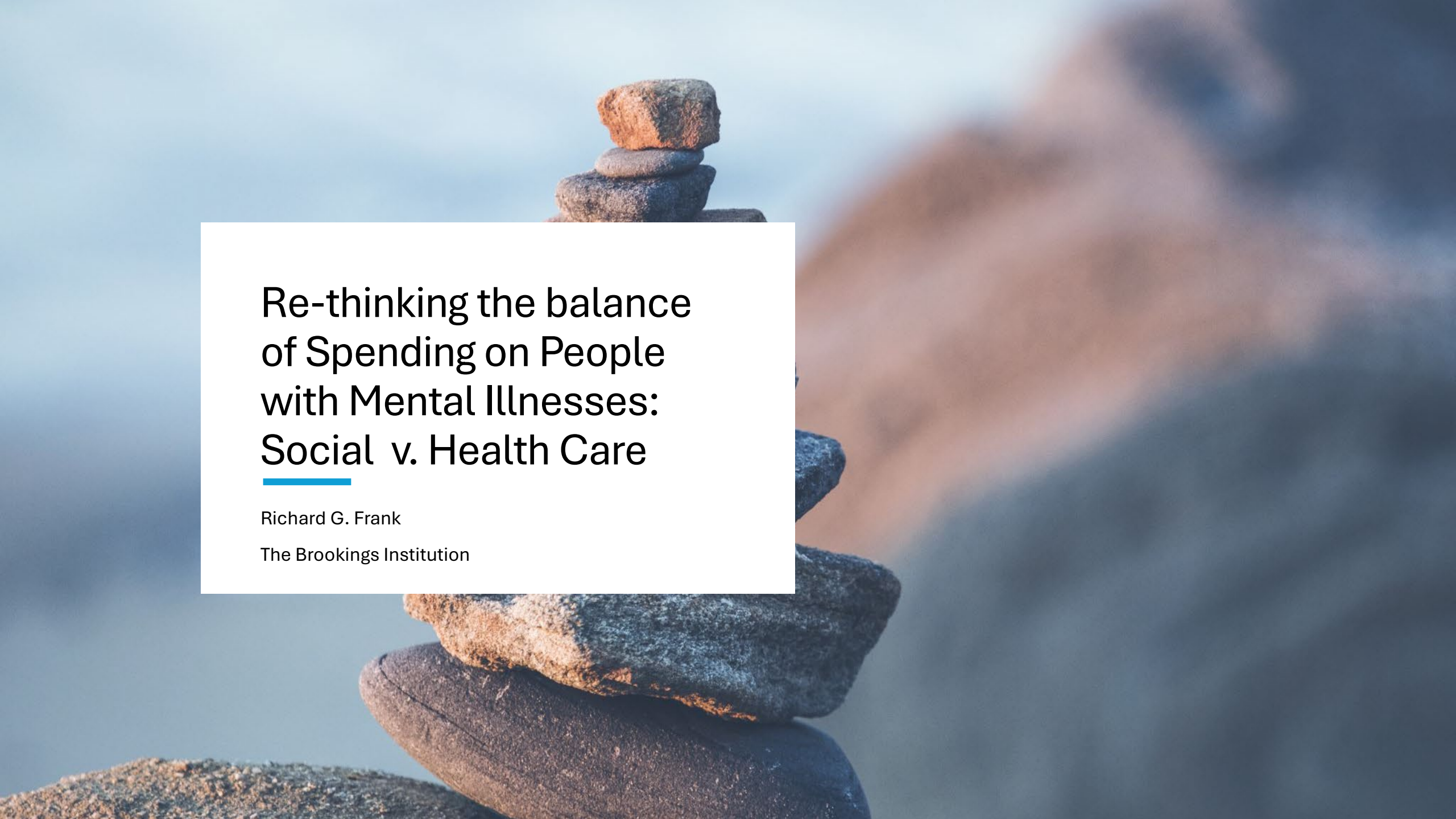


Re-thinking the balance of Spending on People with Mental Illnesses: Social v. Health Care

Richard G. Frank

The Brookings Institution

Table 1: US Public Spending Related to Mental Illness in 2019

Program type	With Indicators of Mental Illness: Number of people	With Indicators of Mental Illness: Spending
In the general population…		
HUD housing assistance	963,000 *households*	$8.84 billion
SNAP	3.74 million *households monthly*	$11.2 billion
TANF	208,000 *families monthly*	$1.11 billion
SSI	1.61 million	$11.7 billion
SSDI	2.39 million	$31.2 billion
Total		***$64.1 billion***
People experiencing homelessness…		
Grants for services	insufficient data	***$498 billion***
People involved with criminal justice system…		
Local jails	196,000 *daily*	$6.89 billion
State prisons	178,000	$6.16 billion
Federal prisons	13,800	$489 million
Total		***$13.5 billion***
Police responses	insufficient data	***$12.3 billion***
Total from all programs		**$90.5 billion**

Figures are annual estimates for the year of 2019 unless otherwise noted. Amounts in bold are included in total.

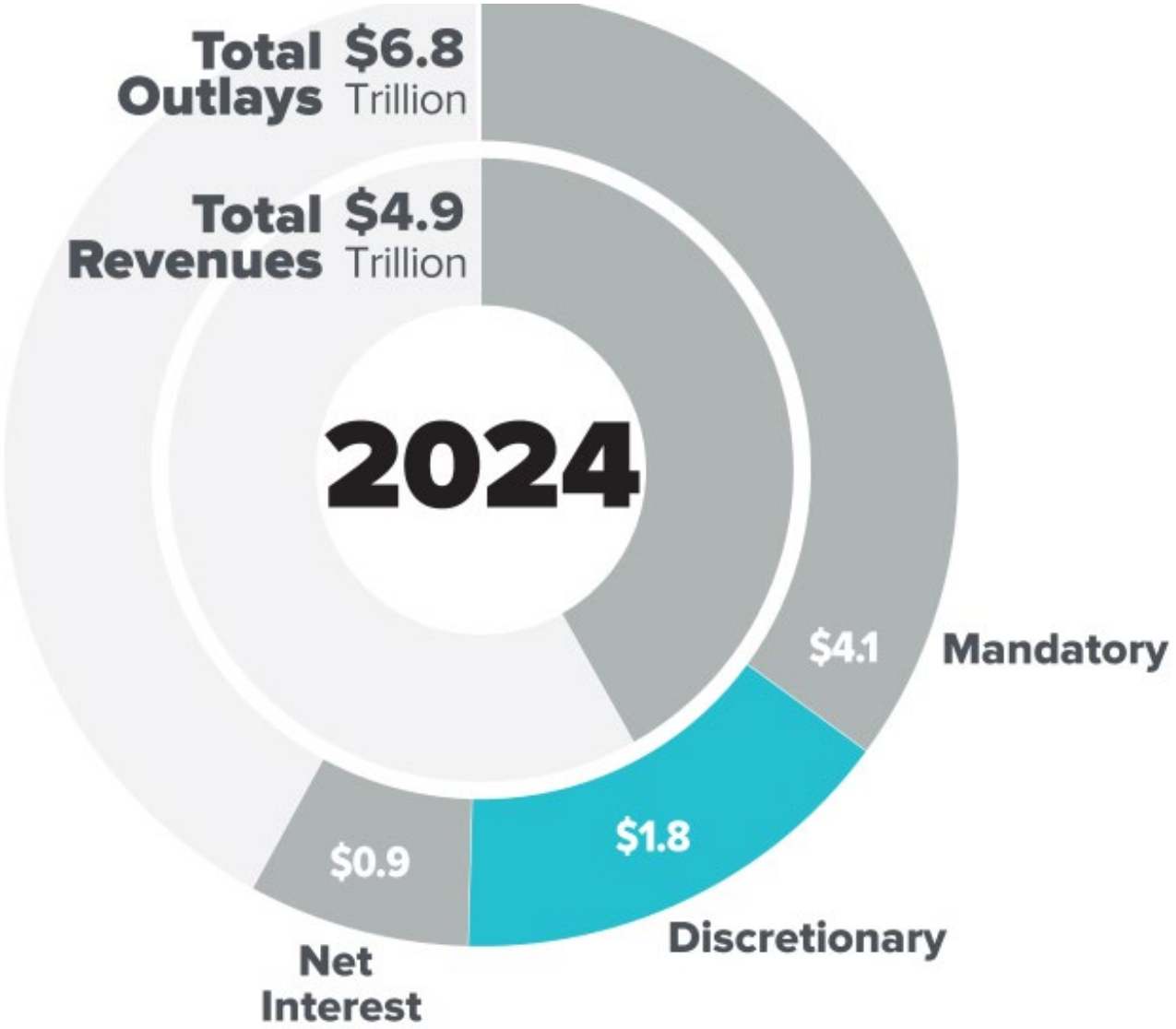
Source: Frank and Glied 2023

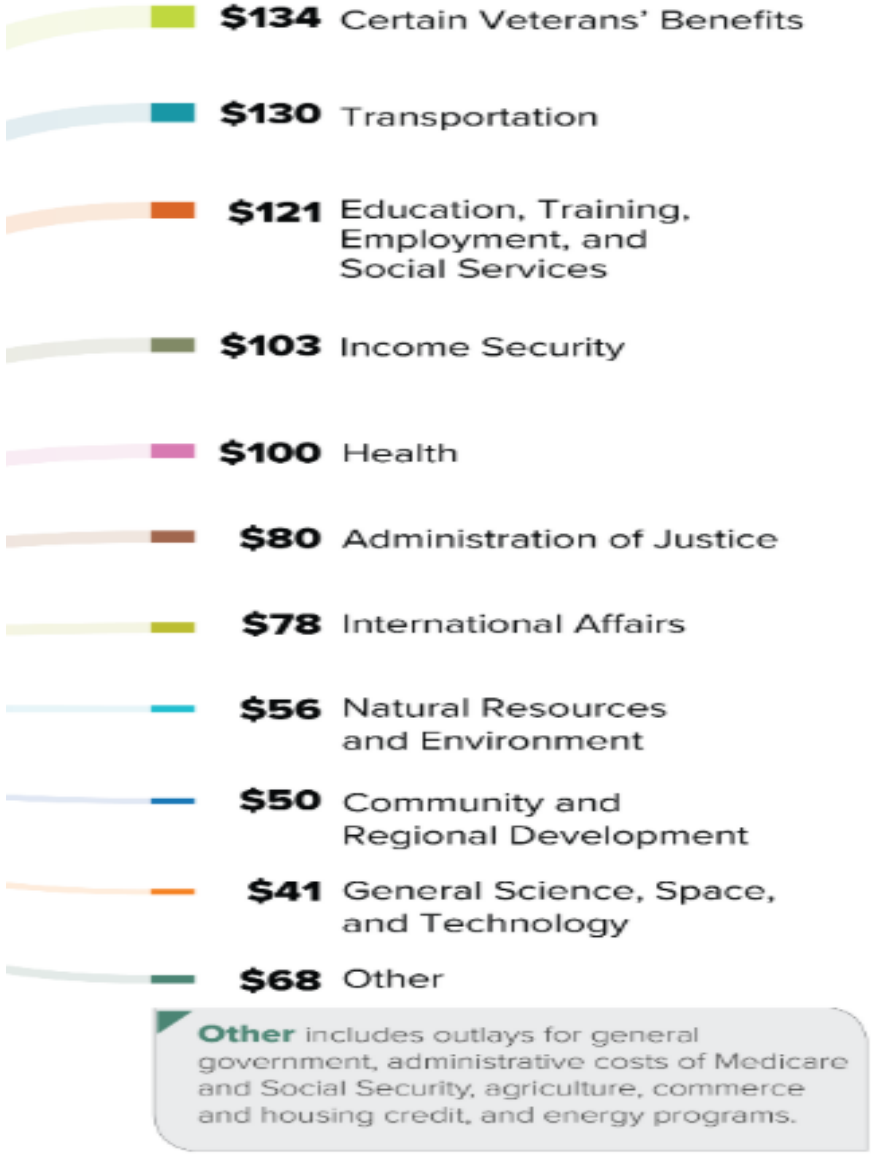
Estimated composition of spending on people with mental illnesses

Indicator	USA	Denmark	Australia
Health Care % of Total Spending for mental health	68%	33%	40%
Per Capita Spending Index	1	0.7	0.6
Public Social Services Spending as % of GDP	11%	20%	13%

Clues about impact of incremental shifts in composition of mental health spending

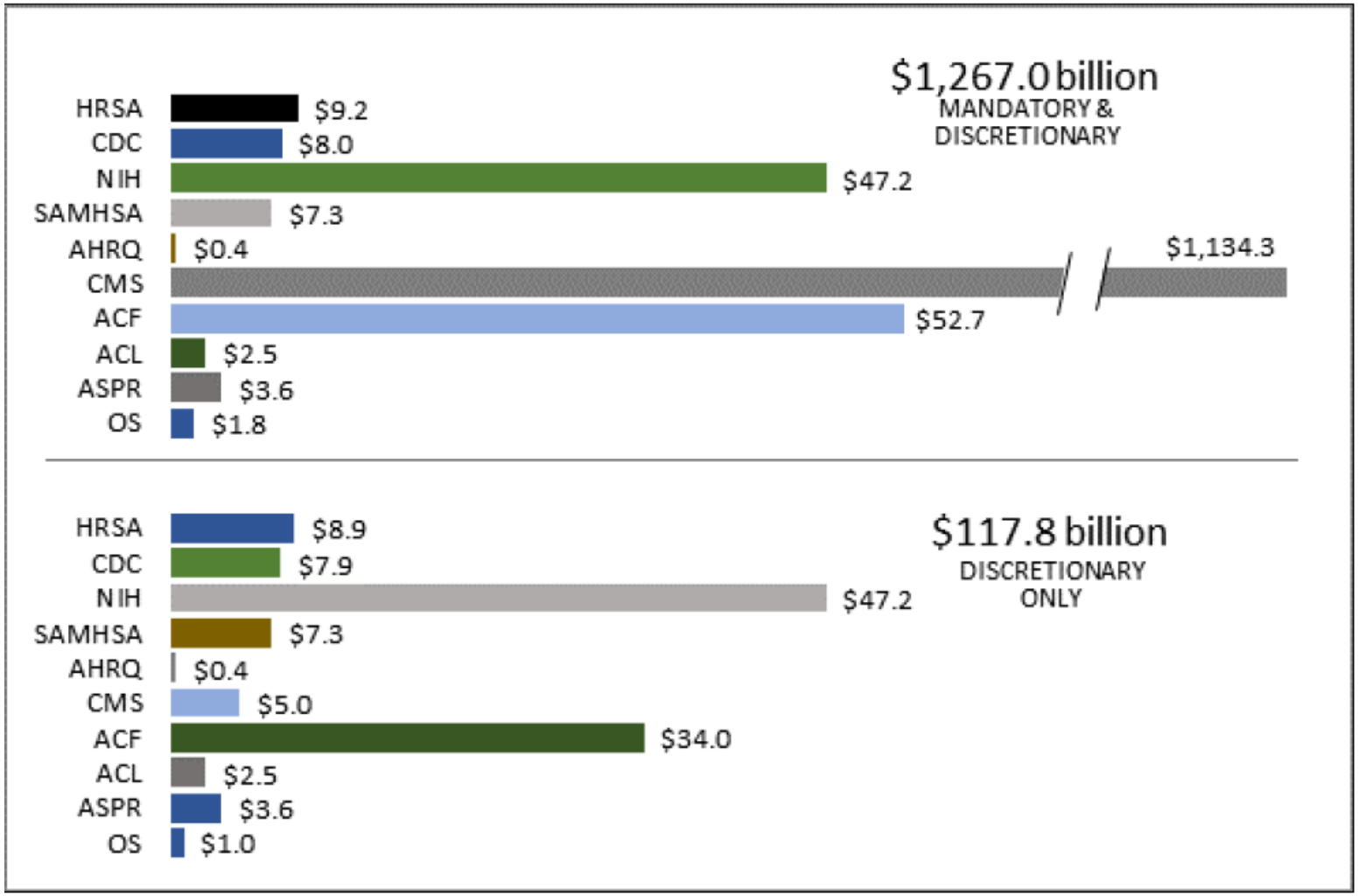
- Aggregate observations of national spending on health versus social supports show nations with relative high shares of spending on social services have lower rates of mental health related problems (CMWF, 2020)
  - Rates of mental distress, suicide
- Direct International Comparisons of the ratio of social to health care services on outcomes (OECD Nations)
  - Park et al (2020) provides some evidence of an association between the ratio of social/health spending and mental health related mortality
- Examination of U.S. Variations Across States
  - Bradley et al (2016) provide estimates showing a higher social/health spending ratio is associated with fewer reports of 14+ mentally unhealthy days
  - Evidence showing that receipt of HCBS by people with ADLs associated with reduced rates of depression


Total Outlays $6.8 Trillion
Total Revenues $4.9 Trillion
2024
$4.1
Mandatory
$1.8
Discretionary
$0.9
Net Interest



Billions of dollars; Source CBO 2025

Federal HHS Budget FY 2024



Observations

- Medicare, Medicaid and Marketplace plans (mandatory) account for around 50% of all spend
- Nearly all social services are discretionary
- Appropriators have little to say about mandatory spending
- Historically spending constraints have largely focused on non-defense discretionary programs
- Making incremental changes that would shift resources toward social services at a rate that would require major departures from the past

Future Considerations

- One step towards a rebalancing of the emphasis on health care versus social services in support people with mental illnesses, especially serious mental illnesses would be to use a mixed approach to budgeting
  - FQHCs are funded by a mix of mandatory and discretionary funds
  - The Child Care and Development Fund also uses a mixed approach to supporting state administered child-care subsidies for low-income households.
- Another consideration is to re-orient the MHSBG and SUPRBG toward more support services via performance requirements