

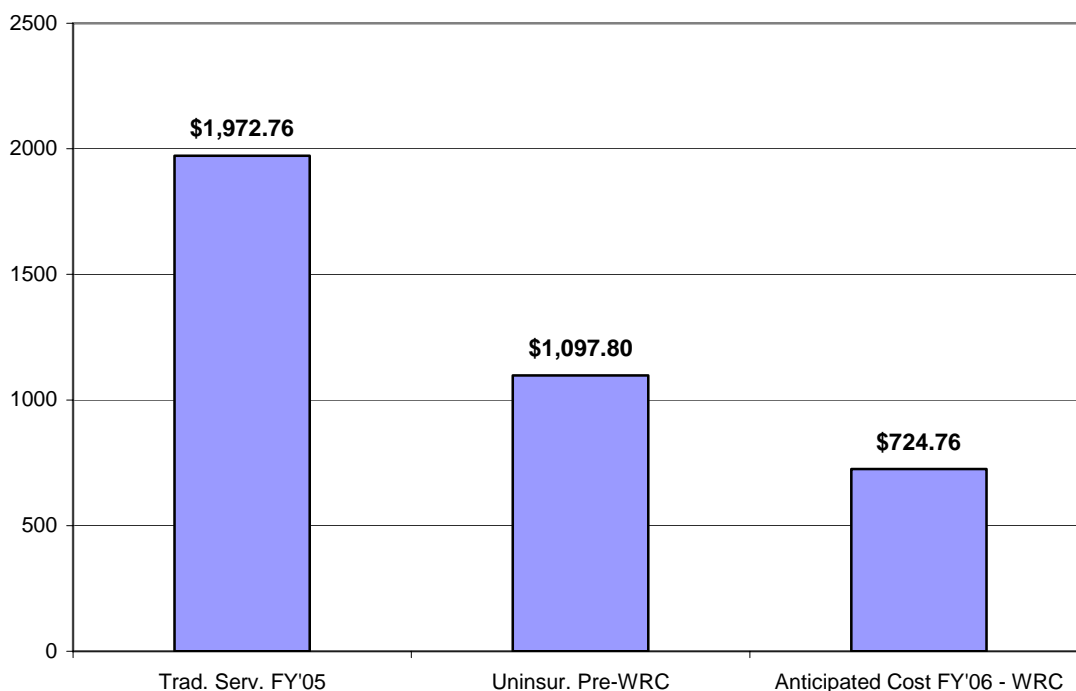
## Additional Data for WRC

In order to estimate the average cost of client served in the WRC, the cost of traditional services for FY'05 has been compared to the average cost of the under- or uninsured client (weighted average from FY'03-FY'05) and the annualized cost per client in the WRC with the current service mix. In order to keep the cost comparison between the three categories as consistent as possible, the inpatient cost has been removed from the traditional services category.

It should be noted that the basis for all of the cost estimates have been established Medicaid rates for the respective years. Subsequently, a third party purchasing services from Wasatch Mental Health would have to expend \$1,973 on average for traditional services, \$1,098 per client for the service mix offered from Fy'03 to FY'05, and \$724.76 per client for the current service mix offered in the WRC. Thus, for a third party, the WRC service mix would result in a cost savings of approximately 33.98% per client compared to the cost of a client in the three preceding years.

Most of these efficiencies in treatment cost are a result of providing group services, more effective utilization management services, and an attempt to reduce administrative and clinical overhead and streamlining of administrative functions.

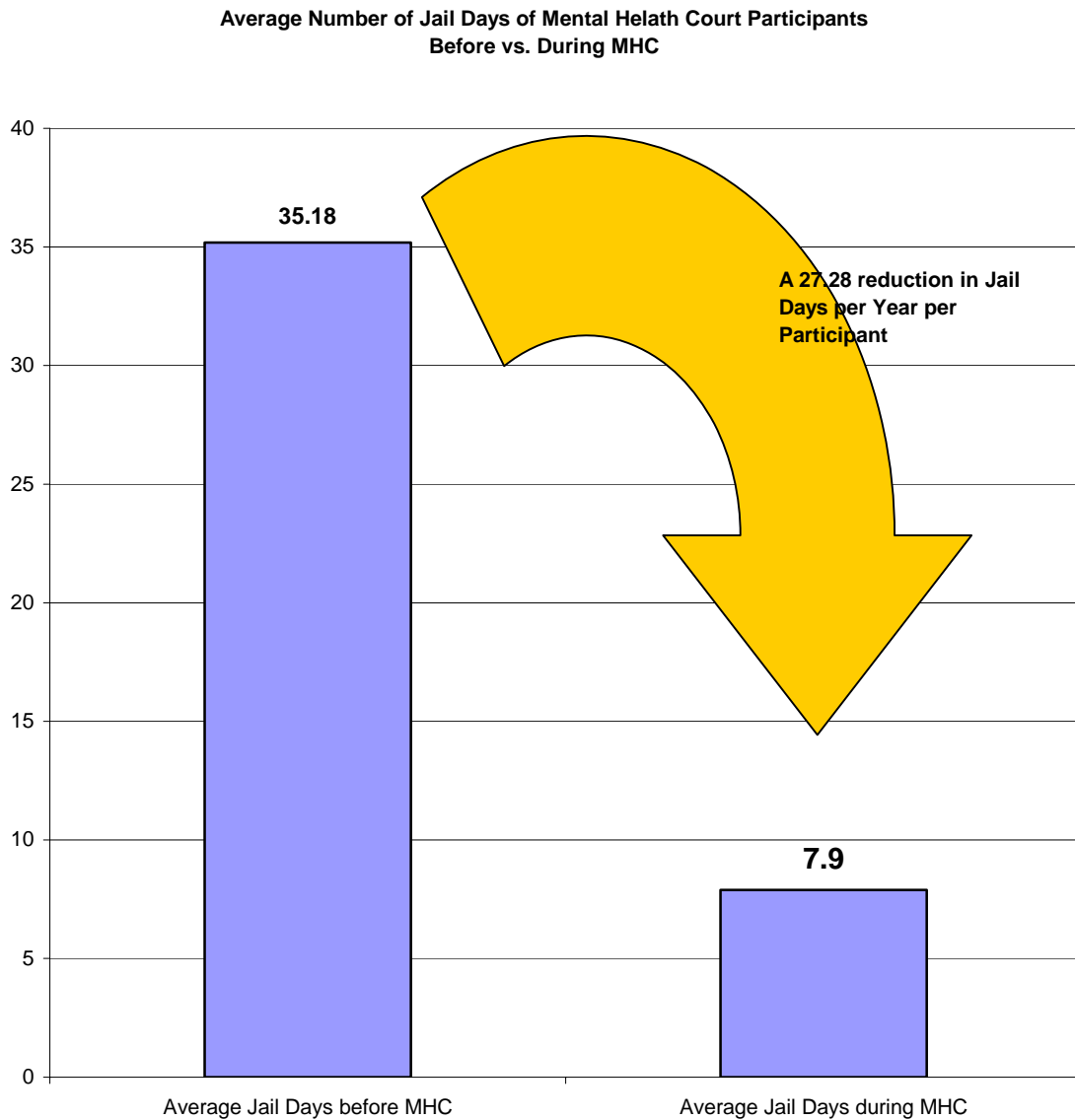
**Cost Comparison of Traditional Services, Under- and Uninsured FY'03 - FY'05 Services, and Anticipated Cost FY'06 - WRC Services**



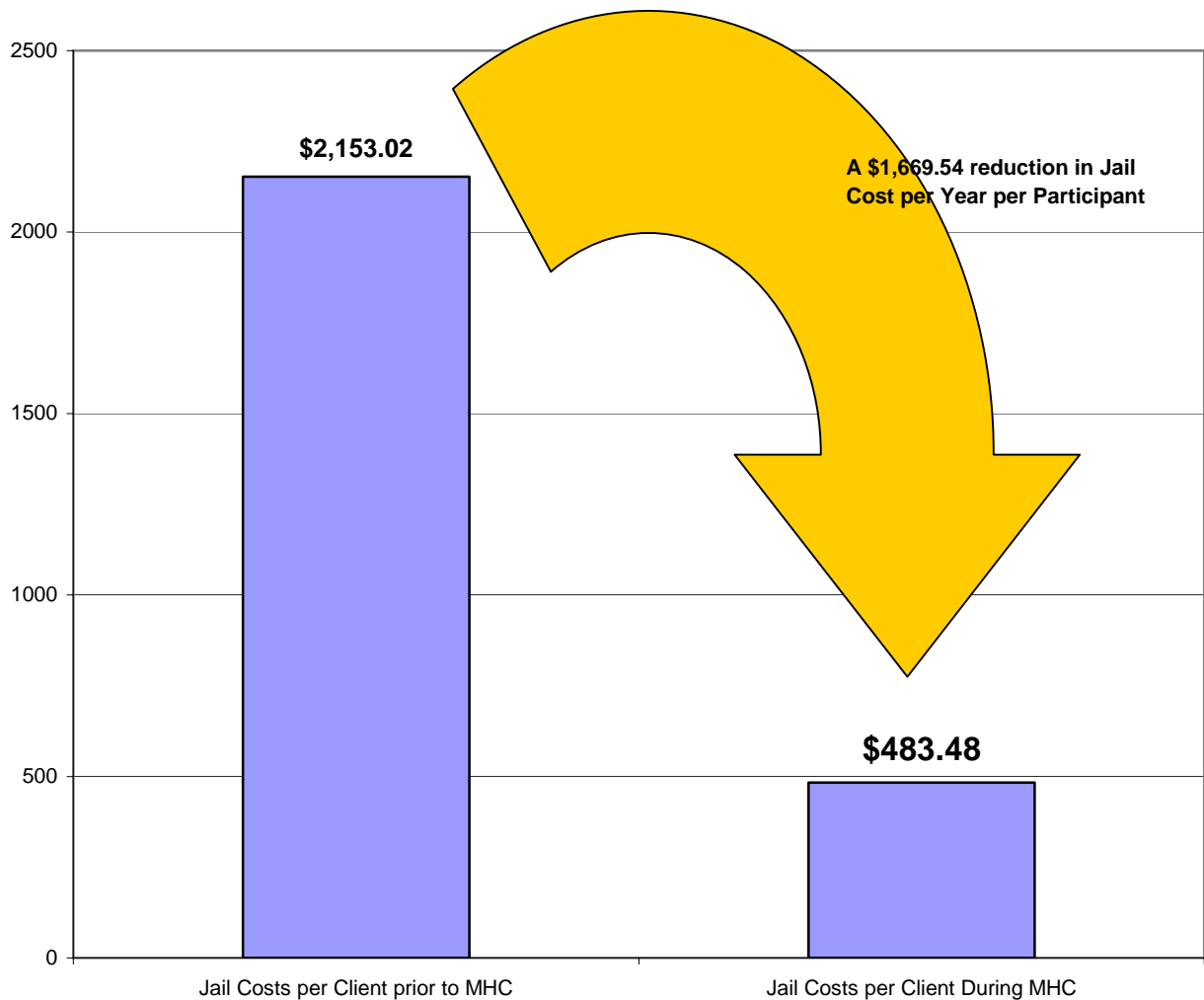
Finally, it is noteworthy that historically the distribution of individual client costs is widely dispersed, as a client episode may last just 1 day or encompass the entire year.

## Mental Health Court

In order to demonstrate the Mental Health Court Effectiveness, data on the number of Jail days per participant were collected one year prior to participation in the Mental Health Court (MHC). These data were averaged and compared to number of Jail days the participants accrued during their 1 year MHC participation. The following graphs depict the number of Jail day reduction and the associated cost savings in the jail system per client per year (based on a daily jail cost of \$61.20)



**Average Cost of Jail Days of Mental Health Court Participants - Before MHC vs. During MHC**

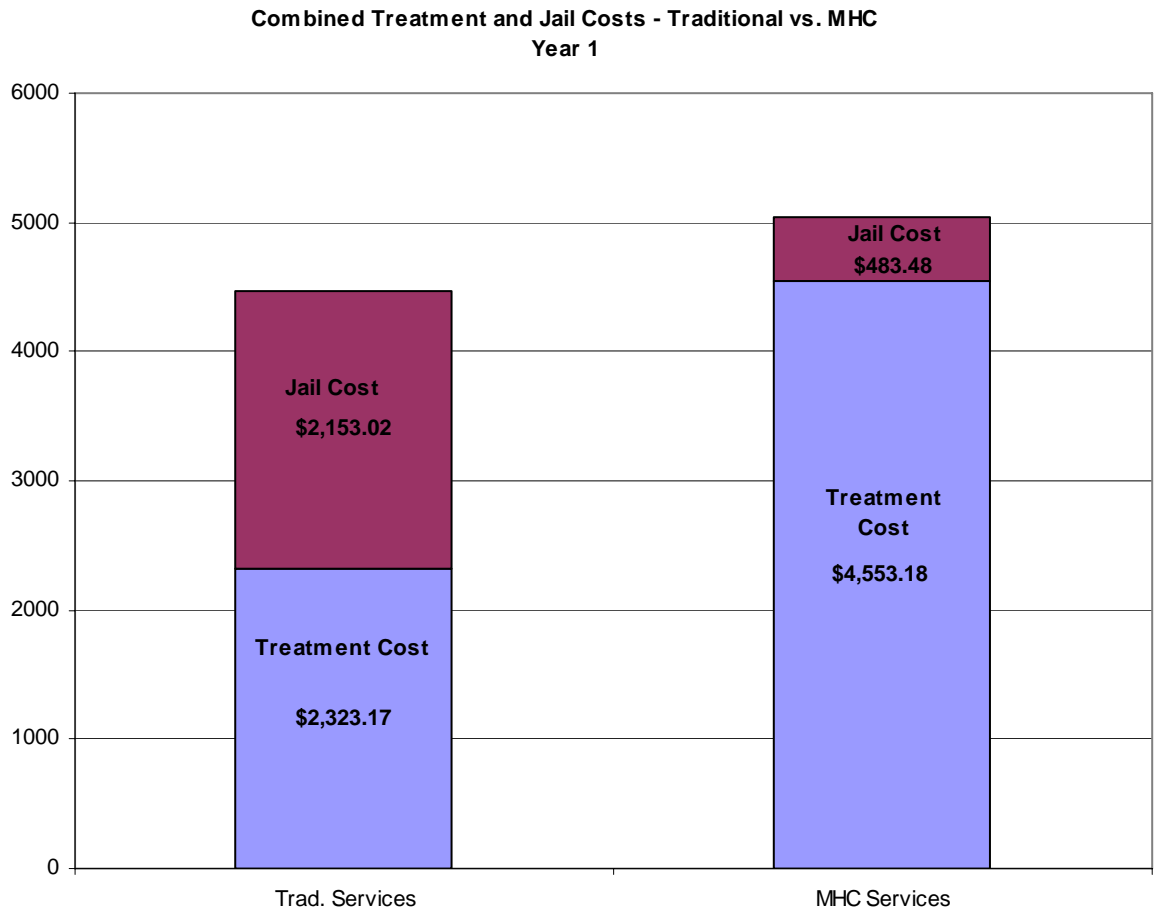


These above data are underscored by the continued reduction of jail days after graduation from the MHC. Thus far, the MHC graduates have not accrued any jail days since graduation and all have continued with their mental health treatment. While one year follow-up data for the graduates of the program is not yet available, data from the mental health courts across the nation suggest that this trend will hold. Nationally, a significant sustained reduction in jail days of MHC participants has been observed.

The cost savings in the jail days need to be compared to treatment costs in order to evaluate overall cost effectiveness of the program. Following a cost comparison of the MHC participant treatment costs and jail costs before MHC and during the MHC.

It is noteworthy that the treatment of the MHC participants initially is higher than the treatment cost of traditional services. This is related to the frequent client/ treatment team contacts in order to establish client follow-through and treatment participation. Over the

course of MHC participation, the cost per client per month is anticipated to decrease, as treatment participation is established.



In order to compare the total cost of services for an individual, the Jail costs and the treatment costs need to be combined. Comparing a combination of traditional services and Jail costs to MHC costs and Jail costs during the MHC participation demonstrates a cost increase of services during the first year of participation. However, after the first year of treatment in the MHC, the participant re-entered traditional services at a reduced cost. The savings in jail costs is maintained resulting in an overall cost savings for the second and subsequent years.

In addition to the total costs per individual treated in the MHC, there are several intangible benefits of treatment versus Jail that are difficult to quantify. These include increased community security, decreased victimization of third parties, decreased crisis contacts for police and mental health professionals, and the enhanced quality of life of the participants and family members.

