

GETTING TO WORK FACT SHEET 2:

Supported Employment Saves Money!

Despite Its Success, Supported Employment Remains Widely Unavailable

- Supported employment services enable people with serious mental illness to obtain competitive, real-world jobs. Despite extensive evidence of their effectiveness,¹ these services are not widely available. In 2012, only 1.7% of individuals served by state mental health authorities receive supported employment services.² The percentage and number receiving supported employment has decreased over the last several years.³
- Instead of providing supported employment, states have over-invested resources in other, much less effective “day treatment” services. Studies comparing day treatment with supported employment have consistently shown much higher employment rates for individuals receiving supported employment.⁴

States Can Save Money by Providing Supported Employment

- Supported employment not only enables people with serious mental illness to transition successfully into competitive work; in doing so, it saves states money. A leading researcher projected that “wide-scale implementation and recruiting of people with serious mental illness to evidence-based supported employment” while providing them adequate mental health care would, conservatively estimated, save the government an estimated \$368 million per year.⁵
- Individuals receiving supported employment services use fewer health care services and have fewer costly hospitalizations.
 - A major national study funded by the Social Security Administration, the Mental Health Treatment Study, estimated that expanding supported employment services to cover 14 percent of people receiving SSI or SSDI due to a psychiatric impairment—or approximately 306,000 people—could result in a savings of \$550 million per year.⁶ The average savings due to reductions in hospital use alone was approximately \$1,800 per year per person.⁷
 - Similar results were demonstrated in a review of data for individuals receiving supported employment in New Hampshire. Over ten years, the average annual cost for an individual receiving supported employment was approximately \$16,600 less than the cost of serving individuals who did not receive supported employment and worked minimally.⁸ The authors concluded that this cost reduction was “certainly enough to justify offering supported employment to all persons who use high levels of services and express interest in working.”⁹
- While the data is incomplete, supported employment appears to be less costly than day treatment services.
 - A 2010 federal government report estimated the average yearly cost per client of supported employment services to be between \$3,500 and \$5,000.¹⁰
 - The data available on day treatment costs, while they vary by state and program, suggests that such costs are substantially higher: \$13,702 per year, per client, in one study¹¹ and \$7,600 per year, per client in New York, in 2003.¹² Shifting resources from day treatment to supported employment would bring significant cost savings as well as better outcomes for people with serious mental illness.

¹ See Getting to Work Fact Sheet 1: Supported Employment Works!

² U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Center for Mental Health Services, *2012 CMHS Uniform Reporting System Output Tables 1* (2012) (Hereinafter 2012 URS).

³ In 2009, the national usage rate of supported employment was 2.1 percent and 51,207 people with mental illness received services. The rate remained steady in 2010 as state mental health authorities served more people and the number of people receiving supported employment increased to 56,910,54 but over 2011 and 2012, the rate dropped to 1.7 percent, with only 50,394 people receiving these services in 2011 and 48,880 people receiving them in 2012. *See Id.*; U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Center for Mental Health Services, *2011 CMHS Uniform Reporting System Output Tables 1*; U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Center for Mental Health Services, *2010 CMHS Uniform Reporting System Output Tables 1*.

⁴ *See, e.g.,* Deborah R. Becker, *Converting Day Treatment Centers to Supported Employment Programs in Rhode Island*, 52 *Psychiatric Services* 3, 351-357 (Mar. 2001) (rates of employment among participants in community mental health centers that shifted from providing day treatment to providing supported employment rose to between 44.2 and 56.7 percent, as compared with 19.5 percent at a community mental health center offering traditional day treatment); Edward L. Bailey et. al, *Do Long-Term Day Treatment Clients Benefit from Supported Employment?*, 22 *Psychiatric Rehabilitation Journal* 24 (1998) (people with serious mental illness who had spent 5 years in day treatment programs went from a competitive employment rate of 12.9% while in the day treatment program to 64.5% after receiving supported employment.⁴); Robert Drake, *Rehabilitative Day Treatment vs. Supported Employment: I. Vocational Outcomes*, 30 *Community Mental Health Journal* 519 (1994) (employment rates in program that shifted from day treatment to supported employment rose from 25.4% to 39.4%, while rates in day treatment program declined slightly from 13.4% to 12.5%; among individuals previously unemployed, 28.3% of supported employment group obtained competitive jobs, compared with 8.2% of day treatment group).

⁵ Robert E. Drake et al., *Social Security And Mental Illness: Reducing Disability With Supported Employment*, 28 *Health Affairs* 761, 768 (May/ June 2009).

⁶ WILLIAM D. FREY ET AL., WESTAT, MENTAL HEALTH TREATMENT STUDY, FINAL REPORT EX-11 (July 2011).

⁷ *Id.* at EX-10, 8-13.

⁸ *Id.*

⁹ *Id.*

¹⁰ U.S. DEP'T OF HEALTH AND HUMAN SERVICES, ASSISTANT SECRETARY FOR PLANNING AND EVALUATION, OFFICE OF DISABILITY, AGING AND LONG-TERM CARE POLICY, TOWARD A SOCIAL COST-EFFECTIVENESS ANALYSIS OF PROGRAMS TO EXPAND SUPPORTED EMPLOYMENT SERVICES: AN INTERPRETIVE REVIEW OF THE LITERATURE (Dec. 2010), <http://aspe.hhs.gov/daltcp/reports/2010/supempLR.pdf>.

¹¹ Robin E. Clark, *Supported Employment and Managed Care: Can They Coexist?*, 22 *Psychiatric Rehabilitation Journal* 62 (1998).

¹² COMMISSION ON QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES, CONTINUING DAY TREATMENT REVIEW 3 (Dec. 2006), <http://www.justicecenter.ny.gov/sites/default/files/archivereports/Publications/CDTReport.pdf>.