Public Defender; the Office of the District Attorney; and the Office of Probation and Parole. The MHC accepts individuals with a serious and persistent mental illness and/or co-occurring substance use disorder who have been charged with a misdemeanor or nonviolent felony. Once staff from the agencies mentioned above review and come to an agreement on an individual's case, a plea offer is made to the defendant to participate in the MHC program. If the individual accepts the offer, he or she pleads guilty and enters the program. During program participation, individuals are monitored by a forensic support specialist who

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<sup>32</sup>Griffin, P. (2006). *Simulation Planning Tool for Jail Diversion: Projecting Costs and Savings*. Unpublished presentation. Harrisburg, PA.

<sup>33</sup>RAND Corporation. (2007). *Justice, Treatment, and Cost: An Evaluation of the Fiscal Impact of Allegheny County Mental Health Court*. Santa Monica, CA: Ridgely, S., Engberg, J., Greenburg, M., Turner, S., Demartini, C., & Dembosky, J. W.

develops a treatment plan and a probation liaison. If participants adhere to the service plan and receive positive reviews from the forensic support specialist and probation liaison, the length of time they spend under probation supervision may be shortened.

## Methodology

Researchers obtained and linked data on individual MHC participants from six public agencies and generated a combined data set that included all available and relevant information on mental health, substance use, and criminal justice encounters over a defined period.<sup>34</sup> The costs of these encounters were aggregated for each participant, and constructed a quarterly record of individual utilization and costs from the combined data set. Researchers also constructed two comparison groups: First, a “counterfactual” group was developed by estimating the hypothetical costs that MHC participants would likely have incurred had there been no MHC program (i.e., costs based on the expected amount of time an individual would have spent in jail and/or on probation). Second, researchers used MHC participants as their own controls by conducting pre- and post-comparison on the costs associated with a previous arrest compared to the costs associated with the arrest that led to MHC participation.

## Results

Researchers found that MHC participants had come into contact with the criminal justice system in the years prior to their entry into the MHC program suggesting a “revolving door” quality to their contact with the criminal justice system without an MHC program in place. On average, MHC participants were arrested twice in the two years prior to MHC entry (including, in most cases, the arrest that triggered entry into the MHC program) and had spent almost half of the two years (an average of 345 days) in jail.

A comparison of the actual costs incurred by MHC participants and the hypothetical costs that would have been incurred had there been no MHC suggest that the MHC led to an increase in the use of mental health treatment services and

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<sup>34</sup>For a list of the data sources, please see Table 4.1 in RAND Corporation. (2007). *Justice, Treatment, and Cost: An Evaluation of the Fiscal Impact of Allegheny County Mental Health Court*. Santa Monica, CA: Ridgely, S., Engberg, J., Greenburg, M., Turner, S., Demartini, C., & Dembosky, J. W.

a decrease in jail time—but the decrease in jail expenditures almost offset the increase in treatment costs.<sup>35</sup>

An analysis comparing the costs of one year of MHC participation with the costs associated with prior arrests showed a small net decrease in costs in the first year of participation. In the first year after entering the MHC program, participant costs were \$29,892, 70 percent (\$20,820) of which were mental health treatment costs. An analysis comparing the costs of two years of MHC participation with the costs associated with prior arrests showed that both mental health service costs and jail costs were reduced (though the savings was not statistically significant), which suggests that the MHC may result in an overall decrease in costs to the county.

As with the Chester County simulation, the RAND study found that more seriously distressed subgroups (participants charged with felonies, participants suffering from psychotic disorders, and participants with scores indicating high psychiatric severity and low functioning) had larger estimated cost savings from participation in the program.

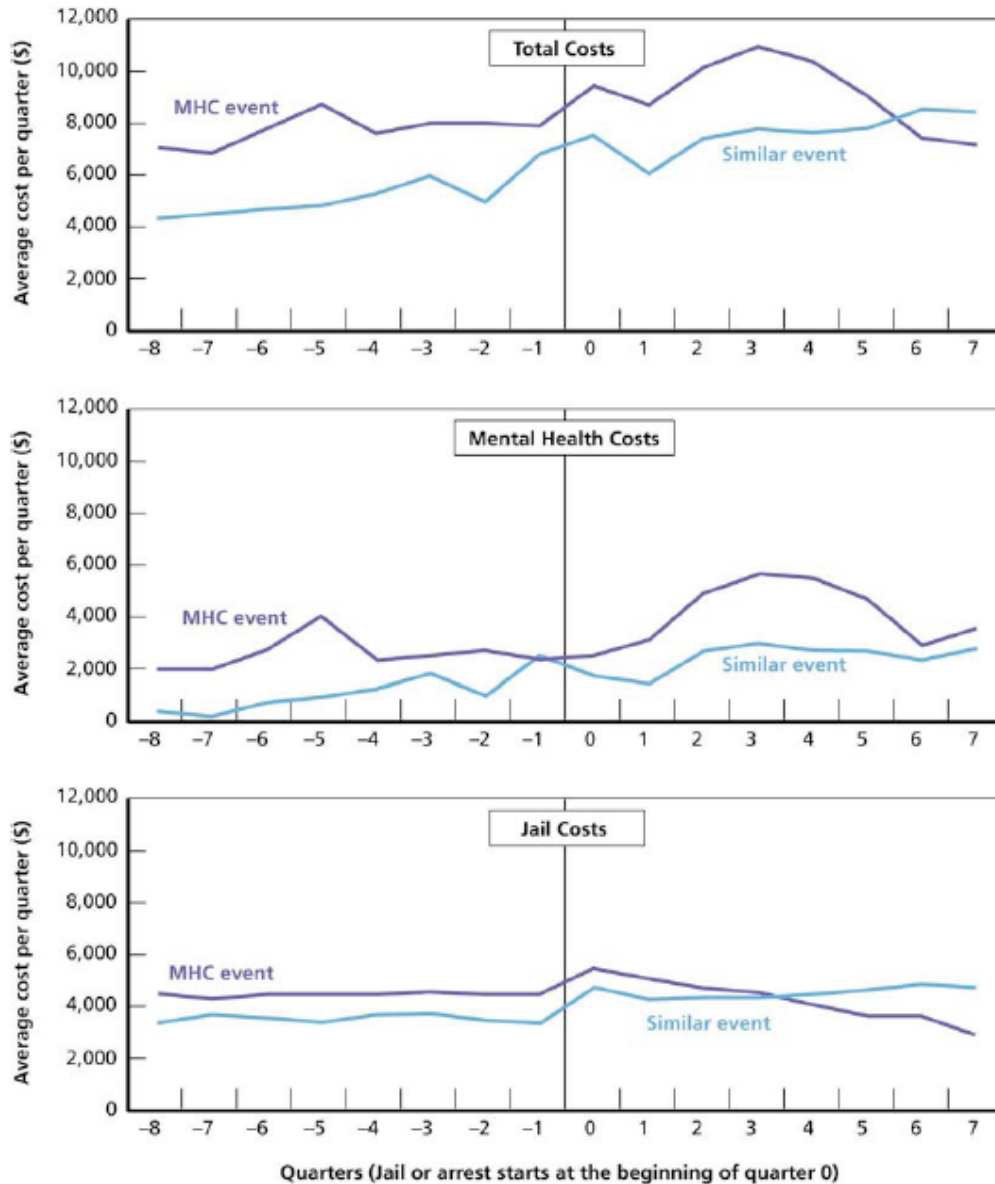
Another finding consistent with the Chester County simulation can be seen in Exhibit 3, which illustrates the total costs, mental health costs, and jail costs over this two-year period. Overall cost savings are realized by the system at about the 18 month mark. The two-year “pre/post” analysis showed that during the last two quarters of the second year of participation, the MHC saved an average of \$1,000 per quarter per person, a statistically significant finding.

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<sup>35</sup>The study authors noted “Although some of our cost estimates, such as those for claims-based mental health services, reflect payments that would be avoided if utilization were reduced, many other estimates are based on average costs. These estimates, such as the cost per day of jail or probation or the cost of program-funded mental health services, should be interpreted as the possible savings from large-scale changes in utilization over the long run. In the long run, as new jails and prisons are built (or not built) and program funds are renegotiated, adjustments can be made to the capacity funded by the county (in the case of jails) and the Commonwealth (in the case of prisons). In the short run, however, most of the costs for jails and prisons are fixed and only some costs, such as those for food, can be saved when there are small changes in utilization. As the Department of Corrections noted to us, the estimated *marginal cost* of an inmate day is only \$12. In the short run, program costs are fixed and do not vary at all for changes in utilization by MHC participants. We prefer our average cost method, however, as a more accurate reflection of the value of the resources used for these services. In many cases, when facilities or programs are operating at capacity, marginal reductions in utilization from programmatic innovations such as the MHC provide openings for other individuals who otherwise would not receive services. The average cost method reflects the value of the resources that can be redirected to these individuals.” RAND Corporation. (2007). *Justice, Treatment, and Cost: An Evaluation of the Fiscal Impact of Allegheny County Mental Health Court*. Santa Monica, CA: Ridgely, S., Engberg, J., Greenburg, M., Turner, S., Demartini, C., & Dembosky, J. W.

Exhibit 3

**Pre/Post Cost Comparison by Quarter (Two Year Follow-up)**



**Conclusions and Limitations**

Researchers concluded that the Allegheny County MHC successfully diverts people with serious mental illnesses out of the criminal justice system and into community-based mental health treatment and other services.<sup>36</sup> At the very least,

<sup>36</sup>RAND Corporation. (2007). *Justice, Treatment, and Cost: An Evaluation of the Fiscal Impact of Allegheny County Mental Health Court*. Santa Monica, CA: Ridgely, S., Engberg, J., Greenburg, M., Turner, S., Demartini, C., & Dembosky, J. W.

programs like the Allegheny County MHC can have a neutral fiscal impact while posing no added risk to public safety. At best, the study suggests that MHCs like the one in Allegheny County have the potential to save taxpayers money. Researchers also noted the following while the study did not assess fiscal impact according to levels of government, community mental health treatment costs are primarily supported by Medicaid, which suggests that in practice, larger savings to the community can be realized through cost sharing with the federal government.

Researchers also noted some limitations to the study. In particular, RAND cited concern over difficulty in finding supportive housing, the lack of funding for substance abuse treatment services, and few high-quality programs for people suffering from co-occurring mental and substance abuse disorders in Allegheny County as potentially jeopardizing the program. Also the construction of a “counterfactual” control group relied more on a series of well-informed assumptions rather than an actual control group of real individuals. But the fact that the findings of the “pre/post” analysis converge with the counterfactual analysis adds to the robustness of the findings. Researchers also noted that without a larger sample of MHC participants and a longer, prospective study of the MHC program, it is difficult to explain what accounts for the reductions in service utilization (and cost) at the end of the second year of participation.

## **C. Mental Illness and Reincarceration Among Persons Released From Pennsylvania State Prisons to Philadelphia Locations in 2001**

### **Background**

Researchers from the University of the Sciences in Philadelphia set out to evaluate the impact of the Gaudenzia Forensic Intensive Recovery-State (Gaudenzia FIR-St.) re-entry program on re-arrest, reincarceration, and the use of homeless services and community mental health services for individuals with mental illnesses. Some of the specific research questions included:

- a. Is mental illness a factor associated with longer prison stays and decreased likelihood of obtaining parole among individuals in state prisons?
- b. Is mental illness a factor associated with an increased likelihood of re-arrest and reincarceration among individuals released from state prisons? Is mental illness associated with increased frequency of homeless shelter use among individuals released to Philadelphia?



- c. Do participants in the Gaudenzia FIR-St. program get arrested and reincarcerated less, stay in homeless shelters less, and use behavioral health services less?<sup>37</sup>

## Methodology

Researchers used administrative data from six sources:

- a. Gaudenzia Inc., administrator of the FIR-St. program
- b. Pennsylvania Department of Corrections (DOC), administrator of Pennsylvania's state prison system
- c. Philadelphia Prison System (PPS), administrator of Philadelphia's jail system
- d. Community Behavioral Health, a behavioral health managed care organization that provides mental health and substance abuse services to all Medicaid recipients in Philadelphia
- e. Philadelphia Office of Emergency Shelter Services, administrator of the city's municipal shelter system
- f. Philadelphia Police Department

“Administrative data” refers to information on the recipients of services compiled electronically by the sources mentioned above. This type of data represents a practical and accurate means of collecting longitudinal data on service use for large numbers of people, and allows for individual records to be matched and merged across multiple datasets to produce a more comprehensive record of service use across systems. Researchers merged the data obtained by the six sources mentioned above by matching unique identifiers, such as social security number or some combination of name, sex, age, date of birth, and race.<sup>38</sup>

To examine whether mental illness was a factor associated with longer prison stays and decreased likelihood of obtaining parole among individuals in state prisons, researchers used 7,046 administrative records for men who were released from the state prison system between 1999 and 2002 to Philadelphia

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<sup>37</sup>Metraux, S. (2007). *Assessing the Impact of the Gaudenzia FIR-St. Residential Treatment Program in the Context of Prison Release and Community Outcomes for Released State Prisoners with Mental Illness in Philadelphia: Report to the Pennsylvania Department of Corrections*. Department of Public Health and Health Policy, University of the Sciences. Philadelphia: PA.

<sup>38</sup>*Ibid.*

locations. The study group included men who received mental health services while incarcerated and a control group who did not.<sup>39</sup>

Researchers used 2,463 records of individuals released from state prison to Philadelphia locations between 1999 and 2002 who received mental health services while incarcerated to examine whether mental illness was a factor associated with an increased likelihood of re-arrest. Researchers used records from 46 of these individuals who were released to the Gaudenzia FIR-St. program to evaluate whether participation in the program had an impact on re-arrest rates.<sup>40</sup>

Researchers used 2,684 administrative records of individuals released from state prison to Philadelphia locations in 2001 who received mental health services while incarcerated. These individuals were tracked for two years after release to assess rates of reincarceration in either DOC or PPS facilities. Researchers used 14 records of these individuals who were released to the Gaudenzia FIR-St. program to evaluate whether participation in the program had an impact on reincarceration rates.<sup>41</sup>

## Results

Using the data sets described above, researchers found that:

- a. Receiving mental health services while in prison was associated with a substantially higher likelihood of “maxing out” one’s prison sentence, as opposed to receiving parole. People who received intensive mental health services while incarcerated were 3.8 times more likely to max out than those with no record of receiving such services.
- b. There was no evidence that people who received mental health services in prison had different arrest rates upon release compared to individuals who did not receive mental health services
- c. Individuals released from state prison or Philadelphia jails who received mental health services while incarcerated were more likely to be reincarcerated upon release compared to those with no record of mental health services (37 percent compared to 29 percent).
- d. The number of records from the Gaudenzia FIR-St. program was insufficient to make any conclusions about the effectiveness of the program.<sup>42</sup>

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<sup>39</sup>*Ibid.*

<sup>40</sup>*Ibid.*

<sup>41</sup>*Ibid.*

<sup>42</sup>*Ibid.*

## **Conclusions and Limitations**

Using large available datasets, this study confirmed that people with mental health problems have difficulty satisfying parole approval criteria and as such, spend longer periods of time incarcerated than persons without these features. The study does not answer why this phenomenon exists, but potential explanations include the interplay of inmate clinical presentation and the limited availability of effective treatment programs in the community. While rates of arrest were not significantly different, having a mental illness is associated with spending more time in jail following release. This could be due to a lack of housing and/or effective treatment programs in the community. As noted by the authors, the effect of specific aftercare models for this population will require a larger sample size gathered over time to determine the effectiveness of such interventions. Study limitations also include the use of “any mental health treatment” as the defining characteristic for inclusion in the study groups when subsequent assessment may indicate that mental illness is not present.



### **III. Appendix**

# APPENDIX A

PRINTER'S NO. **1104**

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THE GENERAL ASSEMBLY OF PENNSYLVANIA  
**SENATE RESOLUTION**  
**No. 125**                      **Session of**  
**2003**

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INTRODUCED BY THOMPSON, M. WHITE, GREENLEAF, WONDERLING, RAFFERTY, HUGHES, COSTA, ORIE, CONTI, HELFRICK, KUKOVICH, ERICKSON, TARTAGLIONE, PILEGGI, ARMSTRONG, KITCHEN, STOUT, C. WILLIAMS AND LEMMOND, JULY 15, 2003

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REFERRED TO PUBLIC HEALTH AND WELFARE, JULY 15, 2003

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## A RESOLUTION

1 Directing the Legislative Budget and Finance Committee to  
2 provide a comprehensive report to the General Assembly and  
3 the Governor on data collected and evaluated by national  
4 experts, with the support of the United States Department of  
5 Health and Human Services and facilitated by the Council of  
6 State Governments, of two county-based mental health  
7 diversion programs and one program that works with offenders  
8 with mental illnesses released from State prisons in this  
9 Commonwealth and to demonstrate the fiscal impact of these  
10 programs and the desirability, viability and appropriateness  
11 of encouraging similar program development, implementation  
12 and funding options throughout this Commonwealth.

13 WHEREAS, The Legislative Budget and Finance Committee is a  
14 bipartisan, bicameral legislative service agency consisting of  
15 12 members of the General Assembly established by statute to  
16 conduct studies and make recommendations aimed at eliminating  
17 unnecessary expenditures, to promote economy in the government  
18 of the Commonwealth and to assure that Commonwealth funds are  
19 being expended in accordance with legislative intent and law;  
20 and

21 WHEREAS, The committee is authorized to conduct a wide range  
22 of research activities pertaining to the operation and

## Appendix A (Continued)

1 performance of State-funded programs and agencies; and  
2 WHEREAS, The inmate population in this Commonwealth grew at a  
3 rate of 5.5% last year, up from zero growth in 1999, and now  
4 tops 40,000 people; and  
5 WHEREAS, Corrections officials have stated that this growth  
6 rate is the equivalent of a new prison every year; and  
7 WHEREAS, Many of these increased admissions are nonviolent  
8 offenders and technical parole violators who have committed no  
9 crime but have violated a condition of their parole; and  
10 WHEREAS, The rate of mental illnesses in Commonwealth prisons  
11 and local jails is between two and three times the rate in the  
12 general population, with approximately three quarters of these  
13 individuals having a co-occurring substance abuse disorder; and  
14 WHEREAS, The growing number of inmates with mental illnesses,  
15 and the difficulty of screening for and treating these  
16 individuals, can weaken staff morale, jeopardize the proper  
17 operation of correction facilities and contribute to jail and  
18 prison overcrowding and the cost of operating corrections  
19 systems; and  
20 WHEREAS, The justice system offers in most cases no treatment  
21 alternatives to incarcerations, and in most places in this  
22 Commonwealth the mental health, substance abuse and criminal  
23 justice systems offer an uncoordinated system of care or no  
24 effective response for individuals with a serious mental illness  
25 or co-occurring substance abuse disorder; and  
26 WHEREAS, The use of newer psychotropic medications has  
27 resulted in improved response to treatment for individuals with  
28 a serious mental illness, and access to these new medications  
29 has resulted in restored health and enhanced public safety; and  
30 WHEREAS, Criminal justice, mental health and substance abuse

## Appendix A (Continued)

1 systems that do not provide a coordinated response to  
2 individuals with serious mental illness often end up using  
3 expensive public safety and emergency services to respond to  
4 some of those individuals; and

5 WHEREAS, System integration between the mental health,  
6 substance abuse and criminal justice systems at the county,  
7 regional and State levels can provide prompt, appropriate  
8 treatment and interventions to break the cycles of  
9 decompensation and incarceration to successfully reduce the  
10 number of individuals with serious mental illnesses entering  
11 into, residing in and reentering the criminal justice system;  
12 and

13 WHEREAS, The Council of State Governments in June 2002 issued  
14 a comprehensive report, "The Criminal Justice/Mental Health  
15 Consensus Project Report," designed to help State and local  
16 government officials who are dealing with the problem of  
17 significant numbers of people with a mental illness or a mental  
18 illness with co-occurring substance abuse disorder in prison or  
19 jail; and

20 WHEREAS, This report lists several instances in the criminal  
21 justice system, from the initial call to police to a person's  
22 release from prison to a person's parole violation, where State  
23 and local government officials can take steps to improve the  
24 response to people with mental illnesses who come into contact  
25 with the criminal justice system; and

26 WHEREAS, National experts working with the support of the  
27 United States Department of Health and Human Services in  
28 conjunction with the Council of State Governments have assisted  
29 Chester County officials in simulating the fiscal impact of a  
30 planned mental health diversion program, Allegheny County



## Appendix A (Continued)

1 officials in evaluating the fiscal impact of a mental health  
2 diversion program already under way and Philadelphia County  
3 officials in evaluating the fiscal impact of the Gaudenzia  
4 Forensic Intensive Recovery State Program; therefore be it  
5 RESOLVED (the House of Representatives concurring), That the  
6 General Assembly direct the Legislative Budget and Finance  
7 Committee to work with the Council of State Governments to  
8 secure any evaluation information that is developed regarding  
9 the programs in Chester County, Allegheny County and  
10 Philadelphia County and within 120 days of receipt of this  
11 information provide a report, that has received comments from  
12 appropriate staff at the Department of Corrections and the  
13 Department of Public Welfare, to the General Assembly and the  
14 Governor demonstrating the fiscal impact of these programs and  
15 the desirability, viability and appropriateness of encouraging  
16 similar program development, implementation and funding options  
17 throughout this Commonwealth; and be it further  
18 RESOLVED, That the Legislative Budget and Finance Committee  
19 in its report also address the desirability and viability of  
20 replicating the use of the simulation model being used in the  
21 Chester County program.



**APPENDIX B**  
**Responses to This Report**



COMMONWEALTH OF PENNSYLVANIA  
**DEPARTMENT OF PUBLIC WELFARE**  
P.O. BOX 2675  
HARRISBURG, PENNSYLVANIA 17105-2675

**Estelle B. Richman**  
Secretary

Telephone 717-787-2600/3600  
FAX 717-772-2062

SEP 26 2007

Mr. Philip R. Durgin  
Executive Director  
Legislative Budget and Finance Committee  
400 Finance Building  
P.O. Box 8737  
Harrisburg, Pennsylvania 17120

Dear Mr. Durgin:

Thank you for the opportunity to comment on the Legislative Budget and Finance Committee (LBFC) report *Lessons Learned From Three Mental Health Diversion and Post-Release Programs*, prepared pursuant to Senate Resolution 125 of 2003.

The safety of our Commonwealth citizenry is a paramount concern to the Department of Public Welfare (DPW). As demonstrated in the LBFC report, public safety can be best served by appropriately addressing the mental health needs of our offenders and DPW supports this finding as well as the major recommendations contained in the report. In particular, DPW supports the following specific recommendations set forth in the report:

1. We support the recommendation for an incremental approach to expansion of county mental health diversion programs through a competitive grant program for planning and implementation of police-based programs, specialty court initiatives and jail/prison-based mental health programs and specialized re-entry planning programs. To bring proven practices to scale will require a sustainable, dedicated funding stream to support mental health/ criminal justice diversion and re-entry programs beyond the grant funding.
2. We support the development and involvement of criminal justice advisory boards and joint state agency oversight of the grant and dedicated funding.
3. We support the requirement that jail diversion and re-entry programs monitor and measure the impact of their efforts and incentives be linked to positive outcomes.

4. We support partnering with the Pennsylvania Commission on Crime and Delinquency (PCCD) to administer a grant program, assist with the selection process and monitor the outcomes.

Furthermore, DPW notes that the LBFC report is consistent with the recommendations of the Office of Mental Health and Substance Abuse Services (OMHSAS) Forensic Agenda Work Group Report of November 2006: *Recommendations to Advance Pennsylvania Responses to People with Mental Illness and/or Substance Use Disorders Involved in the Criminal Justice System*. In light of this consistency among the reports, our specific comments with regard to the LBFC conclusions are as follows:

1. Cost neutrality/cost savings over time:

- Of the programs addressed, the Chester County Forensic Diversion and Diversion Simulation Model and the Allegheny County Mental Health Court demonstrated cost neutrality in the short-term and cost savings in the long-term. Such a finding is significant in that it underscores the benefits of and need for ongoing funding for jail diversion programs, and that is community-based in order to maximize access to Medicaid.
- We would like to work with the Department of Corrections (DOC) and the Pennsylvania Board of Probation and Parole (PBPP) to explore the possibility that the Gaudenzia Program has the potential to offer cost savings if it were utilized to transition individuals from the Philadelphia area who are eligible for parole and eligible for Medicaid funded treatment services.

2. Availability of a strong community-based social service system:

- Overall, the report indicates that with adequate and appropriate mental health and substance use services, some people can be diverted from incarceration to treatment with no evidence of additional risk to the community and substantial evidence of decreased recidivism.
- Collaborative case management that can span the mental health/ substance use and criminal justice systems is another critical factor to the success of diversion or re-entry programs. This coordinated effort makes community based supports more readily available and can improve program outcomes.
- We agree that access to safe and affordable housing is critical to the success of any diversion and re-entry program.

3. Cost shifts among levels of government:

- The statewide expansion of HealthChoices for behavioral health services creates a major opportunity for reducing costs at multiple levels of government. With increased access to jail diversion and re-entry programs and more consistent access to federal and state funded Medicaid services, people who have been or have potential to become involved in the criminal justice system will avoid incarceration or re-incarceration. This, in turn, reduces state and county spending on prisons and jails.

Overall, we feel that the report provides valuable information regarding the fiscal impact that supports our efforts to address some very complex issues. DPW is pleased to have had the opportunity to participate in the study and collaborate with our partners in the DOC, PBPP, and the PCCD.

DPW takes very seriously the commitment to provide services to people who have serious mental illness and often co-occurring substance use disorders. To fulfill this commitment, DPW seeks to prevent or divert those at-risk individuals from involvement in the criminal justice system whenever possible, to ensure prompt and appropriate treatment for those incarcerated, and to develop comprehensive treatment and support plans for those returning from incarceration. We believe the creation and provision of these services are not the responsibility of any one system and require communication, collaboration and cooperation across state agencies.

DPW will continue to work with other state and county agencies so as to ensure that people involved in the criminal justice system receive the services they need. In closing, we support the findings of the LBFC study and look forward to ongoing, multi-lateral collaboration.

On behalf of DPW, I wish to thank you and the Council of State Governments for conducting the study and for allowing us the opportunity to comment on it.

Sincerely,



Estelle B. Richman

cc: Ms. M.L. Wernecke, Director of Policy Development

RECEIVED OCT 02 2007



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF CORRECTIONS  
P. O. BOX 598  
CAMP HILL, PENNSYLVANIA 17001-0598

OFFICE OF THE  
SECRETARY OF CORRECTIONS

September 26, 2007

Mr. Philip Durgin, Executive Director  
Legislative Budget and Finance Committee  
PO Box 8737  
Harrisburg, PA 17105-8737

Dear Mr. Durgin:

I received the draft report, *Lessons Learned From Three Mental Health Diversion and Post-Release Programs*, and asked several members of my staff to provide comment.

Let me begin by saying that we believe that there is support in the broader research literature on effective interventions, to support diversionary, community-based programs for less serious offenders. The *Washington Institute for Public Policy* is but one entity that has studied the effects of programs, including mental health programs, on recidivism reduction and cost savings and has found positive results. We believe, as you indicated throughout your report, that a key to both effective and efficient initiatives, is to have intensive, quality programs run by highly skilled and experienced professionals available in the community.

In addition to this general comment, our specific feedback is provided below and is organized according to the report's sections.

Findings:

**Justice, Treatment, and Cost: An Evaluation of the Fiscal Impact of Allegheny County Mental Health Court (MHC) (2007)**

It was found that MHC program participants are not receiving priority when accessing community services and compete for admission to treatment services (p. S-3), however, the assessment of offender needs should occur when servicing individuals needing mental health care and those with more severe and immediate needs should be prioritized for services.

There was a statement concerning the targeting of low-level offenders (p. S-4). Low-level and low-risk should not be confused with one another. Low level offenders may be at significant risk, according to actuarial instruments, to reoffend. This is evidenced by the Department of Corrections' (DOC) finding that approximately 73 percent of inmates serving short minimum sentences (less than 12 months to their minimum sentence at intake into the DOC) are at medium to high risk to commit additional crimes.

## **Assessing the Impact of the Gaudenzia FIR-St. Residential Treatment Program in the Context of Prison Release and Community Outcomes for Released State Prisoners with Mental Illness in Philadelphia (2007)**

The statement that “Gaudenzia FIR-St. provides services only to prisoners who have either completed their sentence or have been paroled” (p. S-4) is not accurate. The DOC places pre-release cases (inmates who have not yet reached their minimum sentence but who by law and internal DOC policy are eligible for community placement) at the facility and offenders who have completed their sentences are **not** placed there. The same response was also made in regard to the statement that “offenders went to Gaudenzia FIR-St. after having served their prison sentences” (p. S-5).<sup>1</sup>

One of the major reasons that the DOC established the Gaudenzia FIR-St. program is to prevent inmates with serious mental illness from serving their maximum sentence and being released to the community without supervision. This program provides a “step-down” for the serious mentally ill within a structured, therapeutic community living environment. Given that there is a fundamental misunderstanding of the target population for this program, we believe that it is necessary for you to rethink the fiscal analysis done for this program.<sup>2</sup>

On page S-6 you suggest that state prisoners are a riskier population than county jail inmates. This is not necessarily accurate. While state prisons certainly hold more criminals whose instant offenses are violent, this does not necessarily mean that this population is at heightened risk to reoffend. In fact, research studies show that property and drug offenders, many of whom are housed in county jails, score higher on an actuarial risk instrument predicting recidivism than violent offenders as a group.

### *I. Introduction*

The notion that “without specialized supervision and treatment, people with mental illnesses are particularly vulnerable and more likely to be re-arrested” (p. 1) is not supported by current research.<sup>3</sup>

The mention of offenders with mental illnesses having high recidivism rates (p. 2) is not supported by the Department’s recidivism research which indicates relatively low levels of additional criminal activity among this population. In addition, we suggest that a more recent source be used for footnote number 12 as the one cited is outdated.

An observation was made concerning the taxpayer spending to house general population inmates (\$18 per day) in Miami-Dade County (p. 3). The question was raised as to whether or not the spending per day includes all personnel and operating costs.

[Page four was omitted from our draft materials.]

### *II. Summaries of Senate Resolution 125 Studies:*

A few comments were made in regard to the Chester County Simulation Planning Tool for Jail Diversion evaluation (p. 9). The simulated comparisons appear to include a like number of days in



the community and in the county jail. It was not obvious if community treatment could be completed in less time than the number of days spent in a county jail or the impact this may have on future incarcerations. It was further mentioned that if inmates can complete community treatment in fewer days than they would have spent incarcerated and then also avoid future incarceration, cost savings would definitely increase.

In reference to the limitations of the Chester County evaluation (p. 12), a comment was made to take note of the marginal cost versus cost per inmate per day issue in the cost estimates. In addition, the same comment was made concerning the statements made in the second paragraph on page 16.

Questions were raised in regard to the control group in the Gaudenzia FIR-St. evaluation (p. 18): On what characteristics was the control group matched to the study group? Do the parolees in this group have the same mental health issues as the participants in the Gaudenzia program? If the answers to these questions are known, we may have a clearer picture as to how the Gaudenzia program participants compare with those inmates with mental health issues who serve their maximum sentences and who are not placed in these programs. Inmates who receive mental health services have obvious factors that would lead to "maxing out," troublesome behavior and difficult placement in the community. As such, there is an attempt being made to reduce the instances of "max outs" through participation in the Gaudenzia program.

Also, in the results section, section C reports that inmates who received mental health services while incarcerated had a greater likelihood of reincarceration than inmates with no mental health records (37 percent compared to 29 percent). It was questioned whether or not this is a statistically significant finding.

Thank you for affording the Department an opportunity to provide comments. Please do not hesitate to contact me if any clarification is needed.

Sincerely,



Jeffrey A. Beard, Ph.D.  
Secretary of Corrections

JAB/KG/JP

cc: Executive Deputy Secretary Shaffer  
Deputy Secretary Gnall  
Director Coyne  
File

<sup>1</sup>LB&FC note: Final report corrected to indicate the Gaudenzia FIR-St. program is for offenders who are eligible for either parole or early release. We also note the average length of incarceration for the 46 Gaudenzia FIR-St. program participants in the study was 4.1 years.

<sup>2</sup>LB&FC note: We (LB&FC and Council of State Government staff) did not conduct a fiscal analysis of this program. We are only summarizing the findings and conclusions contained in the Gaudenzia FIR-St. report.

<sup>3</sup>LB&FC note: See Dale E. McNeil, Ph.D. and Renée L. Binder, M.D. "Effectiveness of a Mental Health Court in Reducing Criminal Recidivism and Violence," *American Journal of Psychiatry*, September 2007, p. 1401. This study found that mental health court participants who are connected to treatment services and who are intensely monitored showed a longer time without any new charges or new charges for violent crimes compared to similar individuals who did not participate in the program.