

**MENTAL HEALTH COMMISSION OF NSW ANSWERS TO SUPPLEMENTARY
QUESTIONS AND QUESTION ON NOTICE:**

INQUIRY INTO THE MANAGEMENT OF HEALTH CARE DELIVERY IN NSW

Effectiveness of existing frameworks

- 1) *How can the current performance reporting framework be improved to better monitor the effectiveness and efficiency of mental health care service delivery in New South Wales?*
- 2) *How can the current performance reporting framework be improved to better identify, assess and respond in a timely and effective manner to systemic issues impacting mental health care service delivery in New South Wales?*
- 3) *To what extent does the current framework drive improvements to the delivery of mental health care in New South Wales and achieve broader health system objectives?*

The Commission's *review of transparency and accountability in mental health funding to health services* looks at the performance framework in details at Chapter 8 and makes five recommendations directed to Key Performance Indicators and outcome measures (see below in response to question 6).

The review highlighted that the key performance indicators in the current performance framework do not monitor access to care, integrated care, people and culture or person centred care. The review further notes that

"The development of appropriate performance indicators is a challenge for health systems around the world. However, in a purchasing environment, especially one with ABF as its core, it is vital that what is being purchased aligns with community needs, best practice models of care and person-centred care, while driving improved health outcomes, safe high quality services and cost efficiency"

Further, the review noted that:

Development and refinement of appropriate KPIs for Local Health District and Specialty Health Network mental health services also requires an agreed context incorporating:

- clarity about the role of public sector mental health services in delivering mental health services to the NSW community
- adoption of an agreed service planning framework to estimate need, project service requirements and identify gaps in service provision
- best practice models of care
- implementation of the AMHCC
- agreement on feasible outcome measures
- ability to compare and benchmark performance.

Activity Based Funding Model

- 4) *Your submission recommends the introduction of needs based service planning, which would address the issues of LHD's having to prioritise hospital based care at the expense of mental health care.*
- *What would needs based service planning look like?*

Put simply, needs based service planning would be based on the National Mental Health Service Planning Framework. The Commission's *review of transparency and accountability of mental health funding to health services* looks at the National Mental Health Service Planning Framework in detail at Chapter 5 and makes three recommendations directed to planning and purchasing (see below, in response to question 6).

- 5) *Has there been any work done regarding the potential cost saving measures resulting from increasing community based care and subsequently decreasing hospital admissions?*
- 6)

Yes, there has been work in this area. One such report is *Paving the way for mental health: The economics of optimal pathways to care*, produced for the National Mental Health Commission by KPMG in November 2014 and available via

<http://www.mentalhealthcommission.gov.au/media/119874/Paving%20the%20way%20for%20mental%20health%20-%20KPMG.PDF>

MHC Review of Funding

- 7) *The Committee understands that the Commission undertook a review of funding regarding the delivery of mental health services.*
- *Could you elaborate on the findings of this review, and its overarching recommendations?*

The Commission's review of transparency and accountability of mental health funding to health services found that the progressive shift towards activity based funding (ABF) as the engine of investment within the NSW health system presents particular challenges for mental health, which may not neatly align with the focus on units of activity that largely underlie it. Equally though, ABF offers an important opportunity to drive spending differentially towards those services and programs that we know are most effective by prioritising them within our planning and purchasing models. If we do it right, ABF can be a powerful incentive to drive the *Living Well* agenda in its next phase.

Effective, evidence-based system planning is the key: if we are clear about the number and mix of services we want to buy on behalf of consumers, we can powerfully orient how the money flows through the system at the same time as driving performance improvements.

The full review is available via

<https://nswmentalhealthcommission.com.au/resources/review-of-transparency-and-accountability-of-mental-health-funding-to-health-services-0>

The review made the following 17 recommendations:

INFORMATION FOR ACCOUNTABILITY

1. The Ministry of Health should prepare and maintain a publicly available website resource that clearly outlines the current status of implementation of activity-based funding (ABF) for mental health services, including planned next stages and timelines, classification systems in use and pricing.
2. Each Local Health District (LHD) and Speciality Health Network (SHN) should publish full details on its website of its mental health expenditure and outcomes, including:

- a summary table, comprising audited outcomes for the previous financial year and quarterly updates for the current financial year, of:
 - total estimated mental health expenses
 - the mix, volume and funding of purchased services
 - expenditure and revenue budgets under the control of the Director of Mental Health and current reported activity against target.
 - a summary of its approach to the allocation of indirect and corporate overhead costs, maintenance of central reserves, and allocation of non-cash items to Service Groups.
 - a summary table reconciling the Service Agreement Schedule C activity targets and funding for mental health, the proportion of the budget directly allocated to the control of the Director of Mental Health, the estimated proportion of indirect and corporate overhead costs and a comparison with the previous financial year.
 - a summary table of the outcomes of mental health service provision using the current MH-OAT measures, pending further refinement of these measures as part of the national mental health outcome reporting framework.
3. The materials described in Recommendation 2 should be compiled and published by the Ministry of Health to promote transparency and comparison of approaches between LHDs and across different financial years.
 4. LHDs and SHNs should continue to pursue direct allocation of indirect costs to mental health service cost centres where it is possible and administratively efficient to do so.
 5. The Ministry of Health should promote and provide information for staff and the community summarising the ABF framework for mental health, the District Network Returns (DNR) process, and the process for estimating mental health Service Group 3.1 expenditure.
 6. The Ministry of Health and the NSW Mental Health Commission should work with the Bureau of Health Information to initiate a regular reporting program on mental health service, performance and outcomes.

PLANNING AND PURCHASING

7. The Ministry of Health, LHDs and SHNs should adopt the National Mental Health Service Planning Framework to guide service planning and models of care and to provide a context for discussions between the Ministry and LHDs and SHNs on service need, workforce, gaps and purchasing decisions.
8. The Ministry of Health should include explicit criteria in the next version of the LHD Service Agreements for consideration of requests by health services to adjust mental health service activity and output targets.
9. The Ministry of Health, in conjunction with the NSW Mental Health Commission, the NSW and ACT PHN Council and relevant State and Commonwealth agencies, should collectively explore in 2017/18 the appropriate role of NSW LHDs and SHNs in the provision of mental health services to the people of NSW. The outcomes of this work should then inform further refinement of the purchasing framework, Service Agreements and KPIs for mental health

KPIs AND OUTCOME MEASURES

10. Appropriate output and outcome targets and performance indicators for block funded services should be developed and included in future Service Agreements between the Ministry of Health and LHDs and SHNs.
11. The Ministry of Health, in conjunction with the NSW Mental Health Commission and LHDs and SHNs, should review the Performance Framework KPIs for mental health services and develop a three year program, commencing in 2018/19 to progressively adapt the KPIs to include a focus on:
 - service provision against assessed need

- the outcomes of care
 - integration of care with primary care and the community-managed and private sectors
 - consumer, family and carer satisfaction.
12. The Performance Framework for health services should continue to support and require improved data quality, including mental health data quality as a performance measure for health services.
 13. The Ministry of Health should continue development of the utility of the ABM portal for mental health service benchmarking.
 14. The Clinical Information Benchmarking Reporting tool (CIBRE) should be expanded to include interstate and international comparative information.

CONTINUED TRANSITION OF MENTAL HEALTH SERVICES TO ABF

15. The Ministry of Health and each LHD and SHN should give priority to the successful implementation of the Australian Mental Health Care Classification (AMHCC) system.
16. The Ministry of Health should continue to proceed cautiously with its planned shadow funding on a NWAU basis, followed by replacement of block funding of community based and ambulatory care mental health services, pending progress on the models of care and service planning recommendations in this Report, successful implementation of the AMHCC in NSW and improvements in the data quality.
17. The Ministry of Health should continue to include funding for teaching, training and research as part of the resourcing of mental health services.

Review Powers

- 8) *In your submission, you state that the Commission seeks legislative amendments to strengthen its review powers to include the ability to enter and inspect any premises and inspect any document.*
 - *How effective would you say the Commission is currently as a review body?*
- 9) *In its current form, do you believe the Commission is able to identify and respond to systemic issues?*
- 10) *Does the legislation governing Mental Health Commissions in other jurisdictions have these provisions?*
- 11) *Are there any other practical factors that you see as limiting the effectiveness of the Commission?*

In responding to questions in relation to the Commission's review powers, it is important to note that the Commission is currently undergoing a statutory review of both our functions and our work (as required under s 20 *Mental Health Commission Act 2012 (NSW)*) and has made a complete submission on this issue to the Ministry of Health who is conducting the review. Without wanting pre-empt the outcome of that review, in those circumstances where reviews can effectively be undertaken utilising the normal data request provisions the Commission has a proven track record as an effective review body, developing consensus positions between various stakeholders and shining a light on the concerns of people who live with mental illness, their families and carers. *Mental Illness and Medications: Perspectives* is a good example of one such review and it is available via <https://nswmentalhealthcommission.com.au/resources/medication-and-mental-illness-perspectives>

However, there are some practical factors which inhibit the Commission from being able to pursue systemic issues in a timely way. These include:

- Not receiving regular information, such as on critical incidents within health, to be able to assist in identifying systemic issues
- Limited provisions in relation to accessing relevant information to support our functions

Additionally, agencies are not required to provide a formal response to our reviews, which limits our ability to monitor progress against our review findings.

The Queensland Mental Health Commission legislation does contain stronger information gathering provisions, including s 36, which states

the department or unit must provide the information requested unless— (a) its disclosure is prohibited under an Act; or (b) it is impracticable to provide the information. Further, if the department or unit decides not to provide the information, the department or unit must advise the commission of its reasons for not providing the information.

In addition to the factors already identified, the Commission has proposed the following legislative changes to improve effectiveness:

- Amend s 9 such that the Commission reports to a Parliamentary Committee rather than to a Minister. This would better reflect the whole of government nature of the role of the Commission as well as provide a mechanism for broadening the understanding of mental health and wellbeing within parliament.
- Provide that the Commission can review the strategic plan and prepare any appropriate amendments and provide to the Minister for approval. This could be modelled on provisions in Queensland Mental Health Commission legislation (s 27)
- Strengthen the ability of the Commission to request information from agencies. A possible model could be the Queensland Mental Health Commission legislation (s 36)
- Provide that Government agencies must respond to any report by the Commission. This could be modelled on provisions in Queensland Commission legislation (s 32)

Health Care Complaints Commission

12) How would you characterise the existing relationship between the HCCC and the MHC?

The Health Care Complaints Commission and the NSW Mental Health Commission operate quite separately from one another. The Commissioner's meet once or twice a year on an informal basis. However, the two Commissions are planning a workshop for early 2018 to look at possible opportunities for closer collaboration.

13) Your submission recommends that the Commission and the HCCC be able to refer matters to each other for review or investigation, and to be able to work jointly in undertaking reviews.

- *As it currently stands, are these powers unavailable?*

Under the *Mental Health Commission Act 2012 (NSW)* there is no specific power which deals with referring or receiving matters from another agency.

- *What are the risks of being unable to refer matters to each other?*

One of the significant barriers to effective mental health reform is that services operate in a siloed environment, creating gaps between services where vulnerable people are missed.

This siloed approach also inhibits the development of skills and expertise across the full spectrum of mental health support. These risks are the same for the bodies which provide oversight of the system, if they do not coordinate their activities.

- *What would the benefits be of being able to jointly undertake reviews with the HCCC?*

Given the respective review functions of the Commission and the HCCC, there would be occasions where it would be more efficient for the Commission's to work together in undertaking a review regarding a particular systemic issue. Further each agency would benefit from the other's experience and varied levels of engagement with particular topics.

ANSWER TO QUESTION ON NOTICE:

"This Committee has to look at important issues relating to seclusion and restring. The Commission has been involved in producing policy that hopefully is applied that talks about alternatives to seclusion and restraint. Realistically could you talk to what they might be in a practical sense? What alternatives could best be applied rather than seclusion and restraint?"

The Commission has not produced a policy on seclusion and restraint. However, in 2013 the Commission joined with the National Mental Health Commission to commence a national project working to reduce the use of seclusion and restraint. Former part-time Deputy Commissioner, Mr Bradley Foxlewin, co-chaired the Core Reference Group for this project which saw the development of the Seclusion and Restraint Declaration, reproduced in our written submission to this inquiry. The National Mental Health Commission also released *A case for change: Position Paper on seclusion, restraint and restrictive practices in mental health services*, based on work commissioned from the University of Melbourne, which presented research findings and options for reform relating to reducing and eliminating the use of seclusion and restraint on people with mental health issues. This position paper supports the *National Principles to Support the Goal of Eliminating Mechanical and Physical Restraint in Mental Health Services*, released earlier this year. I commend both the position paper and the principles to the Committee. Both papers can be accessed via <http://www.mentalhealthcommission.gov.au/media-centre/news/national-mental-health-commission-acts-on-seclusion-and-restraint.aspx>