Pergamon

International Journal of Law and Psychiatry
25 (2002) 427–444

INTERNATIONAL JOURNAL OF
LAW AND
PSYCHIATRY

(New) public management of mentally disordered offenders Part II: A vision with promise

Nancy Wolff*

Institute for Health, Health Care Policy and Aging Research, Rutgers University, 30 College Avenue, New Brunswick, NJ 08901-1293, USA

1. Introduction

Integration policy has failed because it is not cost-effective from the perspective of the different systems. Working together requires investment both in the innovation aspect of change and in the process of change itself. That is, building cross-system and intraservice partnerships requires investment in innovation—the development of new service entities and new management. It also requires investment in the process of negotiating the change; these costs are often overlooked and undervalued. Neither the funding nor the motivation for innovation is likely to be forthcoming from resource-strapped public systems; nor does it make sense to expect innovation from large, monolithic systems that are entrenched in tradition. The challenge of modernising is to think outside the box and invest in structures and processes that will perform in desired ways and produce preferred outcomes.

This article is the second in a two-part series on integrating the systems and services used by mentally disordered offenders. Part I described the incremental integration approaches implemented by the British government in recent years, and explores why these approaches have been and are likely to be ineffective. Herein, I present, in Section 2, an alternative integration strategy; one that strives to maximise integration potential and minimise implementation costs through a ‘single ownership’ model of systems and services integration. In Section 3, limitations of the holistic approach are discussed. The article closes with a call for the adoption of holistic integration policies that are likely to work and the rejection of incremental approaches that have not worked in the past and are not likely to work in the future.

* Tel.: +1-732-932-6635; fax: +1-732-932-6872.
E-mail address: nwolff@rci.rutgers.edu (N. Wolff).

PII: S0160-2527(01)00099-1

2. A holistic approach of systems and services integration

In this Section, I describe a holistic investment strategy for integrating systems capacities that combines organisational behaviour theory and financial incentives. The objective is to build an efficient and effective integration model for mentally disordered offenders that will achieve key performance goals (e.g., holistic care, broad array of services, easy access, equitable access, and efficiency) and outcomes (e.g., symptom reduction, improved function, improved quality of life, stable housing, and social inclusion).

Integration strategies are a type of technological innovation; they develop and build new organisational structures or production processes that are intended to raise the productivity of the public sector by making it function better, cheaper, or both better and cheaper. Like any investment project, these strategies must be designed to be effective and then implemented efficiently. Conditions for an *effective* strategy are:

1. *Integration:* Any new or modified organisation must maximise integration potential;
2. *Motivation:* The new or modified organisation must be supported by financial incentives (both negative and positive) that reward cooperative behaviour and penalise intransigence to enhance its yield;
3. *Holistic perspective:* This organisation must invest in the development, maintenance, and preservation of specialised competencies and processes that are matched to the needs of the 'whole person';
4. *Accountability:* The organisation's performance must be evaluated and monitored comprehensively and longitudinally and tied in constructive ways to accountability requirements; and
5. *Oversight:* There must be an external oversight capacity that is connected to the public and broader systems network to ensure the organisation performs as expected.

For any strategy to be *efficient*, it must be implemented in such a way as to minimise transaction costs (i.e., costs of negotiating and monitoring, which are affected by the extent of political and bureaucratic warfare between the potential partners) and noncompliance opportunities (i.e., counterproductive actions to protect the status quo).

2.1. Integration: selection and design of an optimal organisational scheme

There are many different ways to structure intersystem arrangements (Keilitz & Roesch, 1992; Lorange & Roos, 1993; Whetten, 1981). Because the focus here is on selecting a structure that maximises integration, organisational models of integration are needed. Fig. 1 shows an array of structural models of interaction ranked by their level of integration. This organisational framework has been used in business and industry (Lorange & Roos, 1993) and applied to describe interactions between managed care plans and public health agencies in the USA (Halverson, Mays, Kaluzny, & Richards, 1997).

A variety of these models have been encouraged by integration policy in the UK. The dominant model encouraged by policy has been the informal cooperative group, a model with