

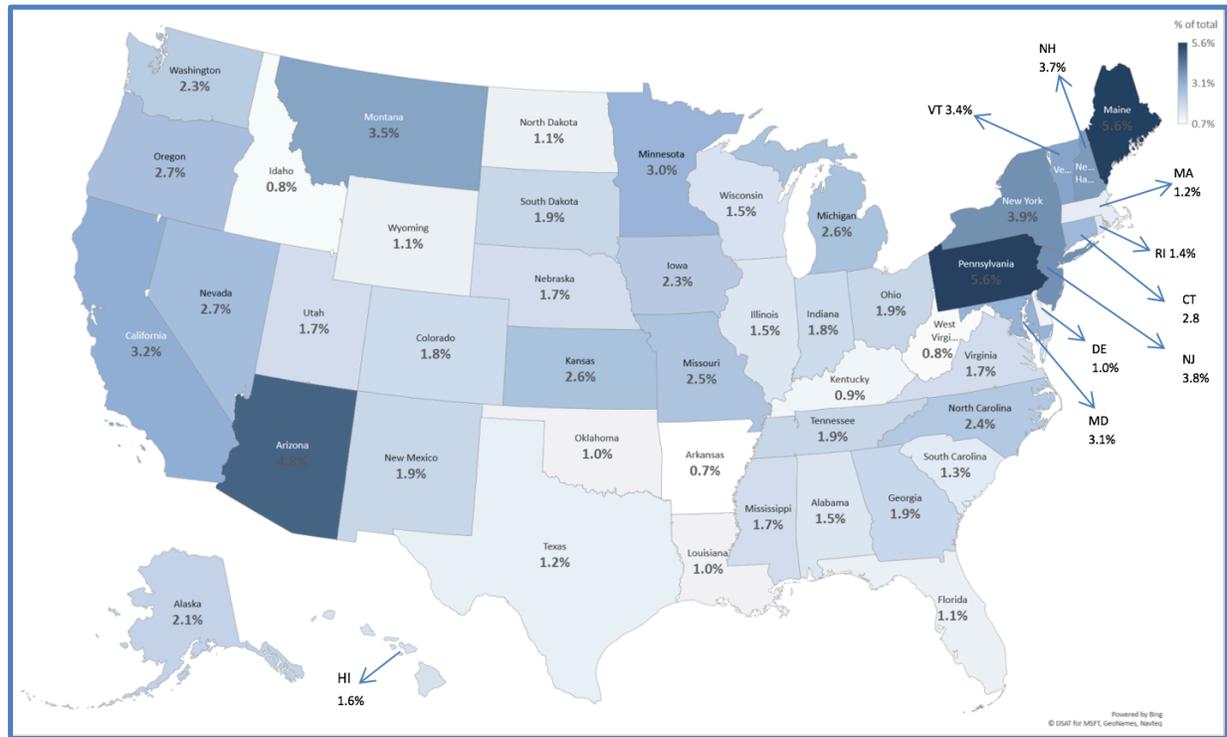
*Funds for Treating Individuals with Mental Illness: Is Your State  
Generous or Stingy?*

A Report from Mental Illness Policy Org.

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## *Funds for Treating Individuals with Mental Illness: Is Your State Generous or Stingy?*



**Fig. 1: State Mental Health Spending as a Percentage of Total State Spending**

### *Executive Summary*

This is the first study to rank all fifty states based on the percentage of state-controlled funds spent on mental illness. Reports that have ranked states based on total or per-capita mental health spending do not allow an accurate comparison of states, because they fail to account for the fact that richer states have more to spend. This study found the most generous states are Maine, Pennsylvania, Arizona. The stingiest states are Arkansas, West Virginia, Idaho, Kentucky, Oklahoma, Louisiana, and Delaware. The most generous state, Maine, allocates eight times more as a percentage of total state spending than the stingiest state, Arkansas (See Table 1).

### **Most generous states**

- Maine
- Pennsylvania
- Arizona

### **Stingiest states**

- Arkansas
- West Virginia (Tie)
- Idaho (Tie)
- Kentucky
- Oklahoma (Tie)
- Louisiana (Tie)
- Delaware (Tie)

State governors, legislators, and advocates should become aware of the relative mental health allocation for their state and work politically to increase that allocation. They should also work to insure the funds are being spent *effectively* by prioritizing programs *independently* proven to improve *meaningful* metrics in people with *serious* mental illness. Meaningful metrics include rates of homelessness, arrest, incarceration, violence, victimization, hospitalization, and suicide.

### *Introduction*

It has become increasingly apparent in recent years that the treatment of individuals with mental illness in the United States is a disaster. As detailed in *Insane Consequences: How the Mental Health Industry Fails the Mentally Ill* (Prometheus, 2017), the disaster disproportionately affects those with *serious* mental illnesses including schizophrenia and bipolar disorder.<sup>1</sup> There has been increased homelessness among individuals with serious mental illness,<sup>2</sup> increased “victimization” of these individuals,<sup>3</sup> increased suicide,<sup>4</sup> and increased violence by those individuals who are not being treated.<sup>5</sup> The nation’s jails and prisons are overrun with mentally ill individuals.<sup>6</sup> In many states and counties, law enforcement officials spend more time on calls related to mentally ill individuals than they do on traditional police work such as robberies and burglaries.<sup>7</sup> The fiscal costs of this failing mental illness treatment system are very high as these untreated individuals cycle from hospitals to the streets, to jails and prison, and back again.<sup>8</sup> It is also increasingly

apparent in recent years that some states are doing better than other states in caring for mentally ill individuals. This can be assessed by such measures as the availability of public psychiatric beds,<sup>9</sup> the availability of supported housing, the use of proven measures for rehabilitation such as the Fountain House clubhouse model, and the use of proven treatment modalities such as assisted outpatient treatment (AOT),<sup>10</sup> assertive community treatment (ACT) teams, and the use of clozapine as the most effective anti-psychotic.<sup>11</sup>

But how can the efforts of individual states to provide adequate care for individuals with mental illness be compared? One comparison measure is a state's total expenditure for mental health programs, but this measure is not fair to poorer states since the income of the wealthiest states—Maryland, New Jersey, and California—is about twice as high as that of the poorest states—Mississippi, West Virginia, and Arkansas. Another possible measure is to use per capita mental health expenditures by state, but this also disadvantages the poorer states.

A better measure to assess the relative efforts of individual states to provide good care for individuals with mental illness is the percentage of total state government expenditures that is allocated for mental health programs. In each state, the governor and state legislature make decisions regarding how much of the budget should go to mental health programs, and how much to education, corrections, roads and bridges, and other state projects. The percentage of the total budget allocated to mental health programs in a state is thus a fairer measure of the relative importance of mental health programs as determined by the elected leaders of that state.

### *Methods*

The National Association of State Mental Health Program Directors (NASMHPD) Research Institute, funded by a federal contract, collects annual data for each state on mental health

revenues and expenditures. The data includes state expenditures on mental health programs as a percentage of the total state government budget. This study used data available for the most recent years for which such data is publicly available.<sup>12</sup> The results were averaged in order to minimize the possibility that a single year of a state's budget included unusual expenditures.

*Results*

**Table 1: State Rankings: Mental Health Expenditures as a Percentage of Total State Expenditures, Average of FY 2012 and 2013**

<b>1. Maine 5.6</b>	18. North Carolina 2.4	35. Alabama 1.5
<b>2. Pennsylvania 5.6</b>	19. Iowa 2.3	36. Illinois 1.5
<b>3. Arizona 4.8</b>	20. Washington 2.3	37. Rhode Island 1.4
4. New York 3.9	21. Alaska 2.1	38. South Carolina 1.3
5. New Jersey 3.8	22. New Mexico* 1.9	39. Massachusetts 1.2
6. New Hampshire 3.7	23. Ohio 1.9	40. Texas 1.2
7. Montana 3.5	24. South Dakota 1.9	41. Florida* 1.1
8. Vermont 3.4	25. Tennessee 1.9	42. Wyoming 1.1
9. California 3.2	26. Georgia 1.9	43. North Dakota 1.1
10. Maryland 3.1	27. Indiana 1.8	<b>44. Delaware 1.0</b>
11. Minnesota 3.0	28. Colorado 1.8	<b>45. Louisiana 1.0</b>
12. Connecticut 2.8	29. Virginia 1.7	<b>46. Oklahoma 1.0</b>
13. Nevada 2.7	30. Mississippi 1.7	<b>47. Kentucky 0.9</b>
14. Oregon 2.7	31. Nebraska 1.7	<b>48. Idaho 0.8</b>
15. Kansas 2.6	32. Utah 1.7	<b>49. West Virginia 0.8</b>
16. Michigan 2.6	33. Hawaii 1.6	<b>50. Arkansas 0.7</b>
17. Missouri 2.5	34. Wisconsin 1.5	

\* Data available for only one year

As illustrated by Table 1 and Figure 1, there is an eight-fold difference between the states that were most generous in allocating state funds to mental health programs (Maine and Pennsylvania, 5.6%) and the state that is the stingiest (Arkansas 0.7%). In addition to Maine and Pennsylvania, the other most generous states were Arizona 4.8%; New York 3.9%; New Jersey 3.8%; New Hampshire 3.7%; Montana 3.5%; Vermont 3.4%; California 3.2% and Maryland

3.1%. The other stingiest states, in addition to Arkansas, were West Virginia 0.8%; Idaho 0.8%; Kentucky 0.9%; Oklahoma 1.0%; Louisiana 1.0%; and Delaware 1.0%. The average (mean) for all 50 states was 2.4%.

### *Discussion*

The percentage of state expenditures allocated by the governor and legislature to mental health programs in a state is not a measure of the quality of mental health programs in that state. Rather, it is a measure of the relative generosity of that state and its potential to generate good mental health programs. All other things being equal, generous states should have better programs than stingy states but this is often not the case. Among the most generous states, for example, all have a shortage of psychiatric inpatient beds and several have major problems with the quality of inpatient treatment.

The most important issue is not how much money is allocated for mental health programs in each state, but rather how it is being spent. For example, Ohio allocates only 1.9% of its state budget to mental health programs but many people would say it has more good mental health programs than Pennsylvania, which allocates 5.6% of its state budget to mental health programs. Previous reports from Mental Illness Policy Org detailed the fraudulent spending of mental health Medicaid funds in multiple states,<sup>13</sup> massive misallocations of Mental Health Services Act funds in California,<sup>14</sup> and the failure of New York City to spend its \$800 million ThriveNYC mental health budget appropriately.<sup>15</sup>

### *Recommendations*

In theory, the allocation of state budgets by the governors and state legislatures should reflect the will of the citizens who elected them. Thus, advocates should be aware of how generous or

stingy their state is. If the state is relatively generous but is not funding programs that have been independently proven to improve meaningful metrics in individuals with *serious* mental illness, then such advocacy groups should be publicly asking why not. If their state is relatively stingy, then such advocacy organizations should be lobbying for an increase in state funds for mental health-related programs. In both cases the democratic process can produce a significant improvement in mental health services if the advocacy organizations will do their job.

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<sup>1</sup> Serious mental illnesses are the subset of mental illnesses that substantially limit one or more major life activities. Center for Mental Health Services (CMHS), “Estimation Methodology for Adults with Serious Mental Illness (SMI),” *Federal Register* 64, no. 121 (June 24, 1999): 33890–33897

Eighteen percent of adults (44 million) have *any* mental illness and 4% (10 million) have serious mental illness. Substance Abuse and Mental Health Services Administration (SAMHSA), “NSDUH 2014 Report: Behavioral Health Trends in the United States: Results from the 2014 National Survey on Drug Use and Health,” HHS Publication No. SMA 15-4927, NSDUH Series H-50, <http://www.samhsa.gov/data/sites/default/files/NSDUH-FRR1-2014/NSDUH-FRR1-2014.pdf> (accessed July 26, 2016).

<sup>2</sup> In January 2015, 564,708 people were homeless. At minimum, 25 percent of the homeless—140,000 individuals—were *seriously* mentally ill and forty-five percent—250,000 individuals—had *any* mental illness. *The 2015 Annual Homeless Assessment Report (AHAR) to Congress*, Office of Community Planning and Development, Abt Associates, November 2015.

<sup>3</sup> One study found “more than one-quarter of persons with serious mental illness (over three million persons) had been victims of a violent crime in the past year, more than 11 times higher than the general population. . . . Depending on the type of violent crime, victimization was six to 23 times greater among persons with serious mental illness than among the general population.” Linda A. Teplin, Gary M. McClelland, Karen M. Abram, et al., “Crime Victimization in Adults with Severe Mental Illness,” *Archives of General Psychiatry* 62, no. 8 (August 2005): 911–21.

<sup>4</sup> Forty-four thousand suicides are completed each year, representing .012 percent of the population. American Foundation for Suicide Prevention, “Suicide Statistics.” A disproportionate number--13 percent, or about 5,000 suicide--are likely committed by people with serious mental illness. E. Fuller Torrey, “5,000 Suicides a Year Are Likely Caused by Schizophrenia and Bipolar Disorder,” *Treatment Advocacy Center*.

<sup>5</sup> Of the four thousand homicides in the United States in 2013, where someone killed his own family member, 29 percent were by someone with serious mental illness. E. Fuller Torrey, John Snook, DJ Jaffe, et al., “*Raising Cain: The Role of Serious Mental Illness in Family Homicides*,” Treatment Advocacy Center, 2016. *Mother Jones* found 63 percent of mass shooters between 1982 and 2012 had mental illness. Mark Follman, Gavin Aronsen, Deanna Pan, et al., “U.S. Mass

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Shootings, 1982–2012: Data From Mother Jones’ Investigation,” *Mother Jones*, December 28, 2012.

<sup>6</sup> There are about 265,455 *seriously* mentally ill in prisons and 125,582 in jails, or 391,037 adults with serious mental illness in jails or prisons. Calculated using Lauren E. Glaze and Erika Parks, *Correctional Populations in the United States, 2011* (Washington, DC: Bureau of Justice Statistics) and Fred Osher, David A. D’Amora, and Martha Plotkin et al., “Adults with Behavioral Health Needs under Correctional Supervision,” Council of State Governments Justice Center.

<sup>7</sup> Michael Biasotti, “Management of the Severely Mentally Ill and Its Effects on Homeland Security,” (master’s thesis, Monterey, CA: Naval Postgraduate School, September 2011).

<sup>8</sup> \$147 billion was budgeted for 2014 for Federal spending on treatment and income support for mentally ill. This does not include state spending. Office of Management and Budget (OMB), letter from director Sylvia M. Burwell to Subcommittee on Oversight and Investigations of the House Energy and Commerce Committee. Researchers estimated that the direct, non-healthcare costs for law enforcement for schizophrenia alone was \$2.6 billion. E. Q. Wu, H. G. Birnbaum, L. Shi, et al., “The Economic Burden of Schizophrenia in the United States in 2002,” *Journal of Clinical Psychiatry* 66, no. 9 (September 2005): 1122–29.

<sup>9</sup> Fuller, D., Sinclair, E., Geller, J, Quanbeck, C. Snook, J. *Going, going, gone: Trends and consequences of eliminating state psychiatric beds, 2016* (Arlington, VA: Treatment Advocacy Center, 2016).

<sup>10</sup> Jaffe, DJ. *Insane Consequences: How the Mental Health Industry Fails the Mentally Ill*, (Prometheus, 2017) Appendix D.

<sup>11</sup> Torrey, E.F., Knable, M.B., Quanbeck C., Davis, J.D., *Clozapine for treating schizophrenia: A comparison of the states* (Arlington, VA: Treatment Advocacy Center, 2015).

<sup>12</sup> National Association of State Mental Health Program Directors (NASMHPD), National Research Institute (NRI), “State Mental Health Authority Mental Health Expenditures and Total State Government Expenditures” for 2012 and 2013” Table 20 (2013: <http://www.nri-incdata.org/RevExp2013/T20.pdf> 2012: <http://www.nri-incdata.org/RevExp2012/T20.pdf>

<sup>13</sup> Torrey, E.F., Jaffe, DJ, Geller, J.L., Lamb, R. *Fraud, waste and excess profits: the fate of money intended to treat people with serious mental illness* (Arlington, VA: Treatment Advocacy Center, 2016).

<sup>14</sup> Mental Illness Policy Org., “California’s Mental Health Services Act: A Ten Year \$10 Billion Bait and Switch: An Investigation of Proposition 63 by Mental Illness Policy Org. and Individual Californians,” Mental Illness Policy Org., August 14, 2013. [http://mentalillnesspolicy.org/states/california/mhsa/mhsa\\_prop63\\_bait&switchsummary.html](http://mentalillnesspolicy.org/states/california/mhsa/mhsa_prop63_bait&switchsummary.html) Collection of articles on problems in California’s implementation of the Mental Health Services Act and Laura’s Law <https://mentalillnesspolicy.org/states/lauraslawindex.html>.

<sup>15</sup> Collection of articles on problems in NYC. <https://mentalillnesspolicy.org/kendras-law/why-thrivenyc-is-failing.html>