NHS England
NHS Improvement

How mental health payment proposals support better care

We know front line clinical staff and other health care professionals face increasing challenges to provide high quality and sustainable care with the reality of financial challenges and changing population needs. Payment is one of the levers that can support clinicians and local leaders, to deliver the transformation required to align with (i) provision of evidenced based care pathways; and (ii) the strategic move towards provision of integrated care.

Context and payment proposal

The quality and accessibility of mental health care varies greatly across England and there is an urgent need to ensure that all patients receive appropriate care wherever they live. The Five Year Forward View (5YFV) for Mental Health highlights the need for timely access to care that is consistently evidenced based, holistic and recovery focused. It also calls for local and national outcomes measures to be part of the local payment system with indicators that are:

- clinically relevant;
- coproduced with experts by experience;
- aligned with system-wide objectives; and
- are measurable.

To meet these requirements – and those identified through Sustainability and Transformation Plans and Joint Strategic Needs Assessments - local areas must understand services as they are currently delivered, and what is required to effectively meet the needs of the local population. Consistent use of available data and information[i] is a key enabler for agreeing, and delivering these changes.

The proposed changes to the 2017/19 local payment rules include a requirement for commissioners and providers to link a proportion of payment to locally agreed quality and outcome measures. Linking outcome measures to payment offers a clear focus for providers and commissioners regarding delivery of safe and effective care that is in the best interest of patients. This can help achieve the upgrade required in access to care, quality of service and improved outcomes for people with mental ill health..

The proposals for 2017/19 further include a requirement that payment for adult and older people services be based on population-based[ii] or an episodic[iii] payment approach, although commissioners and providers would still be able to agree alternative

payment approaches that are consistent with the rules for local pricing. With population-based or episodic payment approaches providers and commissioners may wish to agree a gain or loss share arrangement to manage unanticipated changes in demand.

How will payment proposals and better data use improve care?

Capitated or episodic payment approaches, with a component of payment linked to achievement of outcomes, shift financial incentives towards delivery of care that meets the needs of people who use the services and local communities optimising value for evidence based care. For example:

- Episodic approach – this should incentivise case finding and access broadly (because people will be paid for each new person they find or who enters a pathway) It should also incentivise treating people in the least restrictive setting
- Capitated approach – should lead to preventative activity (or at least secondary prevention because the provider will be paid the same no matter what care they provide so in their interests to reduce use of most expensive settings)

These payment approaches do not incentivise activity in the same way as payment per activity or bed day. The proposed payment approaches support delivery of pathways of care. Further, the emphasis on outcomes will drive more efficient and better care - strengthening the value of continuous quality improvement inherent in clinical practice. . This is outlined in the accompanying document "How mental health payment proposals support more efficient and effective care".

High quality data and information are crucial for improving patient care - and for implementing a transparent payment approach. Local data can be improved in many different ways by being:

- used and fed back in real time to clinicians and people receiving care to inform and improve individual, holistic care
- used by whole teams and the organisation to highlight and address system issues
- used by system leaders for strategic improvements to care structures and delivery.

The development and implementation of one of the proposed payment approaches will draw on existing data and information[iv], including the mental health currencies (the mental health care clusters). The mental health care clusters are the diagnostic classifications linked to national data submissions for mental health care[v]. The payment approaches may or may not use cluster data but must be based on evidence illustrating resources can be used most effectively to deliver high quality care that meets population needs.. In any case, cluster activity and population data can help inform understanding of population needs, patient case-mix and flow through care, and (given investments to collect this data) are likely an effective and accessible source of data, information and analysis.

Data and information needed for the proposed payment approaches can also be used

to empower staff to improve care. Organisations have access to a wealth of data and information. This should be utilised by individual front line staff to directly inform care and improve our understanding of the impact of interventions. It will help people at all levels of an organisation (and the across local health system) to improve how care is structured and delivered – this includes capturing clinical and other front line staff feedback, and input which can improve care and efficiencies.

Why is it important to deliver efficient and effective mental health care?

It is important to get mental health service provision right to support people experiencing mental ill health to move towards recovery, and to help them manage physical and social issues. Getting mental health care right can also be key to the sustainability of other local health and public services, such as reduction in the use of emergency services. Evidence shows delivery of appropriate mental health care, and strong links between mental and physical health care provision can:

- prevent and reduce the incidence of physical ill health (e.g. cardio pulmonary disease and obesity)[vi]
- speed recovery (e.g. stroke and muscular skeletal injuries)
- reduce the overall cost of delivering care (e.g. diabetes complications).

So, for both individuals and the system to thrive, provision of effective and efficient mental health care is vital.

For further information on these proposals and development approaches to pay for and support effective mental health care see our published support material https://improvement.nhs.uk/resources/new-payment-approaches/

[1]

[i] The use of quality and outcomes measures are already familiar through NHS standard contract quality schedules, meeting the standards for access and waiting times and using person-centred outcomes is inherent in the clinical practice of most health care professionals

[ii] Population-based payment could cover only mental health care provision, or and integrated approach with other health and care. Payment should be calculated based on care provision for the local population (or relevant segments of it if only covering mental health care). In either case, payment values can be adjusted to reflect changes in the size and characteristics of relevant populations; and be adjusted to take account of patterns of care, required investment, possible efficiencies, etc.

[iii] An episodic payment approach (or payment based on year of care for long term care needs) is the payment of an agreed price for all the healthcare provided to a patient during an agreed time period – the episode. The price paid depends on the mental health condition a person is being treated for and any co-morbidities they may have.

[iv] This includes data on mental health care clusters collected by providers and related analysis produced by the HSCIC; other data and information collected by providers including patient level costing data; reference costs data from published by the Department of Health; NHS Benchmarking Network data; Public Health England's MH System Profiling tools (fingertips tools); data from the office of national statistics;

[v] Mental Health Clustering Booklet 2016/17
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/499475/Annex_B4_Mental_health_clustering_booklet.pdf

[vi] http://www.kingsfund.org.uk/sites/files/kf/field/field_publication_file/long-term-conditions-mental-health-cost-comorbidities-naylor-feb12.pdf