

## **Executive Summary**

The P.A.C.E. Center, a nonprofit organization serving Spartanburg, Cherokee and Union Counties, requested this study to assess the impact of its services. The mission of the P.A.C.E. Center is to advance mental wellness in the lives of individuals, families and the community. P.A.C.E. Center staff and board members hope that the results of this study will drive funding requests and support the need for increased programs and services in the Spartanburg area.

The programs of the P.A.C.E. Center are oriented toward prevention and intervention, making accurate assessment of impact and cost effectiveness difficult, as it is difficult to qualify and quantify the toll something does not take. There are, however, documented cost effectiveness studies associated with related impact of psychotherapeutic interventions, and data from these can be extrapolated or interpolated to the Center in a limited manner. Although the P.A.C.E. Center receives support from various funders, a major source of income is fee for service payments. However, some programs have become defunct due to lack of funding.

It can be demonstrated, using conservative estimates, that P.A.C.E. Center services save taxpayers approximately \$2,251,271 with a return on investment of 6.60:1, primarily by preventing more costly intensive psychiatric care. P.A.C.E. Center clinicians address grief and Post Traumatic Stress issues, individual, marital and family issues, chronic mental illness and domestic violence in various modalities. The literature demonstrates that therapeutic intervention and monitoring of persons with chronic mental illness results in decreased need for inpatient treatment. Although batterers programs have not been found to reduce recidivism, participants do have decreased rates of rearrest, thus, the batterers' program at the P.A.C.E. Center renders savings to the community. It is the counseling programs and the support groups for chronically mentally ill clients that prove to have the highest return on investment.

The work of The P.A.C.E. Center has significant impact in Spartanburg County in human terms and in fiscal terms.

## **Overview of Organization**

The P.A.C.E. Center is a nonprofit organization formed in May 2007 to advance mental wellness in the lives of individuals, families and the community at large through prevention, advocacy, counseling, and education. P.A.C.E. was born of the merger between Carolina Counseling (founded in 1936) and Mental Health America of the Piedmont (founded in 1944). The organization provides advocacy, counseling, and education programs and services on mental health issues throughout the upstate of South Carolina with primary focus on Spartanburg, Union, and Cherokee Counties.

The first annual report of the P.A.C.E. Center has been published and demonstrates a balanced budget of \$341,067. The preponderance of funding is provided through the United Way and by fees collected from consumers of its services. The organization maintains a number of active counseling, education and advocacy programs which will be considered in detail. In its first year of operation, the P.A.C.E. Center forged numerous partnerships with various organizations, and staff presented programs at several professional conferences.

In addition to a staff of 11, P.A.C.E. Center programs are supported by a volunteer staff of approximately 50. The governing body consists of 12 board members. An advisory council comprised of four members provides further support.

### *Counseling Services*

The P.A.C.E. Center provides counseling for individuals, families, and couples. Outpatient therapy is provided by a licensed clinician. Fees are collected based on a sliding scale for payment in alignment with nationally accepted poverty guidelines used by state agencies such as the Department of Social Services. The majority of clients who access counseling services can be described as the "working poor" and are usually not covered by insurance that covers mental health treatment. Fees for individual and family counseling are determined based on standard poverty guidelines and range from \$20 per session to \$75 per session, according to family size and household income. In 2007-2008 this program provided 890 hours of service to 175 individuals and families.

Specialized counseling is provided to victims of crime who are considered to be underserved, including victims of sexual assault, home burglaries, robbery, muggings, arson, and DUI accidents, and surviving family members of homicide, and adult survivors of childhood physical, emotional, or sexual abuse. Individual and group counseling is provided to these individuals free of charge for as long as there is need. In 2007-2008 this program provided 350 hours of service to 78 individuals

Three P.A.C.E. Center therapists are assigned to ReGenesis Community Health Center 12 hours per week to work with children and adults who have been diagnosed with mental health conditions. Since its inception in the fall of 2007, this program has provided more than 380 hours of service to 150 clients at the ReGenesis facility.

Specialized Employee Assistance counseling is also provided via contract with specific companies. Employee Assistance Programs (EAPs) are employer-sponsored benefit programs designed to help employees identify and resolve personal issues before they become unmanageable and result in lost time from work, safety problems, more extensive symptomology, or decreased productivity. As of 2003, 50-80 percent of large companies offered EAPs (Quinley, 2003). The P.A.C.E. Center offers a competitive EAP that provides more than thirty area companies with counseling services. These companies make direct referrals for assessment and counseling for their employees. Each EAP contracts provide for brief therapy (1-5 sessions) including assessment and weekly counseling sessions. In 2007-2008, 49 individuals, representing 12 companies, were seen for counseling services.

#### *Domestic Violence Batterers Program*

The Domestic Violence Program at the P.A.C.E. Center is provided to court-ordered participants who must complete a state mandated twenty-six week program as part of their sentencing. The cost for this program is \$25 per session and is borne by the participant. In 2007-2008 this program provided 1,957 hours of service to 233 individuals.

The P.A.C.E. Center also provided services to 183 families for the safe exchange of children between custodial and non-custodial parents in 2007-2008. In addition, supervised visits for children and their non-custodial parents were provided if court ordered, in an effort to protect victims of domestic violence while still affording the perpetrator the opportunity to have a relationship with his/her child. Funding for this program was lost in 2007 and the program closed as of April 2008.

#### *Support Groups*

The P.A.C.E. Center offers several support groups that respond to community need. A weekly Grief Support Group meets each Wednesday and has served more than 50 individuals and families in 2007-2008.

In response to community demand, in 2007-2008 the P.A.C.E. Center began providing a number of special services and programs for area veterans and their

families, such as training in stress reduction, Post Traumatic Stress Disorder, and other mental health issues facing this population. A Veterans Support Group meets each Tuesday and has served more than a dozen families and individuals since it began in February 2008.

Recovery for Life, a peer support group for individuals aged 18 and over who suffer from a diagnosed mental illness, follows a structured ten-week curriculum that seeks to equip participants with tools for coping with their mental illness or emotional disorder. Fifteen participants were served in 2007-2008.

### *Crossroads*

Begun more than twenty years ago, this weekly psycho-social recreational group serves adults with severe mental illness. Funding for Crossroads is provided by the P.A.C.E. Center and through a grant from the South Carolina Department of Mental Health. Volunteers help the Crossroads program coordinator provide special events such as holiday parties, craft demonstrations, field trips, and entertainment. Participants meet for three hours each week to discuss what is going on in their lives, current events, and program ideas. Currently, there are eight active participants in the Crossroads group.

### *Education*

The Center's educational programs include presentations on stress management, time management, anger management, the impact of mental illness on seniors, the impact of mental illness in the workplace, helping youth deal with trauma, and dealing with depression. The Program Director conducted more than 350 programs across the upstate in 2007-2008 reaching more than 6000 individuals. In addition to educational presentations the Center provided more than 13,000 printed materials on various mental health topics. Flyers are emailed each month to more than 7000 individuals regarding various mental wellness topics and to alert the public to upcoming events.

### *Advocacy*

P.A.C.E. Center staff advocates for individuals with mental illness who often feel they have no voice in dealing with various life circumstances. During 2007-2008, advocacy services were provided to more than forty individuals involving a variety of issues, from assistance in securing appropriate treatment, to locating housing and applying for federal financial assistance. Staff also maintains contact with local and state legislators to influence policy regarding mental health care.

## **Return on Investment**

### *Counseling Services*

In 2006, the cost to the State for inpatient psychiatric treatment for residents of Spartanburg County was \$26,539,397. The average per patient charge was \$17,274 with an average inpatient stay of 7.6 days. (Since observations two standard deviations above or below the mean were removed from the calculations, these data do not include outliers which might confound the calculations.) There were 1,339 discharges of Spartanburg residents from inpatient psychiatric treatment.

Given that outpatient counseling services serve to stabilize consumers who might otherwise decompensate to the point of requiring inpatient treatment, it follows that a portion of P.A.C.E. Center clients would end up hospitalized were it not for P.A.C.E. Center intervention. Given, also, that most P.A.C.E. clients are uninsured, hospitalization would occur in a public facility at tax payer expense.

If half of the clients seen at P.A.C.E. Center had not been able to access counseling services and had been hospitalized as a result, the cost to taxpayers would have been approximately \$1,502,838.

### *Crossroads*

As early as 1984, a study of treatment costs for 40 chronic psychiatric recidivists who were involved in psychosocial day treatment demonstrated an estimated annual savings of \$5,000 in psychiatric care per client (Bond, 1984). The psychosocial group model is accepted as an effective form of treatment for individuals who are mentally ill. The primary benefit of the model is reduction of the number of admissions and length of inpatient treatment for each individual. Day treatment affords clinicians the opportunity to monitor chronically mentally ill consumers and to adapt treatment accordingly. Consumers in these programs benefit substantially from supporting each other and from having continuous access to therapists, doctors and case managers.

Presumably, the SC Department of Mental Health has determined that it is cost effective to contract with the P.A.C.E. Center to provide psychosocial recreational services, rather than providing the services through the local Mental Health Center. Given that annual savings of \$5,000 per client in psychosocial day treatment was demonstrated in 1984, and based on current costs of inpatient treatment in SC, it is conservatively estimated that \$138,192 in inpatient psychiatric treatment costs were saved in 2007-2008, attributable to services provided through the Crossroads group.

### Domestic Violence Batterers Program

Although the literature indicates that batterers programs, generally, have little effect on reducing recidivism (Babcock, et. al., 2004), there is some indication that batterers who have been involved in these interventions are rearrested at lower rates than batterers who have not received intervention. Since batterers who complete these programs are rearrested at lower rates, tax payers do not bear the cost of probation services or incarceration for these individuals. Further, sentencing to this program is in lieu of jail time and, therefore, saves taxpayers significant money.

The SC Department of Probation, Parole and Pardon services provides basic community supervision to offenders receiving a suspended sentence from the court. Offenders are classified based on their need for services and supervision and their risk of committing new offenses. The maximum duration of probation cannot exceed five years. The daily cost of supervision for probationers in fiscal year 2007 was \$2.96 per offender for regular supervision. The average length of supervision was 23 months. The average cost of supervision per offender in 2007 was, therefore, \$2,042.40. Offenders must pay a supervision fee of up to \$100 per month, based on a sliding scale determined by monthly income. Violation of any of the standard or special conditions of probation may result in additional sanctions, up to and including revocation action by the court.

The cost to taxpayers for incarceration of offenders is significantly higher than the cost of probation. The total average daily cost per inmate in SC in 2007 was \$45.02, or \$16,432 per inmate annually.

Because 233 individuals were sentenced to the P.A.C.E. Center Batterers program in 2007-2008, rather than to probation or incarceration, it follows that approximately \$475,786 in probation costs were saved (although offenders' payment of supervision fees are not deducted from this). Additional savings would be assumed for any offenders who were sentenced to the batterers' program, rather than to jail or prison at \$45.02 per day.

### Employee Assistance

There is ambiguity associated with what constitutes impact and cost effectiveness when measuring EAPs, since there is no easy way to place monetary value on a job saved, a family maintained, a financial crisis averted, or downward spiral of substance abuse halted. Aside from the human benefit, however, the cost benefit of EAPs are evidenced by an estimated \$3 to \$5 return to the company on every dollar spent for EAP services (Quinley, 2003), in terms of preserved productivity and attendance. A 2001 study demonstrated that work loss was avoided in 60% of EAP cases with an average savings of 17 hours per

case. Additionally, 72% of these cases showed improved work productivity (Selvik, Stephenson, Plaza, & Sugden, 2004).

In accordance with these findings, the 49 EAP clients seen by P.A.C.E. Center clinicians constitute 833 work hours saved by local companies, as well as significant productivity gained. Specifically, employers paid \$25 per employee for each of these employees to access P.A.C.E. Center services. Given the expected \$5 return for every \$1 spent on EAP services, the employers of these 49 individuals realized a total cost savings of \$4,900. It is expected that these employers also benefited in additional ways as employer-sponsored EAPs can reduce an employer's disability costs, medical costs, pharmacy costs, and worker's compensation costs (Employee Assistance Professionals' Association, 2008).

### Support Groups

The 15 individuals served in the Recovery for Life group, much like those in the Crossroads group, are likely to be high cost consumers of the public mental health system. If the services provided by the P.A.C.E. Center result in stabilizing just half of these consumers such that they do not access repeat inpatient treatment for twelve months, a savings to taxpayers of \$129,555 is realized.

The other support groups, including the Grief Support Group and the Veterans' Support Group, undoubtedly provide for increased mental wellness and stability in their participants. However, the number of participants who would be likely to access more intensive and costly treatment in the absence of a support group is nebulous.

### Education and Advocacy

The return on investment for education and advocacy is almost impossible to quantify. It is intuitive, however, that persons with significant mental illness benefit from having an advocate to help them with life difficulties. It is likely that, without advocates, individuals with significant mental illness tend to decompensate quickly and end up being hospitalized.

Education, akin to prevention, is difficult to measure in terms of impact and cost-benefits. Again, it is intuitive that the more informed the consumer, the more likely he or she is to access proper care if and when necessary. Education may break cycles of abuse and frequently reduces the stigma of mental illness and, thereby, the stigma of seeking treatment.

## Summary

A conservative estimate of cost savings generated by P.A.C.E. Center Services for 2007-2008, is \$2,246,567. Program fees paid by participants and EAP companies in 2007-2008 totaled \$89,000. Agency income for 2007-2008, including program fees, totaled \$341,067. Thus, for a community investment of \$341,067, the P.A.C.E. Center generated cost savings to the community of \$2,251,271. The return on investment, therefore, was 6.60:1. For every dollar spent on services, a cost savings of \$6.60 was provided to the community.

<b>Program</b>	<b>Savings</b>
Counseling Services	1,502,838
Crossroads	138,192
Recovery for Life	129,555
Employee Assistance	4,900
Batterers Program	475,786
<b>Total</b>	<b>2,251,271</b>

The long and short range savings associated with education, advocacy, job maintenance, increased quality of life, and increased family stability are beyond the scope of this report in terms of measurement. Nevertheless, it is clear that the impact of P.A.C.E. Center services in this regard is significant.

## **Recommendations**

Given that high return on investment in P.A.C.E. Center services can be demonstrated in financial terms and can be inferred in human terms, it is recommended that programs continue and be expanded for as long as they remain cost effective to the community. Service data should be carefully tracked and outcomes measured where possible. Collection of longitudinal data may support current programming or may lead to its alteration.

Vocational stability is necessary for maximal individual, family and community functioning. The P.A.C.E. Center has done a client survey which showed that finding and keeping a job is a major barrier to many clients who may, however, have marketable skills. It is recommended that the P.A.C.E. Center pursue its interest in addressing this issue via the creation of an agency sponsored micro-enterprise by approaching subject matter experts regarding the feasibility of this venture.

## References

- Babcock, J.C., Green, C.E., & Robie, C. (2002). Does batterers' treatment work? A meta-analytic review of domestic violence treatment. *Clinical Psychology Review*. Retrieved May 1, 2008, from <http://www.sciencedirect.com/science/journal>.
- Bond, G.R. (1984). An economic analysis of psychosocial rehabilitation. *Hospital and Community Psychiatry*, 35, 356-362.
- Employee Assistance Professionals' Association
- SC State Budget and Control Board, Office of Research and Statistics
- SC Department of Probation, Parole and Pardon Services
- SC Department of Corrections
- Selvik, R., Stephenson, D., Plaza, C., & Sugden, B. (2004). EAP impact on work, relationship, and health outcomes. *The Journal of Employee Assistance*. April, 2004.
- Quinley, K. M. (2003). EAPs: A benefit that can trim your disability and absenteeism costs. *Compensation & Benefits Report*, 17.