CENTRE FOR THE HEALTH ECONOMY

MACQUARIE University

The value of mental health

Roundtable Report

May 2019

DISCLAIMER

Neither Macquarie University, nor its employees, undertake any responsibility for third party reliance placed on this report.

PREPARED BY

This report was prepared by:

Dr Henry Cutler

Dr Megan Gu

For further information on this report, or about MUCHE, please contact:

Dr Henry Cutler
Director
P: + 61 2 9850 2998
M: +61 409 770 946
E: henry.cutler@mq.edu.au
health-economy.mq.edu.au

About MUCHE

Macquarie University is recognised as one of Australia's leading research universities, with an enviable reputation for excellence. While still relatively young, success of the past 50 years has positioned our distinctive approach to deliver ground-breaking research with world-changing impact.

Recently, we have invested heavily in infrastructure, with over $1 billion spent on facilities and buildings. We have also significantly expanded our teaching and research capacity in health, for example, with the development of a new Faculty of Medicine and Health Sciences, and relocation of the Australian Institute of Health Innovation.

The University's objectives are to accelerate world-leading research; to prepare world-ready higher degree research candidates; to actively engage externally as a world-recognised research collaborator and partner of choice. We believe collaborating with industries, governments, communities, professions and academic colleagues around the world is paramount to our success.

Macquarie University's Centre for the Health Economy (MUCHE) was recently established as a strategic initiative to undertake innovative research on health, ageing and human services. Our vision is to create a world where decision makers are empowered with applied, trusted and influential research into health and human services policy and systems. Our mission is to deliver leading innovative research by operating professionally, collaboratively and sustainably.

To this end, we undertake research for government, business, and not-for-profit organisations, which is used to inform public debate, assist decision-making, and help formulate strategy and policy.

We are interested in investigating the Health Economy at the macro level, with particular focus on the interdependencies of these systems with each other, and the broader economy. This includes investigating factors beyond the health and human services sectors that impact the health and wellbeing of populations.

Our point of difference lies in our approach to research. While MUCHE primarily consists of specialist health economists, we recognise that researching the Health Economy requires many skills sets and experience. Solving problems within health and human services now requires teams with multi-disciplinary skills working closely together.

We therefore work collaboratively with our partners, and across the University, including the Faculty of Business and Economics, Faculty of Human Sciences, and the Faculty of Medicine and Health Sciences. We also work with Macquarie University's world-renowned research hubs, such as partners within the Australian Hearing Hub and the Australian Institute of Health Innovation.

We take pride in combining our professional approach to partner engagement, with our academic approach to methodology, to deliver innovative translational research.

Dr Henry Cutler
Director
Centre for the Health Economy
Macquarie University

Contents

Executive summary 1
Introduction 2
Productivity Inquiry into mental health 3
The value of mental health 3
Potential focus areas 4
Establish ‘One voice’ for strategic investment 4
Develop a more systematic approach to investment decisions 5
Halt the progression of mental ill health 5
Improve the workplace environment 5
Incorporate preferences of those with lived experience 6
Appendix 1: Current plans and past reviews 7

Executive summary

The prevalence of mental ill health is large and growing in Australia, while our care system is fragmented with service gaps, limited evidence-based treatment and a lack of investment in prevention. This is despite best efforts from government and non-government organisations to coordinate mental health care and policies.

Recognising this fact, in November 2018 the Australian Government requested the Productivity Commission to undertake an inquiry '*into the role of improving mental health to support economic participation and enhancing productivity and economic growth*'.

Macquarie University Centre for the Health Economy (MUCHE) held an Executive Roundtable workshop attended by various government and non-government stakeholders on 22 November 2018. The objectives were to explore the value of mental health, and debate what the Productivity Commission could focus upon within their Inquiry.

Key suggestions workshop participants raised were:

- One voice for strategic investment – greater efforts should be undertaken within the mental health care sector to unify towards one clear cross-portfolio direction for strategic investment.
- Systematic approach to investment – a more systematic process for assessing alternative mental health care investments is required, along with an approach to complex investment decision-making covering the entire spectrum of care (prevention to acute treatment).
- Halt mental ill health progression – more investment could be directed towards those with moderate mental ill health ('the missing middle') to reduce the likelihood of transitioning into more severe conditions and entering hospitals.
- Change the workplace environment – discrimination of people with mental ill health must be addressed, the impact of mental ill health on workforce participation should be reduced, and the responsibility of workplaces to ensure a mentally healthy work environment should be strengthened.
- Incorporate lived experience preferences - there should be greater focus on service integration, and further involvement of people with lived experience in the design, development and implementation of care service and treatment pathways.

To some extent, these focus areas have been noted elsewhere in past reviews on mental health, and governments have already started the journey to address some issues raised within the workshop.

Yet there is a myriad of other potential areas for change within the mental healthcare sector that compete for valuable sector resources, which makes investment decision making complex, and leads to a sub-optimal allocation of resources across the sector.

This summary of workshop outcomes will hopefully help inform the decision making process the Australian, State and Territory goverments routinely make when choosing alternative investments to improve mental health outcomes.

Introduction

Around 20 per cent of Australians (or 3.2 million) aged 16 to 85 will experience mental ill health each year. Anxiety disorders are the most prevalent followed by affective disorders and substance abuse disorders (ABS, 2008).

Despite recent efforts and investment by state and federal governments 3,128 people died by suicide in 2017. It is the leading cause of death among people aged between 15-44 years, especially males (ABS, 2018). There has been a one third increase in suicide over the last decade for the Australian population, but a 60 per cent increase for persons aged 15-19 years.

The prevalence of mental ill health, and its impact on social and economic participation, means there is a large associated economic cost. Most recent estimates suggest $28.6 billion per year, which is equal to 2.2 per cent of Australia's Gross Domestic Product (Medibank Private & Nous Group, 2013).

These numbers are alarming and continue to rise despite a national approach to mental health strategy and planning through the Council of Australian Governments (COAG) since the early 1990s.

In 2014, the Australian Government instructed the National Mental Health Commission (NMHC) to undertake a review of mental health programmes and services. It found fundamental structural shortcomings with the mental health care system. The NMHC made several recommendations to the Australian government to improve mental care. These were based on three key components, including:

- person-centred approach where services are organised around the needs of the people;
- a new system architecture focusing on effective, efficient and evidence-based objectives; and
- shifting funding to more efficient and effective 'upstream' services and supports and reduce 'downstream' costly services.

The Australian Government subsequently established The Fifth National Mental Health and Suicide Prevention Plan (the 'Fifth Plan'), which was endorsed by the COAG Health Council in 2017.

The Fifth Plan seeks to provide a nationally coordinated approach to address mental ill health and suicide across eight targeted priority areas. It was accompanied by an Implementation Plan, which outlined broad activities State and Territory Governments could undertake towards fulfilling goals within each priority area.

The Fifth Plan was not developed in isolation. Several other reviews on mental health care have taken place over the last decade, including Australian Government Senate Inquiries and State and Territory based mental health plans, along with broader reviews that implicitly capture some component of the mental health care system (see Appendix 1).

The Australian Government, along with State and Territory governments, have also invested in mental healthcare. However, while the Fifth Plan provides direction on implementation, it does not provide guidance on how best to invest in improved mental health outcomes, nor does it require governments to hypothecate funding to mental health care. This has resulted in a somewhat piecemeal approach to investment.

Productivity Inquiry into mental health

The Australian Government has recognised the importance of mental health in promoting improved wellbeing and prosperity of Australians. It requested the Productivity Commission to undertake an inquiry '*into the role of improving mental health to support economic participation and enhancing productivity and economic growth*'.

The Productivity Commission is currently investigating how healthcare and other sectors of the economy, such as housing, justice, workplaces, education, and social care can change to support this goal.

With such a broad scope, it will be challenging to first identify, and then give due attention to, potential changes in health and human service delivery and the broader economy, which can provide the greatest increase in health outcome per dollar spent.

The value of mental health

Macquarie University Centre for the Health Economy (MUCHE) held an Executive Roundtable workshop attended by government and non-government stakeholders on 22 November 2018. The objectives were to explore the value of mental health, and debate what the Productivity Commission could focus upon within their Inquiry.

Executive level delegates were invited from state and federal government, non-governmental and lived-experience organisations. Participants attended from:

- Australian Department of Health
- NSW Mental Health Commission
- NSW Department of Finance, Services and Innovation
- NSW Department of Premier & Cabinet
- NSW Department of Family and Community Services
- NSW Treasury
- NSW / ACT Primary Health Network Coordinator
- Mental Health Coordinating Council
- Flourish Australia
- Mental Health Carers.

The Executive Roundtable discussion was recorded and analysed by MUCHE to synthesis issues and suggestions raised into broad themes.

This report provides a thematic analysis of the discussion from the Executive Roundtable workshop. It offers suggestions on what could change within the mental health care sector, and more broadly across other portfolios, to improve mental health outcomes, and to reduce negative externalities associated with mental ill health.[1]

[1] This report does not cover all issues and suggestions raised within the Executive Roundtable workshop. It reflects MUCHE's interpretation of issues and suggestions based on subsequent analysis of the workshop discussion.

Potential focus areas

Establish 'One voice' for strategic investment

Workshop participants suggested governments face a challenging task of allocating valuable health care resources across many stakeholder investment requests. Requests are often competing, and not usually accompanied with evidence demonstrating their efficacy or cost effectiveness.

Some suggested that services with evidence of improved mental health outcomes had not received enough investment, reducing the potential for improvements in mental health outcomes. In particular, workshop participants discussed a lack of investment in mental ill health prevention programs, potentially due to portfolio costs being incurred upfront, with payoffs much further down the track, and 'diagonal accounting', accruing in other portfolios (e.g., a reduction in hospital costs from greater investment in housing services).

Workshop participants suggested the lack of readily available evidence puts pressure on government to invest in services resulting from undue lobbying, media pressure, a perceived crisis, or political imperative. Moreover, because services impacting mental health outcomes are delivered across portfolios and jurisdictions, barriers exist to developing a collaborative approach to investment in mental health services.

Workshop participants suggested an expert panel of mental health care stakeholders could help unify the sector towards one strategic direction, and to inform governments of ongoing strategic direction changes and investment opportunities.[2] Workshop participants suggested this approach could stimulate government to make more investment decisions, lead to more efficient resource allocation, and help streamline mental healthcare services across portfolios.

Workshop participants noted the ongoing role of the National Mental Health Commission and jurisdictional Mental Health Commissions to provide insight, advice and evidence to improve Australia's mental health and suicide prevention systems.

It was not discussed how a panel of mental healthcare stakeholders would integrate with these Commissions, except that an expert panel of mental health care stakeholders could support Commission activities. Participants did suggest more investment in Commissions was required to increase their capacity to evaluate and recommend investment in mental health care services and mental ill health prevention programs.

[2] This type of approach already occurs at the federal level. For example, the Aged Care Financing Authority (ACFA) provides advice to the Minister on specific issues relating to the funding and financing of aged care services, and other matters referred by the Minister upon which recommendations are made.

Develop a more systematic approach to investment decisions

Workshop participants noted there is no systematic approach within government to value alternative mental healthcare investments, nor assist with rapid decision-making. While the Fifth National Mental Health and Suicide Plan provides strategic direction towards changing the mental healthcare system, participants noted it does not direct governments on how to fund interventions, nor which investments maximise mental health outcomes in a cost effective manner.

Workshop participants suggested there is a role for an *'Office for strategic investment'* to help government make better investment decisions across settings, services and systems for funding, financing, sustainability and viability.

Workshop participants also suggested that government approach investment decisions using a cross-portfolio lens to improve mental health outcomes and promote efficient investment. Some noted an integrated care approach to treatment is required to avoid the burden of care falling to hospital emergency departments, although the funding model would need to change to better incentive a unifying approach to develop and deliver integrated care.

It was suggested a systems perspective to investment that includes changing the determinants of mental ill health, rather than investing in discrete projects primarily focused on treatment, would help achieve integrated care.

Workshop participants suggested that a structured and explicit decision making approach to investment be developed and employed by government, to cover the entire spectrum of care from prevention to acute treatment. This could guide the investment and disinvestment (reallocation) for mental health care services for alternative investments across portfolios.

Halt the progression of mental ill health

Workshop participants noted that mental health funding supports high prevalence milder conditions through stepped care, self-directed and funded consultations. While workshop participants recognised low prevalence severe mental health conditions receive funding support through institutional and acute settings, it was noted gaps in community care remain for those with episodic and moderate mental ill health, and in particular, for those with co-morbid conditions such as alcohol or other substance use abuse.

Workshop participants suggested that a renewed investment focus be placed on those with moderate mental ill health ('the missing middle'), to reduce the likelihood that these people transition into more severe conditions and enter hospitals, the most expensive part of the health system.

Improve the workplace environment

Workshop participants noted that mental ill health leads to absenteeism and presenteeism and significantly lowers workforce participation. Participants suggested that workers with mental ill health still face discrimination in the workplace, despite efforts by organisations to address this problem.

Workshop participants suggested that governments should encourage greater investment in evidence-based programs to help workers with mental ill health gain and maintain employment. It was also

suggested that more effort is required from government and non-government organisations to reduce workforce discrimination.

Workshop participants suggested there is a potential need to review workplace health and safety (WHS) legislation to strengthen the responsibility of workplaces to ensure a mentally healthy environment. While Safe Work Australia has national guidelines to help organisations meet their work related psychological health and safety duties under the model WHS Act and WHS Regulations, workshop participants noted there were also potential lessons from other countries. For example, Canada has developed a voluntary 'National Standard of Canada for Psychological Health and Safety in the Workplace' to help organisations continually improve their workplace environments.[3]

Incorporate preferences of those with lived experience

Workshop participants suggested there should be far greater involvement of people with lived experience in developing and designing health care pathways and service configuration. One participant suggested that navigating a fragmented health system can be distressing, with the system seemingly designed for the benefit and ease of health professionals.

Workshop participants suggested relationships between health care professionals, informal carers and patients should be strengthened to support patient's capability and capacity to make choices about their mental health care. This may involve further support such as introducing care-coaching or co-ordination across care recipients for decision-making, but enabling patients to maintain autonomy in planning their own care.

Workshop participants noted that mental healthcare services should become more 'patient centred'. It was suggested that patients with lived experiences of health care services could identify and advise remedies to integrate patient care across services and treatments.

Workshop participants noted that while Commissions have sought to understand the service needs of people with lived experience, a more formal approach to capturing these needs within investment decisions was required. It was suggested that a national peak body of people with lived experience could help.

[3] Mental Health Commission of Canada 2019, National Standard, https://www.mentalhealthcommission.ca/English/what-we-do/workplace/national-standard, accessed 18 March 2019

Appendix 1: Current plans and past reviews

Table1: Current mental health strategic plans

Mental Health Plans	Organisation
The Fifth National Mental Health and Suicide Prevention Plan	Council of Australian Governments (COAG)
Western Australian Mental Health Promotion, Mental Illness, Alcohol and Other Drug Prevention Plan 2018-2025	Western Australia Mental Health Commission
Living Well – a strategic plan for mental health in NSW 2014-2024	Mental Health Commission of NSW
South Australian Mental Health Strategic Plan 2017-2022	SA Mental Health Commission
Shifting minds Queensland Mental Health, Alcohol and Other Drugs Strategic Plan 2018-2023	Queensland Mental Health Commission
Rethink Mental Health Better Mental Health and Wellbeing – A Long-Term Plan for Mental Health in Tasmania 2015-2025	Department of Health and Human Services, Tasmania
Northern Territory Mental Health Service Strategic Plan 2015-2021	Department of Health, Northern Territory
Victoria's 10-Year Mental Health Plan 2015-2025	Department of Health and Human Services, Victoria

Table 2: Review of mental health care services undertaken by government

Government Reviews	Year	Organisation
Inquiry into Health Services for the Psychiatrically Ill and Developmentally Disabled (Richmond Report)	1983	New South Wales Mental Health Commission
National inquiry into the human rights of people with mental illness	1993	Australian Human Rights and Equal Opportunity Commission
'Ways Forward' National Aboriginal and Torres Strait Islander Mental Health Policy National Consultancy Report	1995	Department of Health and Ageing
Not for service: experiences of injustice and despair in mental health care in Australia	2005	Mental Health Australia, Brain and Mind Research Institute, Human Rights and Equal Opportunity Commission
A national approach to mental health – from crisis to community	2006	Select Committee on Mental Health (federal senate)
Towards recovery: mental health services in Australia	2008	Standing Committee on Community Affairs (federal senate)

Disability care and support	2011	Productivity Commission
Commonwealth Funding and Administration of Mental Health Services	2011	Community Affairs References Committee (federal senate)
Review of the South Australian stepped System of Mental Health care and capacity to respond to emergency demand	2013	Department for Health and Ageing, South Australia
Mental Health in Rural and Remote South Australian Communities	2013	Health Performance Council, Government of South Australia
Contributing Lives, Thriving Communities - Report of the National Review of Mental Health Programmes and Services	2014	National Mental Health Commission
National Disability Insurance Scheme (NDIS) Costs	2017	Productivity Commission
Review into the Suicide and Self-Harm Prevention Services Available to current and former serving ADF members and their families	2017	National Mental Health Commission
Review of transparency and accountability of mental health funding to health services	2017	Mental Health Commission of New South Wales
Mental Health & Suicide Prevention Service Review Final Report	2017	Northern Territory Mental Health Coalition
Inquiry into the management of health care delivery in NSW	2018	Public Accounts Committee (New South Wales Legislative Assembly)
Accessibility and quality of mental health services in rural and remote Australia	2018	Community Affairs References Committee (The Senate)
The Social and Economic Benefits of Improving Mental Health	Ongoing	Productivity Commission
Royal Commission into Aged Care Quality and Safety	Ongoing	Federal government
Royal Commission into Mental Health	Ongoing	Victorian government
The role of Commonwealth, state and territory Governments in addressing the high rates of mental health conditions experienced by first responders, emergency service workers and volunteers	Ongoing	Education and Employment References Committee (federal senate)

Table 3: Non-government Mental Health Reviews

Non-government Reviews	Year	Organisation
The economic impact of youth mental illness and the cost effectiveness of early intervention	2009	Access Economics
The economic cost of suicide in Australia	2013	KPMG (prepared for Menslink)
The case for mental health reform in Australia: a review of expenditure and system design	2013	Medibank Private and Nous Group
Creating a mentally healthy workplace. Return on investment analysis	2014	PWC, Beyond Blue, National Mental Health Commission, the Mentally Healthy Workplace Alliance
The economic cost of serious mental illness and comorbidities in Australia and New Zealand	2016	The Royal Australian And New Zealand College of Psychiatrists and The Australian Health Policy Collaboration by Victoria Institute of Strategic Economic Studies
Investing to Save. The Economic Benefits for Australia of Investment in Mental Health Reform	2018	KPMG (prepared for Mental Health Australia)