

## Understanding the Cost Effectiveness of Using Peer Specialists

From : Via Hope. (2012). *Peer Specialist Integration Workbook*. Austin, Texas: Via Hope.

Most people that work in the public mental health system in Texas know that this state is nearly always ranked last in spending per capita for mental health services<sup>1</sup>. The budgets for provider organizations are incredibly tight. As discussed in depth in Section IV on Peer Specialist Roles and Role Clarification, peer specialists do not replace other clinical staff; they are a complement to traditional staff and provide a type of service that has been missing in the past. Given that set of facts, a provider organization might reasonably believe it cannot afford to hire peer specialists. However, there is a small but growing body of evidence (discussed below) showing that peer specialists are not just effective, but can be very *cost effective* as well.

What makes a peer specialist effective is that he or she can often make a personal connection with people who have refused treatment or only used services when in crisis in the past. That connection, and the hope it inspires in the person receiving treatment, may help the individual's recovery proceed more rapidly and help the person to use less costly services more effectively, translating into the person using less intensive services and for a shorter period of time. Recent studies have shown that peer support can also reduce the incidence of multiple admissions for costly inpatient services. Following is a brief sample of studies about the cost effectiveness of using peer specialists.

In a study conducted in Georgia in 2006, individuals who had Certified Peer Specialists involved in their care experienced improvements over those not using peer specialists in reducing symptoms, increasing skills and abilities, and increasing their access to resources and ability to meet their own needs. These improvements led to an average reduction of \$5,497 per year per person for the state agency for clients using day treatment<sup>2</sup>.

In Pierce County, Washington, Certified Peer Specialists were used to provide respite services to individuals as an alternative to immediately sending people in crisis to a hospital. The County was able to reduce involuntary hospitalizations by 32%, saving them an estimated \$1.99 Million per year<sup>3</sup>.

A study in New York examined the use of "Peer Bridgers." The participants in the study had been hospitalized an average of 60% of the time during the two year baseline prior to the study. While participating in a program that matched them with a Peer Bridger, they were hospitalized an average of only 19% of the time, a 41% reduction<sup>4</sup>.

OptumHealth, a managed care provider, used peer specialists as health coaches for a study group with an average age of 71, all of whom had been hospitalized at least once in the prior year. During

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<sup>1</sup> Honberg, R., Kimball, A., Diehl, S., Usher, L., Fitzpatrick, M. (2011). State Mental Health Cuts: The Continuing Crisis. National Alliance on Mental Illness. Retrieved from [http://www.nami.org/Template.cfm?Section=state\\_budget\\_cuts\\_report](http://www.nami.org/Template.cfm?Section=state_budget_cuts_report)

<sup>2</sup> Fricks, L. (Presenter). (2007). PowerPoint presented at SAMHSA National Mental Health Block Grant and Data Conference.

<sup>3</sup> Bergeson, S. (2012, February 2). Cost effectiveness of using peers as providers. Retrieved from New York Association of Psychiatric Rehabilitation Services website: <http://www.nyaprs.org/e-news-bulletins/2011/2011-02-02-Bergeson-Cost-Effectiveness-of-Using-Peers-as-Providers.cfm>

<sup>4</sup> Ibid.



the study period, only 3.4% were hospitalized. In addition, their average length of stay was 2.3 days, while prior to the use of peer specialists, their average stay was 6 days<sup>5</sup>.

Recovery Innovations is a mental health care provider in Arizona that relies heavily on the use of peer specialists. Several of their Peer Support Specialists work in two local psychiatric hospitals. According to these hospitals, since the introduction of peer support staff, there has been a 36% reduction in the use of seclusion, a 48% reduction in the use of restraints, and a 56% reduction in hospital readmission rates<sup>6</sup>.

A recent study conducted in Connecticut followed seventy-four patients with a history of multiple admissions for inpatient services. Half were used as a control group, receiving traditional services, while the other half were assigned a “peer mentor.” The peer mentors had no specific assignment or goal other than supporting the study participant to whom he or she was assigned. By the end of the nine month study, the group receiving peer mentoring services had statistically significant fewer admissions (42%) than the control group and significantly fewer total hospital days of service (48%)<sup>7</sup>.

Research on the financial value of peer support has not kept pace with the dramatic growth in the use of peer specialists in recent years, but the preliminary evidence follows logic: If individuals need fewer inpatient services, fewer intensive services, and fewer services overall, the total cost of services will be lower. Studies consistently show that the savings largely outweigh the costs associated with providing peer support services, leading one experienced researcher to suggest that cash-strapped systems “cannot afford **not** to use such recovery support services” (K. Humphreys, personal correspondence, 2009).

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<sup>5</sup> Ibid

<sup>6</sup> <http://www.recoveryinnovations.org/pdf/RIA%20Programs%20and%20Outcomes.pdf>

<sup>7</sup> Sledge, W., Lawless, M., Sells, D., Wieland, M., O’Connell, M., & Davidson, L. (2011) Effectiveness of Peer Support in Reducing Readmission of Persons With Multiple Psychiatric Hospitalizations. *Psychiatric Services*, (62)5, 541-544.