

**Prop 63 Mental Health Services
Oversight and Accountability Commission (MHSOAC)
Evaluation Fact Sheet¹**

**FULL SERVICE PARTNERSHIP (FSP) PROGRAM
STATEWIDE COSTS AND COST OFFSETS**

Purpose: Determine the statewide average costs (i.e., expenditures) associated with providing individuals with severe mental illness or emotional disturbance access to Full Service Partnership (FSP) programs. Identify the costs for two fiscal years (FY 2008/09 and 2009/10) and break the costs down by age group. Calculate the cost offsets (i.e., savings) that are observed due to positive outcomes achieved by those enrolled in FSPs. Savings were also broken down by age group.

Background: FSP programs provide a broad array of coordinated and intensive services for individuals with the greatest life challenges from mental illness. The FSP program philosophy is to do “whatever it takes” to help individuals achieve their goals, including recovery. The services provided may include, but are not limited to, mental health treatment, housing, medical care, and job- or life-skills training. Prior research has shown FSP programs to be effective in reducing homelessness, improving educational attainment, and reducing justice system involvement. Although such intensive services may be costly, their positive impact may help to outweigh the costs and actually prompt savings to society.

Major Findings:

Numbers Served

- A total of 19,917 all clients/enrollees were served by FSPs in FY 08/09 and 27,468 in FY 09/10.
- A total of 9,388 new clients/enrollees were served via FSPs in FY 08/09 and 11,425 in FY 09/10.
- Adults made up the highest number of total and new enrollees for both fiscal years.

Costs / Expenditures

- Statewide average annualized expenditures per client for all clients/enrollees were

\$23,617.71 (\$60.31 daily cost /individual) in FY 08/09 and \$19,739.29 (\$50.55 daily cost /individual) in FY 09/10.

- Total FSP costs devoted to new clients/enrollees over the course of both fiscal years was \$197,453,187.75 (FY 08/09: \$95,458,517.07; FY 09/10: \$101,994,670.68).
- For both fiscal years, the proportion of costs expended for FSP program services greatly outweighed those for housing.
- The highest individual daily costs and sum of overall costs were observed for adults over both years for both new and all clients.

Cost Offsets / Savings

- Total cost savings based on new clients/enrollees were 75% for FY 08/09 and 88% for FY 09/10. For both FY, cost offsets incurred amounted to \$161,539,135.20— 81.8% savings.
- In general, transition-aged-youth experienced the greatest cost-related benefits of service (118.9% in FY 08/09 and 147.2% in FY 09/10). This could be since they are at high risk of criminal justice and crisis management services; participation in FSPs may have a significant impact on consequences for this age group.
- For adults and older adults, the greatest proportion of offsets in each fiscal year is accounted for by savings in psychiatric care (largely due to reductions in inpatient psychiatric hospitalizations).
- See tables below for cost offsets broken down by age group and outcome area.

¹This series of fact sheets provides brief summaries of MHSOAC evaluations of Prop 63 and California’s public community-based mental health system. The MHSOAC is charged with providing oversight and accountability per the Mental Health Services Act (also known as Prop 63).

Table 7. Full Service Partnership Cost Offsets by Age & Offset Category
(Fiscal Year 08-09 New Enrollees ONLY)

	Psychiatric		Physical Health		Criminal Justice	
	Amount of Offset	Percent of Total Offset for Age Group	Amount of Offset	Percent of Total Offset for Age Group	Amount of Offset	Percent of Total Offset for Age Group
CYF	\$ 425,079.62	17.5%	\$ 908,053.24	37.4%	\$ 1,095,180.30	45.1%
TAY	\$ 8,426,402.27	37.6%	\$ 482,463.53	2.2%	\$ 13,528,551.64	60.3%
Adults	\$29,718,862.23	71.6%	\$ 964,209.28	2.3%	\$ 10,826,257.50	26.1%
Older Adults	\$ 3,845,911.36	70.9%	\$ 1,095,025.10	20.2%	\$ 480,729.09	8.9%
Total	\$42,416,255.48	59.1%	\$3,449,751.15	4.8%	\$ 25,930,718.53	36.1%

Table 8. Full Service Partnership Cost Offsets by Age & Offset Category
(Fiscal Year 09-10 New Enrollees ONLY)

	Psychiatric		Physical Health		Criminal Justice	
	Amount of Offset	Percent of Total Offset for Age Group	Amount of Offset	Percent of Total Offset for Age Group	Amount of Offset	Percent of Total Offset for Age Group
CYF	\$ 1,104,612.24	38.4%	\$ (611,869.83)	-	\$ 1,770,099.70	61.6%
TAY	\$ 9,500,199.91	34.5%	\$ 3,658,331.16	13.3%	\$ 14,342,476.87	52.2%
Adults	\$ 39,688,364.64	70.7%	\$ 6,195,607.45	11.0%	\$ 10,236,903.73	18.2%
Older Adults	\$ 4,290,539.63	92.9%	\$ (761,785.95)	-	\$ 328,930.49	7.1%
Total	\$ 54,583,716.42	59.9%	\$ 8,480,282.83	9.3%	\$ 26,678,410.79	29.3%

Note. From "Full Service Partnerships: California's Investment to Support Children and Transition-Age Youth with Serious Emotional Disturbance and Adults and Older Adults with Severe Mental Illness" by UCLA Center for Healthier Children, Youth and Families, 2012, p. vii.

Methodology: Data were obtained for 50 counties from a variety of sources:

- FSP program costs were compiled from county MHSR Revenue and Expenditure Reports and from supplemental county surveys. Costs were based on expenditures for program services and housing for clients.
- Cost offsets were based on savings incurred due to outcomes observed in new enrollees in three areas: psychiatric hospitalization, physical health hospitalization, and incarceration. For each outcome, the 12 month period prior to enrollment into an FSP program was compared to the 12 months after enrollment. Analysis of client outcomes was based on information submitted by counties through the Data Collection and Reporting (DCR) system.
- Cost offsets were determined by comparing use of resources for psychiatric hospitalization, physical health hospitalization, and incarceration during the year prior to enrollment to resources used during the 12 months after enrollment.
- Costs and cost offsets were determined separately for four age groups—children, transition-aged-youth, adults, and older adults. Differential costs and cost offsets by gender and race/ethnicity were not possible using available data.

The methodology was designed to provide conservative estimates of the cost offsets/savings.

Principle Investigators: UCLA Center for Healthier Children, Families and Communities and EMT Associates, Inc.

Link to Study:

http://www.mhsoac.ca.gov/Evaluations/docs/Eval_FSP_CostOffsetReport_UCLA_103112.pdf

Implications: Overall, results suggest a very positive treatment outcome and return on investment, for FSP clients. "Although the argument of cost savings should never be advanced as the primary reason for providing public mental health services, results of this magnitude make a strong case for the wisdom of investing public resources in programs such as FSPs," the investigators state.

Recommendations:

- The MHSOAC should consider repeating this study on the next two fiscal years with a refined and expanded methodology.
- Additional areas of potential costs and offsets should be addressed, including costs of all mental health services incurred in the periods before and after enrollment.
- Marginal as well as average costs of some services, such as correctional system costs, should be considered.
- It would be useful to better understand the reasons for differences in costs and cost offsets among FSPs. Variations could be caused by differences in the programs and/or differences in the persons served. Follow-up studies could be carried out to better understand reasons for variations in costs, savings, and outcomes across FSPs. To facilitate this process, a classification system could be developed to help catalog all FSP programs based on various characteristics (e.g., clients served, services offered) that might impact costs, cost offsets, and achievement of outcomes.
- Studying the relationship between a larger variety of target populations (e.g., racial/ethnic groups) and associated outcomes may also provide useful information. The MHSOAC should advocate for data system support/maintenance and improvements that allows for such analysis.
- Technical assistance provided to counties may also allow counties to do similar analyses by themselves.