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Justice, Treatment, and Cost

An Evaluation of the Fiscal Impact of Allegheny County Mental Health Court

M. Susan Ridgely, John Engberg, Michael D. Greenberg, Susan Turner, Christine DeMartini, Jacob W. Dembosky

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Summary

In response to Pennsylvania Senate Resolution 125, calling for the evaluation of three criminal justice and mental health diversion programs in the Commonwealth of Pennsylvania, the Council of State Governments Justice Center contracted with the RAND Corporation to conduct a fiscal impact study of the Allegheny County Mental Health Court (MHC). The MHC is a specialized docket of the Court of Common Pleas designed to divert individuals with mental illness who have committed nonviolent crimes from the criminal justice to the mental health treatment system, while preserving public safety. Using administrative data from six state and county public agencies, the fiscal impact study identified the treatment, criminal justice, and cash assistance costs for the MHC participants, compared those costs with the costs of routine adjudication and processing, and calculated the fiscal impact of the MHC program.

The findings from our fiscal impact analyses show that entry into the MHC program leads to an increase in the use of mental treatment services in the first year after MHC entry, as well as a decrease in jail time for MHC participants. The decrease in jail expenditures mostly offsets the cost of the treatment services.

However, an analysis that followed a subsample of MHC participants for a longer period of time showed a dramatic decrease in jail costs in the second year of MHC participation. The treatment costs return to pre-MHC levels in the second year. The drop in jail costs more than offset the treatment costs, suggesting that the MHC program may help decrease total taxpayer costs over time. Although the total cost savings for the two years was not statistically significant, the leveling off of mental health treatment costs and the dramatic drop in jail costs yielded a large cost savings at the end of our period of observation. The lower cost associated with the MHC program in the last two quarters was over $1,000 per quarter and is statistically significant in both quarters. We also found that more-seriously distressed subgroups (participants charged with felonies, people suffering from psychotic disorders, and people with scores indicating high psychiatric severity and low functioning) had larger estimated cost savings, although, again, none of the savings was statistically significant in the first year of MHC participation.

These findings generally suggest that the MHC program does not result in substantial incremental costs, at least in the short term, over status quo adjudication and processing for individuals who would otherwise pass through the criminal justice system. Although determining the fiscal impact of the MHC program by levels of government was beyond the study’s scope, it is worth noting that the federal government and the Commonwealth share any increased treatment costs. The findings also suggest that, over a longer time frame, the MHC program may actually result in net savings to government, to the extent that MHC participation is associated with reductions in criminal recidivism and
utilization of the most expensive sorts of mental health treatment (i.e.,
hospitalization). Prospective tracking of participants in the MHC program could help to quantify both the long-term outcomes and cost implications for the program. Such tracking might also help to refine the entry criteria for the program, by clarifying the types of criminal offenses and mental health problems that are most effectively addressed through mental health court–supervised care.