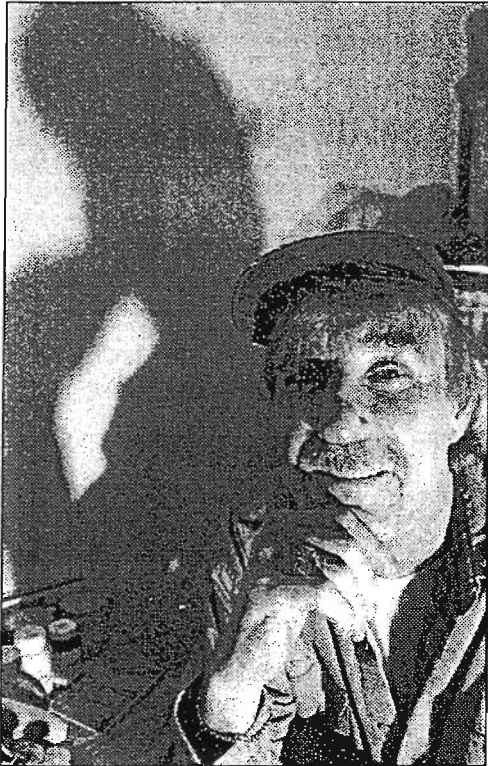


Study Backs Group Homes for Homeless

Services for mentally ill prove cost-effective



Newsday Photo / Moises Saman

Bobby Powers says of his residence: "All the other places were programs. This is my home."

By Margaret Ramirez
STAFF WRITER

Bobby Powers remembers his childhood days, fighting the voices in his head, locked in a South Carolina insane asylum. At 17, he ran away to New York. But the voices grew louder, landing him in and out of psychiatric hospitals and group homes, and eventually leaving him terrified and homeless.

Now a five-year study that tracked more than 7,000 mentally ill homeless people in New York has found that placing them in group homes or supportive housing, with such services as counseling and job training, added less than 5 percent to the cost of leaving them to fend for themselves on the street.

"This study proves what anecdotal evidence has pointed to: that by putting the money into supportive housing, the solution can pay for itself," said Dennis P. Culhane, who headed the study, done by

the University of Pennsylvania's Center for Mental Health Policy and Services Research.

Using data from seven government agencies, the researchers found that a homeless mentally ill person in New York City used an average of \$40,448 in public services per year.

That figure includes costs for time spent in shelters, psychiatric hospitals and city hospitals, and stays in jails and prisons.

After such people were placed in housing, they reduced their use of services by \$16,282. The researchers subtracted those savings from the cost of the housing, and found it cost only about an extra \$1,900 per person a year to provide housing.

For the 3,615 people in the study who were placed in supportive housing or group homes, the total costs were \$64 million a year. That was

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only \$6.9 million more than the costs for mentally ill homeless who stayed on the street.

It has been recently estimated that New York City has 10,000 mentally ill homeless.

If the study figures held true, it would cost an extra \$19 million a year to provide housing services for all of them.

"Throughout New York City, you see people who are obviously ill and sleeping on the subways and living on our streets," said Carla Javits, president and chief executive of the New York-based Corporation for Supportive Housing.

"This study shows that for a negligible cost the public can place these people in homes instead of allowing them to cycle through the system."

For Powers, now 50, supportive hous-

ing has provided a sanctuary.

Powers, who has been diagnosed with paranoid schizophrenia, lives in the Prince George supportive housing residence in Manhattan, one of several residences funded by a joint city-state initiative called the New York / New York Agreement to House Mentally Ill Individuals.

In supportive housing, tenants are provided with an array of services including counseling, on-site doctors, computer classes and job training. In group homes, residents normally go outside for such services.

Powers said he is finally in control of his life. When mental chaos sets in, he said he simply picks up the phone and a counselor is there to help.

"I still have my off days. I have issues that I have to deal with. But I can deal with them here," he said. "All the other places were programs. This is my home."

Moving Off the Street, in Dollars and Sense

A study of mentally ill homeless people in New York City found costs for most city and state services declined after they were placed in housing.

Expense Categories	Annual Costs For Homeless Person on the Street	Annual Costs For Homeless Person in Housing
Dept. of Homeless Services	\$4,658	\$879
Office of Mental Health	12,520	4,260
Health & Hospital Corp.	6,229	4,458
Medicaid - inpatient	11,596	7,809
Medicaid - outpatient (stays)	2,612	5,269
Veterans Administration	1,821	1,226
Dept. of Criminal Justice (state)	367	0*
Dept. of Correction (city)	645	317
Group homes or supportive housing	0	18,190
Total	\$40,448	\$42,357

SOURCE: Center for Mental Health Policy & Services Research, University of Pennsylvania

*State prison system gains \$51

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