Bottom Line:
Investing in Mental Health Saves Money and Lives
The cost of untreated mental illness across the nation is staggering. In New Jersey alone, the expense is $4 billion annually, with the toll found in institutions, prisons, unemployment, non-psychiatric medical care, substance abuse, disability, shelters, school interventions and broken families. The dysfunction created by untreated mental illness has a multiplier effect, draining society’s resources in numerous unexpected ways.

Untreated mental illness creates financial drains in the workplace through absenteeism and lack of productivity. Untreated children often do not graduate from school and face a life of substance abuse, imprisonment and dysfunction.

We know treatment can work, with the success rates surpassing those of other medical conditions. With appropriate treatment and services, most individuals with mental illness can work and be productive members of the community.

New Jersey’s non-profit mental health care providers are in every county, providing treatment and support to hundreds of thousands of individuals with mental illness to help them thrive in school, with their families, on the job and in the community. The reclaimed life not only dramatically limits the financial drain on government, but brings rewards to the community in a multitude of ways, such as increased income taxes, higher graduation rates, and functional families.

In the following pages, you will learn the stories of real New Jersey individuals with mental illness who are on the road to recovery because the support and services provided by the state’s non-profit mental health care providers. Their experiences take us to the bottom line: Investing in mental health saves money and lives.

**The Bottom Line:**
Investing in Mental Health Saves Money and Lives

- Over half of children with severe mental illnesses do not graduate from high school.
- Individuals with untreated anxiety/or depression utilize three times as much in non-psychiatric medical treatment.
- Sixty percent of long-term substance abusers have a mental illness.
- Four of the 10 leading causes of disability in the world are mental disorders.
- More than 90 percent of adults with severe mental illness end up unemployed.
- Approximately 15 percent of New Jersey’s inmate population has a diagnosable mental illness.
- The economic cost of untreated mental illness is more than $100 billion annually in the United States.
Fourteen-year-old Mel was one of those children whose formative years were scarred by a ‘family friend’ before he moved to a supportive home. Mel had a history of self-injury, aggressive behavior, playing with fire and demonstrating pain insensitivity. Extraordinarily anxious, Mel would chew on his skin and squeeze his neck to slow down circulation to his head. The teenage boy came to Rainbow of Hope, a non-profit group home that serves adolescents in southern New Jersey, after assaulting a teacher’s aide.

Five months of intensive work at Rainbow of Hope, which is affiliated with Cape Counseling, helped Mel manage his anger without hurting himself or others, learn to follow the rules and get along with others, understand and express his worries, and build better relationships with his family. While he still struggled to deal with his history, Mel graduated from Rainbow of Hope and moved back with a supportive grandmother and family. Attending public school and continuing to improve, he is once again experiencing the joy of youth.

Thousands of children in New Jersey each year are traumatized by physical abuse and neglect at the hands of those who were supposed to care for them. This treatment can lead to emotional disturbance, self-destructive behavior, suicide attempts, anger, substance abuse and a lifetime of turmoil.

Rainbow of Hope provides a small number of beds in a community setting for children ages 11 to 17 who have experienced trauma and/or serious emotional disturbance. The program provides family and individual therapy to help the youngsters return home and explore and pursue their dreams. The vast majority of the children are high risk who would have to stay in a hospital or intensive residential treatment setting if they did not have this option, and many may have been on a path to the criminal justice system.

The effect of trauma on the development of a child can have serious long term results, destroying a life and creating enormous financial burdens on society. The implications are found in costs to the educational, criminal justice and adult mental health systems.

New Jersey has recognized that failure to care for these children today will result in tremendous loss later on. While the programs such as Rainbow of Hope are not inexpensive, the return on a five-month investment can mean a lifetime of savings.

Over the last several years, the state has begun to focus resources on the child welfare, behavioral health and juvenile justice systems. But the reform remains in its infancy and has not produced the desired results. And in an effort to reduce the caseload of state workers, New Jersey has shifted much of the responsibility to underpaid, overloaded youth case managers, who have seen the number of children whom they serve triple in one year.

A true reform requires an improved partnership among all the involved entities, adequate resources in the community, appropriate client-staff ratios and a focus on outcomes. Serving the whole child and the whole family is a wise investment for the whole community.

**Bottom Line:**

| State Residential Centers Annual Cost | $190,000 |
| Rainbow of Hope Annual Cost | $140,000 |
| Savings | $50,000 |
INVEST in Families

More than 11,000 New Jersey children are in out-of-home care, with most in foster care. For more than half these children, the goal is to reunify them with their family. But as the state undertakes a massive and expensive reform of its child welfare system, it struggles with the dilemma of how to safely reunify parents — many with addictions and poor parenting skills — with their children. Of the thousands of children reunified with their families, more than a quarter return to out-of-home care within a year.

As the plan for Child Welfare reform acknowledges, successful family reunification requires a broad range of services and “frequent visits in the least intrusive and safest setting possible.”

Reunity House, which is located in a renovated Victorian house in South Orange, provides a comprehensive and unique program to safely reunite families who have been separated due to abuse and neglect. Operated by Family Connections, Reunity House works with some of the most difficult families — parents at risk of losing their parental rights. While the children stay with foster parents, the biological parents address their problems — such as addiction and abusive tendencies — and learn to parent effectively. They learn to control their anger, set limits, play with their children, and handle responsibility and stress.

In a homelike setting, families learn to bond through everyday activities, such as sharing a meal, playing, and doing homework. During supervised visitation, they learn to develop healthy relationships and interact for extended periods before they are expected to succeed on their own. As the family develops skills, its members move up to overnight visits in an apartment supervised by compassionate and dedicated staff members who ensure safe visits.

The process doesn’t end once the family is reunified. Ongoing support and meetings help families work through the inevitable trials and difficulties. The process of intensive treatment, training, assistance, support and trust pays off in a high success rate. More than 90 percent of the families have stayed together, with parents developing coping skills and children finding love and support.

Michael, a father of five, was referred to Reunity House when he lost custody for being physically abusive to his children. None of the injuries required hospitalization.

Michael needed to come to terms with his own history of suffering from abuse. Extensive therapy and parenting classes helped him develop coping skills and better ways of disciplining. Reunity House gradually reunified the father with his children, who learned to trust him again. They moved back with their father and feel safe.

Michael continues to attend classes and gets help when he feels overwhelmed, while the children and mother participate in therapy. This family — and many others — have found hope for a brighter future and the end of the cycle of abuse and dysfunction.

BOTTOM LINE:

ANNUAL COST PER FAMILY FOR FOSTER CARE/RESIDENTIAL PLACEMENT: (AVERAGE 2 CHILDREN)

$20,000-$160,000

ANNUAL COST PER FAMILY FOR REUNITY HOUSE:

$7,000

$13,000 - $153,000

Savings per Family
Fifty-year-old Brian lives in the community, playing pool, participating in sports, and attending plays. He does chores around the house, budgets his money and prepares meals. He is considering pursuing part-time employment.

For most people, these accomplishments would seem unremarkable. But for an individual who spent 18 years of his life in a psychiatric institution, they are tremendous milestones on the road to recovery. When Brian first considered moving back to the community four years ago, he was fearful and his family was apprehensive.

However, after careful planning, Brian moved into a group home run by Triple C, a non-profit mental health care provider that offers safe, affordable, well-maintained housing with flexible and responsive support systems. Brian has lived in his home for years without a relapse to the hospital. Previously, Brian would spend most of the time in his bedroom, but now he enjoys the camaraderie of friends, sports and community activities. Not only has Brian discovered the joy of living outside institutional walls, his move is saving the State of New Jersey more than $70,000 a year.

Hundreds of individuals with mental illness are inside state psychiatric institutions awaiting housing options in the community. Thousands more are either living on the streets, in homeless shelters, prisons, jails and substandard housing. Elderly parents throughout the state care for adult children with mental illness at home and worry what will happen when they can no longer do so.

New Jersey has recognized the need for and value of providing affordable housing for disabled individuals, particularly those with a mental illness. The state approved a $200 million bond issue to provide for the construction and rehabilitation of 10,000 housing units over ten years.

But bricks and mortar are not enough. For individuals institutionalized for decades, living in the community presents a host of frightening obstacles. Everything from riding a bus, meeting with family members to inviting friends over for dinner can seem daunting. To help individuals with mental illness achieve the goal of living as independently as possible, innovative programs are underway to offer a means to transition from institutional to community living.

One of those initiatives, Triple C Housing’s Wellness Program, takes the lead of consumers, who help select the topics they want to explore. The residents helped design the curriculum and carry out the activities on their way to becoming more independent and increasing their ability to utilize local resources. For Brian and his housemates, the program has helped them become valued members of the community. The residents helped design the curriculum, including learning to read bus schedules, finding local recreational activities and planning a dinner party, on their way to becoming more independent and increasing their ability to utilize local resources.

**BOTTOM LINE:**

| $146,000 | STATE INSTITUTION |
| $70,000 | GROUP HOME |
| $76,000 | IN SAVINGS TO THE STATE |
The pride that comes from a job well-done and the independence afforded by a paycheck can be critical components of self-worth. But for individuals with mental illness, finding fulfilling employment is a daunting task.

It is estimated that more than 120,000 New Jersey individuals with serious mental illness are unemployed, with the majority interested in finding jobs. However, there are numerous obstacles that stand in their way. Too many employers cannot see beyond the stigma of the illness to recognize the strengths of the job applicant. The job seeker may have neither sufficient education, training or experience, nor the appropriate clothing or interviewing skills for a job search. And most importantly, he or she may lack the necessary self-confidence.

Recognizing that employment is an integral piece of the recovery process for individuals with mental illness, a number of New Jersey mental health care providers are tackling each of these barriers, providing education, training, job coaching, and various support services. However, the need far exceeds the assistance available.

Job Tracks, an employment service at Vantage Health System in Dumont, is designed to aid individuals with mental illness who are homeless. It assists with finding housing and employment, career exploration, on-site training, employment counseling and on-the-job support. In addition to helping individuals explore job opportunities, Job Tracks helps them prepare a resume, practice interviewing, and find the right attire. Once the individual has been hired, Job Tracks coaches stand by to help the new employees through the difficult periods.

Job Tracks participants may have the appropriate education or experience, but their lives were interrupted by illness and they don’t know how to get back on track. They may fear losing public financial support and then being unable to maintain the job. Job Tracks coaches respond to each of these individual concerns and help the employment seekers focus on their abilities, rather than their disabilities, and find jobs as stock clerks, landscapers, salespersons, customer service personnel and bank tellers.

The benefits to society are extraordinary, producing greater productivity, reduced need for disability or unemployment payments and other forms of government support, and ultimately, increased tax receipts. Through employment, individuals with mental illness develop greater independence, gain a feeling of self-worth and become contributing members of their community. The benefits to the individual are priceless.

In her mid-30s, Sara had a bipolar disorder and had been addicted to painkillers. Although she was addressing her substance abuse, she had been unemployed for a decade, lived a chaotic life in transitional housing and was struggling to piece her world back together. But Sara had a lot of strengths. She was outgoing, intelligent and well-spoken.

Job Tracks focused on Sara's strengths, helping her to build a resume, develop her interviewing skills and find job opportunities. Sara was hired as a bank teller, becoming a dependable and valuable employee. When Sara had difficult days, job coaches were available to provide support. The woman moved up to assistant head teller and is looking for other job opportunities to continue to grow. She is out in the world, making friends with co-workers, assisting customers, finding her value in the community and looking forward to each day.
BOTTOM LINE:
You can’t afford to ignore mental health

Even though New Jersey’s mental health care providers serve hundreds of thousands of adults and children with mental illness, many thousands more do not obtain the assistance they need, leading to unemployment, imprisonment, homelessness, substance abuse, suicide and family dysfunction.

WHAT IS NEEDED?

LABOR CRISIS
Years of underfunding have led to an ever-widening compensation gap between community non-profit provider staff and state employees doing comparable work. The salary and benefits disparity leads to high vacancy and turnover rates. This labor crisis hampers providers’ ability to serve consumers in a timely and effective fashion, leading to long waits for service.

COST OF PROVIDING CARE
Annual contract increases have not kept up with inflation, leading to inadequate raises and insufficient funds to meet the increased costs of utilities, fuel and healthcare insurance.

HOUSING SUPPORT SERVICES
Adequate services, such as case management, counseling, education, employment training and daily living skills to support the affordable housing being created and the recovery of consumers, are necessary.

ADEQUATE MEDICAID RATES AND COST REIMBURSEMENT
Medicaid rates, some of which have not increased in more than 30 years, must be increased to reflect the true cost of services. Cost reimbursement must reflect the actual cost of care.

EXPAND ON MENTAL HEALTH TASK FORCE INITIATIVES
New Jersey began to make tremendous strides last year by implementing recommendations from the Governor’s Task Force Report on Mental Health. The state must continue to build upon the programs begun last year to ensure their success.

REDUCE UNNECESSARY PAPERWORK
The state must continue its progress in reducing unnecessary and counterproductive micromanagement policies that are not focused on outcomes. Excessive documentation requirements take staff time away from direct service to consumers.

FOCUS ON RECOVERY
State policies must be revamped to remove impediments to a recovery-based system and should inspire innovation among community providers.

FULL CONTINUUM OF CARE
Adequate resources must be available in all parts of the system, including Charity Care, partial hospitalization, outpatient, residential, children’s screening, substance abuse treatment, case management, outreach, medication management and other services, to ensure that the full continuum of care is available to adults and children in need.

SAVINGS TO NEW JERSEY

$4 BILLION*
A $3.825 BILLION - or 20 FOLD- RETURN ON THE INVESTMENT

*Cost of untreated mental illness in New Jersey, based on nationwide statistics from the National Institute of Mental Health

HOW MUCH WILL IT COST?

$25 MILLION
A down payment on closing the salary gap between state and community workers, whose salaries lag one-third behind.

$100 MILLION
Cost of Providing Care Increase of 4.1% for all DHS & DCF contracts

$100 MILLION
Improved Medicaid Rates to reflect true costs ($50 million reimbursed by federal government)

$175 MILLION TOTAL
NJAMHA represents 125 non-profit community-based mental health care agencies. Utilizing a variety of funding sources, these agencies employ thousands of dedicated and compassionate employees who serve 400,000 adults and children throughout New Jersey each year. These organizations provide an array of services to assist individuals with mental illness and behavioral health problems and their families. Housing, employment, substance abuse treatment, counseling, coping strategies, and foster services are only a few of the many programs designed to help individuals with mental illness recover.

For 55 years, NJAMHA has been a tireless advocate for the one in five persons who has a mental illness and remains committed to improving their lives and recovery.

These stories are the real case histories of individuals helped by New Jersey’s community mental health system. Some of the names have been changed and representative photographs have been used to protect confidentiality.