JIGSAW

# READING THREE: SOCIAL SAFETY NET AND TIMELINE OF DEINSTITUTIONALIZATION

The concept of the social safety net entered the public policy arena during the early 1980s, as changes initiated by the Reagan administration sought to streamline government programs while maintaining supports for people termed "the truly needy" (Burt and Pittman 1985; Palmer and Sawhill 1982, 1984). The purpose of a safety net is to protect people from ultimate harm. By implication, a social safety net comprises a set of programs, benefits, and supports designed to ensure that people do not lack the basic necessities of life—shelter, food, physical safety, health, and a minimum level of financial resources. A social safety net may go even further by ensuring that people have the means to change the circumstances that put them at risk. Job training, child care, and/or child support services are examples of safety net programs that help people move toward economic self-sufficiency.

Most of the largest federal safety net programs are results of the Social Security Act. Social Security and Aid to Families with Dependent Children (AFDC) were original titles under the act when it first passed in the 1930s as part of the New Deal. Other major components were added in the 1960s as part of the War on Poverty, including Medicare, Medicaid, and Supplemental Security Income (SSI). The Food Stamp program originated with the Food Stamp Act of 1977. Some of these safety net programs (Social Security, Medicare) operate as social insurance; eligibility is not dependent on low income. They are, however, largely restricted to disabled people and people ages 65 and older, leaving out most families with young children in the home. The remainder are "means-tested," that is, applicants must be and remain under a certain income level to qualify. Except for the Food Stamp program, the qualifying income levels are well below the federal poverty level (FPL), and net household income must be at or below the FPL to qualify for food stamps. During 1996–1997, the period of interest for this paper, anyone who qualified could receive benefits from these means-tested programs for as long as they met the eligibility criteria; the programs operated as open-ended entitlements. For qualifying families with children, the combination of AFDC, food stamps, and Medicaid provided the basic federal safety net. In August 1996, Congress fundamentally changed the nature of that safety net for families with children when it passed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193, known as PRWORA). PRWORA replaced AFDC with the Temporary Assistance for Needy Families (TANF) block grant. Of critical importance is the increased flexibility states received to design their own programs and to use some portion of the TANF block grant according to their own priorities. PRWORA increased the devolution of federal authority to states that had occurred through federal waivers allowing states to experiment with key features of their AFDC programs. At the time PRWORA was enacted, some states (e.g., Massachusetts, Michigan) had already adopted and were implementing extensive statewide welfare reform initiatives. Other states had significant demonstration programs in operation (e.g., California, Minnesota) but had yet to apply the principles of these demonstrations to the whole state. Still other states had neither demonstrations nor statewide changes in operation and had to completely redesign their welfare systems. Thus in late 1996 and early 1997, states were at very different stages in reaching the ultimate shape of their post-PRWORA safety nets.

# DEINSTITUTIONALIZATION: A HISTORY

## 1860

Twenty-eight of the 33 existing U.S. states have state psychiatric hospitals.

## 1883

Worcester State Hospital opens in Massachusetts as the first psychiatric hospital fully supported by state funds.

## 1939-1945

During World War II conscientious objectors enter state psychiatric hospitals to replace doctors who were sent away for the war effort.

## 1946

*Life* magazine publishes photos depicting the horrors inside the hospitals.

## 1954

Chlorpromazine, marketed as Thorazine, is approved by the Food and Drug Administration. It's the first anti-psychotic drug widely used to treat the symptoms of mental illness. For many, it brought hope that some patients could live among the community.

## 1955

The number of patients inside public mental hospitals nationwide peaks at 560,000.

## 1959

The number of patients in California state mental hospitals peaks at 37,000.

## 1963

President John F. Kennedy signs the **Community Mental Health Act**. This pushes the responsibility of mentally ill patients from the state toward the federal government. JFK wanted to create a network of community mental health centers where mentally ill people could live in the community while receiving care. JFK could have been inspired to act because his younger sister, Rosemary, was mentally disabled, received a lobotomy and spent her life hidden away.

Less than a month after signing the new legislation, JFK is assassinated. The community mental health centers never receive stable funding, and even 15 years later less than half the promised centers are built.

## 1965

The U.S. Congress establishes **Medicaid and Medicare**. Mentally disabled people living in the community are eligible for benefits but those in psychiatric hospitals are excluded. By encouraging patients to be discharged, state legislators could shift the cost of care for mentally ill patients to the federal government.

## 1967

Ronald Reagan is elected governor of California. The number of patients in state hospitals had fallen to 22,000, and the Reagan administration uses the decline as a reason to make cuts to the Department of Mental Hygiene. Governor Regan and his administration cut 2,600 jobs and 10 percent of the budget despite reports showing that hospitals were already below recommended staffing levels.

## 1967

Reagan signs the **Lanterman-Petris-Short Act** and ends the practice of institutionalizing patients against their will, or for indefinite amounts of time. This law is regarded by some as a "patient's bill of rights". Sadly, the care outside state hospitals was inadequate. The year after the law goes into effect, a study shows the number of mentally ill people entering San Mateo's criminal justice system doubles.

## 1969

Reagan reverses earlier budget cuts and increases spending on the Department of Mental Hygiene by a record $28 million.

## 1973

The number of patients in California State mental hospitals falls to 7,000.

## 1980

President Jimmy Carter signs the **Mental Health Systems Act** to improve on Kennedy's dream.

## 1981

President Reagan repeals Carter's legislation with the **Omnibus Budget Reconciliation Act**. This pushes the responsibility of mentally ill patients back to the states. The legislation creates block grants for the states, but federal spending on mental illness declines.

## 2004

The U.S. Department of Justice estimates that 10 percent of state prisoners have symptoms that meet criteria for a psychotic disorder.