



Psychiatric Disability Services
of Victoria (VICSERV)

Community Managed Mental Health

An agenda for the future:
Consultation paper

SHORT VERSION

January 2012

VICSERV has launched *An agenda for the future: consultation paper* – January 2012. This document is a short version of that paper and contains:

- a brief snapshot of the existing Victorian community managed mental health (CMMH) service system
- an overview of key areas for reform
- recommendations for repositioning the CMMH service system.

This paper and the full consultation paper are available to download via the VICSERV website:

www.vicserv.org.au

An agenda for the future has been developed to consult with VICSERV members and others with a key stake in the delivery of CMMH services. In the preparation of the paper VICSERV has consulted with many individuals and groups over an extended period and participated in a range of reform partnership groups funded by the Department of Health. VICSERV has and will continue to work with the Victorian Minister for Mental Health and the Department of Health toward the development and reform of services.

A final document incorporating members' feedback will be produced and formally adopted by the VICSERV Committee of Management in April 2012.

For further information on this paper and the consultation process, please contact:

The VICSERV policy team on (03) 9519 7000.

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Foreword

It is with much pleasure that I present VICSERV's Community Managed Mental Health: *An agenda for the future* consultation paper. This position paper is a major statement about the required elements for reform within community managed mental health services and in government policy and funding. It has been prepared by VICSERV with three aims. First, to provide a roadmap for the development of community managed mental health services in Victoria over the next five years. Secondly, as a resource for VICSERV members in their deliberations about required changes in their organisations and, thirdly, to inform and influence the Victorian and Commonwealth Governments' policy and funding of these services.

This paper has been prepared at a time of significant public discussion about the elements of effective mental health reform. Governments at all levels now recognise the centrality of good mental health to the ability of all people to have a good life and are committed to reform. VICSERV strongly believes that proposed reforms in Victoria must build on the strengths of community based mental health services and constructively address some of the structural weaknesses in the current provision and funding of these services.

Government policy directions are trending towards improving choice and the delivery of more individualised approaches to mental health service provision. VICSERV supports these directions. However, realising these aspirations will require increased capabilities and greater flexibility in the service system. VICSERV believes that the system needs to be reconfigured with major changes in the existing program, funding and planning regimes. This will allow services to respond more effectively and efficiently to the requirements of people with mental health issues, their families and carers. This paper outlines a series of actions to achieve this.

VICSERV has worked collaboratively with the Victorian Department of Health over the last few years in mental health reform partnership groups and on projects. This paper has been informed and enriched by these collaborations and discussions. I wish to acknowledge the importance of discussions with the current and former Mental Health Ministers, their advisers and staff of the Victorian Department of Health in the development of the actions proposed in this paper. There are many areas of agreement about the required elements of reform between VICSERV and the Baillieu Government. VICSERV wishes to continue working with the Baillieu Government in improving mental health services in Victoria.

In releasing this paper VICSERV reasserts its commitment to work tirelessly with its members and the Victorian Government to contribute to real reform and development of community managed mental health services.

Change of the scale needed requires resourcing. VICSERV believes that investment in new services needs to be accompanied by investment in system coordination and integration if required efficiencies are to be achieved. VICSERV will be seeking funds to undertake specific projects and to engage community managed mental health services and other sectors in this agenda for change. Investments that directly reduce the disability and disadvantage associated with mental illness not only enhance people's mental health and wellbeing but also lead to savings by reducing demand for costly health and welfare services.

On behalf of VICSERV I commend this paper to you and encourage all members to read it and discuss the implications at Board and staff meetings. I look forward to lively debates and discussions during the consultation period and continuing to work together to achieve lasting and significant change.

Elizabeth Crowther
President VICSERV

Community managed mental health services in Victoria – a snapshot

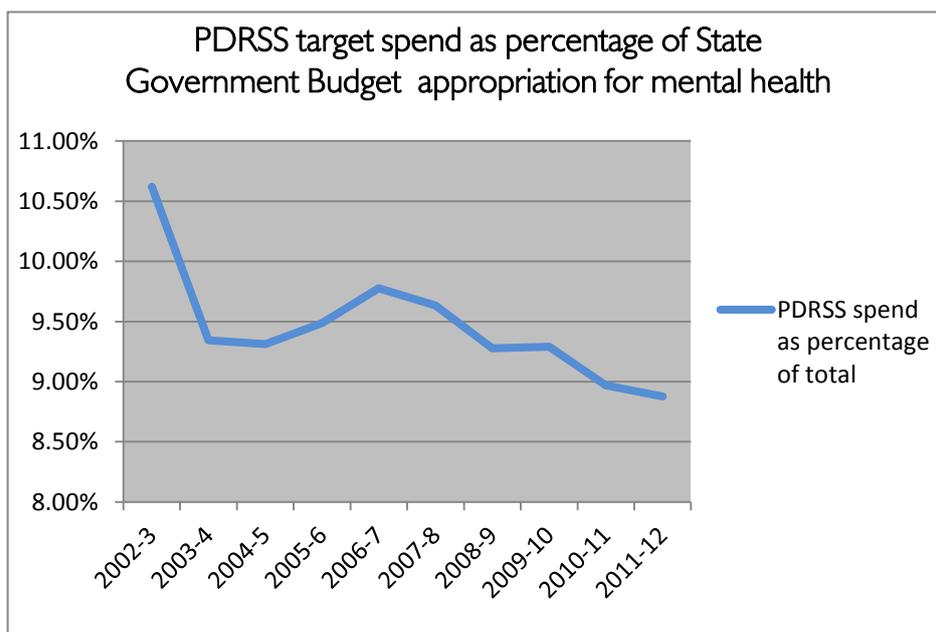
- Approximately 130 CMMH organisations receive funding from the Victorian and/or the Australian Governments for provision of services to people facing serious mental health related issues. The organisations involved demonstrate a diversity of characteristics. These include:
 - organisations with a primary mission to work with people with serious mental health issues. These organisations vary in size
 - organisations with a broad health, housing or community services mandate that incorporates a role in supporting people with serious mental health issues
 - Aboriginal community controlled organisations
 - organisations with a specific interest in particular communities, populations or specific content area.
- In 2011-12 Victorian CMMH services supported some 20,000 clients. More males than females accessed services and the typical age group ranged between 35 and 44. The age profile is, in part driven by funding arrangements that have focussed on services to adults, not to children and young people or older Victorians.
- This data collected for this paper demonstrates that CMMH services are working primarily with clients who have complex needs. In most programs, over 25% of clients have four or more complexity factors.
- The majority of referrals come from the public mental health system but also from a wide range of other services and a significant number of self-referral or ones made by a family member or friend,
- The available data indicates a total workforce in excess of 1600 people. This workforce has a diverse range of skills and experience in working with people with serious mental health issues in a variety of community settings and service contexts. In 2000 some 70% of CMMH employees were reported as having a tertiary qualification relevant to their task. It is anticipated that the proportion holding relevant qualifications will have increased since then.

The funding context

Victorian Government funding for CMMH services

- In 2011–12 the Victorian Government appropriated \$95.1 million to enable CMMH services to provide support to some 14,000 clients.
- To this base must be added approximately \$10 million per year provided to CMMH services by clinical providers for the management of Prevention and Recovery Care (PARC) services and the Victorian Government's commitment to invest \$11.8 million over four years to support CMMH service development through capacity building initiatives.
- To put the level of funding for CMMH service purposes in context, the State Government also appropriated \$976.1 million for clinical services in 2011–12. This means that only 8.88% of the total mental health budget is spent on CMMH services. The graph which follows demonstrates the decline of PDRSS funding.

Figure 1 - Relative decline in PDRSS spending



- An analysis of the State Government funding provided to CMMH services undertaken in the preparation of *An Agenda for the future* indicates a high level of fragmentation of the existing funding allocation.
- Figure 2 provides details regarding the distribution of state government PDRSS funding.

Figure 2 - PDRSS funding distribution

	PDRSS Allocation	Tiny	Very small	Small	Medium	Large	Very large	Total
Org size		< \$100k	\$100k - \$500k	\$500k - \$1m	\$1m - \$3m	\$3m - \$10m	> \$10m	
Small	< \$6m	5	17	8	7	0	0	37
Large	> \$6m	15	19	11	8	11	1	65
Aboriginal	All	13	4	0	1	0	0	18
								120

- The data demonstrates that:
 - a significant proportion of the current funding has been allocated in small amounts to organisations regardless of size. Large and small organisations have tiny, very small or small allocations
 - seventy-three of the 120 in the count have PDRSS funding of under \$500,000. Thirty-three have less than \$100,000
 - approximately 20 of the small organisations, of which there are 38 in the count, provide specialist or niche services that are important to the system
 - the distribution of funding to Aboriginal community controlled organisations is also consistently either tiny or very small.
- The system of the future will require organisations to provide a broad range of services tailored to individual and changing needs. This means budget flexibility and the capacity to deliver a number of service types as part of an integrated suite.

The Australian Government contribution to CMMH services

- It is estimated that the Australian Government currently spends \$38 million annually on CMMH services in Victoria. Many of the organisations funded through the State Government also receive funding from the Australian Government.
- The Australian Government's major programs are: the Personal Helpers and Mentors (PHaMs) scheme, the Support for Day-to-Day Living in the Community (D2DL) program and the Family Mental Health Support Service.
- The Australian Government's Mental Health Initiative will provide a significant boost to resources and drive changes to the service system. The initiative commits a total of \$2 billion over six years to the task of addressing weaknesses in Australia's mental health response.
- Implementation of the Mental Health Initiative is still being planned. The processes for service development and systems for engaging with the community are likely to be relatively open, market-based and to anticipate involvement by for-profit and not-for-profit organisations. Organisations are likely to have to tender and work with new entities such as Medicare Locals.
- The near doubling of resources in Victoria that will result from these new investments provides major opportunities for CMMH services. There will be scope to meet increased demand and better service people with complex needs.

Policy context

- The policy context in which CMMH services operate is changing. Government and community expectations are changing and CMMH services want to position themselves to address these changing expectations.
- The current mental health policy environment provides a positive outlook for CMMH but also indicates a period of considerable change and challenge. Importantly, national health reforms will have a significant impact on the understanding, funding and functions of CMMH services.

Victorian Government

- The *Victorian Liberal Nationals Coalition's Policy and Plans for the 2010 State Election Mental Health Policy* demonstrates a positive approach to mental health generally and to CMMH services specifically:

Victoria has developed a good PDRSS sector, but further investment is needed to build capacity of organisations providing services to young people, adults and older Victorians. A stronger PDRSS sector will be effective in supporting people and their carers in their homes to manage and recover from their mental illness, and in so doing, reducing the demand for acute services.

- The proposed *Victorian Mental Health Act*, recently the subject of consultation, will also have implications for the sector. The effect cannot be fully assessed until the Bill is available.

National mental health policy

- In addition to a substantial financial investment the Australian Government has announced:
 - a commitment to a ten-year road map. This recognises that neither the policy settings nor the investment are adequate to the long-term task
 - commitments to increased employment participation by people with mental illness
 - the establishment of a National Mental Health Commission that will promote best practice, measure the performance of the mental health system and provide cross-sectoral leadership.
- Some of the key changes that will be generated by the Australian Government's mental health initiative include:
 - greater usage of individualised approaches mediated through general practice and/or Medicare Locals. This will come about directly through the establishment of the Access to Allied Psychological Service (ATAPS) Program — Tier 3
 - the establishment of Medicare Locals as the nationally authorised leaders of primary care planning, purchasing and system coordinators
 - new models for coordinated care. The Coordinated Care and Flexible Funding for People with Severe and Persistent Mental Illness Program is likely to:
 - contribute to the development of nationally consistent assessment tools and processes
 - be established through open tenders using Medicare Local boundaries
 - be delivered through care facilitators who will also have access to funds to purchase services

- expanded coverage of 'headspace'. Through the 2010–11 and 2011–12 Budgets, the Australian Government will expand the number of headspace sites from 30 to 90. This near-universal coverage provides an important platform for development of a robust youth mental health service infrastructure.

National Disability Insurance Scheme (NDIS)

- The Australian Government recently received the final report on 'Disability Care and Support' from the Productivity Commission. The report proposes a National Disability Insurance Scheme (NDIS) to replace much of the disability and psychosocial services' funding arrangements in Australia.
- The Gillard Labor Government announced that it will start work immediately with states and territories on measures that will build the foundations for an NDIS.
- The NDIS will introduce an entitlement to funding and will prescribe the level of funding associated with that entitlement. Those deemed eligible under new assessment processes, yet to be agreed, will have an ongoing right to the level of service associated with their individual budget.
- The recipient of an NDIS-funded package would have direct control of where and how those funds are spent subject to requirements that it be spent on support services. This will drive a market-based approach.

An agenda for the future – the way forward

- As an important part of a suite of services responding to the mental health needs of Victorians, CMMH services recognise the need for modernisation of their purposes and structures in response to changing community and government expectations.
- CMMH services are defined by their approach to and focus on service provision. It is proposed that the sector redefines its purpose to be:

Working with people who experience severe and persistent mental health issues to reduce the disadvantage and disability associated with mental illness and, in so doing, enhance the consumer's mental health and wellbeing and reduce demand for health, justice and welfare services.

- *An Agenda for the future* outlines a range of actions and specific projects to enable the CMMH service system to be ready for change. Few of these changes can be undertaken by VICSERV alone and most will need to be developed and implemented in close collaboration with the Victorian Government Department of Health, CMMH service staff and Boards and their consumer and carer representative bodies. The change of scale needed will require purposeful investment. We need:
 - a modernised service structure for CMMH services focussed on outcomes and meeting individual needs. This should be supported by updated guidelines and funding models
 - a new name to replace the term PDRSS that better reflects the purpose and function of these services and their distinct governance arrangements
 - local area planning that should identify the correct configuration of services to provide market choice and capacity to meet the changing needs of consumers, families and carers
 - rationalisation of the CMMH service system. VICSERV considers that there are a number of pathways to reform that need to be considered as part of a rationalisation debate. Some of the outcomes will be driven by organisational choice and circumstance while others will be linked to area planning
 - attention paid to building the capability and sustainability of CMMH services to meet the challenges of a new environment
 - a program of activities that build effective governance structures and processes that represent and protect the interests of all stakeholders in the reform process
 - the appointment of an Ambassador for CMMH to drive the agenda for change forward and to position CMMH services as key players at the forefront of the mental health system of the future
 - Greater resourcing for VICSERV to play an expanded role in supporting and facilitating service reform activities.

An agenda for the future calls for a fundamental reform to the current CMMH service system. It proposes a series of actions to develop a new service system from the top down and the bottom up. The existing program structure, the configuration of CMMH providers in specific areas, the fragmentation that is caused by too many agencies receiving too small funding allocations and organisational capability are all targeted for transformation.

Transformation will require CMMH services' leadership from their peak body and high levels of organisational maturity. It will also require extensive bureaucratic and government engagement as they seek funding and support to implement the actions outlined in this paper. VICSERV believes that the benefits to people affected by mental illness as a result of this reform will amount to a significant return on investment. The benefits include:

- improved outcomes for consumers, families and carers
- efficiencies that can be invested in responding to demand
- reduced costs in clinical and other publicly funded services systems, such as the justice and health systems.

An agenda for the future requires bold and decisive action from leaders across the CMMH service system and governments. The time to act is now!

Summary of recommendations

1. That the Department of Health develops a new program structure for CMMH services including:
 - reviews of all CMMH program guidelines and funding models (HBOS, Day Programs, Youth and Adult Residential Rehabilitation Services, Supported Accommodation, MSSH and Planned Respite)
 - a new name to refer to PDRS services and funding stream. VICSERV believes the term 'community managed (and/or based) mental health services' better reflects these services' governance arrangements and aligns with national trends. It will also be important to identify a name which reflects the purpose and function of these services.
 - a new mental health data system to enable the collection of more comprehensive client information and service information (including services not funded by the Victorian Government), performance and financial reporting.
2. That the Department of Health commissions a Local Area Planning project focussed on CMMH services to be staged over three years.
3. That the Department of Health develops an individual packages trial to ensure Victoria is well placed to implement this model in the context of both the Australian Government Mental Health Initiative and the NDIS. The work should build on IHBOS and SECU Diversion trials.
4. That VICSERV is funded to undertake a range of projects and activities with CMMH services designed to build stronger, more capable service provider organisations.
5. That the Department of Health reviews VICSERV's core funding to ensure VICSERV can adequately respond to the growth and increased demand for state-wide support and workforce training and development.
6. That the Victorian Minister for Mental Health and VICSERV collaborate to identify and appoint an independent person who can act as an Ambassador for CMMH across the CMMH service system and the wider service system at a state and national level as required.
7. That VICSERV and the Department of Health, in collaboration, consult with service providers, consumers and carers to identify a new term to replace PDRSS, which describes the role and purpose of services and that better describes organisational arrangements.