
PREFACE

The increased interest in the potential for early childhood intervention programs to save dollars in the long run has focused attention on the potential for cost-benefit and related analyses to aid decisionmakers in their policy choices. The goal of this report is to identify the conceptual and methodological issues associated with the analysis of costs and outcomes of early intervention programs in general and to make recommendations regarding the application of these tools for subsequent demonstration studies of a particular intervention program: *Starting Early Starting Smart* (SESS).

SESS is a public-private collaboration designed to test the effectiveness of integrating behavioral health services within primary care and early childhood service settings for children from birth to age seven. The SESS program is an initiative of the Office on Early Childhood, Substance Abuse and Mental Health Services Administration (SAMHSA), and the Casey Family Programs, along with several other federal sponsors. The program currently operates in 12 sites across the United States and is entering the third year of its first five-year phase. An outcomes evaluation is built into the first phase.

Program sponsors are beginning to plan for a second phase, the design of which they hope will be informed by the first phase. It was during the initiation of this planning process that program sponsors identified a need for cost information to supplement their outcomes information. Recognizing that the literature offered somewhat limited guidance on the specifics of cost considerations in this context, they requested that RAND not only present them with a summary of research bearing on their problem but that we also examine their

program and make specific recommendations regarding how cost and outcome analysis could improve their decisionmaking.

This project began with a meeting of cost and outcome analysis experts held in August 2000, convened by RAND on behalf of the Casey Family Programs and the Office on Early Childhood, SAMHSA. Participants at the meeting included four national experts in cost and outcome analysis with backgrounds in mental health and substance abuse, as well as several RAND staff members with experience in cost and outcome analysis. Also participating were staff from SAMHSA, the Casey Family Programs, the SESS Data Coordinating Center, and two of the SESS program sites. The proceedings from the meeting are summarized in the following document:

Cannon, Jill S., Lynn A. Karoly, and M. Rebecca Kilburn, *Directions for Cost and Outcome Analysis of Starting Early Starting Smart: Summary of a Cost Expert Meeting*, CF-161-TCFP, Santa Monica, California: RAND, 2001.

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