"Still waiting for mental health reform"
Submission from Prof. Patrick McGorry
to
The inquiry into the Council of Australian Governments reforms relating to health and hospitals
by
The Senate Standing Committee on Finance and Public Administration.
26th May 2010

1. Summary

1.1 This submission focuses on the implications for the mental health of Australians of the recent COAG healthcare agreement.

1.2 The key points made in this submission are:

1.2.1 The principal positive for Australians with mental ill-health is that the agreement establishes a policy direction that emphasises the importance of providing young people (who represent both the optimal life stage to intervene and the peak period of incidence for mental ill-health) with increased access to models of care (headspace and EPPIC) that are of proven effectiveness.

1.2.2 The principal negatives for Australians with mental ill-health are that the agreement exacerbates rather than addresses the structural underfunding of mental health services and does little to advance the "historic reshaping of mental health services" that has been promised by the Prime Minister and that is urgently required.

1.2.3 It remains unclear as to why this critically underperforming area of Australian healthcare has been largely neglected – with only confusing and unconvincing reasons offered to date. It also remains unclear as to whether the Government has a plan to address this neglect. The current 4th National Mental Health Plan is manifestly inadequate and lacks vision, priorities and any evaluative framework of goals, targets and indicators or mechanism for accountability.

1.3 This submission recommends that the Australian Government urgently redress the neglect of the mental health of Australians by:

1.3.1 Announcing a completely new and funded national mental health investment program with the explicit overarching goal of ensuring Australia's mental health system is progressively scaled up to meet the same standards of quality and accessibility as our physical health system by 2020

1.3.2 Expanding to 250,000 the number of young Australians who can access headspace (for mild to moderate mental ill-health) and EPPIC (for psychosis) models of care (immediately increasing the recent modest allocation from COAG and the 2010 Federal Budget for headspace and the Early Psychosis services to a total of $200m p.a.). This would scale up capacity in an achievable and sustainable way at the same time making substantial inroads into the huge hidden waiting list of young Australians currently denied mental health care.

2. Overview of mental health announcements in this agreement

2.1 As part of the $5.4bn of new Commonwealth funding under the COAG healthcare agreement, the Government announced that a further $174m over 4 years would be dedicated to mental health funding. The announcement specified $78m for headspace (for young people with mild to moderate/early stage mental ill-health), $25m for EPPIC type services (for young people with psychosis), $13m to train additional mental health nurses and $57m for flexible care packages. These four announcements actually sum to $173m.

2.2. Of the $173m mental health funding announcements, the entirety of the $57m for flexible care packages is pre-existing funding. Therefore the actual increase in mental health funding in the COAG agreement is $116m or about 2% of the total new funding announced as part of the COAG agreement. This represents in effect a widening of the gap between mental and physical health care funding.

2.3 The Australian Government has stated its intention that some of the $1.6b allocated by the agreement to sub-acute beds "will include support for more people with severe, episodic mental illness to access the care that they need." However it remains unclear how much of this money will actually be dedicated to the needs of Australians with mental ill-health.

2.4. In announcing this agreement, the Australian Government committed to "work further with states and territories, mental health consumers, carers, experts and leading advocates in the mental health sector, on the implementation of these reforms…to review how existing government expenditure might be better targeted to improve community based mental health care….[and to] report back to COAG in 2011."

3. Youth mental health investments

3.1 The COAG agreement's endorsement of youth mental health models headspace and EPPIC is significant and positive in direction, but timid in scope and scale. These models are capable of much more rapid upscaling and national roll out over a 3-4 year period from 2010.

3.2. The investments in headspace and EPPIC represent first steps at implementing the first two mental health recommendations of the National Health and Hospital Reform Commission. Prior to this announcement, headspace had received a highly positive independent evaluation. EPPIC is demonstrably the most evidenced based model in the spectrum of mental health care and highly cost-effective. Though it is an internationally acclaimed Australian innovation that has been implemented in hundreds of centres across the world over the past 15 years, it has not yet been made available to the Australian population, except in heavily diluted fashion in Victoria.

3.3 However positive in direction, the youth mental health measures are very disappointing in scope and scale. The new youth mental health funding (an increase of $30.5m over four years for headspace and a new funding line of $25m over 4 years for EPPIC) translates as $13.9m p.a. of new funding to provide care to an additional 23,500 young people each year. This represents just 3% of the 750,000 young Australians who experience mental ill-health each year without accessing appropriate supports. It also significantly short of the $200m p.a. investment in these models that

I recommended in a submission to the Australian Government earlier this year as part of a plan to provide much needed supports to 250,000 young Australians.

3.4 There is an additional concern about the practicability of the EPPIC model investment achieving its goals. The allocated funding of $6.25m p.a. is significantly less than the cost of even one EPPIC centre (depending on scale these centres would cost between $10-20m p.a. to run). Therefore, even with co-investment by State Governments there remain significant implementation challenges to be overcome to provide young Australians with psychosis access to the most evidence based care.

4. Platform for mental health reform?

4.1 The 2% of additional health funding allocated to mental health under this agreement is alarmingly small. It is one third of the proportion of health funding that mental health currently receives (6%) and about one sixth of the proportion of health spend recommended by the 2006 Senate Select Committee on Mental Health (up to 12%). It is less than the share of Australia's health burden attributable to mental ill-health (13%). Such minimal growth is simply nowhere near enough to achieve any meaningful reform and better outcomes in mental health care.

4.2 There is a general consensus within the mental health sector about the implications of this agreement for Australians with mental ill-health. On 29th April, I and 12 other leaders of key mental health agencies, wrote to the Prime Minister (letter attached) outlining our common view that:

4.2.1 The Australian Government's promise of providing leadership to achieve a "historic reshaping of mental health services "was welcome as major change in mental health is urgently needed

4.2.2 The unifying goal of the Australian Government's new leadership role in mental health should be to achieve equal rates of access to quality care for mental and physical health

4.2.3 The Australian Government should work in partnership with State and Territory Governments and the mental health sector to develop, publish, resource and implement a plan to achieve the same access to quality care for Australians with mental ill-health as for Australians with physical ill-health. This plan must have a set of clear-cut goals, targets and indicators and a strong evaluative and accountability framework.

4.2.4 Mental health should be a significant focus of COAG in 2011, but that does not mean delaying action until that date

4.2.5 It is of notable concern that mental health's share of health spending drops under this agreement from a level of 6% that is well below comparable nations such as New Zealand, the Netherlands and the UK.

4.2.6 Significant action is needed to address the structural underfunding of mental health. The Government should further increase its investment in the youth mental health models (headspace and EPPIC) supported under the agreement as well as allocate new funding for other age groups

5. Unanswered questions

5.1 So great is the mismatch between the urgency to act, scale of the need and power of Government rhetoric on the one hand and the timidity of action on the other that it raises a number of questions it is essential for Government to respond to. These are:

5.1.1 Does the Government have a guiding vision for its "new national leadership role" in mental health? If not why not? And why not now?
5.1.2 If so, what is that vision, who is personally responsible for achieving that vision and where is the plan to make it happen?
5.1.4 Will the Government commit to ending mental health system's chronic underperformance compared to the physical health system by 2020?
5.1.5 Does the Government agree with the recommendation of the 2006 Senate Select Committee on Mental Health that up to 12% of the health budget is an appropriate target for mental health expenditure to achieve, being close to the proportion of disease burden caused by mental ill health?
5.1.6 When does the Government envision significant new investment in mental health to begin? Under what conditions? If there are roadblocks to beginning this investment, what are they and who is responsible for removing them?

5.2 To date the official public explanation of the Government as to why mental health has not received more support under this agreement have been somewhat vague comments about the need to "grow within your capacity" that the mental health house is "not in order " or the "foundations" are not yet right. This risks becoming a self-defeating and self-perpetuating excuse for inaction along the lines of "our system is too badly performing for us to fix it." These statements could easily have been made about the acute and general health care system, yet the government has invested heavily to tackle this while excluding mental health care from the reform strategy. These claims are made all the more perplexing as Government concerns about systemic issues needing to be addressed first do not apply to headspace, yet it was only provided with enough funding to reach 3% of the documented unmet need for its services. Until the Government announces a clear vision of mental health reform and a plan with specific targets to achieve it, and a serious growth strategy, confidence will continue to drain away from the mental health sector.

6. Recommendations

6.1 I make two specific recommendations in response to the COAG healthcare agreement.

6.1.1 **Enhance the impact of the positive policy direction on youth mental health** by scaling up to 250,000 the number of young Australians who can access headspace (for mild to moderate mental ill-health) and EPPIC (for psychosis) models of care. This objective would increase by 8 fold the COAG agreement's $25.75m p.a. for these services to $200m p.a.
6.1.2 **Address the main shortcomings of this agreement as a platform for mental health reform** by announcing a brand new, well funded national mental health strategy with the explicit goal of ensuring Australia's mental health system meets the same standards of quality and accessibility as our physical health system by 2020

7. About This Submission.

7.1 This submission is made by Prof. Patrick McGorry, Australian of the Year 2010. Prof. McGorry is Professor of Youth Mental Health at the University of Melbourne, Executive Director of Orygen Youth Health Research Centre (which developed the EPPIC model of care for young people experiencing psychosis and led the development of the headspace model) and a founding member of the Board of headspace.

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