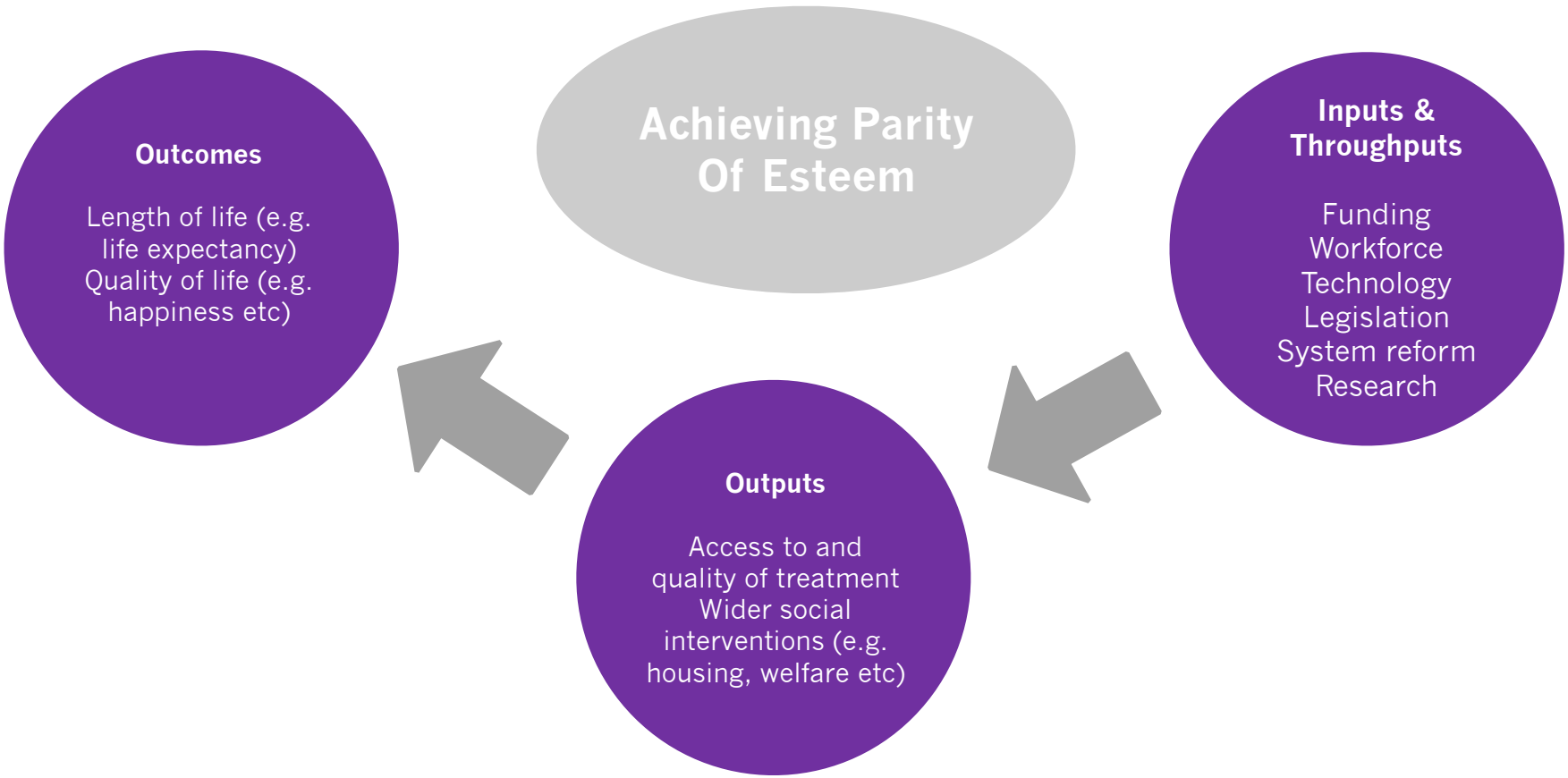
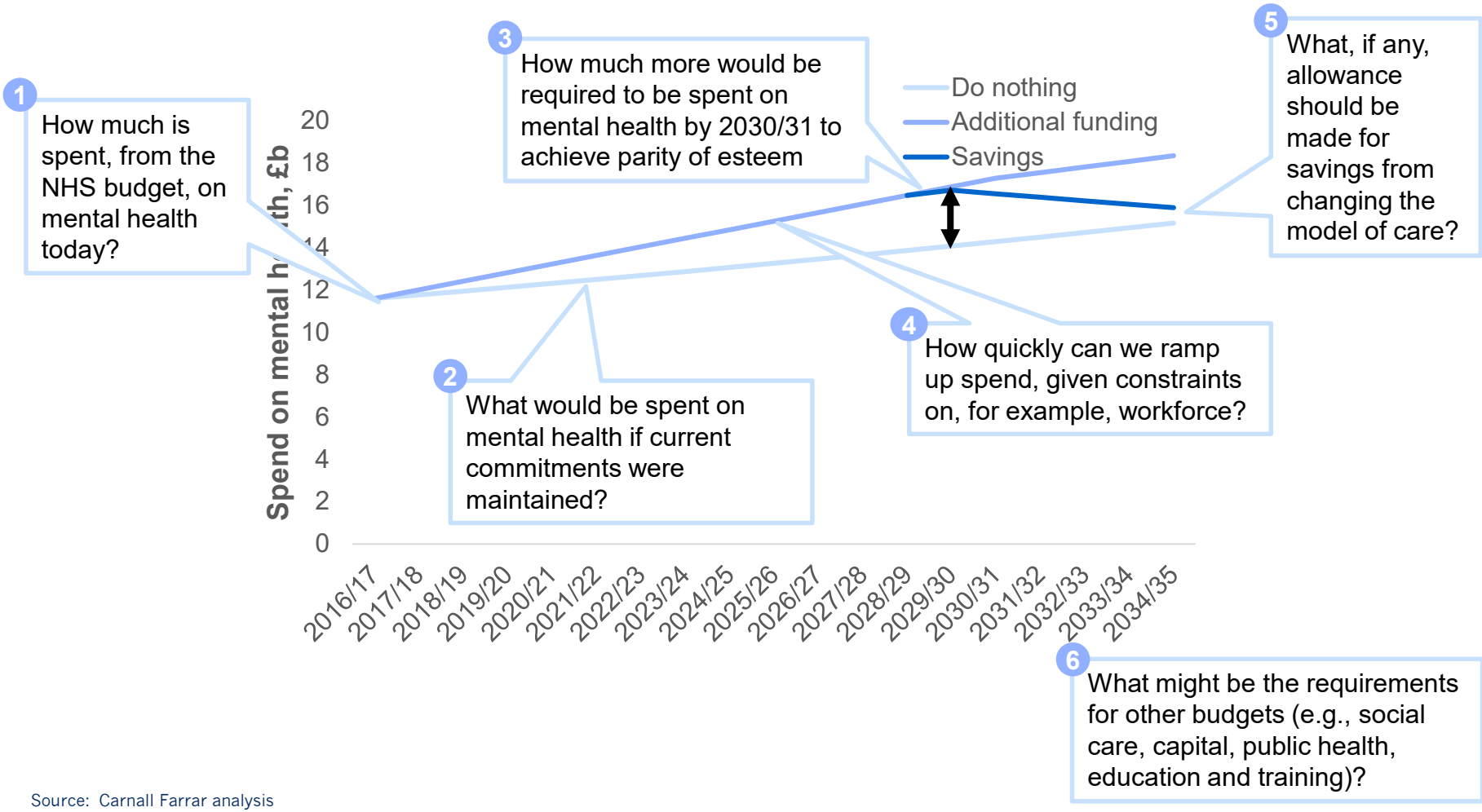
Fair Funding For Mental Health

IPPR's Better Health & Care Programme

Parity of esteem must mean more than valuing mental health as much as physical health – ultimately it must mean equal outcomes as well.



Six questions underpin our modelling of mental health expenditure



Source: Carnall Farrar analysis

Six questions

Approach

1. **Starting point**
   - £11.6b from 2016/17 mental health dashboard, then £12.0b for 2017/18. This includes both CCG and specialist commissioning spend
   - NB: includes learning disabilities
2. **Do nothing growth**
   - Follow the highest of the Five Year Forward View (FYFV) commitment and the Mental Health Investment Standard to the end of the FYFV period
   - Maintain share of NHS spend thereafter by:
     - Growing at the same rate as the current five year funding commitment to the end of the five year period (202?/2?
     - Growing at long term NHS funding growth rate thereafter
3. **Incremental spend**
   - Various approaches - see section three
4. **Ramp up**
   - Three options considered – a straight line increase across the period, a front loaded investment, and a back loaded investment to reflect time taken to build up capacity
5. **Savings**
   - While some initiatives should lead to savings in the mental health budget (e.g, community provision replacing secure care), current access and quality issues would suggest no savings in the mental health budget could be realised before 2030
   - There may be swifter savings in the physical health budget, but that is outwith this report
6. **Other budgets**
   - Narrative would reflect savings outside the MH budget (e.g., PT for chronic conditions)

Source: Carnall Farrar analysis

1 Spending baseline forecast

Spending forecast, % increase over previous year

Year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Approach	Higher of FYFV and maintaining share of mandate		Higher of FYFV and promised increase			Promised increase		GDP growth plus historic NHS growth						
Increase	3.2%	4.8%	3.6%	3.6%	3.1%	3.1%	3.4%	3.3%	3.4%	3.5%	3.6%	3.7%	3.8%	3.5%
Real terms, £b	12.0	12.6	13.0	13.5	13.9	14.3	14.8	15.3	15.8	16.4	17.0	17.6	18.3	18.9
Comment			Increase is in practice the 3.4% committed; the funding is slightly frontloaded					Projected GDP plus the 1.51% historic increase in NHS budget above GDP (from 1960 to 2010)						

Source: King's Fund; NHS England; ONS; Office for Budget Responsibility; *Implementing The Five Year Forward View For Mental Health*

3 The modelling starts from canvassing for potential improvements, and focuses on the biggest ticket items

- All items suggested as part of the canvassing for potential improvements in mental health

- Crude estimate of likely cost to focus on the big ticket items; e.g., suggestions requiring substantial workforce in (e.g., expanding IAPT); smaller proposals not
- CAMHS explicitly added as canvassing suggested a large number of small proposals, which would collectively be big

- Modelling based on either:
  - Matching supply to demand
  - Equalising/ expanding access to equivalent physical health therapies
  - Equalising spend according to disease burden

- Range of cost depending on ambition

Source: Interviews; Survey

3 Interventions we are modelling

Adult

- Everyone living with a mental health condition offered and provided with access to relevant high quality and well-staffed services
- Pathways and ambitious waiting times for all services so people are seen quickly (e.g., IAPT)
- Roll-out of integrated psychological therapies (IPTTs) for people with psychosis, bipolar disorder and personality disorder
- Significantly expanded and updated community services so people are able to be seen in the least restrictive setting
- People using mental health services should be able to expect 7-day access to services
- High quality crisis services available to all
- All hospitals with EDs should have access to liaison psychiatry

Children and Adolescents

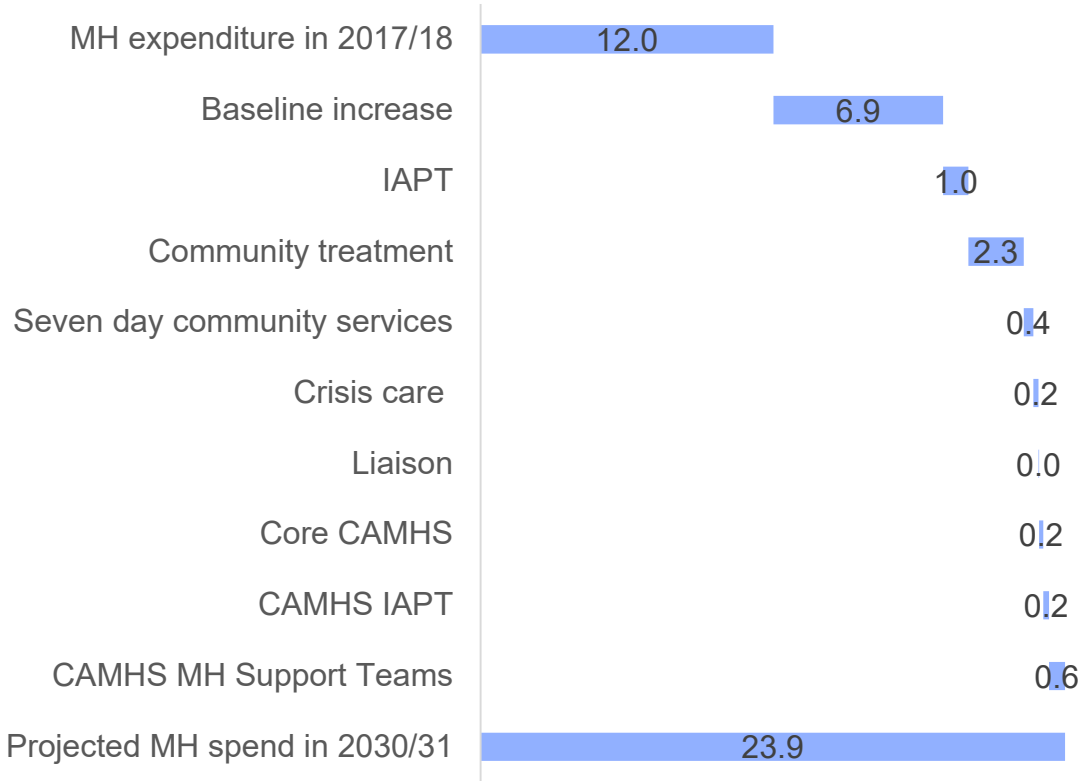
- Expanding core CAMHS
- Rolling out MH support teams
- Expanding psychological therapies for children and adolescents

We have also estimated increments for capital, public health, education and training, and social care budgets, although these sit outside the core NHS England budget

Source: Interviews; survey; CF analysis

3 Incremental expenditure on mental health in 2030/31

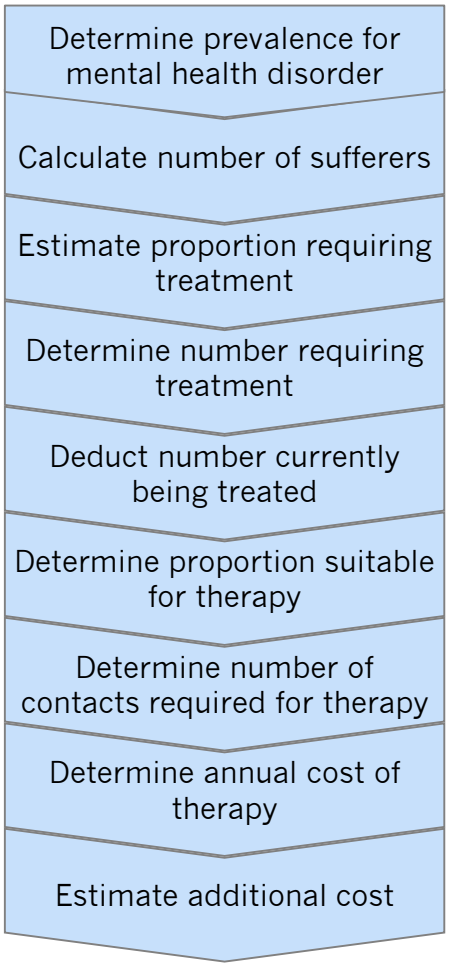
£b, real terms



Source: CF analysis

3 Everyone living with a mental health condition offered and provided with access to relevant high quality and well-staffed services

Proposed approach



Source: APMS

Expert opinion

Expert opinion

Assumption based on NICE

	Psychosis	ASPD	Bipolar disorder
Prevalence	1.5%	2.4%	2.0%
People in England	53,000,000	53,000,000	53,000,000
Number of diagnosed people	795,000	1,272,000	1,060,000
Proportion of people suitable for treatment	70%	50%	50%
Number of people who can be treated	556,500	636,000	530,000
People receiving counselling or therapy	30%	14%	20%
Number of people treated	166,950	86,744	107,132
Number of people not receiving counselling or therapy (capacity gap)	389,550	549,256	422,868
Number of people eligible for counselling / therapy	50%	50%	50%
Total capacity increase	194,775	274,628.07	211,434
Cost per contact	£118	£118	£118
Total contacts at 2 contacts per week for 14 weeks (NICE guideline)	28	28	28
Additional annual cost	£644m	£907m	£699m

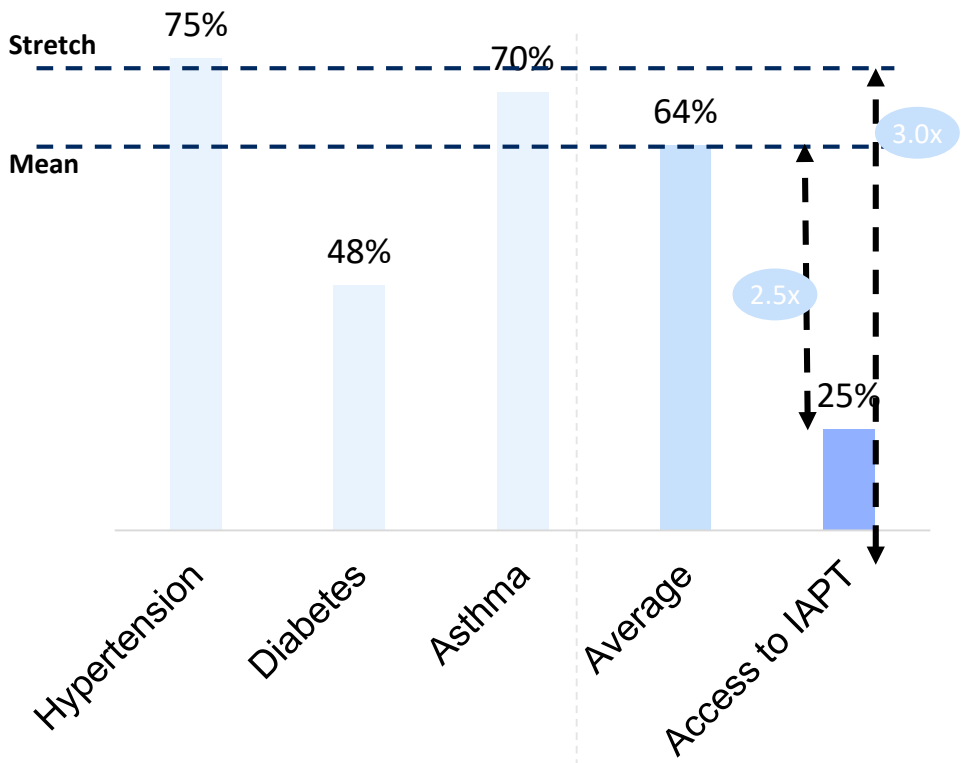
SOURCE: APMS 2014

3 Pathways and ambitious waiting times for all services so people are seen quickly (e.g., IAPT) and integrated psychological therapies

FYFV commitment: 25% of people with common mental health conditions are able to access psychological therapies.

Treatment rates for hypertension, diabetes, asthma, and average against access to IAPT

%



- According the the FYFVMH dashboard, 16.1% of people diagnosed with depression/anxiety accessed IAPT
- IAPT spend in the same reporting period was £428.8m
- Access to treatment for physical conditions (basket of three chosen – hypertension, diabetes, asthma) is higher than access to IAPT at a factor of 2.5x
- Upscaling IAPT target (25%) to the average treatment rate implies an additional cost of £1.0b
- Scaling up to a treatment level of 75% translates into a factor of 3.0x
- Upscaling current IAPT cost by this factor equates to an anticipated cost of £1.3bn

- **Therefore cost of upscaling IAPT would be £1.0- 1.3b**

SOURCE: PHE Fingertips, FYFVMH dashboard, ONS, CLAHRC

3 People using mental health services should be able to expect 7-day access to services

	£	
Partnership FT expenditure on community mental health	90,817,628	
Catchment population of Partnership FT	1,600,000	
Per capita	56.8	
Population England	53,000,000	
England spend	3,008,333,941	
England spend 7/7	4,211,667,518	**Assuming all current services are 5/7 and would be extended to 7/7**
Discount for increasing community provision elsewhere	67%	I.e., only 1/3 of services need to operate 7/7
Differential	£401m	

3 High quality crisis services available to all

	Input
Total number of crisis teams required in England	198
Number of CRHTTs in England, at present	57
Number of crisis and home resolution teams to be established	141
Average number of WTE in each existing CRHTT team	20
Staff costs per WTE (£)	35,000
To deliver a 24/7 service, we need to extend current WTE cover and increase hours.	
Assumed increase in hours	1/3
Additional WTE required to deliver a 24/7 service	7
Total WTE required to deliver a 24/7 service	27
There will be a cost associated with increasing hours	
Costs are uplifted by 50% to cover antisocial hours	50%
Additional costs per WTE (£)	17,500
Total WTE cost	52,500
For areas where there is an existing CRHTT team	
Additional staff required	380
Additional cost	6,650,000
For areas where a new CRHTT team needs to be established	
Total staff required	3,749
Total cost	196,807,642

Total Cost	
For areas where a new CRHTT team needs to be established	196,807,642
For areas where there is an existing CRHTT team	6,650,000
TOTAL	**203,457,642**

Note: an additional £25m was also included for ensuring all emergency departments deliver to the core 24 standards
Source: NHS England; CF analysis

3 Increasing core CAMHS expenditure, psychological therapies and mental health support teams

	Approach	Expenditure in 2030/31
Core CAMHS	• Raise expenditure per head on CAMHS of all CCGs to the level of the top decile expenditure	• £178m
Psychological therapies	• Raise access to psychological therapies to 64% of young people with diagnosable mental health conditions	• £238m
Mental health support teams	• Build on governmental commitment to cover 25% of population by expanding to other 75% of population	• £645m

Source: DHSC; NHS England; Children's commissioner; CF analysis

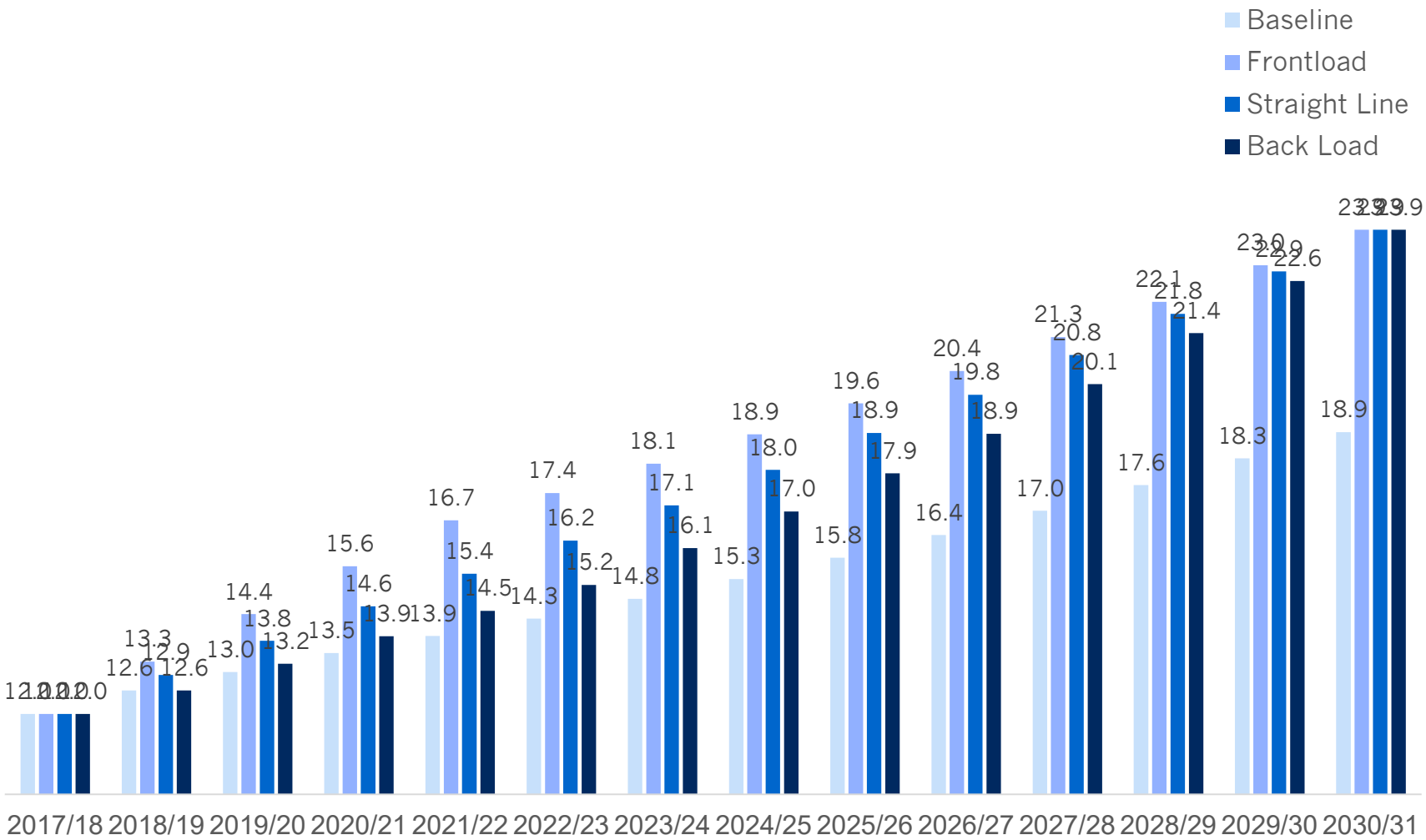
3 We calculated three scenarios

	Approach	Rationale
Straight line	• Equal increases in expenditure every year from 2019/20 to 2030/31 (~5.5%)	• Steady increase
Front loaded	• Spend increases faster in earlier years (6.5% falling to 3.9%)	• Mental health need is urgent
Back loaded	• Spend increases faster in later years (3.9% rising to 5.2%)	• While mental health need is urgent, takes time to train the necessary expertise

Source: DHSC; NHS England; Children's commissioner; CF analysis

4 Mental health expenditure scenarios to 2030/31

£b



Source: CF analysis

6 Other budgets

	Approach	Expenditure in 2030/31
Capital	• Average capital expenditure for previous three years (new build, improving, maintenance) • Increase in proportion to current MH expenditure increase (99%)	• £400m (total)
Public health	• Estimate share of public health expenditure on mental health prevention (£42m) • Increase expenditure to match physical health expenditure per DALY by 2023/24 • Increase in line with MH spend thereafter	• £157m (extra) by 2023/24 • £187m (extra) by 2030/31
Education and training	• Estimate share of current HEE future workforce budget spent on mental health • Increase in line with MH projected expenditure • Triangulate with FYFV estimates of increase MH workforce expenditure	• £500m (extra)
Social care	• Calculate real terms increase from 2016/17 gross personal services expenditure needed to restore social care budget to the real terms level of 2009/10	• £1.3b (extra)

Source: DHSC; NHS England; Children's commissioner; CF analysis