

18 December 2020

Briefing: Productivity Commission inquiry report on mental health

The Productivity Commission released its final [inquiry report](#) on mental health on 16 November 2020. The report calls for major changes in the national delivery of mental healthcare in Australia, while the Commonwealth Government is yet to release its response to the report.

Summary

The report applies an economic lens to mental health, with recommendations underpinned by estimates of the potential economic impact of poor mental healthcare and the proposed reforms 'to identify where reform efforts should be focused.' The report identifies the considerable economic benefit of investing in mental health care, with higher returns on investment than many current infrastructure projects, as well as exploring mental health across different contexts, including education, justice and housing.

The report calls for the creation of a person-centred mental health system, with the argument that Australia needs to:

- focus on prevention and early intervention: early in life and early in illness
- provide the right healthcare at the right time for those with mental illness
- make sure effective services support recovery in community
- provide seamless care, regardless of the level of government providing the funding or service.

The report makes 21 recommendations, with 103 corresponding actions, including:

- the development of a national digital mental health platform to be co-designed with consumers and clinicians, for assessment, referral, and to access MBS-rebated mental health care
- increased monitoring and reporting at the service provider level that is focused on consumer and carer outcomes
- strengthened cooperation between Primary Health Networks (PHNs) and Local Hospital Networks (LHNs), or replacement with regional commissioning authorities (RCAs)
- a greater ongoing role for consumers, carers families in all aspects of mental health system planning, design, monitoring and evaluation, as well as involvement in care delivery
- activity-based funding for ambulatory community-based mental healthcare
- a national policy of no exits into homelessness for people with mental illness who are discharged from institutional care, including hospitals and correctional facilities
- greater use of alternative care pathways for people with mental illness to minimise emergency department presentations
- greater use of technology to deliver and access care.

VHA

The Victorian Healthcare Association and Mental Health Victoria made a [joint submission](#) in response to the interim report, which was released in October 2019. A number of these recommendations are reflected in this report, including:

- that the National Mental Health Commission should have oversight of mental health, addiction, and wellbeing
- a more detailed focus on the importance of community-based mental healthcare in the final report, as well as greater focus on the community component of the workforce
- that states and territories be required to provide gender-specific separate wards to improve safety
- that the emergency department experience be addressed holistically, with a focus on identifying approaches that limit emergency department presentations
- that care coordination services are properly inclusive and cognisant of the role of family and friend carers
- greater consideration and support for Health–Justice Partnerships.

The Productivity Commission makes numerous reference to our joint submission in its report, regarding: the impact of the Prehospital Response of Mental Health and Paramedic Team (PROMPT) model; the uptake of the hospital-in-the-home model to treat mental illness; and the importance of prevention and lifestyle interventions.

It is also encouraging that the report delivers on recommendations that we have made in other contexts, such as the recommendation to permanently expand COVID-19 telehealth MBS supports, which aligns with our 2020-21 Commonwealth Budget submission.

Analysis

- Overall, the report is high-level in its approach to reform, and the final recommendations do not contain specific targets and metrics. There is a risk that such an approach means that the recommendations are not detailed enough to ensure accountability.
- While the report states that its recommendations ‘aim to refocus the mental health system, recognising the truth in the adage that ‘prevention is better than cure’ there are no specific recommendations around prevention and early intervention beyond an important focus on suicide prevention. Further, the report fails to acknowledge and respond to the social determinants known to cause and exacerbate poor mental health such as poverty, inequality, racism, poor housing and unemployment.
- The report takes a ‘person-centred’ approach with a focus on the agency of the people affected by mental ill-health. It states that ‘Australia’s mental health system does not empower those who need it’ and its recommendations place emphasis on involving clients, families and carers in different processes and care delivery, as well as supporting the peer workforce to deliver better prevention and early intervention care.
- The Productivity Commission views expansion of digital care as crucial to delivering early intervention and preventative services, as well as attempting to remedy regional disparities in care. The report places major emphasis on growing the use of technology to deliver care and outlines the need for a national digital mental health platform, and to maintain and expand the use of telehealth to deliver remote care.
- There is a strong focus on data through the report, which states that ‘the system as a whole is data rich and information poor’, noting that only limited use of this data informs care delivery, experiences and outcomes in practice. Recommendations and actions are dedicated to the improved use of information to support mental health reform.
- It is unclear how this report will interact with the Royal Commission into Victoria’s Mental Health System final report, which is due to be released in 2021. The Productivity Commission has engaged with the Royal Commission, and some of the Royal Commission’s interim findings were used to inform this report, however there is likely to be some overlap, particularly in the area of prevention, which could lead to challenges around implementation of the recommendations.
- The VHA also has specific concerns regarding the following recommendations:

Regional Commissioning Authorities

The recommendation around closer PHN-LHN relationships, or their replacement by RCAs, could negatively impact care delivery in Victoria. The VHA has argued against the introduction of the RCAs as they would add another layer of bureaucracy to the system, potentially adding costs to service delivery and limiting productivity. Without a nationally consistent approach, the decision to allow for both models risks greater variation in care across Australia. Additionally, Victoria does not have an existing LHN model, so further clarification will be required to understand the impact and timeframe attached to this recommendation, including an assessment of potential increased costs for services as the system becomes more complex.

Activity-based funding for community ambulatory mental healthcare services

An activity-based model would come at the expense of care flexibility, the ability to develop holistic models of care, and would undermine measures and incentives for service providers to improve quality of care. The report acknowledges the challenges associated with this funding model and acknowledges that a similar model in Victoria to fund community ambulatory mental healthcare services has had a limited impact. Effective and holistic care should be the focus rather than increased care hours.

Lack of recommendations for at-risk groups

We welcome the report's recommendations to provide culturally sensitive and community-led care of Aboriginal and Torres Strait Islander people affected by mental ill-health. We would equally like to see tailored care provided to other diverse groups at risk of mental ill-health including the LGBTIQ+ community, older people, those from culturally and linguistically diverse backgrounds, and front-line health workers involved in the pandemic response.

Next steps

In response to this report, the Commonwealth Government, has launched a [consultation](#) seeking views on the final recommendations, particularly with respect to priorities and implementation issues. The VHA will make a submission to the consultation and will keep members informed on how they can contribute.



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