

The economic case for mental healthcare

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The cost of mental illness

- Among people of working age, mental illness accounts for as much sickness as physical illness does.
- It accounts for
 - a half of all people not working due to disability
 - (among workers) a half of absenteeism and an equal amount of presenteeism.
- The OECD estimate that the overall economic cost is 4% of GDP (£100 billion a year). This cost is borne by individuals, businesses, and the government.
- The government loses massively through disability-related benefits and lost taxes on earnings and lost VAT.
- Mental illness also increases by 50% the cost of physical healthcare for patients with a co-morbid physical illness of given severity.

Public sector savings from expanding psychological therapy for adults

- Most NHS psychological therapy for adults is now provided through NHS Talking Therapies for Anxiety and Depression. This treats around 700,000 per year and costs £700m a year – a cost per patient of £1,000.
- The programme saves the government at least this much, through its effect on people's ability to work.
- It saves the government roughly £10,000 per year if someone is in work rather than on disability-related benefits. Thus the programme would pay for itself if 10% extra of those treated worked for a year as a result of treatment, or 5% worked for 2 years, etc. Evidence from both the US and from the NHS programme suggests the employment effects of treating anxiety disorders and depression average at least this size.
- In addition there is the effect on physical healthcare costs. About a third of people with mental illness also have a physical healthcare condition such as COPD, diabetes or cardiovascular disease. Since 2015, NHS Talking Therapies has provided (on a growing scale) a special version of their programme for people with each physical condition. In a controlled analysis of the impact, it was found that within the first 3 months their cost of secondary physical healthcare fell by £360. Thus for these patients it is highly likely that over a year the whole cost was covered by the savings on physical healthcare, as an earlier study of the programme also suggested.

Public sector savings from expanded therapy for children

- For most children with conduct disorder (one half of those with mental illness) the standard treatment is parent training on the Incredible Years Programme. There is good evidence of its long-term effects in reducing crime and educational disruption. Public sector savings (in present value terms) are at least equal to the cost.
- The other main mental health problem for children is anxiety disorder where US evidence on the effects of CBT also suggest savings at least equal to cost.

<u>Mental illness affects about 21% of adults and 10% of children (2016)</u>	
The breakdown for adults is roughly	
Anxiety disorders and/or depression	17%
Drug dependence	1%
Alcohol dependence	1%
Personality disorder	1%
Psychosis	1%
	<hr/> 21%
The breakdown for children is roughly	
Anxiety disorders (mainly) and/or depression	5%
Conduct disorder or ADHD	5%
	<hr/> 10%

The way forward

- Adult anxiety and depression.** Until 2008 few of the 17% with these conditions received psychological therapy on the NHS, even though the majority of people at risk prefer it to medication. But since 2008 the NHS has created a separate service now known as NHS Talking Therapies for Anxiety and Depression (formerly IAPT). Therapists are trained for the therapies they will deliver. Outcomes are measured for all patients. For the last six years recovery rates have averaged 55%, with 70% experiencing improvement. The average patient receives 8 sessions. The service now treats 700,000 patients a year in England (which is roughly 10% of the total number of people with anxiety and depression). This number needs to increase to 1,050,000 by 2029. It requires 5,500 extra therapists. The service currently costs £700 million a year and is a model for how many other problems should be treated (see below).
- Children and Adolescents.** Child and Adolescent Mental Health Services (CAMHS) operate a very high threshold and still have long waiting lists. In 2019 therefore the government initiated a new service for those with less than the most severe problems. These Mental Health Support Teams, are heavily modelled on NHS Talking Therapies (though delivered in schools). Planned progress was to cover one third of the costs by 2024. It is now important that
 - o national coverage is achieved by 2029.
 - o a high-intensity stream of therapists is established (as for adults)
 - o a proper service for conduct disorder is included.
- Addiction and personality disorder.** People with these problems suffer severely. They also cause most crime (excluding fraud) and great disruption of families and communities. They need a new service, parallel to NHS Talking Therapies for Anxiety and Depression and treating 200,000 a year by 2029. This would require some 5,000 staff. There are NICE-recommended therapies for all these conditions, which require longer treatment than most depression and anxiety disorders. The full recovery rates are also lower. But the social savings would be immense.
- Outcome measurement.** For all these proposals, outcome measurement should be universal, as it should throughout all mental health services.

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