



Michigan Association of
COMMUNITY MENTAL HEALTH
Boards

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CONTACT: Devon Bradley
dbradley@lambert-edwards.com
(517) 316-0210

State Investment In Mental Health Critical, Report Says

*Independent Report Commissioned By Leading Mental Health Association
Illustrates Better Access To Mental Health Services Actually Reduces Costs*

LANSING, MICH -- An analysis conducted by a top Michigan-based economic research and consulting firm says investment in mental health early intervention strategies can save the state millions of dollars and reduce government costs while providing better access to services for citizens.

“For this first time, we have data that demonstrates local mental health services have been cost effective, and that further cuts to services will negatively impact communities throughout our state,” said Michael Vizena, director of the Michigan Association of Community Mental Health Boards. “Continuing cuts force local CMH boards to spend limited resources on emergency needs only. People with moderate mental health problems seeking treatment are being denied access, and this problem will become more acute with the proposed additional cuts for FY12.

“Forcing people to wait for care until their problems become so severe that they end up in emergency rooms, hospitals, or jails makes their illnesses harder to treat and costs more. We must invest in early intervention strategies to improve mental health in Michigan long-term.”

Analysis of FY 2009 Michigan Department of Community Health mental health expenditures by the East Lansing-based Anderson Economic Group (AEG) included a cost-benefit analysis of the way state resources were expended at the local level. Using this data, AEG analyzed expenditures on persons with different levels of mental illness severity to estimate the cost to the state government of emergency cases versus less severe mental illness cases.

“This study finds that you can treat more people, provide the mental health care they need, and save the taxpayers money,” said Caroline Sallee, lead author of the report and Director of Public Policy and Economic Analysis at AEG.

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Key findings from the AEG report, commissioned by the Michigan Association of Community Mental Health Boards, are:

- **State government currently spends 20 times more on emergency adult cases than less severe cases** – The state government is obligated under the Mental Health Code to provide emergency mental health services. The average cost of providing emergency services to an adult in 2009 was \$13,037, compared to \$626 spent on adults with moderate conditions through early intervention.
- **Investing in early intervention and moderate cases before they become severe saves the state money** – treating consumers at the earliest possible stage reduces state costs, decreasing the likelihood that emergency treatment will be needed.
- **Better access to mental health services reduces other governmental costs – expanding funding reduces costs for other government programs.** As one example, AEG estimates an annual savings of \$5 to \$8 million annually if fewer individuals are in jail or prison with mental illness. Other social services expenditures also would decline, including lower usage of emergency rooms and a reduced need for specialized services in schools to treat children with mental illness.
- **Increasing the state’s mental health budget by 25 percent would allow providers across Michigan to double the number of individuals served** – increasing the state’s budget by approximately 25 percent over the next four years allows more people to be served. Each dollar of state spending results in 9 additional people receiving treatment.

Vizena said the study indicates why the state must maintain its support for mental health services, and should pursue all opportunities to utilize and leverage these funds to bring additional federal funding and access to behavioral healthcare for all Michigan residents who need care.

Cuts to mental health services are not a sound business solution to balancing the state budget. For the past 30 years, local mental health agencies have played a critical role working with the state to expand community access to care, close costly state institutions, and reign in costs.

“If we continue to make cuts to mental health dollars, our state will pay in other ways, including increased costs for law enforcement, corrections, and emergency rooms,” Vizena said. “We must redouble our efforts together and invest in local mental health services that provide the best early intervention treatment available.”

Michigan Association of Community Mental Health Boards was created in 1967 to support county mental health services programs (CMHSPs) in promoting, maintaining and improving a comprehensive range of community-based mental health services, which enhance the quality of life, promote the emotional well-being, and contribute to healthy and secure communities which benefit all of Michigan's residents. Services managed and delivered by CMHSPs are designed to assist individuals in achieving, maintaining and maximizing their potential and are provided in accordance with the principles of person centered planning. For more information, please visit www.macmhb.org.

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