Making the Business Case for Self-Directed Care

The Study

In partnership with researchers from the Temple University Collaborative on Community Inclusion and Live & Learn, Inc., HSRI researchers looked at Medicaid claims to compare the amounts, types, and costs of mental health services used by people before and after they began participating in a **self-direction program**.

What Is Self-Direction?

Self-direction is a promising model of service delivery for people with serious mental health conditions, and one that aligns with the federal focus on using individualized, person-centered care to effect recovery. Under the model, individuals who use publicly funded mental-health services, and have an interest in selecting their supports, control a portion of funds normally spent on their mental health treatment. Using an individual budget, and with the help of peer recovery coaches, self-directing participants have the flexibility to purchase goods and services—including nonclinical goods and services like gym memberships, public transportation passes, computers, and clothing—that help them achieve their mental health and wellness-related goals.

But how does it alter service use patterns, and is it more expensive than traditional treatment models? To find out, we looked at data from 45 participants in a self-direction program in Pennsylvania. In this program, participants could intentionally reduce their use of some mental health services and use the cost savings to purchase approved nonclinical goods and services.

The Findings

Looking at standardized monthly use and costs for four categories of mental health services (see table on the next page), we found:

- No significant differences in service use for participants before and after their participation in the self-direction program; that is, the percentage of people who used at least one of these services in a month did not change significantly.
- A drop of $41.83 in average monthly cost for participants' use of mental health clinical outpatient services due to lower use of these services.

Overall, self-direction was cost neutral; it did not significantly alter total costs.

What's the Importance?

Some policymakers, providers, and family members are skeptical that people with serious mental health conditions are capable of directing their treatment path or choosing appropriate services that help them to recover. This study is an indicator that, when given an alternative means to achieve their treatment goals, people with serious mental health conditions can make decisions about the mental health services they need—and the overall cost of their care won't necessarily increase.

Given the positive outcomes associated with self-direction—including enhanced quality of life, greater community engagement, improved functioning, and positive housing and employment outcomes—it's heartening to see that it can be implemented in a cost-neutral manner.

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Category	Services	We Observed…
Crisis & inpatient	Crisis residential, drug & alcohol inpatient, inpatient mental health	No significant differences before and after self-directing
Mental health clinical outpatient	Ancillary services, mental health outpatient, mental health practitioner, psychiatric outpatient	Average monthly costs were down $41.83 after self-directing
Mental health community support and coordination	Community support (excluding crisis residential), case management, peer support consultations (including recovery coach services), psychiatric rehabilitation services	No significant differences before and after self-directing
Alcohol and other drug outpatient and community-based services	Drug and alcohol targeted case management, drug and alcohol outpatient, intensive outpatient drug and alcohol clinic, non-hospital 24-hour drug and alcohol treatment	No significant differences before and after self-directing

Methods

Study participants included 45 people participating in Pennsylvania's Consumer Recovery Investment Fund Self-Directed Care II (CRIF-SDC II) program—an extension of an initial CRIF-SDC I trial program that kicked off in 2010. The program was open to adults aged 18-65 receiving Medicaid-reimbursed services for either a schizophrenia spectrum disorder, major depression, or bipolar disorder. Most of the CRIF-SDC II participants were female (71.1%), and their average age was 51.5; on average, they'd been involved in the CRIF-SDC II program for 3.46 years.

Participants could flexibly spend an average of $182.39 per month for nonclinical services (by reducing their use of some traditional mental health services).

Learn More

Future studies will continue to examine self-direction's relationship to service use, cost, and other outcomes that are important to people who use publicly funded mental health services. Currently, we're examining six states as part of the *Demonstration and Evaluation of Self-Direction in Mental Health*. To learn more about the project, access additional mental health self-direction resources, and keep up-to-date about our work, visit mentalhealthselfdirection.org.

For more information on this study, see "Service Costs and Mental Health Self-Direction: Findings From Consumer Recovery Investment Fund Self-Directed Care" in the *Psychiatric Rehabilitation Journal.*

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