According to the National Alliance on Mental Illness, about two million people experiencing mental health crises are jailed each year, leaving many in worse mental health conditions than before. People with psychiatric disabilities receive improper mental health care in jail, which raises serious ethical concerns. From the perspective of the social model of disability, the conditions and experiences people with psychiatric disabilities face in jail are in and of themselves incapacitating. The mistreatment warrants investigation into the prison system’s violation of human rights and dignity of people with psychiatric disabilities. Alternatively, jail diversion programs redirect people with psychiatric disabilities who have committed misdemeanors from jail to community mental health treatment programs. Therefore, they may provide an environment for this population to receive support for personal growth from mental health services that jails are not equipped to provide. A literature search of disability studies concepts such as “dignity,” “human rights,” and the “social model” as well as an examination of case studies of jail conditions and jail diversion programs for people with psychiatric disabilities were completed. A disability studies perspective reveals that jail diversion programs more so uphold the human rights and dignity of people with psychiatric disabilities than jails, allowing for a greater chance to learn to live positively with a psychiatric disability.