Public Expenditures for the Mentally Ill in New York City

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A SHIFT in concept of treatment for mental illness—from long-term institutional, largely custodial care to short-term institutional care and ambulatory services—raises the question of the adequacy of present patterns of financing these services. The rising expectations of families at all income levels for counseling and outpatient care to treat less severe conditions, combined with a growing belief in the community of the value of social investment in such services as a preventive and health conservation measure, generate a concern with increasing the funds available for community mental health care. The Administration's proposals for Federal support of mental health provides evidence of these changes.

The emergence of community mental health services has been accompanied by increasing local responsibility for planning, financing, and organizing services, although the need for active support and cooperation of State and Federal governments has not diminished. As local governments move to strengthen community mental health programs, there are a variety of views regarding their financing and organization. The following statements by President Kennedy and others suggest the direction in which these views are tending.

"Mental health programs should have multiple financing, public and private, and on the public side from Federal, State and local taxation" (*1*).

"Federal, State and local expenditures for public mental patient services should be doubled in the next 5 years—and tripled in the next 10" (*2*).

With the treatment of the mentally ill possible "within relatively short periods of time, . . . individual fee-for-services, individual and group insurance, other third-party payments, voluntary and private contributions and State and local aid can now better bear the continuing burden of these costs to the individual patient after these services are established" (*3*).

On the basis of these and similar statements, we can look forward to a continuation of multiple patterns of financing mental health services. An increase in expenditures for these services can be foreseen, and with such an increase we can expect an improvement in treatment prospects. Improved prognosis may well, in turn, lead toward greater reliance on private methods of payment.

There is some feeling, for example, that the patterns of financing mental illness services should conform more closely to traditional patterns of financing general health services.

Nevertheless, the introduction of new and additional sources of financing in the mental health field may raise new problems even as it solves some existing ones. To detail one such prob-

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lem—because services tend to follow the available dollar, multiple sources of funds may result in fragmentation of care and in the use of some services rather than others, not because they are more appropriate or more economical but because they can be more readily paid for. To illustrate, voluntary health insurance as presently constituted is largely geared to inpatient services rather than outpatient services. Expansion of mental illness insurance coverage only along these lines could encourage unwise use of inpatient services and result in distortion of treatment. Similarly, under voluntary health insurance plans sponsored by providers of services, competing professional groups or institutional arrangements may not receive proper reimbursement or recognition.

To evolve from the current patterns of financing and organization of mental health services to the new patterns that will be required if we are to meet changing attitudes and demands, it is necessary to have as complete a picture of the current patterns as available data can provide. The burden of this paper is to present data that are part of a larger study, the New York Urban Medical Economics Research Project. The study is investigating the scope and role of government expenditures for personal health care in the city; it is sponsored jointly by the New York City Department of Health and the Urban Research Center of Hunter College, City University of New York. Professor Nora Piore is the principal investigator.

Total Expenditures

Close to $188 million is estimated to have been appropriated by all levels of government to provide mental illness services to New York City residents in fiscal year 1961. (Throughout this paper most of the data relating to spending for mental illness services are budgeted appropriations rather than actual expenditures.) This represents about 37 percent of the total $500 million government outlay for personal health care of all types previously reported (*4*). About 14 percent of the total public outlay for mental illness was administered by city agencies; some 73 percent of the funds was administered and financed by the State; and 13 percent was spent by the Federal Government. However, if we include that portion of the city-administered funds that came from State aid, close to 79 percent of all public expenditures for mental health and illness came from State sources. Offsetting these tax outlays, almost $16 million is estimated to have been collected by government institutions in patient payments or third-party payments, on an ability-to-pay basis.

Table 1. Per capita appropriations for mental health and mental illness of New York City residents, by governmental level of the source and of the administration of funds, fiscal year 1960–61

Government	Source	Level of administration
Total	$24. 17	$24. 17
New York City	[1] 1. 97	3. 36
New York State	[2] 19. 06	17. 69
Federal	3. 14	3. 12

[1] Includes $0.12 in private agency contributions required for State matching of funds.
[2] Includes $1.93 in patient payments in State mental hospitals.

Table 1 presents per capita appropriations for mental illness services to New York City residents by source of government and level of administration. Approximately $24.17 was spent per capita in fiscal year 1961, more than $19 of this by New York State. New York City actually provided $1.97 per capita but supervised the administration of $3.36 per capita. The Federal Government's per capita expenditure was almost as significant as New York City's; it spent $3.14 per capita and administered $3.12 per capita for mental illness services.

In the country as a whole it is estimated that public funds account for nearly 90 percent of total outlays for mental health or illness from all sources of payment, or about $1,964 million out of $2,213 million spent for these purposes in 1962 (*5*). On the other hand, it seems reasonable to assume that the $188 million of public funds represents around 75 or 80 percent of all expenditures for mental illness in New York City. The greater concentration of psychiatrists and clinical psychologists in private practice in the city is reflected in relatively higher private expenditures than in other cities. A

preliminary estimate I made bears this out. The highest proportion of private expenditure is made for short-term institutional and ambulatory care. Such care presently receives a small portion of total public outlays for mental illness.

Within the $188 million total public expenditure for mental health and illness services in New York City in fiscal year 1961, the proportion of Federal, State, and local health care expenditures applied to mental health services varies. Only 9 percent of the total New York City health care dollar, or $26 million, goes for mental health services. In contrast, New York State's impact on the New York City resident is great. Some $137 million, or 98 percent of New York State appropriations for personal health care of New York City residents, goes for mental health. This reflects the continuing responsibility of State mental hospitals and correctional institutions for the mentally ill and the mentally defective. In 1960 the New York State Department of Mental Hygiene received approximately $24 million from patient payments or from third-party payments, of which $14 or $15 million are estimated to have come from New York City residents.

The New York State budgeted appropriations (in some instances actual expenditures) for mental health and illness services for New York City residents are shown in table 2. Mental health and illness services comprise the following groups:

1. Those services eligible for State reimbursement under New York's Community Mental Health Services Act of 1954, including outpatient psychiatric clinics; inpatient psychiatric services in general hospitals; psychiatric reha-

Table 2. Budgeted appropriations for mental health and illness services for New York City residents, by city, State, and Federal departments and source of funds, fiscal year 1960–61

Government and agency	Total budgeted appropriations	Received from patient charges and private agency contributions	Net tax revenue funds	Source of tax funds		
				Federal	State	City
Total	$187, 928, 134	$15, 939, 652	$171, 988, 482	$24, 446, 953	$133, 225, 896	$14, 315, 633
New York City	26, 004, 958	939, 652	25, 065, 306	200, 000	10, 549, 673	14, 315, 633
Department of hospitals	1, 055, 697	----------	1, 055, 697	----------	527, 848	527, 849
Department of health	159, 000	----------	159, 000	----------	79, 500	79, 500
Charitable institutions division	1, 056, 100	----------	1, 056, 100	----------	75, 000	981, 100
Department of welfare	400, 000	----------	400, 000	200, 000	100, 000	100, 000
New York City Youth Board	976, 151	----------	976, 151	----------	390, 460	585, 691
Department of education	27, 000	----------	27, 000	----------	----------	27, 000
New York City Community Mental Health Board (for transfer)	22, 331, 010	939, 652	21, 391, 358	----------	9, 376, 865	12, 014, 493
Department of hospitals	14, 229, 707	----------	14, 229, 707	----------	6, 238, 304	7, 991, 403
Department of education	2, 797, 761	----------	2, 797, 761	----------	1, 226, 538	1, 571, 223
Department of correction	151, 500	----------	151, 500	----------	66, 418	85, 082
Courts	466, 854	----------	466, 854	----------	204, 669	262, 185
Charitable institutions, inpatient services	628, 800	----------	628, 800	----------	275, 666	353, 134
Other services	4, 056, 388	939, 652	3, 116, 736	----------	1, 365, 270	1, 751, 466
New York State	137, 676, 223	15, 000, 000	122, 676, 223	----------	122, 676, 223	----------
Department of mental hygiene	129, 791, 057	15, 000, 000	114, 791, 057	----------	114, 791, 057	----------
Department of correction	7, 885, 166	----------	7, 885, 166	----------	7, 885, 166	----------
Federal Government	24, 246, 953	----------	24, 246, 953	24, 246, 953	----------	----------
Veterans Administration	21, 446, 953	----------	21, 446, 953	21, 446, 953	----------	----------
Department of Health, Education, and Welfare	2, 300, 000	----------	2, 300, 000	2, 300, 000	----------	----------
Department of Defense	500, 000	----------	500, 000	500, 000	----------	----------

bilitation services; and consultant and educational services given to voluntary and governmental agencies, schools, and courts.

2. Other services not under the act are residential schools for the mentally retarded; services for narcotic and alcoholic patients; long-term care for the mentally ill; and care of inmates in State correctional institutions for the criminally insane and the mentally defective.

Of the $188 million appropriated for mental health services, $172 million was obtained from tax revenues. An estimated $16 million was received from charges to patients and private agency contributions. State tax revenues at $133 million were the largest source of funds for public care of the mentally ill in New York. The city's tax share was $14 million and the Federal Government's, $24 million. New York City also receives some non-earmarked aid from the State in the form of State per capita aid and a share of motor vehicle taxes. These items were not included under State aid in the table but were counted as part of city tax funds. Of the $10,749,673 in aid from both State and Federal governments that New York City receives, all but $200,000 come from the State. The Federal share of $200,000 is for psychiatric and other related services to public-assistance recipients.

The total $26,004,958 in New York City appropriations is expended by several separate city agencies including the departments of health, hospitals, welfare, and education, the New York City Youth Board, and the courts.

Only 4 percent of the funds spent by New York City for mental illness comes from private agency contributions and patient and third-party payments. Of the $25,065,306 in tax revenues spent by the city to run mental health programs, 42 percent came from the State, 57 percent came from city tax revenue sources, and 0.8 percent from the Federal Government.

New York State expenditures. Since 1890, when New York State removed the insane from county asylums and almshouses and placed them in hospitals maintained and fully supported by the State, the bulk of expenditures for mental illness services for New York City residents has continued to be carried by the New York State Department of Mental Hygiene. (Municipal hospitals in New York City maintain inpatient facilities for the mentally ill, but a patient requiring long-term hospitalization is usually sent to a State hospital.) The $129,791,057 shown for New York City residents as appropriated by the State for mental illness services is an estimate based on the total census of patients by residence. A study prepared by the Community Council of Greater New York, based on the actual distribution of New York City residents on a hospital-by-hospital analysis, provides a lower estimate.

The New York State Department of Correction maintains institutions for the criminally insane and for mentally defective criminals. Two-thirds of the appropriations for Matteawan State Hospital, Dannemora State Hospital, and Albion and Eastern State Training Schools were allocated to New York City because, according to the annual reports of the department of correction, approximately two-thirds of the inmates in these institutions were from New York City. Psychiatric services in other State correctional institutions are provided by the department of mental hygiene and were included in the estimates for that department.

Federal expenditures. The Federal Government spent $24,246,953 for the care of mentally ill New Yorkers. Practically all of this was for special beneficiaries of the Federal Government; $21,446,953 was the cost of services in Veterans Administration general hospitals, psychiatric hospitals, and outpatient services to veterans who are New York City residents. Services to New York City patients in the Public Health Service Hospital at Lexington, Ky., and the estimated cost of psychiatric care in the local Public Health Service Hospital amounted to $2,300,000. The Department of Defense maintains a psychiatric ward at the U.S. Naval Hospital in St. Albans, Queens, whose costs were estimated to be $500,000.

Federal aid to the State consists largely of National Mental Health Act funds, of which New York State received $487,324 in the fiscal year ending March 31, 1961. The Federal Government also provides some reimbursement to the State for veterans in State mental hospitals. (The State figures for New York City do not include National Mental Health Act funds and Federal reimbursement for New York City vet-

erans' care.) Expenditures in New York City by the Federal Government for research, training, and demonstrations, estimated at $5 million, also have not been included in the Federal Government figures.

The Community Mental Health Board

Under the New York State Community Mental Health Services Act of 1954 and local legislation, appropriations for mental health services provided by several city agencies are made to the New York City Community Mental Health Board. However, the agencies make the actual expenditures and are reimbursed by a transfer of charges. Budget estimates for mental health are approved by the New York City Community Mental Health Board prior to submission to the mayor's office by way of the director of the budget. The mayor, having approved the board's budget as part of the executive budget, submits the budget requests to the city council and the board of estimate. Upon its adoption by this board, the budget of the community mental health board is submitted by that agency to the New York State Department of Mental Hygiene.

In addition, the community mental health board makes contracts for reimbursement of voluntary agency expenditures for mental illness services. Two methods of disbursing these public funds are used by the New York City Community Mental Health Board.

Per capita payments at per diem rates for inpatient services in voluntary hospitals. Hospitals are reimbursed on a per diem rate for "city-charge" (medically indigent) patients through the budget of the charitable institutions division in the office of the comptroller. Since 1961, in addition to reimbursement for inpatient care, smaller per diem rates have been established to reimburse for day and night care of patients in six voluntary general hospitals.

Reimbursement of voluntary psychiatric clinic expenditures. The community mental health board may undertake contracts with voluntary outpatient services wishing to expand the program of their agencies. Fee-charging practices are left to the agency, but in determining whether to provide reimbursement, the community mental health board seeks to insure that services are provided to low-income patients. Matching amounts required to be provided by the contracting voluntary agency for expansion are considered the equivalent of "city tax-levy" funds for purposes of State reimbursement.

In fiscal year 1961, $22 million of the $26 million spent by the city for mental services was budgeted through the community mental health board. The city department of hospitals received from the board $14.2 million, the department of correction, $151,500, the bureau of child guidance of the department of education, $2,797,761, and court clinics, $466,854. The remainder was spent for administration of the community mental health board, for payments to the charitable institutions division, and for contracts with voluntary agencies. Remaining outside of the budget mechanism of the community mental health board are mental health services provided by such agencies as the departments of health and welfare, the board of higher education, and the New York City Youth Board.

Services Outside of Board's Jurisdiction

The city services that come under the aegis of the board are described in some detail elsewhere. It may be of interest to detail some of the estimates of activities that do not come within the board's jurisdiction as of the date of the study.

The department of health appropriation of $159,000 was an estimate of allocations for psychiatric sessions, mental health nursing, consultants' services, and a portion of the social work budget. The State reimburses the city for these expenditures, with some exceptions, on a 50–50 basis.

The department of welfare expenditure of $400,000 was an estimate of psychiatric consultant sessions and the cost of psychiatric, psychological, and social work services in institutions for alcoholics. Dr. James G. Haughton of the department of welfare estimated that during 1963 consultation fees to panel psychiatrists for services to public-assistance recipients were from $14,000 to $15,000 per year. No attempt has been made to allocate social work services, amounts for psychiatric care of children under foster care, or psychiatric care provided to children in shelters under the auspices of the bureau of child welfare services.

The New York City Youth Board appropriation of $976,151 included amounts for psychiatric services, for social work activities on a contract basis for young people and their families, and for administration.

Some of the expenditures of agencies whose budgets for mental illness services come under the aegis of the New York City Community Mental Health Board are not programed through the board. It was necessary to estimate these as follows.

The $1,055,697 shown for the department of hospitals excluded $14,229,707 budgeted to the community mental health board but transferred to the department of hospitals. The amount shown is for that portion of Riverside Hospital (a municipal institution for the treatment of narcotic patients) not budgeted by the community mental health board. Care of narcotic patients under 21 years of age in Riverside is reimbursed by the State on a 50–50 basis under the handicapped children's program.

The charitable institutions division in the office of the comptroller is a city mechanism used to provide flat per diem payments on a per capita basis to charitable institutions for care and treatment of "city-charge" (medically indigent) persons. With respect to mental illness, reimbursement for psychiatric inpatient care in voluntary and private general hospitals is budgeted through the community mental health board. However, the $906,100 included payments to Hillside Hospital, a voluntary mental hospital not eligible for community mental health board funds. In addition, Manhattan General Hospital, a proprietary institution, received $150,000 for treatment of narcotic addicts.

The department of education, in addition to the outpatient and other services provided for school children through the bureau of child guidance, includes a small amount in its budget for psychiatric, psychological, and social work services provided in connection with the remedial reading program. Funds for the bureau of child guidance psychiatric services ($2,797,761) are shown under the community mental health board.

"Other services" under the community mental health board included $350,276 for administration of the department and $3,706,112 for improvement and expansion of services and facilities, most of which was for contracts to voluntary outpatient agencies.

Psychiatric Clinic Services

Expanded community mental health services include psychiatric clinical services. While intended for those with limited means, all outpatient services provided by city hospitals are without charge and without a means test.

A majority of the voluntary clinics charge fees including those under contract with the New York City Community Mental Health Board. The method for determining fees is established by the clinic. To encourage free or low-cost treatment of low-income patients, the following procedure has been adopted by the board. An estimate is made of the fees to be collected for the services scheduled under the contract. The estimated amount of fees is deducted from the scheduled total of proposed agency expenditures in order to arrive at the maximum net amount of agency contract expenditures subject to reimbursement by the community mental health board. Voluntary hospital clinics may charge fees in relation to ability to pay, but in some instances, reflecting traditional methods of charging in hospital clinics, only nominal payments are required.

Another group of voluntary clinics licensed by the State department of mental hygiene does not receive funds from the New York City Community Mental Health Board. These clinics rely almost entirely for their support on patient fees and organized fund-raising activities. While these fees may be scaled by patient income, it is believed that only the barest minimum number of patients receive free or low-cost service to meet the spirit of the requirements for licensure as a voluntary clinic.

Information is available on the total budgets for these three types of psychiatric clinics in New York City: clinics run by city agencies, voluntary clinics under contract with the New York City Community Mental Health Board, and voluntary clinics licensed by the State department of mental hygiene but not under contract with the New York City Community Mental Health Board.

Table 3 attempts to relate the data for utilization to the budgeted expenditures for psychi-

Table 3. Summary of selected service and fiscal data on New York City psychiatric clinics, by type of clinic, year ending June 30, 1961

Type of clinic	Total on rolls		Persons interviewed		Staff hours		Budget	
	Number	Percent	Number	Percent	Number	Percent	Dollars	Percent
New York City total	93,676	100.0	827,533	100.0	1,529,326	100.0	$14,325,637	100.0
All Community Mental Health Board programs	80,384	85.8	620,191	74.9	1,273,848	83.3	12,176,154	85.0
Municipal	56,421	60.2	358,878	43.4	662,603	43.3	5,550,571	[1] 38.7
Education	14,998	16.0	127,526	15.4	345,483	22.6	2,797,761	19.5
Hospitals	32,148	34.3	188,181	22.8	244,929	16.0	2,134,456	14.9
Correction	1,423	1.5	20,713	2.5	27,105	1.8	151,500	1.1
Courts	7,852	8.4	22,458	2.7	45,086	2.9	466,854	3.2
Voluntary contract	23,963	25.6	261,313	31.5	611,245	40.0	6,625,583	[2] 46.3
Family service	3,093	3.3	19,826	2.4	66,158	4.3	----------	--------
Hospitals	10,062	10.8	87,417	10.6	158,305	10.4	----------	--------
Settlement houses	1,075	1.1	138,420	16.6	39,925	2.6	----------	--------
Independent	9,733	10.4	15,650	1.9	346,857	22.7	----------	--------
Voluntary other	13,292	14.2	207,342	25.1	255,478	16.7	2,149,483	[3] 15.0
Hospitals	3,192	3.4	34,267	4.1	68,432	4.5	----------	--------
Independent	10,100	10.8	173,075	21.0	187,046	12.2	----------	--------

[1] City of New York budget for fiscal year 1960–61.
[2] Fiscal division, New York City Community Mental Health Board.
[3] Estimated from information supplied by division of community services, New York State Department of Mental Hygiene.

SOURCES: Table adapted from 1961 annual report, New York City Community Mental Health Board. IBM computations prepared by statistical services and division of community services, New York State Department of Mental Hygiene and research and planning division and fiscal division, New York City Community Mental Health Board.

atric clinics in New York City. The service data—total on rolls, interviews, and staff hours—were obtained from reports and compilations prepared by the New York State Department of Mental Hygiene and the New York City Community Mental Health Board. Budget data for the voluntary contract clinics were also supplied by the board. I estimated the budgets for "voluntary other" categories from information supplied by the New York State Department of Mental Hygiene. In making this estimate it was necessary to adjust data from earlier reports to the current years.

In fiscal 1961 the three types of clinics had a combined budget of $14,325,637, as follows:

Clinics	*Budget*	*Percent*
City	5,550,571	38.7
Voluntary contract	6,625,583	46.3
Voluntary other	2,149,483	15.0
Total	14,325,637	100.0

The budgets for the contract clinics included $3.2 million in contracts, of which $1.4 million were agency funds, $200,000 from city funds, and $1.6 million from the State. These amounts represented an annual projection based on the final condition as of June 30, 1961. These figures were higher than the actual budget prorated for the fiscal year (table 3). The remaining $3.4 million was spent for their regular continuing programs.

The municipal clinics, with 38.7 percent of the total budget, had the largest number of persons on their rolls—56,421, or 60.2 percent of the total on rolls. These persons were served by only 43.3 percent of the staff hours. The voluntary contract clinics had 46.3 percent of the total budget but only 25.6 percent of the total on rolls, with 40.0 percent of staff hours. This may reflect more intensive work with clients, higher salary schedules than municipal clinics have, and a differing composition of the therapeutic team. The "voluntary other" clinics had 15 percent of the budget, 14.2 percent on the rolls, and 16.7 percent of the staff hours.

A close study of costs and utilization patterns

and a more uniform definition of budget information might prove helpful in evaluating the flow of the community resources into alternative clinic arrangements.

With some 75 to 80 percent of all budget and services under the New York City Community Mental Health Board program, the importance of the board's decisions relating to psychiatric clinic services in New York is quite obvious. The board can influence the geographic patterns of distribution of services within the city or encourage expansion of services for groups now under-utilizing their services.

Reliance on Patient Payments

There is evidence of an increasing reliance on patient and third-party payments to support the State hospital system in New York State. The New York State Mental Hygiene Law specifies that State mental hospitals shall be maintained for the "care and treatment of the indigent," but patients who can pay also are admitted. For this group, "reimbursement" from patients or their families is obtained by the department of mental hygiene. The commissioner of mental hygiene establishes the amount that shall be paid for services. The current "statutory reimbursement rate" for the care and treatment of patients in State mental hospitals is $10 a day for intensive care and admission treatment, for a maximum of $300 a month for 5 months, and $6 a day (or $180 a month) for subsequent care. For care in State schools for mental defectives, the reimbursement sum is $6 a day, or $180 a month. In fiscal 1962, 45 percent of the patients in the State mental hospitals paid some part of reimbursable amounts. In the period April 1, 1960, to March 31, 1963, amounts received from patients or third-party payers rose from $24 million to approximately $32 million per year. This gain was accounted for in part by an increase in rates and also by an increase in the number of patients who were able to pay and who were encouraged to do so by more vigorous collection methods. Since January 1964 all reimbursements from patients are being placed in a special fund to be used for the construction of mental hygiene facilities.

The criteria used to determine amounts of reimbursement relating to income and assets of patients or their families are on file in the department of mental hygiene. These criteria are not widely available to the public.

A similar reliance on patient payments to help support the expansion of publicly subsidized psychiatric clinics is in evidence also.

It may be interesting at this point to contrast the current trend with the view expressed half a century ago by Homer Folks (*6*):

> It is not simply a question as to whether there shall be collected from the families of the insane $400,000 or $500,000 toward the seven millions required for their care; it is rather a question as to whether the affliction of insanity is to be treated, as it were, on the insurance basis, whereby the exceptional burden is to be distributed as widely as possible through the community, or whether it is wiser for the community as a whole that it should be borne, if possible, by the family in which it occurs. If community maintenance of the insane tended to increase their numbers, if persons not insane would be tempted to become patients of State hospitals for the sake of free board and lodging, the case might be different.
>
> Personally, I am strongly of the opinion that we are rapidly coming, and it is desirable that we should rapidly come, to the adoption of the policy that the maintenance of the insane is a public charge, to be distributed by taxation in the widest possible manner, and that hospitals for the insane are to be open without charge to all who need to receive treatment therein. We have already adopted this principle in many of the hospitals maintained by our departments of health, and its extension seems to me both inevitable and desirable.

Conclusions

An annual accounting should be prepared of funds for mental health in the public and private sectors. This accounting also should contain utilization data and should show funds expended by source, setting, and location. The material should be organized by major purpose, program, and activity. In beginning this task for the public sector in New York City, the Urban Medical Economics Research Project has concentrated on developing aggregate expenditure estimates. For greater usefulness, this data should be refined. A good example of the desired kind of breakdown is the study made by the New York City Community Mental Health Board's research division on outpatient, consultation, and rehabilitation services allocations for fiscal 1961 by borough and category of clientele. The study found that the distribution of

per capita allocation by boroughs was "quite uneven, $2.22 for Manhattan, $0.94 for the Bronx, $0.83 for Brooklyn, $0.73 for Queens, and $0.09 for Richmond" (*7*). Such an undertaking requires the participation of city, State, and Federal governments, voluntary coordinating agencies, and professional associations.

Working up such estimates is laborious and often tedious, because the governmental accounting and budgetary process is not organized on a sufficiently detailed program basis. Some problems of definition and classification also are quite troublesome. For instance, under the single term "mental health and illness" are grouped a wide range of conditions. One talks simultaneously about the costs of keeping a senile psychotic in a State mental hospital, the care of the criminally insane, and family counseling given by a psychiatric social worker in a clinic.

An annual accounting supplied on a program basis would provide guidance to the responsible agencies for establishing priorities in financing and staffing mental health services. The New York City Community Mental Health Board has a statutory mandate to plan and support community mental health services. To fulfill this mandate a detailed picture of the flow of funds is required, and information on fee practices and charges is necessary. It is through the allocation of funds that priorities are met. With such data we may be able to determine, in accordance with any given set of values or explicit public policy decisions, the extent to which we are adhering to these values or decisions, especially with respect to accessibility of services and the burden of costs.

The budget process should be better used as a tool for planning community mental health services. The budgeting must be done in terms of long-range goals. As one student has put it, so long as information is provided along departmental or organizational lines rather than by mission, program, or natural function lines, "management decisions bearing on specific problem clusters are made piecemeal, lacking a consistent goal-oriented policy framework, . . . lacking, in short, the information-decision structure essential for rational, efficient, and flexible choice among alternative options" (*8*).

One fortunate byproduct of the community mental health program in New York City is that the community mental health board is gathering together, in one place in the budget, expenditures for common program objectives found in many departments and agencies. To carry the concept to a logical extension, the board's scope should be broadened to encompass both public and private sectors, detailed cost studies of mental health programs should be carried out, and studies of the effectiveness of mental health programs in various settings should be attempted. The cost of delivery of a service to a client and its effectiveness is as significant as the size of the social worker's salary when the city agency is considering a subsidy to a private psychiatric clinic (*9*).

Sometimes lost in the development of community mental health programs (*10*) is the recognition, according to Gulick, that the "job that needs to be done locally is the job of local grass-roots coordination of Federal, State, and local programs" (*11*). Governmental functions have so many aspects—local, State, and Federal—that duplications and gaps in these functions are inevitable. Because the problems really emerge into full view only in local urban areas, coordination of these programs is best accomplished there.

The kind of data presented here afford one way of viewing the adequacy of expenditures on various programs. They point to the need for making expenditures for mental illness services in accordance with a plan, "rather than through the separate and independent channels through which the funds have been derived" (*12*). The process of coordination of programs and the knowledge of patterns of financing services go hand-in-hand with the community's fight against mental illness. The goal of such a plan, as Dr. John B. Grant further pointed out, is "to insure that health care services are accessible to every national without financial barrier, through either some form of prepayment plan or support from general tax revenue" (*12*).

Reflecting on the picture sketched by the data, and mindful of the foreseeable changes in patterns of treatment and financing outlined at the beginning of this paper, the following questions suggest themselves. They are now or soon will be on the agenda for consideration:

1. Can the benefits of intensive short-term

and ambulatory care be assured to all families regardless of family income?

2. What shall be the scope of Federal aid and the best formula for finding such support to augment the burdensome volume of State and local revenues now consumed by mental health services?

3. If we come to rely on private payments for mental illness, can these expensive and unpredictable costs to the family be made more manageable through insurance or some form of subsidy?

4. How can services, whether privately or publicly paid for, be most economically organized to minimize costs and maximize return on resources employed?

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