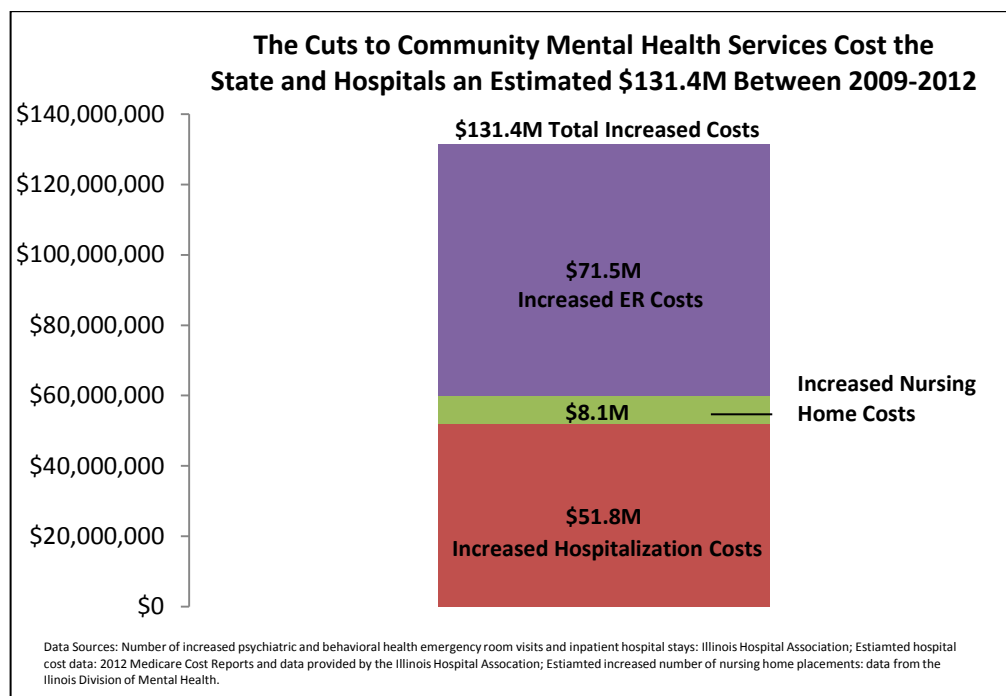


Study: Cuts to Community Mental Health Services Lead to Increased Hospitalizations and Higher Costs

In our policy brief, *The Path Forward: Investing in the Illinois Community Mental Health System*, we analyzed data provided by the Illinois Hospital Association that shows trends in increased emergency room visits and hospitalizations following \$113 million in cuts to community mental health treatment services made between FY09-FY11. Following are our findings.

- Between 2009 and 2012, emergency room visits for people in psychiatric or substance abuse crisis climbed by 19% – by more than 35,000 ER visits. This increase is 12 percentage points higher than other medical ER visits.
- Approximately 25% of these ER visits resulted in a hospitalization lasting on average 6.7 days. This means the mental health cuts made between FY09 and FY11 led to more than 8,800 psychiatric and behavioral health hospitalizations.
- It is estimated that of those hospitalized due to the spike in ER visits, more than 250 of these individuals were placed in nursing homes because of a lack of community treatment services.
- Cost data shows the \$113 million in cuts to community mental health services cost the state and hospitals \$131.4 million between FY09 and FY12.





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The Path Forward: Investing in the Illinois Community Mental Health System

As the Medicaid expansion population, 17 percent of which is expected to have significant mental health needs, is enrolled in the program, the state must invest in its community mental health safety-net to reduce reliance on hospitals and nursing homes. Following are our key recommendations.

1. Reduce the number of nursing home beds for individuals living with mental illnesses and invest in community-based treatment services and affordable housing. A full year of Assertive Community Treatment (\$10,243), an evidenced-based practice that is the most intensive community-based intervention, *plus* a housing voucher (\$7,800) costs approximately \$18,043 per year compared to the average annual cost of \$31,400 for a nursing home placement.
2. Reinvest the savings from reducing the number of nursing home beds into early treatment and wellness services to refocus the system toward early intervention rather than crisis intervention.
3. Housing is a necessary precursor to stabilizing the homeless population living with mental illness (estimated to be more than 4,500 statewide). Without this investment, this population will continue to cycle through hospitals and nursing homes, as it is nearly impossible to stabilize a mental illness and other medical conditions while living on the streets in poverty.
4. The state must preserve and expand supportive housing services.
5. Children must have access to mental health services at the earliest sign of mental illness and the state must fund a full continuum of care for children, including time-limited residential care through the Individual Care Grant program, as well as intensive community-based services.
6. Reimbursement should be tied to mental health, health and quality of life outcomes, and must cover the actual cost of providing services to allow providers to increase service capacity to cover the Medicaid expansion population.
7. Continue to build stronger peer support across the mental health continuum.
8. Continue to hold managed care companies accountable for providing the services individuals with mental illness need to manage their illness and live successfully in the community.
9. Reform the Pre-Admission Screening (PAS) process, which directs fully 80% of individuals with mental illness into institutional care.
10. Expand opportunities for individuals living with a mental illness to work.