

**Background to the 2015/16 proposals for the mental health  
payment system**



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<b>Cross Reference</b>	2015/16 Tariff Engagement Document, published at <a href="https://www.gov.uk/government/collections/the-nhs-payment-system-regulating-prices-for-nhs-funded-healthcare">https://www.gov.uk/government/collections/the-nhs-payment-system-regulating-prices-for-nhs-funded-healthcare</a>
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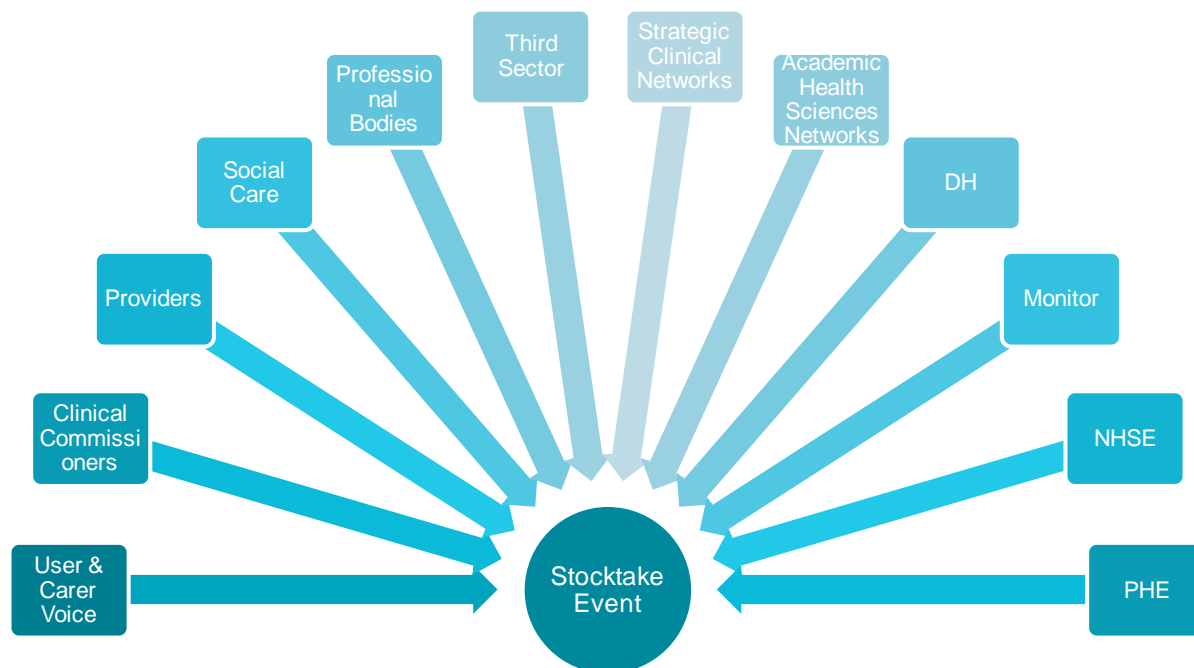
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## Background to the 2015/16 proposals for the mental health payment system

This note reflects the main conclusions from a stocktake event held by NHS England in March 2014 for mental health system stakeholders. These conclusions have helped to inform our work on mental health for the joint Monitor / NHS England 2015/16 Tariff Engagement Document<sup>1</sup>.

The mental health payment system stocktake event, was held on 19<sup>th</sup> March, 2014, with the following aims:

1. To confirm the current and **future national policy direction** for mental health services and ensure that the national mental health (MH) payment system programme is fully aligned with this vision.
2. To update and consult with system leaders and partners on the options for **building on the work already undertaken** on mental health payment.
3. To consult and agree with system leaders and partners shared objectives for **what the MH payment system needs to deliver and incentivise** over the next 2-3 years.
4. To **take stock of collective progress** towards these aims and objectives, both within and outside the current national MH payment system programme.
5. To identify opportunities for continuing to develop the mental health payment system to inform **the future work programme**.



<sup>1</sup> Published at <https://www.gov.uk/government/consultations/nhs-national-tariff-payment-system-201516-engagement-documents>

There was excellent representation of all key system stakeholders and clear whole system consensus that there needs to be a managed shift away from the use of simple block contracts with limited transparency to the development of a payment system that drives value and the delivery of outcomes that matter to service users.

There was recognition that work to develop and implement the clustering model has enabled substantial progress along this journey, combined with an acknowledgement that significant further work is needed to ensure that the developing mental health payment system supports and incentivises the key elements of sustainable, high quality care consistent with the six NHS England priorities for delivering healthcare which are set out below:

The direction of travel for mental health services		
1	Empowered individuals	<ul style="list-style-type: none"> <li>• Access to information and choice</li> <li>• Recognition of individual and community assets</li> <li>• Enhanced use of digital technology</li> </ul>
2	Enhanced primary Care Services	<ul style="list-style-type: none"> <li>• Development of local enhanced primary care schemes that support the prevention / early intervention / reablement agendas and enable a supported and sustainable route out of secondary care</li> </ul>
3	A modern model of integrated care	<ul style="list-style-type: none"> <li>• Person-centred services with seamless integration across mental health, primary care, social care and housing</li> <li>• Evidence based MH interventions integrated within physical health pathways and vice-versa</li> </ul>
4	Highest quality urgent and emergency care	<ul style="list-style-type: none"> <li>• High quality crisis care with a combined focus on crisis prevention as well as its timely and effective management</li> </ul>
5	A step change in productivity	<ul style="list-style-type: none"> <li>• Rapid access to evidence-based interventions that deliver best outcomes making effective use of technology</li> </ul>
6	Effective commissioning of specialist care	<ul style="list-style-type: none"> <li>• Effective management of tier 4 demand – high quality specialist provision and a focus on least restrictive setting and integrated pathways out of specialist inpatient (often out of area) care</li> </ul>

The key messages from stakeholders were that:

- Our overarching objective for the mental health payment system must be that **it enables and drives improved value for money**: the best possible use of taxpayers’ resources to achieve the best possible outcomes for service users and their families.

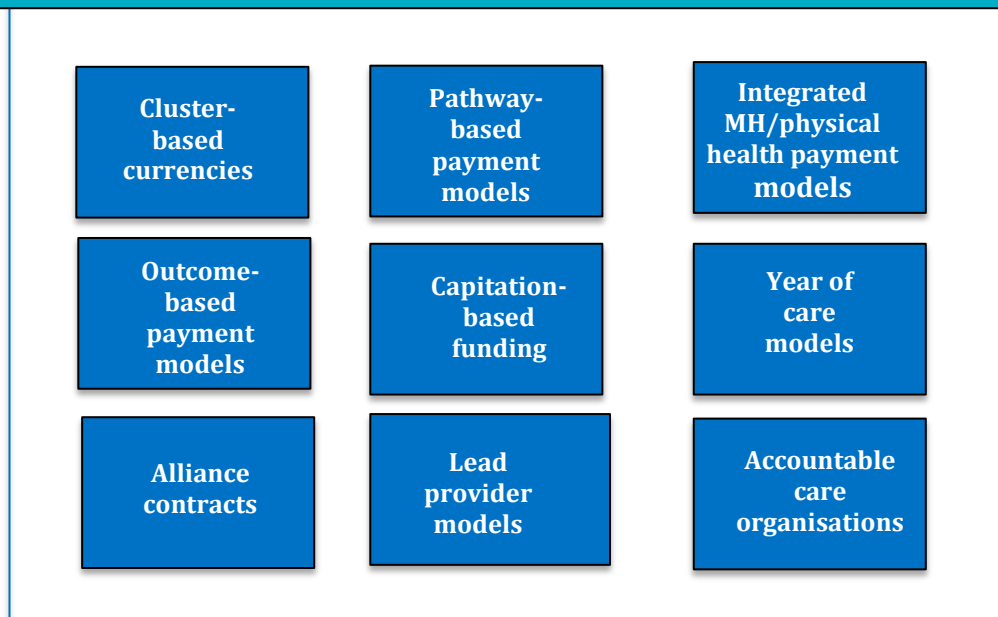
- **A payment system based purely on episodes of secondary care activity will not drive what we want to achieve in mental healthcare.** Our aim should be to develop a payment system based on a 'tripartite' understanding of mental healthcare **needs** and the **resources** required to meet these needs to deliver the best **outcomes**.



- Our focus must be **upon the 'whole person' outcomes that most matter** to service users. Delivering these will frequently require effective working with partners – for example, good and stable housing was identified as a critical determinant of good mental health.
- Our focus must be upon **integration wherever this delivers better experience and outcomes** – mental health & physical health, secondary care & primary care, health / social care / housing etc.
- We need to ensure that the future governance of the MH payment system programme **engages all key stakeholders and reflects the new system leadership**.

There was recognition from stakeholders that there is unlikely to be a 'one size fits all' solution to developing the mental health payment system and there was consensus that where local payment solutions can be demonstrated to deliver better outcomes and better value than a payment approach based just on the cluster currency they should be encouraged, supported and the learning shared.

There is unlikely to be a one-size-fits all solution and we may need to experiment, evaluate...



... and, crucially, learn from each other

However, there was also broad agreement that any value-driven payment system must be underpinned by a small number of critical elements, and progress in these areas will need to be accelerated nationally if a shift away from simple block contracts that lack accountability and transparency is to be effected without destabilising local systems:

### **1. Our understanding of need**

Commissioning and provision of services that deliver the best possible 'whole person' outcomes must begin with an understanding and effective profiling of need – mental health, physical health, social care and housing, substance use behaviours and the sustained trauma that leads to complex personality challenges. Use of the clusters, complemented by holistic assessment and full ICD10 coding of mental and physical health conditions takes us some way towards this aim. However, we need also to ensure effective use of all the available sources of mental health intelligence and explore effective use of stratification methodologies to enable focus in the areas where the greatest value gains are to be made such as:

- The groups who should be targeted for early intervention
- The most complex, vulnerable and high-cost groups who should be targeted for enhanced, integrated, care-coordinated approaches – least restrictive care, closest to home

### **2. Our use of the evidence base**

There is a substantial evidence base for 'what works' in mental health from:

- Service user and carer feedback;
- National Institute for Health and Care Excellence / Social Care Institute for Excellence guidelines;
- Service model evaluations; and
- Health economic evaluations.

If our aim in developing the MH payment system is to drive value and better outcomes, it will be crucial to ensure that it is informed by the evidence base and serves as an enabler and never as a barrier to the commissioning, delivery and incentivisation of effective and integrated care.

### **3. A focus on outcomes**

The need to link the payment system to the achievement of outcomes was one of the strongest themes at the stakeholder event. Routine measurement of outcomes – the 'outcomes that matter' – was identified as the area where most work is needed if we are to accelerate progress towards a value-based payment system.

Through mandating the mental health clustering tool (MHCT) we have made significant progress towards the routine use of the Health of the Nation Outcome Scale (HoNOS). However, there was acknowledgement that the value of using HoNOS as a rating of improvement is limited given that it does not incorporate the service user view; the model we are moving towards at pace is one of co-produced care planning.

There is much to learn from the excellent work that has taken place within the Improving Access for Psychological Therapies (IAPT) programme across common mental health disorders, serious mental illness and long term conditions; providers routinely record and report evidence-based interventions and specific outcomes as an intrinsic part of the service model. Similarly, in NHS England’s clinical reference groups for specialised services and in the emerging new models of primary mental healthcare, measurement of specific interventions and outcomes is becoming the norm.

**4. Relevant high quality data**

High quality relevant data was agreed by all to be critical. Commissioners and providers must be able to access and analyse high quality data regarding need, activity & cost and outcomes if they are to work together to drive value through the payment system.

The following were identified as critical future enablers:

- Further development of the Mental Health Minimum Dataset to include evidence-based interventions and additional outcome metrics;
- The effective design of electronic care record systems and use of technology (e.g. digital dictation and other enablers) to reduce significantly the current clinical data-entry burden and make it far easier to enter the right data in the right place; and
- The introduction of patient-level costing systems.

Our expectation is that all providers and commissioners will accelerate work in the above four areas such that:

<b>By April 2015 all contracts will be underpinned by an understanding of need, evidence-based responses to need and expected outcomes</b>
<b>By April 2016</b> all contracts will include clear incentives for the delivery of outcomes and outcome-driven payment models will have been introduced in a limited number of areas
<b>By April 2017</b> there will be a wholesale shift to outcome-focused contracting

The proposals for development of the MH payment system in 2015/16 set out in the Tariff Engagement Document link directly to the whole system stakeholder feedback received at the stocktake event. We are reviewing the governance of the MH payment system programme to ensure:

- Representation of all key system stakeholders; and
- Acceleration of progress in the 4 key areas identified above.