

Fiscal Impact Evaluation of the Mental Health Court in Allegheny County

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To some observers, it seems that criminal justice facilities have become the *de facto* mental health system, but many still question whether incarceration is an appropriate response to associated problems of mental illness and criminal behavior. Some have promoted the development of special court dockets, such as mental health courts, to divert people with mental illness from the incarceration. However, mental health courts have developed much more rapidly than the evidence to support them.

In January, 2004, the Pennsylvania legislature adopted a formal resolution suggesting that an integration of mental health and criminal justice institutions could help break the cycle of incarceration for people with serious mental illness, and thereby reduce the number of people with mental illness in the criminal justice system. The resolution went on to request an assessment of the fiscal impact of identified diversion programs to determine whether replication should be encouraged and supported. Results from a fiscal analysis could provide a metric for state policymakers to decide whether the costs of diversion were justified by the value of the outcomes that it achieves, at least in terms of any aggregate savings across the justice and health care systems.

In response to the Resolution and a request from the Council of State Governments, and with funding from public and private sources, we undertook a fiscal impact study of the Mental Health Court program in Allegheny County. The fiscal analysis addresses three important research questions:

- What are the criminal justice and treatment costs for participants in the Allegheny County MHC?
- How do these costs compare with what would be expected from routine adjudication and processing for these participants?
- What is the fiscal impact (net savings or increase in public expenditures) of the MHC program?

We linked individual-level data on MHC court participants from six state and county agencies, generating a combined dataset that includes all relevant and available information on health care utilization and justice system



encounters from two years prior to two years after MHC entry. We constructed detailed utilization records of mental health treatment, criminal justice interactions and cash assistance payments for MHC participants prior to and following MHC enrollment. In addition, using data provided by the District Attorney's Office, we constructed individual-level *counterfactuals* to estimate, based on the charges and criminal penalties, costs for these participants in the absence of the MHC program. We estimated the fiscal impact as the cost difference associated with the actual implementation of the MHC versus costs expected from routine adjudication and processing.

This presentation will identify the key features of the MHC and will present the findings of our fiscal impact study. In addition, we have invited two discussants to address the public policy implications of our findings: Amy Kroll, who coordinates the MHC program for the Allegheny County Department of Human Services, Office of Behavioral Health; and Dr. Fred Osher, a noted expert on mental health and criminal justice, representing the Council of State Governments.