A PRELIMINARY COST EFFECTIVENESS ANALYSIS OF AN INTERVENTION TO REDUCE HOMELESSNESS AMONG THE MENTALLY ILL

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The Critical Time Intervention Project is a three-year clinical trial which tests a time-limited, supportive intervention to reduce recurrent homelessness among mentally ill men moving from a shelter to the community. Along with a comparison of nights spent homeless and other outcomes, the evaluation of the Critical Time Intervention includes a comparison of the relative costs of the intervention, compared to usual treatment. Such cost effectiveness analyses are difficult to perform and are rarely applied to mental health treatments. This paper presents the general scheme of this analysis and discusses critical issues in the construction and measurement of cost variables. Preliminary results which have implications for the cost analysis are presented.

INTRODUCTION

For persons with severe mental illness, the transition from a shelter to housing in the community can be extremely difficult. Those who have adapted to life in the shelter find that a new set of living skills is required for successful community living. Additionally, because most service programs operate either in the

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shelter or in the community, individuals who make the transition to community living must find new sources of help and form relationships with new providers. Most individuals with mental illnesses find such experiences extremely stressful. For many, small problems escalate, resulting in a return to the shelter or streets.

The design of the Critical Time Intervention for homeless mentally ill men was motivated in large part by the investigators' clinical observation of a high recurrence of homelessness after community placement from a shelter psychiatry program in the Bronx (1). This impression was later confirmed in a follow-up study of clients placed into community housing from a psychiatry program in a Manhattan shelter (2, 3).

The Critical Time Intervention (CTI) is based on the premise that a well-timed intervention can help individuals leaving a shelter develop relationships with the community providers who can offer on-going care (4). For up to a maximum of nine months after an individual leaves the shelter, the CTI team assists him in establishing durable systems of support. This assistance is focused on four areas identified by the CTI model as crucial for stabilization in this transition period: medication compliance, money management, substance abuse, and housing-related crises.

Preliminary results suggest that CTI is effective in reducing recurrent homelessness among experimental subjects. Men in the experimental group experienced less than half the number of nights homeless as compared with the control group (see Preliminary Results).

While the main analysis of CTI focuses on the reduction in nights spent homeless between the two groups, cost effectiveness is another dimension that may be used to evaluate the success of the project. A cost effective program is one such that the value of the resources associated with it are less than that associated with alternative programs. Rather than examining nights of homelessness, this analysis will use a positive outcome—namely, nights not homeless—as the desired good which the intervention will produce. We plan to see if the cost of creating a night not homeless for men who received the CTI intervention is less than the cost associated with creating a similar night without the CTI intervention.