



# The value for money of community based mental health services

## Policy Brief



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## Background

The last two decades have witnessed a growing awareness of the urgent need to transform attitudes, actions and approaches to mental health and mental health care. One path of transformation recommended at international level<sup>1</sup> consists in building community-based networks of interconnected services that move away from custodial care in psychiatric hospitals and cover a broad spectrum of care and support needs, within and beyond the health sector.

Mental Health Europe – also as member of the dedicated [European Expert Group](#)- has long advocated for shifting the *locus* of mental health care from institutions to community-based services. This obligation is enshrined in the [United Nations Convention on the Rights of People with Disabilities](#), which articulates governments' commitments to support people with disabilities to live independently where and with whom they choose and to participate in their communities to the extent they wish to do so. Compared with institutional care, community based mental health care is broadly acknowledged to increase accessibility, improve outcomes, reduce stigma and minimize the risks of human rights violations.<sup>2</sup>

If human rights are the main reason to strengthen our mental health systems and to provide care and support at community level, economic considerations also play a role. It is increasingly acknowledged that poor mental health has high costs and that investing in effective mental health policies and interventions will bring benefits to the individual and have economic implications for society.

Yet, investment in mental health may not be a high priority in many countries. In a world where resources are finite, policymakers and budget holders in different sectors of the economy have to decide what issues to prioritise and how to best allocate resources between different competing priorities to improve societal outcomes. In order to do so, it is crucial for decisionmakers to be able to rely on evidence-based research, showing what is effective, what is cost effective and what is feasible, within different budgetary constraints. This evidence will ensure that resources are allocated - and services provided- appropriately and efficiently.

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<sup>1</sup> WHO, [World mental health report: Transforming mental health for all](#)

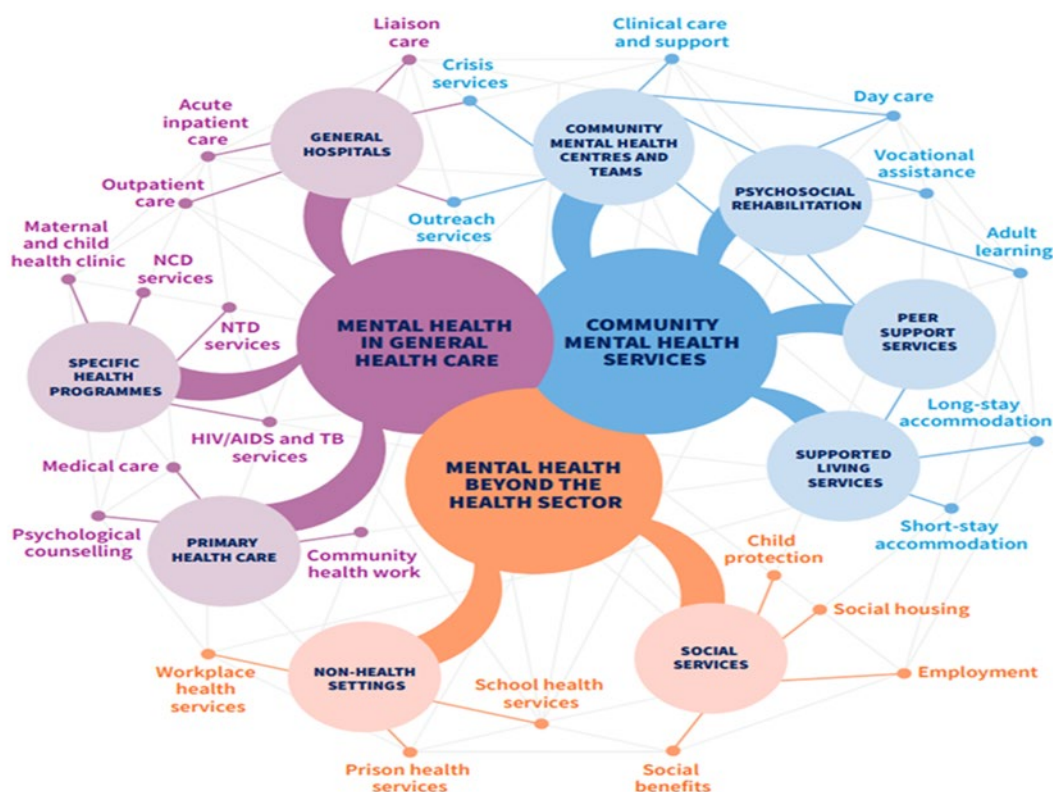
<sup>2</sup> World Health Organization's World Health Report 2001

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## Focus: What do we mean by community-based mental health services?

The World Health Organisation (WHO) uses the term “community-based mental health care” for any mental health care that is provided outside of a psychiatric hospital. Community-based mental health care comprises a network of interconnected services that includes: mental health services integrated in general health care; community mental health services; and services that deliver mental health care in non-health settings and support access to key social services.

### Model network of community-based mental health services



Source: WHO, [World mental health report: Transforming mental health for all](#)

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## Research

Given this backdrop, Mental Health Europe commissioned a study to assess the value for money from investing in mental health community-based services. The study is mainly addressed to policymakers, ministries and staff overseeing EU and national funds. In addition, it can be of relevance for every person interested in the economics of mental health care systems.

Researchers carried out a scoping review looking at studies on the economic case for community based mental health interventions published over the last decade, with no geographical limitations (i.e., Europe and beyond). The Review Summary and Technical Report can be accessed [online](#).

In line with WHO’s definition of community based mental health services, this review has considered many forms of community delivered mental health services: community mental health teams, psychosocial rehabilitation, case management and integrated care pathways, peer support, as well as

interventions delivered outside of the health care system, fundamental to social functioning and recovery (i.e., supported employment and supported housing).

The review was complemented by some illustrative case studies on value for money arguments for selected community mental health interventions.

It is the first time such comprehensive research work has been carried out.

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### **Focus: what is Value for Money and how to assess it?**

In general terms, Value for Money is concerned with the good use of public funds and with demonstrating the relationship between the costs and benefits of an intervention. If benefits outweigh costs, then the intervention was a good use of public resources. The benefits assessment needs to be holistic, considering social as well as economic benefits (i.e., the broader impact on society of the intervention).

The main question to address when assessing value for money is: what is the societal value of the outcomes and impacts we attribute to the intervention and how do they compare with costs?

It is important to stress that in the case of mental health interventions, if the costs are mainly borne by the health sector, the impact oftentimes can be found beyond health (for example in the form of reduced need for welfare benefits and greater work participation).

Interestingly, the assessment of what constitutes value for money is a value judgement, strictly related to the country context. The amount policymakers are willing to pay for better outcomes (such as “day free from depression” or “one year of perfect quality of life”) varies across countries. Hence, what constitutes value for money in one country may not be considered cost effective in another context.

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### **Findings and their policy implications**

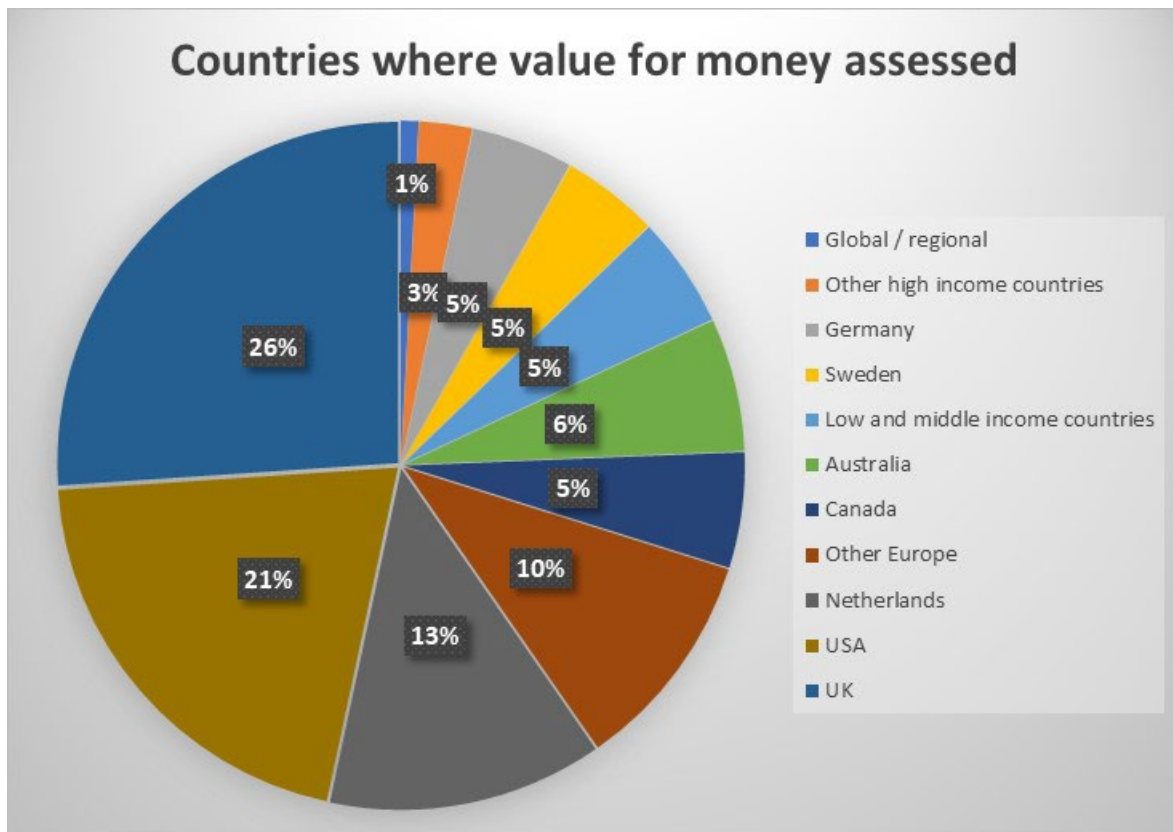
The review demonstrates that there is considerable evidence on the positive case for investment in a wide range of interventions. 60% of reviewed studies indicate the value for money of different community-based mental health interventions: specialist community mental health teams, including early intervention and crisis teams, as well as many psychological therapies, active case management, housing and supported employment.

Only 10% of studies suggest that different community mental health interventions do not represent value for money.

From a policy perspective, it is very interesting to note that only 5% looked at system wide community mental health systems as an alternative to institutionalisation. At first, this finding could be read as proof that there is not enough economic evidence on the case for moving from institutional to community-based care. This is not correct. Such evidence does exist, but it dates to more than a decade

ago<sup>3</sup>. The reason why recent studies do not focus on assessing the value for money of community mental health services as opposed to institutional care lies in the fact that the case for community-centred mental health services is now well established (at least in the countries where these recent studies have been carried out. See Figure 1).

**Figure 1: Countries where value for money of community mental health assessed**



Given the broad acceptance of having community care-oriented systems (in these countries), the questions that policy-makers and service-planners have been facing in the last decade– and to which researchers have tried to respond– is no longer whether is it more cost-effective to provide care in institutions or at community level, but rather how to find an optimum balance in provision between different types of community-based mental health services, based on their cost-effectiveness. This explains why most of interventions assessed in these economic studies are not directly compared with hospital-centric care but rather with a range of alternative community-based mental health care interventions.

It is worth specifying that – even though the review had no geographical limitations– most of the economic analysis (60%) has been concentrated in just three countries: the UK, the USA and the

<sup>3</sup> Knapp M, Beecham J, McDaid D, Matosevic T, Smith M. The economic consequences of deinstitutionalisation of mental health services: lessons from a systematic review of European experience. Health Soc Care Community. 2011 Mar;19(2):113-25

Netherlands. As a result, caution must be applied on interpretation and transferability. Context is very important: health system structure can be very different and interventions that work well in one setting do not necessarily work as well in another setting.

Very few economic studies were found in central and eastern Europe. These are the countries that tend to have much more reliance on inpatient mental health care and under-developed community mental health services. The policy implication of this finding is that in these countries the economic evidence to support deinstitutionalisation is still needed.

The review highlighted lack of evidence on the value for money of peer-led interventions, shared-decision making between people with lived experience and mental health services, as well as the whole area of collaboration between criminal justice and health care services in order to reduce the risk of institutionalisation (either in hospital or in the judicial system).

Only 4% of the studies were focused on the mental health of older people and only 12% of the identified studies looked at the cost effectiveness of interventions for children and adolescents. This is an area where the evidence base needs strengthening, particularly given the high proportion of mental health problems that have their onset in childhood and adolescence.

The study findings – read against the broader policy context- allow us to put forward some policy recommendations, addressed to the European Union and to European States.

#### **Actions needed from the EU:**

##### **1) Fund more research to strengthen the evidence base for investing in community based mental health services**

The research gaps highlighted above call for efforts to strengthen research on cost effectiveness of specific interventions or interventions addressing a specific group of people. It is also crucial to enlarge the geographical spread and gather local based evidence on cost effectiveness of community based mental health services.

A focus on preventive initiatives would also be useful. While this review aimed to assess the economic case for investing in community mental health services, the value for money of preventative approaches was not part of the study. It would be important to provide policymakers with updated evidence on this.

##### **2) Ensure that funding for institutional forms of care is halted and support Member States in their deinstitutionalisation efforts**

The case for switching from institutional to community based mental health care is well established.

The EU can play a pivotal role, by ensuring that no EU or national funds are used to finance institutional care and by providing guidance to Member States on how to implement deinstitutionalisation and the transition towards community mental health care.

Mental Health Europe is glad to see that one of the flagship initiatives of the [EU Strategy for the Rights of Persons with Disabilities 2021-2030](#) is “guidance recommending to Member States improvements on independent living and inclusion in the community”.

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#### **How to recognise an institution?**

In order to halt funding to any institutional form of care, the authority allocating the funds needs to be able understand and recognize what an institution is. An institution is a care setting that displays any of the following characteristics:

- Residents are isolated from the broader community and/or compelled to live together.
- Residents do not have sufficient control over their lives and over decisions which affect them.
- The requirements of the organisation itself tend to take precedence over the residents' individual needs.

Source: European Expert Group on the transition from institutional to community-based care, [EU guidance on independent living and inclusion in the community](#)

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## **Actions needed from European States**

### **1) Strengthen mental health care by building an integrated network of services at community level**

The need to move away from institutions and provide care at community level is a human rights obligation and all States that ratified the UNCRPD are bound to put in place deinstitutionalisation. Mental Health Europe commissioned this research to also use economic arguments to support our advocacy efforts towards deinstitutionalisation. The economic case for a wide range of community mental health interventions is strong. Nevertheless, data from a larger pool of countries would help better generalise the evidence.

Economic analyses show that the benefits of investing in mental health go beyond the health sectors (as do the costs). For instance, substantial evidence on the cost effectiveness of supported employment programmes shows that these have benefits not just to health systems but help reduce the need for welfare benefits through greater work participation.

Economic considerations prove win-win situations for all sectors involved and support our call for a community-based network of interconnected services. Mechanisms to enhance the collaboration need to be put in place, following a “mental health in all policies” approach (e.g., joint budget/commissioning).

### **2) Step up commitment and investment in mental health care**

Mental health has been one of the most overlooked areas of public health, receiving a tiny part of the attention and resources it needs and deserves<sup>4</sup>. In the last two decades we have assisted to an increased awareness about the value of mental health, in societal and economic terms. It is now time to match the higher value attributed to mental health with increased commitment. This means stepping up investments in mental health, not just by securing appropriate funds and human resources across health and other sectors to meet mental health needs, but also through committed leadership, pursuing evidence-based policies and practices<sup>5</sup>.

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<sup>4</sup> WHO, [World mental health report: Transforming mental health for all](#)

<sup>5</sup> *Ibidem*

Research-based evidence on what is effective, what is cost effective and what is feasible can help leaders to effectively allocate resources to reach the desired societal outcome: society where everybody's mental health can flourish across lifetime.



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