

Dr Tony Sherbon Chief Executive Officer Independent Hospital Pricing Authority

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Dear Tony

<u>Development of the Australian Mental Health Classification – Public Consultation Paper 1</u>

Thank you for the opportunity to comment on the above paper.

The National Mental Health Commission (the Commission) is pleased to note the scope of the proposed Australian Mental Health Care Classification (AMHCC) and that in particular that it does not specify or limit the setting in which mental health care is provided. We regard this as a fundamental design feature of the proposed classification system to ensure achievement of the principles used for classification development, in particular Principle 6 – *Minimising undesirable and inadvertent consequences*.

The Commission provides the following feedback on specific questions raised in the paper:

- Question 2: What are the most important considerations in the national context?
- The Commission remains concerned about the strong emphasis on diagnosis in the paper, when diagnosis does not necessarily reflect the functional impairment of the individual. Functional impairment may differ considerably between people with the same diagnoses, meaning that the services required by one person may be far more intensive (and therefore more expensive) than that for another person with the same diagnosis. The classification architecture will need to be flexible enough to cater for these differences.
- Question 6: Are there other cost drivers that should be considered in the development of the AMHCC?
- The Commission notes the intent to include in the model services provided by community managed organisations where these services are contracted by service sites. Similar to the issues raised at Question 2, the Commission considers that such services (housing, employment services, counselling, etc) often are fundamental to people's recovery, to keeping them well and in the community, and to preventing or delaying the onset of future episodes of ill-health. The Commission considers that the model should not act as a disincentive to the provision of such services but rather should encourage their provision where they are needed by the individual. Bundling up or averaging these costs into the model could operate as such a disincentive, whereas identifying them as separate elements could encourage their provision, achieve better outcomes, and reduce readmissions.
- The Commission also considers that the cost drivers of **Consumer-related factors** (Page 23) are much broader than diagnosis, and include issues such as access to stable housing, employment status, and levels of family and carer support.

- Question 9: Which psychological interventions, if any, may be significant in understanding the cost of care?
- The Commission considers that non-psychological services, as identified above, can have a significant impact on the cost of care. For example, discharge to homelessness can impact on readmission rates and therefore cost of care.

The Commission also raises as an issue the proposed approach under the classification system to care after a suicide attempt (albeit that suicide and attempted suicide are not always related to mental ill-health).

Thank you again for the opportunity to comment and for our involvement in the development process.

Yours sincerely

David Butt

Chief Executive Officer

Commissioner 13 February 2015