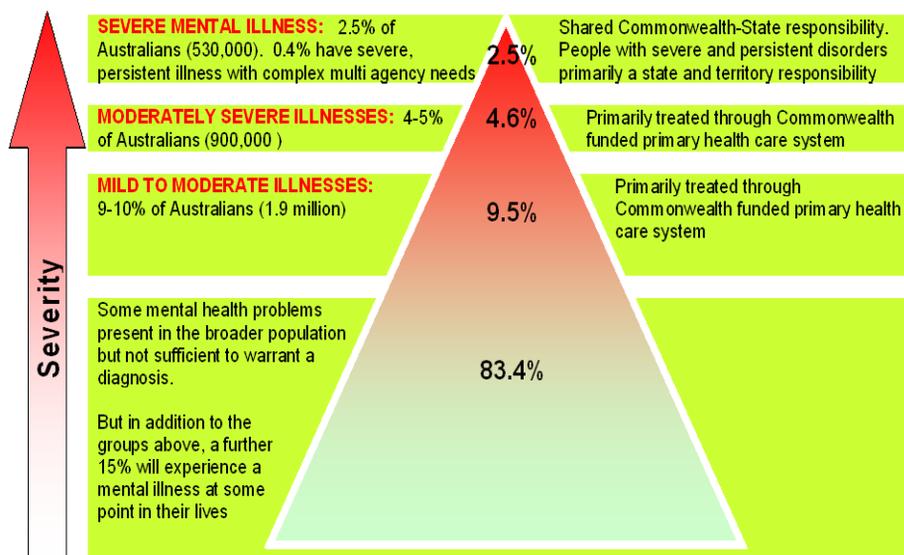


# Mental Health Service Developments in Australia: a perspective from clinical service providers

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## 17% of Australians experience a mental disorder each year



## Three key issues ...

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- What services are needed to respond
  - Costs and benefits of enhanced services
  - Barriers to service reform
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- **What services are needed to respond**
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## For service planning, two broad groups of mental disorder:

People with common but mostly less severe mental disorders – e.g. most anxiety and depression

Treatment is primarily short term psychological and social interventions with pharmacological therapy used where needed. Usually delivered in primary care.

People with severe, often persistent and complex mental disorders – e.g. psychosis

Treatment is pharmacological, psychological and social, often with multiagency involvement. Usually delivered in specialist care.

## Indicators of service gaps – Mild to moderately severe illnesses

**MILD & MODERATE DISORDERS**  
14.1%  
2.8 million people

Includes:  
Common anxiety and depressive disorders  
Personality disorder  
Eating disorders

Treatment mainly provided through  
primary health care



- Low treatment rates - only 31% receive treatment by the health system, less than half comparable physical illnesses
- The high level of untreated illness is responsible for \$6 billion in lost productivity annually in those who are employed.
- Lost productivity arising from people out of the workforce and on disability pensions is estimated at \$9.7 billion per year
  - Of the six priority health conditions, mental illness is associated with the lowest likelihood of being in the workforce
- 2003 ABS survey - one third of young people aged 15-29 with a mental illness neither in education nor employment

## Indicators of service gaps – Severe mental illnesses

**SEVERE DISORDERS**  
2.5%  
530,000 people

Includes:  
Psychoses, bipolar disorder, severe  
depression, severe anxiety conditions  
severe eating disorders

Treatment mainly provided through  
specialised mental health services



- High treatment rates (90%+) but problems with service quality and outcomes.
- 11-20% discharged from hospital are readmitted within 28 days
- 43% of people in acute psychiatric hospitals could be discharged if suitable step-down rehabilitation and housing places were available
- Responsible for 28% of disability pensions and rising – at twice the overall DSP rate
- Reduced life expectancy for severe and persistent group second only to Indigenous Australians
- Comprise 29% of homeless population, 10-20% of prison population
- Employment participation rates only half those achieved internationally using best practice

## Three key issues ...

- What services are needed to respond
- **Costs and benefits of enhanced services**
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## **What are the costs and economic benefits of improved services?**

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### **Cost:**

- **increasing treatment rates**
- **Improved service effectiveness**

### **Economic benefits:**

- **in reduced outlays on social services support**
  - **from reduced productivity losses**
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## **Example: Potential for reduced outlays on income support for people with severe disorders**

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- Income support payments attributable to mental disorders estimated at \$3.2 billion
  - Significant savings would be available if best practice programs achieved optimal labour force participation
  - Estimates of \$877 million of these annual outlays could be saved in 2005-06 dollars.
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## Example: Potential for increased productivity for people with common mental disorders

- High psychological distress (K60) increases employee absenteeism by 1.7%
- High psychological distress (K6) decreases employee performance at work by 6.1%
- net productivity loss of 6.7% which translates into a loss by high psychological distress (mental disorders) in Australia of \$2.7 billion
- Treatment for those with common mental disorders could reduce lost productivity by \$1.97 billion per year

## Three key issues ...

- What services are needed to respond
- Costs and benefits of enhanced services
- **Barriers to service reform**

## Three key barriers ...

- Paying for increased treatment of common mental disorders
- Co-ordinating clinical, rehabilitation and accommodation services for those with severe, persistent and complex disorders
- Increasing mental health literacy in population to promote early intervention

## Three key barriers ...

1. Paying for increased treatment of common mental disorders
  - the arguments that were effective in Australia were
    - » clinical (effective short term treatments exist)
    - » economic (there is a productivity return on this investment)
    - » equity (mental disorders had half the treatment rates of “equivalent” physical disorders)

## Three key barriers ...

2. Co-ordinating clinical, rehabilitation and accommodation services for those with severe, persistent and complex disorders
  - the arguments that were effective in Australia were
    - » clinical (“revolving door” rehospitalisation)
    - » economic (there are potential savings in government income benefit outlays)
    - » equity (individuals end up homeless or in prison)

## Three key barriers ...

3. Increasing mental health literacy in population to promote early intervention
  - the arguments that were effective in Australia were
    - » barrier to seeking treatment is on the demand side (data was available from national epidemiological study)
    - » clinical (early intervention is better)
    - » economic (early intervention reduces “downstream” costs)