Mental Health Payment by Results
- moving towards funding based on activity and outcomes

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Overview of presentation

- Responsibilities for tariff and currency development after April 2013
- The policy context for mental health PbR
- Progress to date for mental health PbR & implementation in 2013-14
- Progress in other areas of mental health
- Plans for mental health PbR 2014-15
### Future of tariff

Responsibility for 2014-15 and beyond rests with NHS England and Monitor, and the Health and Social Care Act sets out their duties:

<table>
<thead>
<tr>
<th>Monitor clauses:</th>
<th>NHSE clauses:</th>
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</thead>
<tbody>
<tr>
<td><strong>General duties:</strong></td>
<td><strong>Requirements including:</strong></td>
</tr>
<tr>
<td>To <strong>protect</strong> and <strong>promote</strong> the <strong>interests of people</strong> who use health care services</td>
<td>To adhere to the overall budget mandated by the SoS</td>
</tr>
<tr>
<td>To promote provision of health care services which is <strong>economic, efficient and effective</strong></td>
<td>To exercise its functions <strong>effectively, efficiently and economically</strong></td>
</tr>
<tr>
<td>To <strong>maintain or improve the quality</strong> of services</td>
<td>To exercise its functions with a view to securing <strong>continuous improvement in quality of services</strong></td>
</tr>
<tr>
<td>To enable <strong>integrated care</strong></td>
<td>To promote commissioner and provider <strong>autonomy</strong></td>
</tr>
<tr>
<td>Monitor must also have regard to:</td>
<td>To <strong>reduce inequality</strong></td>
</tr>
<tr>
<td>Maintaining patient safety</td>
<td>To promote <strong>patient involvement and choice</strong></td>
</tr>
<tr>
<td>Desirable continuous improvement</td>
<td>To obtain appropriate advice</td>
</tr>
<tr>
<td>Commissioning fair access to services based on clinical need and making best use of resources</td>
<td>To promote <strong>innovation</strong></td>
</tr>
<tr>
<td>Providers cooperating to improve quality</td>
<td>To promote <strong>integration</strong></td>
</tr>
<tr>
<td>Promoting research</td>
<td></td>
</tr>
<tr>
<td>High standards for education and training</td>
<td></td>
</tr>
</tbody>
</table>

PbR team working as agents of Monitor and NHS England in 2013-14
Future responsibilities…

- From 2013/4:
  
  1. NHS England responsible for tariff scope and structure
  
  2. Monitor responsible for price setting
  
  3. Both organisations need to agree key decisions

- So timing of the introduction of any national tariff and currencies for other services will be the responsibility of the NHSCB and Monitor
Policy context for PbR

- Increase efficiency, eg encourage reduced length of stay in hospital
- Incentivise activity to help reduce waiting lists
- Focus on quality by removing price competition
- Create an open and transparent system
- Support patient choice – money follows the patient
- Following international best practice
## Mental health funding in England

Programme Budgeting estimated England level gross expenditure for all programmes, 2010/11

<table>
<thead>
<tr>
<th>Category</th>
<th>£ billions</th>
<th>% of programme budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infectious Diseases</td>
<td>1.80</td>
<td>1.7%</td>
</tr>
<tr>
<td>Cancers &amp; Tumours</td>
<td>5.81</td>
<td>5.4%</td>
</tr>
<tr>
<td>Disorders of Blood</td>
<td>1.36</td>
<td>1.3%</td>
</tr>
<tr>
<td>Endocrine, Nutritional and Metabolic Problems</td>
<td>3.00</td>
<td>2.8%</td>
</tr>
<tr>
<td>Mental Health Disorders</td>
<td><strong>11.91</strong></td>
<td><strong>11.1%</strong></td>
</tr>
<tr>
<td>Problems of Learning Disability</td>
<td>2.90</td>
<td>2.7%</td>
</tr>
<tr>
<td>Neurological</td>
<td>4.30</td>
<td>4.0%</td>
</tr>
<tr>
<td>Problems of Vision</td>
<td>2.14</td>
<td>2.0%</td>
</tr>
<tr>
<td>Problems of Hearing</td>
<td>0.45</td>
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<td>Problems of Circulation</td>
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<tr>
<td>Problems of the Respiratory System</td>
<td>4.43</td>
<td>4.1%</td>
</tr>
<tr>
<td>Dental Problems</td>
<td>3.31</td>
<td>3.1%</td>
</tr>
<tr>
<td>Problems of the Gastro Intestinal System</td>
<td>4.43</td>
<td>4.1%</td>
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<tr>
<td>Problems of the Skin</td>
<td>2.13</td>
<td>2.0%</td>
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<tr>
<td>Problems of the Musculoskeletal System</td>
<td>5.06</td>
<td>4.7%</td>
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<tr>
<td>Problems due to Trauma and Injuries</td>
<td>3.75</td>
<td>3.5%</td>
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<tr>
<td>Problems of the Genito Urinary System</td>
<td>4.78</td>
<td>4.5%</td>
</tr>
<tr>
<td>Maternity and Reproductive Health</td>
<td>3.44</td>
<td>3.2%</td>
</tr>
<tr>
<td>Conditions of Neonates</td>
<td>1.05</td>
<td>1.0%</td>
</tr>
<tr>
<td>Adverse Effects and Poisoning</td>
<td>0.96</td>
<td>0.9%</td>
</tr>
<tr>
<td>Healthy Individuals</td>
<td>2.15</td>
<td>2.0%</td>
</tr>
<tr>
<td>Social Care Needs</td>
<td>4.18</td>
<td>3.9%</td>
</tr>
<tr>
<td>Other Areas of Spend/Conditions</td>
<td>25.95</td>
<td>24.3%</td>
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<tr>
<td>Total</td>
<td><strong>107.00</strong></td>
<td><strong>100.0%</strong></td>
</tr>
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</table>

Source: Department of Health: Programme Budget National Level Expenditure Data 2010/11
Mental health funding in England

Weighted Expenditure on Mental Health Services

PCT Adult Investment
Weighted Invest per Head
- 222 to 317 (10)
- 189 to 222 (19)
- 177 to 189 (16)
- 168 to 177 (19)
- 161 to 168 (17)
- 153 to 161 (11)
- 144 to 153 (20)
- 136 to 144 (18)
- 125 to 136 (14)
- 97 to 125 (7)
Mental health funding in the UK

The case for moving towards activity–based funding for mental health

- Mental health was the single biggest tranche of secondary health care not covered by mandated currencies and tariffs
- Investment in mental health services does not reflect local needs but historical block contracts
- Rising spend on acute and secure services mean that investment on other mental health services is being squeezed and is vulnerable to disinvestment
- Mental health services were characterised by a lack of transparency in funding, care provision and outcomes
- Including mental health emerged as the leading suggestion in our public consultation on PbR in 2007
Mental Health PbR – the History 1

- Report published by Information Authority on casemix groupings for mental health. Too complex to be used as the basis for currencies
- Findings of phase 1 for both the Information Centre and the Care Pathways Project are published
- Clustering commences, clusters costed for first time, MHMDS 4 starts to flow
- Currencies made available for use
- New Project launched by the Information Centre to develop mental health currencies. Care Pathways and Packages Project formed by six Mental Health Trusts unhappy with statistical approach
- PbR consultation published. Respondents call for mental health funding solution as a priority.
- Currencies mandated from April 2012 as basis for contracting mental health services for working age adults and older people
Mental Health PbR sits at the centre of improved mental health services

- Enhanced personalisation and choice
- Value for money
- Quality Indicators
- Improved, comparable data
- Recovery and policy objectives
- Service Organisation and SLM
- Parity of esteem
- Reduction of variation in mental health services

Mental Health PbR
The Care Clusters

Working-aged Adults and Older People with Mental Health Problems

A
Non-Psychotic

a
Mild/Moderate/Severe

b
Very Severe and complex

B
Psychosis

a
First Episode

b
Ongoing or recurrent

c
Psychotic crisis

d
Very Severe engagement

C
Organic

a
Cognitive impairment

10
11
12
13
14
15
16
17
18
19
20
21

1
2
3
4
5
6
7
8

12 Mental Health Payment by Results
Example Cluster and Assessment Scores

CARE CLUSTER 8: Non-Psychotic Chaotic and Challenging Disorders

Description:
This group will have a wide range of symptoms and chaotic and challenging lifestyles. They are characterised by moderate to very severe repeat deliberate self-harm and/or other impulsive behaviour and chaotic, over dependent engagement and often hostile with services.

Likely diagnoses:
Likely to include F60 Personality disorder.

Impairment:
Poor role functioning with severe problems in relationships.

Risk:
Moderate to very severe repeat deliberate self-harm, with chaotic, over dependent and often hostile engagement with service. Non-accidental self injury risks likely to be present. Safeguarding may be an issue.

Course:
The problems will be enduring.

* Either / Or

Must score
Expected to score
May score
Unlikely to score
No data available
What’s been achieved so far?

- Care clusters made available for use – February 2010
- Cost data collected on a cluster basis – September 2011
- All service users allocated to care clusters – December 2011
- Mental health PbR mandated April 2012
Reference costs

- 2011/12 reference costs collected on a cluster only basis for those services falling within the clusters
- The 2011/12 reference costs helped to inform the development of cluster prices for Trusts to benchmark against
- 60 providers submitted
- Spread of reported costs per cluster no worse than for acute HRGs
- 50% of providers had a separate cost for assessment, with a very small range of reported costs
- About 50% of all reported reference costs are for those covered by the clusters
Average cost per cluster per day
Variation in average cost per day for cluster 15 (severe psychotic depression)
Continuing the implementation in 2013-14 (1)

- No national tariff 2013-14
- Publication of indicative prices for each cluster period
- Use of cluster period (rather than per diem) as the contract currency
- Requiring providers and commissioners to rebase their contracts on to a cluster basis and submit these local prices centrally
- Begin to use quality & outcomes measures in contracts
- Continue to have risk-sharing mechanisms in place
Continuing the implementation in 2013-14 (2)

- National algorithm published for use and feedback during 2013 – a decision support tool for clustering
- Monthly data submissions to be made to MHMDS
- HSCIC to produce standard commissioner reports every month from June 2013
- Further data analysis from MHMDS to support outcomes and quality indicators
- Work on complexity factors to inform cluster pricing
- Work on guidance to support choice of provider policy and payment in the absence of a national tariff
- Guidance to support moving to a contract based on case mix rather than income guarantee, with Q&O forming part of the payment
Sample MHMDS v4 record – 1/800,000

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<th>Record Table</th>
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<th>MHD_CareSpells</th>
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<td>N6D</td>
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</tr>
</tbody>
</table>
National algorithm

- Data collection from first clustering assessments of expert clusterers informed development of the algorithm
- Statistical analysis carried out
- Road-tested tool with IC held records
- Further analysis with 15,000 records adhering to red rules
- Up to 95% predictive accuracy
- Further tests against IC data
- Tool is to support clinicians and help providers and commissioners to understand where there are variances within and across organisations
- Tool published with the 2013-14 PbR package
Implications for commissioners and providers from Mental Health PbR

- Not just an add on to business as usual
- Whole system change across provider organisations
- Involves a large number of people in changing the way they do things: clinicians, FDs, IT, senior managers and administrators
- Step change for those who commission services in terms of interpreting a rich source of data which tells the story of what is happening to individual patients and services as a whole
Audits of MH currency data

- Capita, on behalf of the Audit Commission, undertook a review of the data and processes that underpins the new currencies
- Pilot review of 9 providers and their commissioners looking at:
  - Commissioner arrangements – for ensuring provider data is good quality
  - Reference costs – processes to generate accurate costs for 11/12 ref costs
  - Activity data – how accurately the minimum data set activity reflects the patient record
- Each Trust received an individual report, overall report will be published on the Audit Commission website
- Costing in mental health Trusts found to be of a good standard, better than in many acute providers, issue is with accuracy of underpinning data
- Aim to develop an assurance process that can be applied in the future
The model in action

Currency Model

1. Cluster Algorithm
2. Activity (intervention)
3. Resource utilisation (Tariff)

- Quality Indicator 1
- Quality Indicator 2
- Quality Indicator 3
- Quality Indicator 4

Mental Health Clustering Tool

21 Clusters

Care Transition Protocols

The model in action
Quality & Outcomes 1

- **Indicators – data already routinely collected:**
  - The proportion of users in each cluster who are on CPA
  - The proportion of users on Care Programme Approach (CPA) who have had a review within the last 12 months
  - The completeness of ethnicity recording
  - The accommodation status of all users (as measured by an indicator of settled status and an indicator of accommodation problems)
  - The intensity of care (bed days as a proportion of care days)
  - The proportion of users with a crisis plan in place, limited to those on CPA
  - The proportion of users who have a valid ICD10 diagnosis recorded

- **A range of clustering quality indicators to be developed including:**
  - Proportion of in scope patients assigned to a cluster
  - Proportion of initial assessments adhering to red rules
  - Adherence to Care Transition Protocols
  - Proportion of users within Review Periods
  - Average Review Periods
  - Average Cluster Episode
  - Average Spell Duration
  - Re-referral Rate (to any in scope services)
Quality & Outcomes 2

Clinician rated outcome measure
1. HoNOS 4 factor model
2. Apply to completed care package provision
3. Report and compare at various levels
4. Develop to report on progress

Patient rated outcome measure
1. testing sWEMWBS
2. local use of other tools

Patient Experience
1. Testing the friends and family question
2. Using existing CQC survey data – an annual independent survey sampling a small number of service user views for all providers
3. Overall aim – to use a range of these measure together, linked to an element of payment, to incentivise improvement
Development of other services

- **CAMHS**
  1. pilots collecting data on resource usage using CYP IAPT dataset
  2. some draft clusters but will be reviewed after pilots
  3. currencies available from 2014/15?

- **Forensic services**
  1. Testing proposed clustering approach
  2. Currencies available from 2014/15?

- **Learning Disabilities**
  1. Data collection to test clustering approach
  2. Decision required on way forward

- Aim is have alignment with the care cluster approach
Mental Health PbR in 2014-15

- Timetable contracted for 2014-15
- Monitor’s Tariff Engagement document published 13 June 2013
- Monitor’s National Tariff document, due for publication late September 2013
- Changes proposed for 2014-15:
  1. No income guarantee, cost and volume, and risk sharing, within boundaries
  2. Guidance to support choice of mental health provider
  3. Paying for quality, mandating the use of some metrics
Any Questions