NHS England investment in mental health 2015/16

A note to accompany the *2015/16 National Tariff Payment System – a consultation notice*

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Contents

Contents 4
1 Introduction 5
2 Investment in 2015/16 5
3 Distributing the investment 5
4 Stakeholder engagement 6
5 Supporting evidence 6
6 Setting the waiting time standard for EIP 7
7 NICE-concordant care 7
Annex A – Summary of evidence 8

1 Introduction

NHS England is committed to treating mental health and physical health as equally important: our objective is to ensure that mental and physical health have parity of esteem within the NHS. We have already taken steps to achieve this through the Parity of Esteem programme board, including by delivering the first ever development programme for CCGs on mental health commissioning.

One of the ways in which mental health services have not historically had parity of esteem is in waiting times: in physical health, the NHS Constitution guarantees patients' right not to wait more than 18 weeks for consultant-led treatment, but mental health treatment is excluded. For the first time, NHS England will introduce waiting time standards for mental health, supported by £80 million of investment in 2015/16.
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2 Investment in 2015/16

The focus of these proposals is on improving access to mental healthcare, improving mental health care for people in crisis and preventing crisis by improving timely access to effective, evidence-based care.

In 2015/16, in addition to other commissioner investment, NHS England will specifically invest:

- £40 million through the tariff in delivering our commitment that by April 2016, more than 50% of people experiencing first episode psychosis will receive a NICE-concordant package of care within 2 weeks of referral;

- £30 million in developing liaison psychiatry services to support our long-term aim that all acute hospitals should have a liaison psychiatry service which is appropriate to the size and scale of the hospital;

- £10 million on Improving Access to Psychological Therapies (IAPT) to ensure that 75% of those referred to an IAPT service will be treated within 6 weeks of referral and 95% within 18 weeks.

3 Distributing the investment

In 2015/16, the £40 million investment in Early Intervention in Psychosis (EIP) has been set out in the *2015/16 National Tariff Payment System – a consultation notice*[1], so local commissioners should include it in their plans for 2015/16. This is equivalent to an increase in funding for early intervention in psychosis services of around 15% nationally.

[1] https://www.gov.uk/government/consultations/national-tariff-payment-system-201516-a-consultation-notice

These services are subject to local agreement on pricing, and so commissioners are to ensure that the actual level of local investment should take into account current performance against the new standard – both the length of time that people are waiting for EIP services and the adequacy of the care packages offered by these services relative to the NICE guideline and quality standard to determine the split between price and volume increases. The impact of applying the £40 million of funding for early intervention in psychosis solely through prices would be to reduce the indicative deflator for mental health services from **1.9**% to around **1.5**% for 2015/16.

This additional funding for Early Intervention in Psychosis has been applied as guidance because different areas will have different requirements. Some areas may already be seeing the right number of people, but may need to increase prices to deliver care in line with the latest NICE guidance and quality standard, while other areas may already be delivering care in line with NICE but may need to deliver a higher volume of care to meet the target of a maximum two week wait between referral and the start of treatment.

This is broadly a similar mechanism, but operating in the opposite direction (i.e. towards more investment in mental health services), to that used last year to uplift prices for acute services following the publication of the Francis report.

The remaining £40 million will be central programme funds (i.e. over and above CCG allocations for 2015/16). We intend to work with regional and area teams to direct the additional investment to areas with the greatest need in relation to liaison psychiatry and IAPT, but we are still working through the practical details of distribution. We will provide more details in due course.

4 Stakeholder engagement

NHS England engaged with key stakeholders from across the mental health system over the course of the summer.

5 Supporting evidence

Independent evidence has shown that:

- Patients achieve better outcomes when they are able to access evidence-based early intervention in psychosis services. Risk of suicide is greatly reduced and the likelihood of compulsory treatment.
- Identifying and treating mental health needs in acute hospitals through liaison psychiatry improves outcomes, reduces the time that patients need to spend in hospital and can deliver significant value gains to local health economies; and

- Evidence-based psychological therapies (as used in IAPT services) are as effective as medicine alone for treating anxiety and depression and can lead to lower rates of relapse.

Annex A sets out the evidence behind these proposals in more detail.

6 Setting the waiting time standard for EIP

To determine the waiting time standard, NHS England consulted with clinical experts to establish their best estimate of the size of team required to deliver NICE-concordant care to a population of 100,000 with 32 cases of first episode psychosis per year. Costing this leads to an estimated annual cost of approximately £8,250 for each patient in the full-time care of an early intervention team. It is assumed for this analysis that NICE-concordant care will meet the 2-week target.

Based on work from the NHS Benchmarking Network, we have estimated the current spending on EIP as £276 million per year. Based on clinical advice, we assumed that half of an EIP service's caseload and that half of its spending is associated with new patients.

Thus we estimate total spending on new patients in 2015/16 as £178 million (current spend of £138 million plus £40 million new spending). Based on the estimated annual cost, this is sufficient to treat more than half of the estimated 35,000 new annual-equivalent cases for an EIP service. (Note that only half of these are cases of first episode psychosis, with the remainder made up of at risk individuals receiving shorter treatment to prevent crisis.)

7 NICE-concordant care

We expect that local services will be commissioned in order to deliver care which is consistent with NICE Clinical Guidance on Psychosis and Schizophrenia in Adults (CG178) and with the new Quality Standard for Psychosis and Schizophrenia in Adults. A draft of this quality standard was consulted on in September, and we expect the final quality standard to be published in February.

Annex A – Summary of evidence

Early Intervention in Psychosis

In 2011, *No Health Without Mental Health*[2] highlighted the effectiveness of early intervention service for people with psychosis. There is good evidence that these services help young people to recover from a first episode of psychosis and to gain a good quality of life. NICE found these services reduce the likelihood that individuals with psychosis will relapse or be detained under the Mental Health Act, potentially saving the NHS £44 million each year through reduced hospital admissions. In addition to the benefits to people with psychosis highlighted by NICE, these services have wider benefits:

- 35% of people under their care are in employment, compared with 12% in traditional care;
- they reduce the likelihood of an individual receiving compulsory treatment from 44% to 23% during the first two months of psychosis; and
- they reduce a young person's suicide risk from 15% to 1%.

The NHS Confederation has set out the evidence for and benefits of Early Intervention in Psychosis in a briefing note:

http://www.nhsconfed.org/~/media/Confederation/Files/Publications/Documents/early_interventionbriefing180511.pdf

Liaison Psychiatry

There is strong evidence that some models of liaison psychiatry, e.g. the RAID (rapid, assessment, interface and discharge) model, can deliver clinically and cost-effective care to patients in general hospitals with a range of mental health problems. Some models have been shown to reduce the rate of hospital admissions and admissions to care homes for people with dementia, reduce repeat presentations to accident and emergency for people who have self-harmed and reduce admissions for people presenting with depression and a physical health problem. One study suggested that the RAID model can save an average of £5 million a year for a hospital by reducing both admissions and length of stay.
http://www.centreformentalhealth.org.uk/publications/liaison_psychiatry.aspx?ID=665

Improving Access to Psychological Therapies

The First Million Patients, the IAPT three-year report, sets out the evidence for and benefits of IAPT:

"In 2004, NICE conducted a systematic review of the evidence for the effectiveness of interventions for depression and anxiety disorders. This showed that cognitive behavioural therapy (CBT) was an effective first-line treatment for a large amount of common mental health morbidity, but that it was not readily available. The evidence

[2] https://www.gov.uk/government/publications/the-mental-health-strategy-for-england

also showed that CBT could produce impressive recovery rates, and in many cases better prevent relapse, compared with medication alone.
The programme is expected to generate net savings in excess of £300 million by March 2015 through:

- *NHS savings through reductions in healthcare usage*
- *Exchequer savings through helping 75,000 people move off welfare benefits*
- *Economic gains to employers through reduced sickness absences.*

By the end of 2016/17, a net financial benefit of £4,640 million is expected as the provision and utilisation of accessible evidence-based therapies increases. This will be due primarily to prevention and early intervention particularly encouraging reductions in sickness absence"

http://www.iapt.nhs.uk/silo/files/iapt-3-year-report.pdf