

Tackling stigma and improving quality - making use of the economic case for action

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Aims

- 1) Why bother about economics?
- 2) What do we know about the economic consequences of poor mental health?
- 3) What do we know about funding for mental health in central and eastern Europe?
- 4) How can economic arguments be used to promote quality, tackle stigma and empower individuals?

Why?

Over-riding concern is how to meet the needs of people affected by poor mental health ...
So why is economics relevant?

Scarcity → We never have enough resources to meet all of our demands Society does not have enough resources to meet all needs.

Economists are then asked to look at:

- costs
- cost-effectiveness
- incentives for change

Some mental health policy and practice questions for Central and Eastern Europe

- **Service User Empowerment:** How to promote more choice over use of service?
- **Employment:** How do we support people with mental health problems into work?
- **Organisation/structure:** How to balance service user needs with economic aspects?
- **Integration:** How to bring mental health together for better effectiveness?
- **Equity:** How to ensure mental health getting its fair share?
- **Cost-effectiveness:** What is the evidence base, and how can we build it up?
- **Prevention:** Can we stop problems emerging? Or can we act early enough?

Each has important economic aspects?

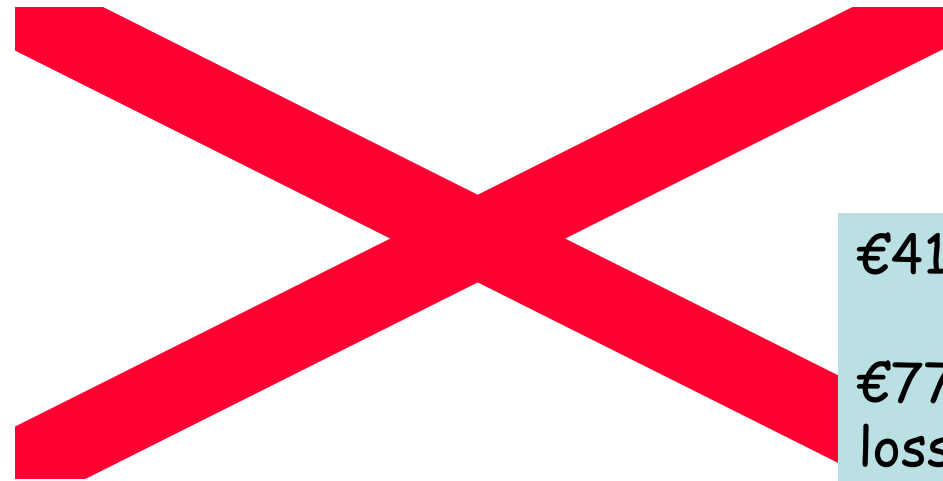
Context

The impacts of
poor mental health
range far and
wide

Impact

- One in four (132.4 million) Europeans affected every year
- €436 billion in 2006 - 2 x GDP of Czech Republic!
- €2,271 per EU household per year
- Social and personal costs profound:
 - Prejudice and discrimination
 - Less likely to be employed
 - Less likely to be in relationship
 - Great risk of homelessness
 - More likely to be in contact with criminal justice system

Total Costs of Depression in EU



€41 billion direct costs

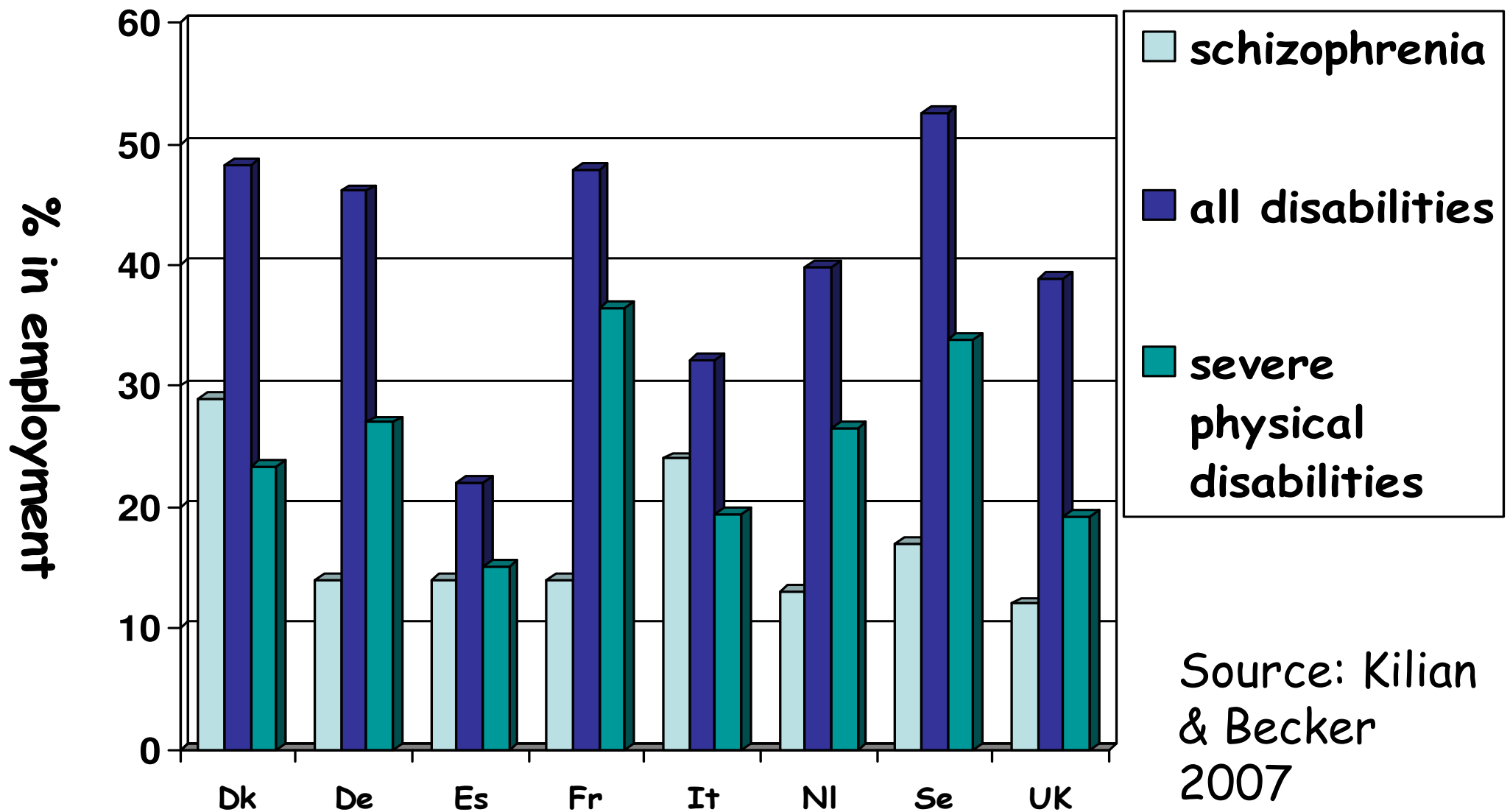
€77 billion productivity losses

€35 billion productivity losses for cardiovascular disease

Sobocki et al , J Mental Health Policy & Econ, 2006

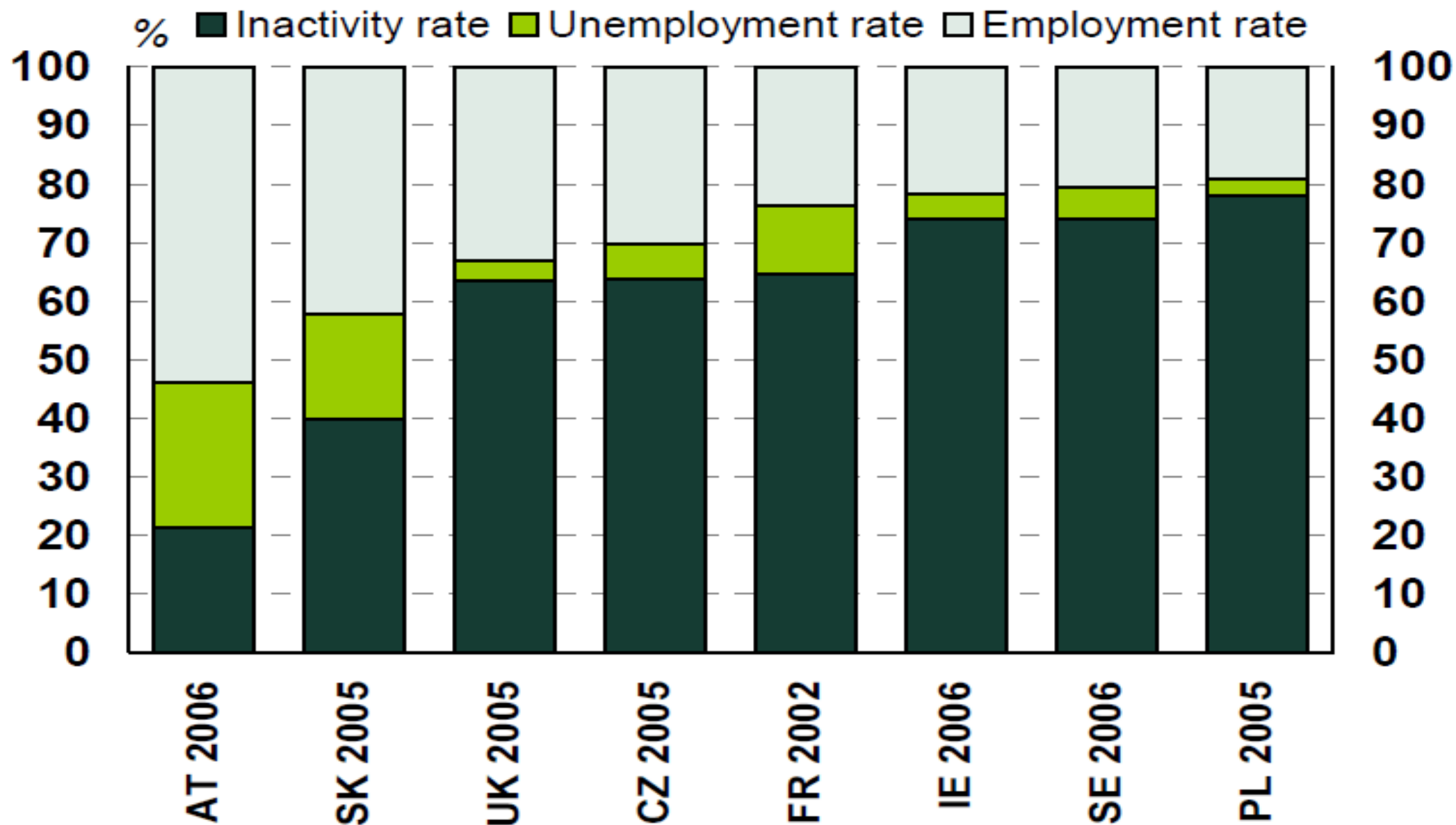
Leal et al, European Heart Journal, 2006

Stigma has an impact on employment



Employment, unemployment and inactivity among people with disabilities

APPLICA & CESEP & EUROPEAN CENTRE 2007



Attitudes towards employment

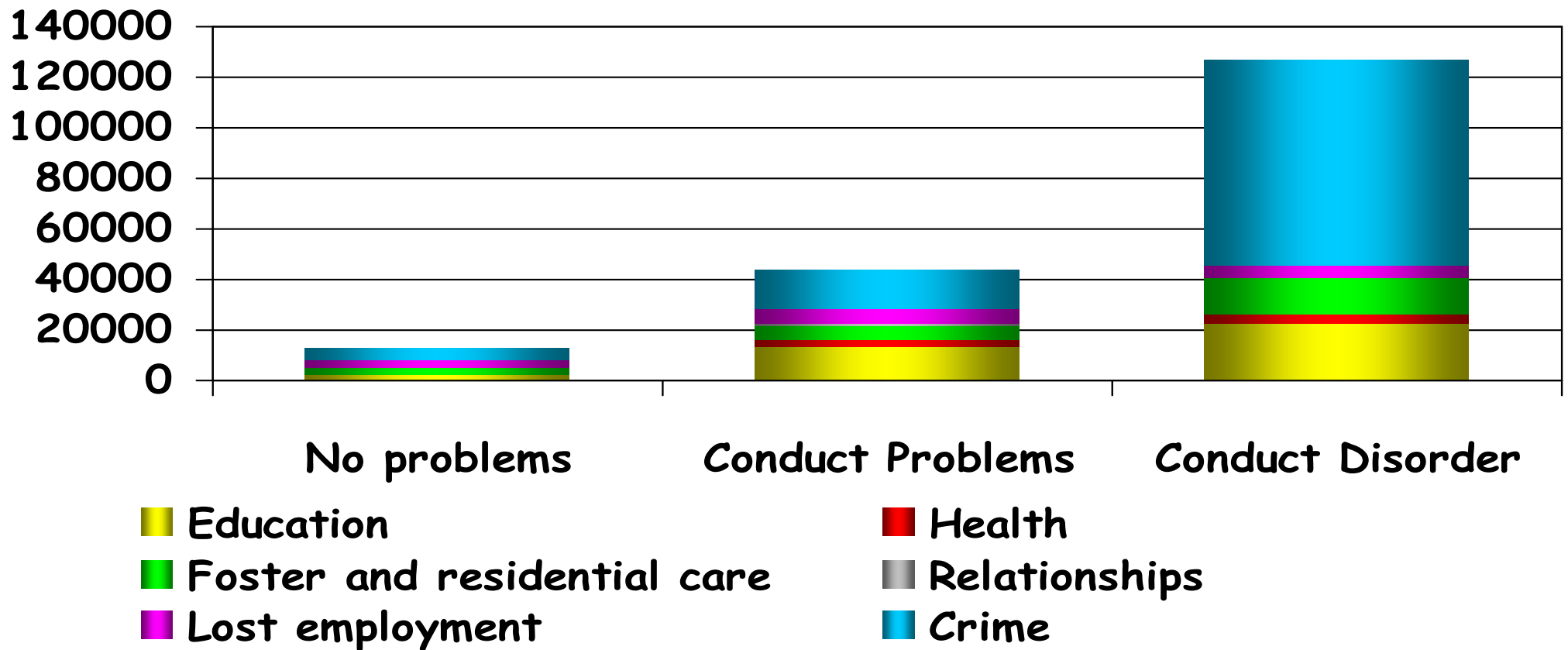
"Today, companies are used to joining and managing people with physical disabilities. This is quite common now and there's no problem such as fear. **On the contrary, it is true that as soon as mental ill health is discussed, managers slam on the brakes.**"

"When the personnel is reduced in a service and you have to hire or keep a disabled person, physical disability doesn't seem to be such a constraint because once the professional environment is adapted, there's no productivity problem, **contrarily, mental disability is a problem for productivity.**"

Source: McDaid and Matosevic 2006

Financial costs of social exclusion: long term follow up of antisocial children

Mean total costs age 10 to age 28 €, 2002 prices

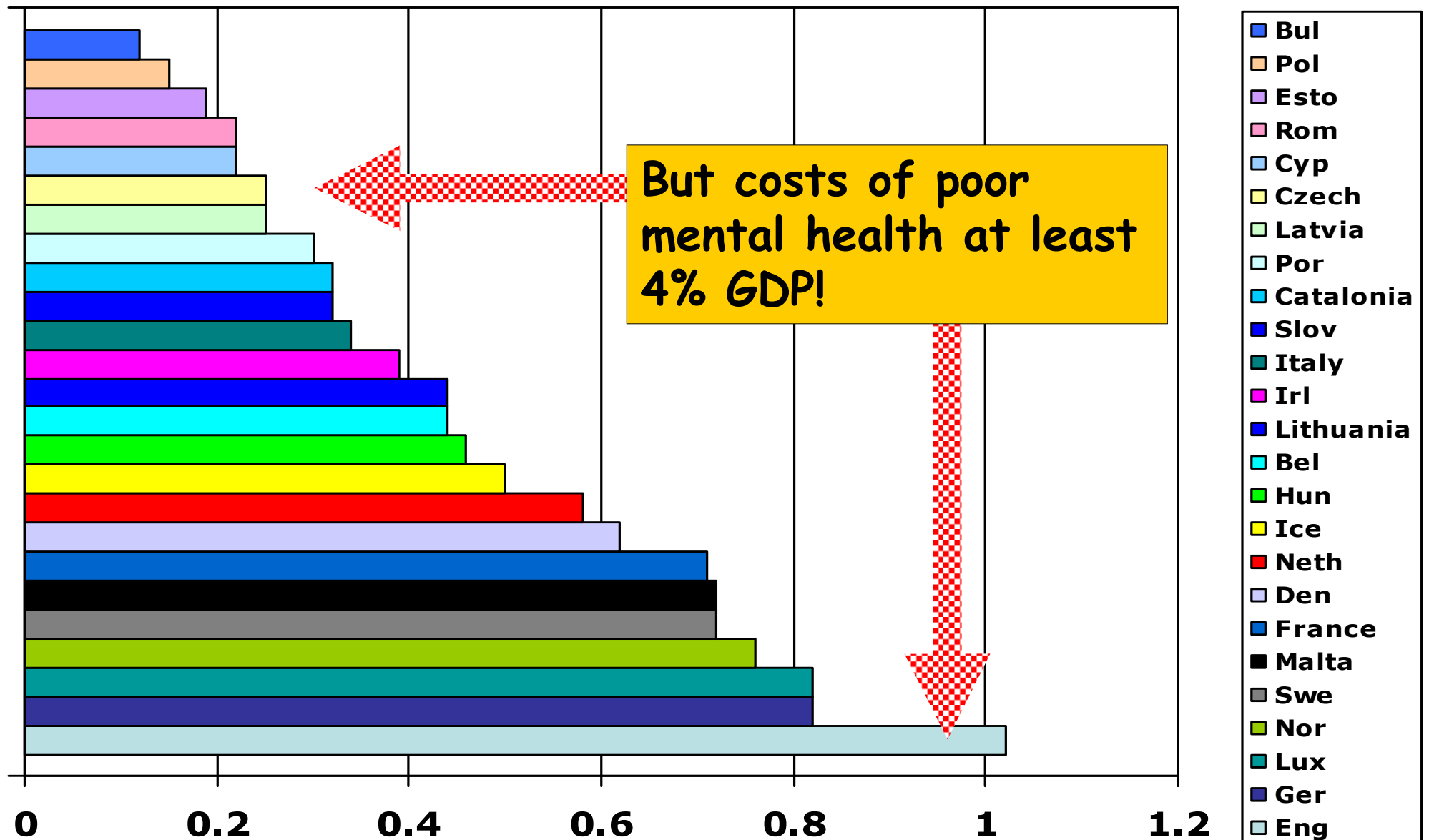


Scott et al BMJ 2002

Financing

Funding for Mental Health

MH Expenditure as % of GDP latest available year



Source: MHEEN, 2007

Stigma may influence MH priority

Survey of 5000 people in Germany asked which services should be protected from cuts in resources

Top Priorities: Cancer (89%), AIDS (51%), CVD (49%),
key concerns

Low Priorities: Schizophrenia (10%), Depression (7%),
Alcohol disorders (6%)

[Matschinger & Angemeyer 2004]

Financing

Resource Allocation Challenges

- ❑ Most funds distributed on historical basis/political pressure
- ❑ Funds intended for MH may be used for other purposes.....
- ❑Implications for transferring funds from institutions to community alternatives
- ❑ DRG systems developing but challenging - may under estimate costs of care - postponed in England

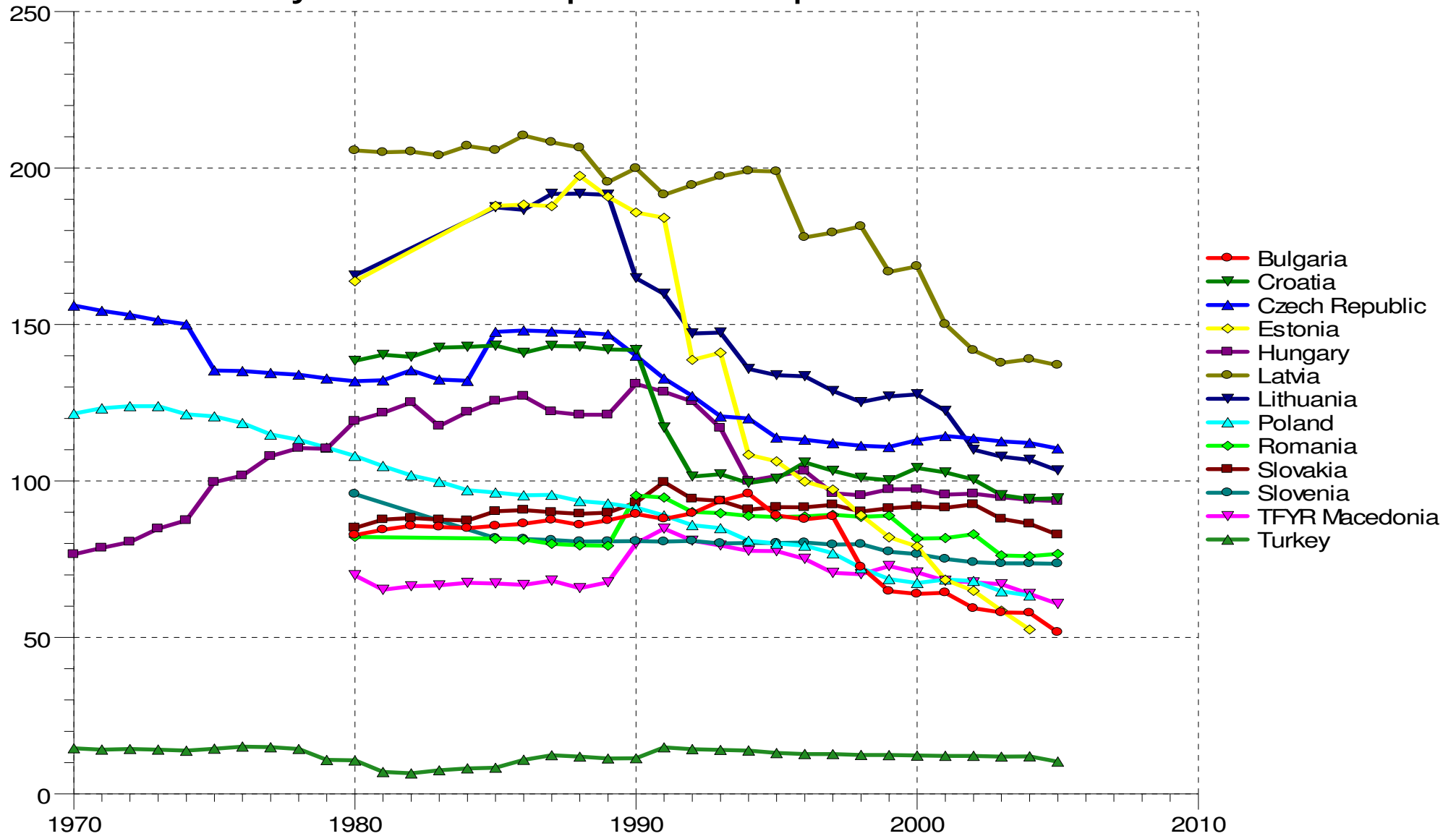
Financing

Social Care and Beyond

- Balance of care and expenditure systems
- Progress in rebalancing care only beginning in much of Central and Eastern Europe
- Out of pocket contributions may be substantial

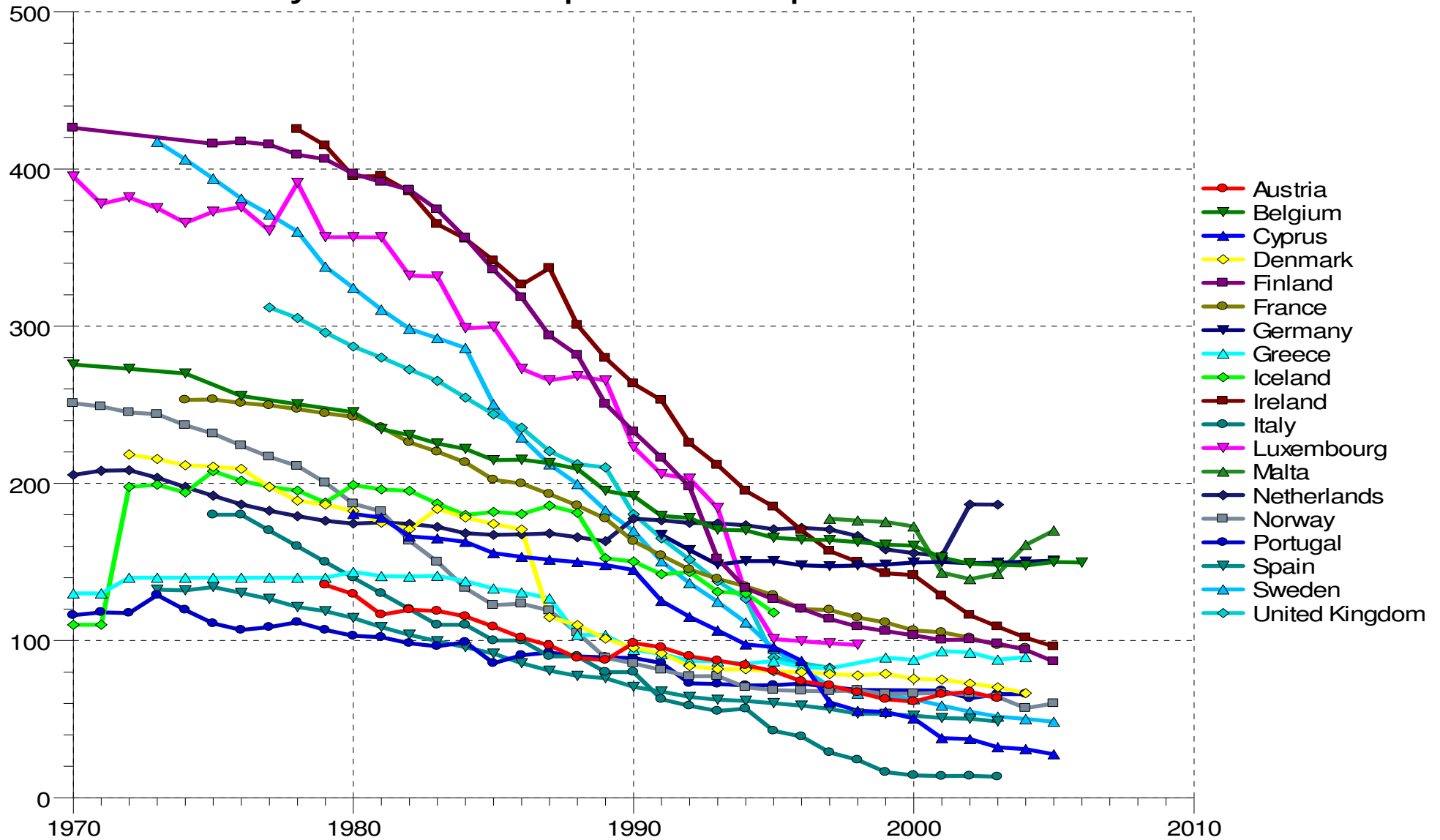
Trends in availability of psychiatric beds in Eastern Europe

Psychiatric hospital beds per 100000



Trends in availability of psychiatric beds in Western Europe

Psychiatric hospital beds per 100000



Financing

Barriers to balanced care approach

- ❑ Funding 'locked' in long stay institutions - incentives to maintain high bed occupancy
- ❑ Funds not transferred to community services - could be an excuse for cost cutting
- ❑ Facilities may be major source of jobs in locality
- ❑ Disincentives for legal guardians

Solutions

Using economic arguments to strengthen case for mental health



There is an
economics
evidence base!

Evidence

Community care is **NOT more expensive** than hospital based care (after adjusting for user characteristics and quality)

Community care is associated with **better outcomes**

Supported employment - Individual Placement and Support - **more days in employment; reduced use of health services**

Early years interventions to promote child mental well-being can be **highly cost effective**

Atypical antipsychotics - **higher costs offset by reduced service utilisation**

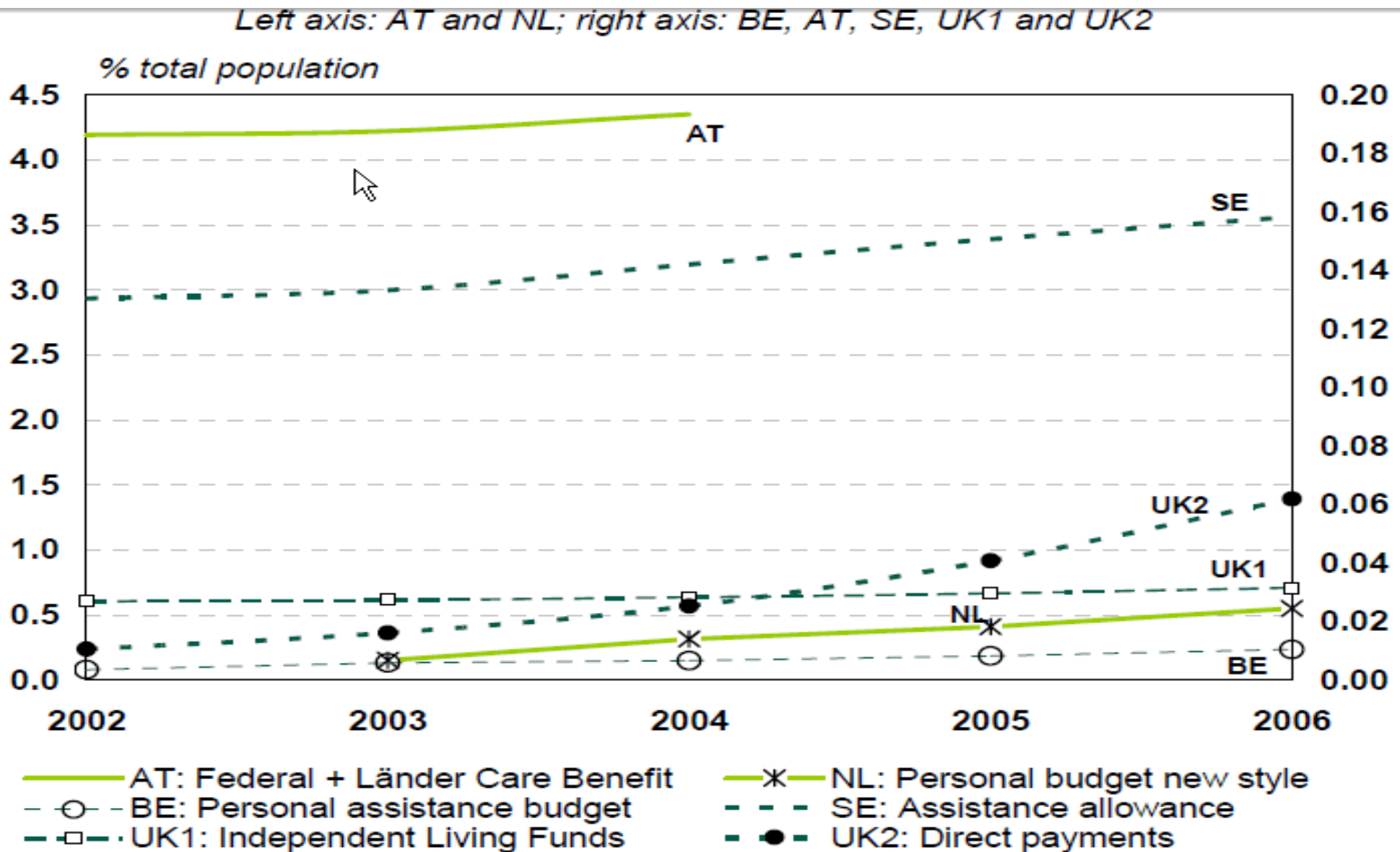
A range of cost effective treatments for anxiety and depression SSRIs; some CBT and psychotherapies for anxiety & depression

Solutions

Important to invest resources in community based services

- ❑ Demonstrating economic benefits of rebalancing care
- ❑ Joint budgeting - health, social care/ employment - Sweden
- ❑ Needs based allocation - England
- ❑ Plans for new use of existing buildings - think about employment opportunities
- ❑ Being creative with institution budgets to develop independent living
- ❑ Making use of Personal Budgets?
- ❑ Ensure access to social welfare benefits and support for reintegration

Role for personal budgets



So ...

- ❑ Economic impacts are profound
- ❑ Budget for MH low in many EU countries
- ❑ Limits to what can achieve without money.
- ❑ Major reforms will need additional transitional & protected funding - community alternatives need to be in place
- ❑ Infrastructure also coordination across sectors e.g. social welfare, criminal justice, housing, employment....
- ❑ ...This investment also can be highly cost effective as economic impacts are so broad