Executive Summary

A generation ago, California decided that people with mental illness should live in their communities rather than locked in institutions. They had a right to a more everyday life, and it was determined they would benefit from community-based treatment. It is painfully clear that we have failed to follow through with all that was required by this noble decision.

Mental health clients have in fact been integrated into our communities; we see them on the street corners and sleeping in parks. They are integrated into our jails and prisons; many are behind bars on what officers call “mercy bookings” – jailed for their protection, not the public’s. They are disproportionately represented among the poor, the victims of crime, the unemployed and the homeless. A majority of people erroneously sees them as “dangerous, dirty, unpredictable and worthless” – better shunned than embraced. ¹

Many of us are uncomfortable with what we see and are not sure how to respond. We too often avert our eyes from the face of mental illness. And our public policies reflect this discomfort: Mental health programs are the chronic losers in budget debates. Community officials verbally scuffle with service providers. Neighbors complain about programs sited near their homes. And funds are increasingly siphoned away from the hundreds of thousands who want help leading productive lives to address the small minority of those who are ill and also dangerous.

The Lanterman-Petris-Short Act (LPS)

California’s involuntary commitment law – the LPS Act – is one of the most controversial mental health issues of the day. But the Commission found the most important and immediate concern to be the 1.5 million Californians who need help, but do not receive it. Moreover, before meaningful reforms to the LPS Act could be considered, the Commission believes the following analyses are needed:

- An assessment of how the current LPS law is administered across counties.
- An assessment of how improved access to voluntary treatment could diminish the need for involuntary treatment.
- The dimensions of the problem that LPS reform would address.
- The capacity of state and local authorities to better serve existing clients through other “involuntary” models.
- The ability of the State to improve the quality of involuntary care.

In Finding 2, the Commission identifies a number of “leadership” challenges facing the State, including the needs to better understand the role of involuntary treatment before the Governor and the Legislature can thoughtfully and compassionately consider amending the LPS Act.
An estimated 1.5 million Californians are in need of help, but do not receive it. Many of those who need help do not reflect the stereotypes. They struggle to hold jobs, maintain friends and care for children – often burdened as much by stigma as disease.

Fortunately the plight of those with mental illness – and their families and the neighborhoods where they live – are receiving renewed attention. And in these times of plenty, leaders are able to commit more resources to provide help. The neglect of the past provides the opportunity of a generation to implement fundamental reforms to the community mental health system – reforms that may outlast the current empathy and budget surplus.

The overriding goal of reform is clear: No one who needs mental health care should be denied access to high quality, tailored services. To transform this system, California needs to develop leadership capacity at two levels. First, community leaders need to define for the State a public commitment to serve those with mental illness and advocate for that commitment until it is fulfilled. What sets mental health apart from other social and medical causes is that we do not share a collective expectation or sense of responsibility – and as a result there is little outrage when mental health programs fail.

Second, we need to fortify institutional leadership – at the Department of Mental Health and in communities – to create a system where barriers to improvement are identified and lowered, where the best strategies are replicated and improved, and where the public and state and local leaders are confident to invest additional resources.

Mental health clients and service providers are justifiably frustrated. For years wholesale reforms have been discussed and then shelved. In California there are model providers offering comprehensive and integrated services. Experts from around the world come to visit these operations. But California has not replicated their successes; the knowledge they have produced has not been infused into state policies.

Who Needs Care

The Commission’s central recommendation for reforming mental health policy is that no one who needs care should be denied access to services. California currently rations access to care, first based on the severity of an illness and then by providing services “only to the extent resources are available.”

To remove the funding barrier, the public and private sectors need to commit resources to serve all of those eligible based on the severity of their illness. By urging the State to go further – to set a goal of providing care to all who need it – the Commission is acknowledging the human and fiscal benefits of preventative and early intervention services.

How to specifically limit care is an important and difficult issue that needs to be explored by policy-makers, community and business leaders, mental health professionals and, of course, clients.
Rather, in most communities, care is rationed to those with severe mental illness. Even then, the system seldom recognizes that some clients need a home, others need a job and all need respect – in addition to medication.

We do not tell cancer patients to come back if and when their disease has metastasized. But we turn mental health clients away and tell them to return when their symptoms are so severe and persistent that they cannot meet their own needs, and may no longer recognize that they even need care.

The commander of the Los Angeles County jail testified that he operates the largest mental institution in the nation – an indicator that the system is broken and is exacting moral, as well as monetary costs. Clearly some criminals, who also have mental illnesses, warrant incarceration. But law enforcement officials are now advocating that jail and prison should not be used to house those who have not received adequate care from the mental health system.

While we need to dedicate more resources to mental health services, there is reason to believe that this investment will produce positive returns. Researchers are just beginning to tally the costs of unaddressed mental illness – lost productivity, income and tax revenues, as well as increased criminal justice and emergency medical expenditures. Evidence also is mounting that early intervention and more comprehensive services can preserve and restore functionality – providing human, as well as monetary benefits.

The intangible consequences must be considered: the turmoil and grief of families, friends and clients who struggle to find assistance and answers. In 1997, 3,430 Californians committed suicide, the leading cause of preventable death.

Importantly, thousands of individuals are well-served. But credit goes to the dedication of compassionate staff and a growing number of policymakers who have come to understand this public obligation. Overall, however, the State has not developed or supported management and service systems that encourage continuous improvements in the breadth and quality of services.
The challenge is to capture the growing concern, knowledge, resources and goodwill to make fundamental reform to policies and programs that have been neglected for so long that they cannot be fixed by marginal changes. Rather, we need to support fundamental change that ultimately will transform our image of people with mental illness from community liabilities into an accurate reflection of those individuals as our neighbors, family members and loved ones.

The Little Hoover Commission has identified four core areas of reform that together can move California’s response to mental illness from one driven by fear, stigma and lost hope to one offering treatment, success and recovery to those living with mental illness.

- **Expectations and Leadership.** Public policy is driven by public expectations. To raise the public’s expectations for mental health services, programs must be able to communicate reliably and clearly their performance and their potential. The Department of Mental Health also needs to step up its efforts to be a statewide leader of the community-based mental health system.

- **Comprehensive Services and Resources.** In many cases, mental health treatment is limited to medication, when what is really needed is help with housing, substance abuse and other problems. While California hosts world-renowned service providers, they are islands of success in a sea of rationed care. Mental health and related programs have been plagued by a lack of resources. Reforms should promote early intervention and more comprehensive services, as a way of preserving functionality and holding down costs for acute care. Over the long term, the State needs to capture funds now spent housing clients in jails to provide better services through the mental health system.

- **Criminal Justice.** Law enforcement officials say they have become the safety net for the failing mental health system. California is just beginning – and needs to do much more – to make sure that people do not land in jail because of limited mental health treatment options. And when mental health clients are jailed and released, far more can be done to reintegrate them into communities and prevent their reincarceration.

- **Accountability.** Concern alone for the welfare of people with mental health needs is inadequate to motivate change. Clients, taxpayers, policy-makers and the public must understand how policy and funding decisions move the State closer to realizing their new expectations. Without clear and constant accountability, mental health will continue to reflect an inadequate and forsaken component of California’s social service programs.
The Commission believes that successful mental health reform will require systematic change in how mental health policies are conceived, funded and administered. It will require California’s community, business and political leaders to understand the costs and consequences of success and failure, and it will require them to drive the reform process.

Fundamental reform will move California toward a system of care that has as its goal ensuring access to care and tailoring mental health services for those with debilitating mental illness. But the thousands of Californians in need of services today should not have to wait for fundamental reforms to be achieved. Along with recommendations for transforming the mental health system, the Commission is urging State and community leaders to take immediate steps to expand and improve care.

The goal of ensuring that people who need care have access to high quality, tailored mental health services is achievable. It will require strategically expanding access and the capacity of the system over time – enough time to do it right, but not so long as to lose our way again.

Toward this end, the Commission offers the following findings and recommendations:

**Building Public Support for the Mental Health Service System**

**Finding 1:** No one who needs care should be denied access to high quality, tailored mental health services. Open access cannot be achieved until the public and policy-makers have a shared commitment to care for people with mental illness.

Mental health clients have many champions. But they have been unable to make their voices heard in the broader public and policy arena. Without a shared sense of responsibility, the public and their political leaders cannot create expectations, set goals and measure progress.

The Surgeon General asserts that stigma is a primary reason why mental health problems are not adequately funded. The antidote for stigma is accurate information. The faces of those with mental illness are diverse and cross all social boundaries. Mental health clients who receive immediate steps through existing legal authority or with executive orders, by reallocating current resources or tapping into the resources of non-governmental organizations that should be part of the solutions.
The faces of those with mental illness are diverse and cross all social boundaries. Mental health clients who receive adequate treatment are no more violent than other people. And failing to provide adequate mental health care leads to increased social, personal and economic costs.

Defining expectations for mental health care will be a challenge. Mental health policy is complicated and reflects diverse and competing interests. The science of mental illness is also complex and continues to evolve. The policy-making process is most challenged by topics that fit this description — intricate policies based on competing interests and incomplete knowledge.

Nevertheless, the multiple interests must be brought together to develop a shared understanding of the problems and the possibilities. Creating a California Mental Health Advocacy Commission could assist policymakers in making a commitment, providing direction and pushing for fundamental reform. The Commission should include a broad range of stakeholders, particularly interests not historically involved in mental health discussions, such as business, labor, taxpayer and education groups. The Advocacy Commission could immediately begin to raise public awareness and over time provide detailed proposals to policymakers.

**Recommendation 1: The Governor and the Legislature should ensure that no one who needs care is denied access to high quality, tailored mental health services. The first step is to establish a California Mental Health Advocacy Commission to serve as a catalyst for change, set expectations and establish responsibility for mental health services. Specifically, the Commission should:**

- **Be of limited term and funded from public and private sources.** To ensure against unnecessary bureaucracy, the Commission should be of limited term. To improve accountability, it should be jointly funded from public and private sources. And to demonstrate clear expectations for outcomes, the Commission should issue periodic reports and a final summary of its activities and accomplishments.

- **Develop strategies to overcome stigma.** The public and policy-makers need an improved understanding of mental health, mental illness and
the role of public policy in providing quality mental health care.

- **Detail need.** The public and policy-makers need to understand how Californians are affected by mental health policies, the adequacy of existing programs and the magnitude of additional need.

- **Assess costs of failure.** The public and policy-makers need to understand the trade-off between investing in adequate mental health services and failing to provide appropriate care.

- **Provide for on-going policy advice.** The Commission should propose strategies for providing the Legislature and Governor on-going direction and advice on mental health policy, and in particular, strategies for understanding the complex and evolving science of mental health and mental illness.

### Strengthening Statewide Leadership

**Finding 2:** The state Department of Mental Health is not organized or funded to ensure that all Californians have access to mental health services when they need care.

The Department of Mental Health is charged with ensuring that targeted mental health clients have access to adequate, appropriate care through a culturally competent system within their communities.

The State faces significant barriers to improved care that require the department to exercise this leadership: Care is limited by chronic underfunding and critical shortages of mental health professionals. Stigma and fear limit support for community-based services. Local mental health agencies often do not adopt best practices. Family and client organizations battle over attempts to reform involuntary commitment laws, threatening years of good relations. There is contentious disagreement over the success or failure of managed care. Clients face an increasing shortage of affordable housing. Over 30,000 people in California’s jails and prisons need mental health services – many are incarcerated because they failed to receive adequate community care.

While each of these issues is challenging, the department’s attention is divided between leading a statewide community-based system of care and managing a growing
penal code population in state hospitals. As the chart shows, over 95 percent of the department’s staff is dedicated to operating institutions; less than 2 percent is available for leadership activities.

California will not be able to provide adequate, appropriate mental health care to its citizens without reorganizing state resources to provide leadership and guidance to community mental health systems.

**Recommendation 2: The Department of Mental Health needs to become the State’s mental health champion. The department needs the resources and the political support to ensure that California’s mental health system continuously improves. Specifically, the department should:**

- **Advocate and provide policy guidance.** The department should be an advocate for mental health clients. It should provide direction and advice to the Legislature and Governor on a policy framework that results in continuous improvement in the availability and quality of mental health care.

- **Advocate for local mental health programs.** The department must ensure that local providers have the support they need from local, state and federal agencies to provide needed care. The department should pay particular attention to the need for housing, employment and substance abuse treatment.

- **Identify barriers and promote change.** The department should identify statewide and local barriers to improved care and recommend state and local strategies to overcome those barriers. The department should explore strategies to motivate improvement through funding, promote best practices and improve state and local accountability.

- **Develop mental health workforce.** The department must ensure that California has an adequate workforce capable of providing culturally competent, professional mental health services throughout the state. The department should partner with state and federal agencies involved in education and workforce development to meet this need.

- **Assess options for managing state hospital system.** The department should determine whether providing long-term care services detracts from its leadership responsibilities. It should assess alternatives for the long-term operation and management of state hospitals.

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**Immediate Steps**

- The Governor should reassign 10 staff persons from other departments to the Department of Mental Health to immediately provide additional support for community mental health programs.

- The Department of Finance and the Legislative Analyst’s Office should begin the detailed analyses necessary to redesign the Department of Mental Health.

- The department should convene a task force of county mental health officials and national mental health experts to identify barriers to improvement and strategies to promote change.

- The department should convene a summit of public and private experts in human resources and workforce development to begin assessing human resource needs and crafting short-term and long-term plans to address the shortage of qualified mental health professionals.
Developing Comprehensive Services

Finding 3: Ensuring access to high quality mental health care means that each community must provide a comprehensive array of mental health and support services. Yet the rule-bound mental health system offers fragmented and poorly coordinated care.

Like all people, mental health clients face multiple challenges every day. Some are more prepared – and some less – to provide for their housing, health care, employment and independent living needs. Some are unable to provide for themselves because of their mental illness.

Although the mental health system is organized around a rehabilitation model, the majority of people served do not receive comprehensive services. California has over 500,000 mental health clients in need of substance abuse treatment, but treatment services do not begin to meet the need. Over 75,000 clients need some form of housing assistance. But the mental health system and community programs have a limited supply of temporary and permanent housing. Employment presents an even greater challenge. The majority of people with serious mental illness are capable of working with support, but 80 to 90 percent are unemployed.

Improving access to services often requires additional funding, but it can also be done by breaking through bureaucratic barriers. The highly regarded program offered by the Village Integrated Service Agency in Long Beach reveals the results of removing institutional barriers. Other agencies, such as Baker Places and the Progress Foundation in San Francisco, have been able to provide integrated services because administrators have the support of local authorities to work through licensing regulations. Jonathan Vernick, director of Baker Places, explains:

The mental health system unintentionally contrives against service integration. I tried to shop around for a license that would allow the organization to provide mental health and substance abuse treatment services under one roof. There is no license that will allow me to offer both services in a single residential program.

As the mental health leader, the State must make a concerted effort to motivate local agencies to provide comprehensive services – by lowering barriers to integrated services, promoting cost-effective strategies and encouraging innovation. California’s Mental Health Planning Council, representing an array of State departments and client and family advocacy organizations, could assist the department in its efforts.
Recommendation 3: The State must assertively promote cost-effective, efficient approaches to providing care. The Department of Mental Health must ensure that local mental health programs have the tools and assistance necessary to improve the cost-effectiveness of their programs. Specifically, the department should:

- **Utilize the resources of the Planning Council.** The department should seek assistance from the Planning Council for each of the continuous improvement efforts outlined below.

- **Identify barriers.** The department should actively identify the barriers that discourage local mental health systems from providing comprehensive, integrated services that can be tailored to individual needs.

- **Identify best practices.** The refocused department should create and staff a unit charged with identifying and promoting cost-effective practices that improve individual and system outcomes.

- **Explore incentives.** The department should explore funding, reporting or other mechanisms that can create incentives for state and local mental health officials and service providers to continuously identify and remove barriers to more efficient and effective care.

- **Evaluate innovate programs.** The department should evaluate promising and innovative practices that have the potential to improve services.

- **Report progress.** The department and the Planning Council should annually report to the Legislature, local agencies and the public on their activities, progress and on-going challenges to providing comprehensive services.

### Providing Adequate Mental Health Resources

Finding 4: Mental health funding is inadequate to ensure all Californians who need mental health services have access to care. Furthermore, existing resources fail to create uniform incentives for improvement and can prevent local authorities from providing cost-effective, efficient care.

Community mental health services are funded through an array of local, state and federal funds. Realignment provides dedicated revenue. Medi-Cal, Medicare and Social Security programs provide reimbursements and
direct payments for people who qualify. Categorical funds, grants and pilot projects allow some communities to provide additional services.

The result of having multiple funding streams is that local mental health authorities must patch together services, and the breadth and quality of programs vary from county to county. Overall, mental health agencies are forced to ration care to only those with the greatest needs and often cannot provide the support services needed to keep individuals stable.

One advisory committee member noted that he could not get help until he attempted suicide. Another argued that the only way she can improve the quality of her care is to move to a county that offers better services.

California should reexamine how it funds mental health programs. When funding and efficiency levels vary across the State, access and quality also vary. Some counties are able to provide a range of services to many, while others provide more limited services and place greater restrictions on access. Access to high quality mental health services should not be determined by a person’s zip code.

Other states use funding to promote program effectiveness and efficiency. To promote improvements, Pennsylvania provides additional funds to local agencies willing to adopt programs that have been proven to work. The Pennsylvania funding model is based on a clear assessment of needs and the demonstrated effectiveness of a service approach. The Pennsylvania Partnership for Safe Children has used this model to support youth violence prevention programs. It provides incentives to communities to adopt cost-effective programs.

California could incorporate a practice similar to the Pennsylvania model as part of an overall funding strategy. The majority of mental health funding, perhaps 90 percent, should be stable, provide incentives that promote efficiency and effectiveness and give local agencies discretion to tailor programs to meet individual needs. In addition, the State should provide incentive funding, perhaps 5 percent of all funding, that the Department of Mental Health could allocate to motivate local authorities to adopt practices proven to enhance services. A third tier of funding should promote innovation, perhaps 5 percent, as well. This funding should encourage counties to invest in approaches that hold the promise of increasing the efficiency and effectiveness of mental health programs. With three tiers of mental health funding, each with explicit incentives, the State can provide stable, discretionary funding while motivating counties to adopt best practices and continuously explore innovative approaches to improving outcomes.
 Recommendation 4: California should provide adequate funding to ensure those who need care have access to services. The first step is for the Governor and the Legislature to reform the present funding streams. Specifically the legislation should:

- **Provide stable base funding that motivates quality outcomes.** The lion’s share of mental health funding should include incentives for local mental health agencies to continuously improve services. Funding should reward local programs that improve system outcomes and generate savings associated with reduced mental health costs, as well as reductions in the costs of other public services, such as public safety and health care.

- **Provide incentive funding for the adoption of best practices.** In addition to base funding, the State should develop supplemental incentive funding that encourages local agencies to adopt proven best practices.

- **Provide innovation funding to encourage new experimentation and risk taking.** Mental health funding should also include resources in addition to base and incentive funding that promote innovation and risk taking to encourage local agencies to explore new approaches.

- **Document the effectiveness and promote mental health parity.** Providing all who need services unrestricted access to mental health care means expanding access through the private sector as well as expanding the safety net offered by the public sector. The effect of mental health parity legislation must be understood, and parity should be expanded to improve access to quality care.

### Immediate Steps

- The Department of Finance and the Legislative Analyst’s Office should analyze the cost of fully funding realignment.
- In January, the Legislature should introduce a bill to fully fund realignment and remove language that limits access “to the extent resources are available.”
- The Governor should direct the Departments of Mental Health and Managed Care to assess the impact of parity legislation and constantly identify strategies for expanding access to care through public and private sector mental health programs.
- The Department of Finance and the Legislative Analyst’s Office should develop a transition plan to move away from 19 major funding streams toward a more rational approach to funding mental health services.

### Decriminalizing Mental Illness

**Finding 5:** One consequence of an inadequate mental health system is the criminalization of behavior associated with mental illness. The criminal justice system is too often the only resource – the only safety net – available to mental health clients and their families in times of crisis.

California’s mental health system is designed to ensure that people have access to emergency mental health care. State and local psychiatric facilities provide round-the-clock services for individuals in need of emergency mental health services. But non-emergency services are more
limited. People who need assistance, but who are not a danger to themselves or others, are often ineligible for immediate inpatient care, and outpatient assistance may not be available.

If every community had a 24-hour assistance center, a safe haven offering care, individuals needing assistance could contact a center for immediate support, while avoiding the high cost of hospitalization or incarceration. In the majority of California communities, however, clients, family members and concerned neighbors have limited options when seeking assistance. In most cases, law enforcement is the only resource available, every day, all day.

The majority of law enforcement contacts with people with mental health needs do not result in an arrest. Most client-police interactions involve officers facilitating access to mental health services, mediating disputes, calming situations or otherwise responding in ways other than to arrest and jail. Police officers, however, are not routinely trained to interact with the specialized needs and concerns of clients in crisis. And when community mental health resources are not available, arrest can be the only option.

Of the 30,000 seriously mentally ill people in California’s jails and prisons, the majority are thought to be nonviolent, low-level offenders who landed in the criminal justice system in part because they did not receive appropriate community treatment. Unstable housing and limited substance abuse treatment are particularly associated with the likelihood clients will become involved in the criminal justice system. The State needs to better understand which people are in jail or prison because they were unable to access mental health care and which should be incarcerated and receive treatment while they serve time.

California has begun to identify ways to divert people needing care out of the criminal justice system and into treatment. The Legislature has invested over $160 million in the Mentally Ill Offender Crime Reduction Grant and the Integrated Services to Homeless Adults programs. Both are designed to reduce the number of mental health clients sent to jail.

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**Jails Have Become Treatment Centers**

After several days of taking over-the-counter antihistamines, Ron was manic. His father describes him as “bouncing off the walls and slamming doors.”

At one point his father called 911 because Ron was making noise, it was late and he was concerned about the neighbors and his son’s safety. When the police responded Ron walked out the front door, raised his arms straight in the air and said to the police, “I will (expletive) kill you.”

After spraying Ron with pepper spray and handcuffing him, the police officers called the county mental health facility to see if there was room for Ron. There was no space. They called the psychiatric hospital in the neighboring county, no space. They called a facility two counties over, no space. With no other option they charged Ron with assault and took him to jail.
But these programs are limited and may not provide the most cost-effective services to those who can most benefit. The bulk of California’s diversion and intervention efforts focus on clients after they have been arrested and jailed. Greater savings may result from providing alternatives to arrest, such as improved police training, more 24-hour assistance centers and the expansion of supportive housing programs.

**Recommendation 5: The State needs to decriminalize mental illness by ensuring that no one ends up in the criminal justice system solely because of inadequate mental health care. The Governor and the Legislature should improve and expand mental health crisis interventions. Specifically, the Department of Mental Health, the Attorney General and the Board of Corrections should:**

- **Use data to improve services.** The State should analyze criminal justice and mental health data to identify priorities, develop promising programs and inform policy decisions that will reduce the number of mental health clients who end up in the criminal justice system.

- **Identify needs.** The State should document the need in each county for services that would prevent people from ending up in the criminal justice system, such as 24-hour crisis programs, supportive and affordable housing, substance abuse treatment and other services.

- **Evaluate intervention programs.** The State should determine whether the Mentally Ill Offender Crime Reduction Grant and Integrated Services to Homeless Adults programs represent the greatest opportunities to reduce client involvement in the criminal justice system.

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**Immediate Steps**

- The Department of Mental Health should query the Department of Justice database to determine how and where clients come into contact with the criminal justice system.

- The Legislative Analyst’s Office should review criminal justice diversion and intervention programs and determine if the State is making the best use of existing investments.

- Legislation should be drafted for introduction in January to expand facility funding available through the Board of Corrections and permit counties to seek funds from the Board to build 24-hour assistance centers or jails.

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**Coordinating Mental Health and Criminal Justice Services**

**Finding 6:** Local and State agencies have failed to integrate and coordinate mental health and criminal justice services – and as a result people with mental health needs leaving jails and prisons do not receive adequate services and are too often rearrested.

Even if substantial efforts are made to ensure that no one is incarcerated solely because of mental illness, some persons suffering from mental illness will end up in jail or prison for crimes of survival. The criminal justice system also must continue to respond to people with mental illness who have committed serious crimes. In both cases, it must be
remembered that nearly everyone in the criminal justice system will be released and re-enter their communities.

Yet clients leaving the criminal justice system face multiple barriers to community re-integration. They may require housing, employment, substance abuse treatment and independent living services to prevent their return to custody. Many communities fail to offer these services. Where these services are available, it may not be clear how to access them.

The biggest barrier to successfully re-integrating mental health clients back into their communities is a lack of cooperation among multiple community and state agencies. The evidence is compelling that participation in treatment services is increased and recidivism is reduced when community criminal justice and mental health services are consistent and coordinated. Yet the State offers limited direction or incentive to support collaboration. Resolving this problem is relatively inexpensive, but essential to improving the lives of these mental health clients.

The Texas Council on Offenders with Mental Impairments provides an example of state and community leaders from multiple service areas collaborating to identify strategies to improve services to mentally ill offenders and reduce costs. The National GAINS Center in Delmar, NY, represents a national investment in research, technical assistance and information dissemination to improve community responses to mentally ill offenders.

California should explore the potential of these models and develop strategies to realize similar goals: improving program quality, efficiency and research, enhancing education and technical assistance and increasing the ability of the State to draw upon federal resources to provide services to offenders with special needs.

**Recommendation 6: The State should establish a California Council on Offenders with Special Needs to investigate and promote cost-effective approaches to meeting the long-term needs of mentally ill offenders. The council, comprised of state and local officials, should:**

- **Identify treatment strategies.** The council should propose policies for improving the cost-effectiveness of services for offenders with special needs within jails and prisons.
Immediate Steps

- The Legislature should call for an independent evaluation of contracts between the California Department of Corrections and local mental health agencies to provide care to parolees.
- The Legislature should direct the California Department of Corrections to expand to all counties contracts proven to successfully provide quality mental health care to parolees.
- The Legislative Analyst's Office should analyze the State's response to incentive programs offered by the federal Social Security Administration and promote the use of incentive payments to fund pre-authorization efforts that speed up benefits to clients leaving jail or prison.

including service coordination and data sharing among community mental health and criminal justice programs.

- **Promote coordination.** The council should document the need to coordinate mental health services and improve the ability of clients to transition successfully between corrections-based and community-based treatment programs.

- **Provide technical assistance.** The council should develop a technical assistance and resource center to document best practices and provide information and training to improve the efficiency and effectiveness of state and local programs serving mentally ill offenders.

- **Develop incentives.** The council should identify incentives that will motivate State and local agencies to coordinate mental health and criminal justice services.

Creating Accountability: Monitoring the Mental Health System

Finding 7: California will never be able to ensure that all Californians have access to mental health care without clear and continuous accountability for outcomes.

When realignment shifted responsibility for care to counties, client advocates were concerned that local agencies would limit their investment in services and the quality of care would suffer. In response, the Department of Mental Health was required to develop a reporting system to assess the performance of counties. But it has struggled with the requirements and the reporting system is not fully operational.

The department envisions a data-based reporting system that tracks outcomes for all mental health clients receiving services for 60 days or more each year – some 25,000 children and 185,000 adults. Data for each individual will track the services used, costs and outcomes. Despite sound planning and pilot testing, the department is challenged by the enormity of the task. There is no unequivocal agreement or standard for measuring the effects of mental health services. There is no clear measure for evaluating the impact of treatment.
Supporters of the department argue it is difficult to develop a system when the science of performance measurement is still evolving. Critics contend that a lack of progress is a result of the department’s interest in ensuring that the data favorably represent all county mental health agencies. The reality is likely somewhere in the middle. Similar efforts in other states have shown that data systems often fail to capture the value of local mental health programs. Preliminary data are often suspect, and it can take years of fine tuning to build a reliable measurement and reporting system.\textsuperscript{22}

Despite these challenges, California needs to make progress. The department needs to take first steps regardless of how unstable those steps may be. The department could bolster its efforts by involving nationally recognized experts in outcome reporting and encouraging public awareness and critique of its process and progress.

Further, the department should develop data sharing protocols with other state and local agencies to encourage collaborations that can improve the quality of services and client outcomes. Data sharing should explore potentials for organizational improvement by encouraging data-based research on the mental health service delivery system. Outcome, assessment and financial data should be widely available and permit mental health stakeholders and the general public to understand the adequacy and efficiency of local mental health programs.

\textit{Recommendation 7: Improvement, public understanding and support for mental health programs depend on an accurate assessment of California’s progress toward its goals. As the State’s mental health leader, the Department of Mental Health must continuously inform the public, program administrators and policy-makers on the performance of the system, whether quality and access are improving and how they could be enhanced. Specifically, the department should:}

\begin{itemize}
  \item \textit{Inform decision-makers.} The department should provide information that can help the general public, policy-makers and program administrators understand the availability, quality and cost-effectiveness of mental health services.
  \item \textit{Provide benchmarks.} The department should provide information that compares performance with expectations. It should reveal variations across programs, counties and over time.
\end{itemize}

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- The department should publicly report aggregated information for each county on the types of Californians who are being served and the unmet need. \\
- The department should commit to develop and publicize benchmarks that outline annual goals for expanding access to mental health care. \\
- The Legislature should direct the Department of Mental Health to complete the statewide performance reporting system. \\
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Reveal barriers. The department should provide data to permit administrators and researchers to identify barriers to program improvement and alert policy-makers when and where policy changes are necessary.

Encourage broad access. All data and information on mental health programs should be readily accessible to the public, the press, researchers and others whose analyses could lead to better public understanding, program management and policy making.

Provide standards. Performance data should be structured to indicate to state and local administrators and policy-makers when mental health services are so inadequate that intervention is warranted.

Immediate Steps

- The department should provide quarterly reports to the Legislature and the public on its progress in developing the reporting system.
- The department should begin putting data on-line for easy public access.
- The department should publicize the conditions under which it will intervene to ensure mental health services are available in every community.