Appendix 1

Senior management Team

3rd October 2016

Review of the proposal to become an early implementer for the integrated Improving Access to Psychological Therapies (IAPT) project.

1. Purpose

- To update SMT about the early implementer for integrated IAPT project
- To identify the expected outcomes and financial implications
- To agree next steps

2. Detail

National context

The *Five Year Forward View for Mental Health 2016* has made an unarguable case for transforming mental health care in England. 'The costs of mental ill health – whether to the individual, their family or carer, the NHS or wider society – are stark.'

It clearly identifies the need to achieve parity of esteem between mental and physical health. It also identifies that "*people with long term physical illnesses suffer more complications if they also develop mental health problems***,** increasing the cost of care by an average of 45 per cent. Yet much of the time this goes unaddressed. There is good evidence that dedicated mental health provision as part of an integrated service can substantially reduce these poor outcomes. For example, in the case of Type 2 diabetes, £1.8 billion of additional costs can be attributed to poor mental health. Yet fewer than 15 per cent of people with diabetes have access to psychological support. Pilot schemes show providing such support improves health and cuts costs by 25 per cent.

This document has been underpinned by the document 'Implementing the Five Year forward View for Mental Health'. This identifies how improvements will be made. It is clear that change must be an integral part of Sustainability and Transformation Plans (STPs).

"*STPs provide the local vehicle for strategic planning, implementation at scale and collaboration between partners. Implementing the commitments of this plan will improve access and outcomes, deliver seven-day services, reduce inequality and realise efficiencies across the local health and care economy and wider society. Mental health should be an intrinsic element of every STP – threaded throughout and not an afterthought*."

Within this document there are plans to expand IAPT services to meet 25% of need by 2020/21 and that the majority of new services will be integrated with physical

healthcare. As part of this expansion, 3,000 new mental health therapists will be co-located in primary care, as set out in the General Practice Forward View.

Calderdale position

The IAPT service commissioned by Calderdale CCG is recognised as being a good service and consistently achieving performance targets. In recognition of this Calderdale CCG were invited to be an early implementer in the expansion of IAPT services and to develop a proposal to participate in the integration project prior to national implementation by 2020/21.

The aims of the integration pilot are identified as :

- To implement integrated psychological therapies at scale – improving care and outcomes for people with mental health problems and long term physical health problems, and distressing and persistent medically unexplained symptoms.
- To learn how best to implement integrated psychological therapies at scale in an NHS context – moving from trials and pilots to business as usual.
- To build the return on investment case for integrated psychological therapies – demonstrating savings in physical health care.
- To build capacity in the IAPT workforce, starting the expansion of the workforce needed to meet 25% by 2020/21.
- Plan to work with 22 CCGs in Wave 1 (training commencing in October 2016), with further areas in Wave 2 (starting from April 2017).

On 04/07/16, the SMT supported an application to participate in wave 1 and it was noted that early implementers in wave 1 would receive 18 months funding starting in September 2016. This decision was taken with the agreement that an implementation plan was developed and aligned to Care Closer to Home (CC2H) to ensure that money in current services is realigned to support the continuation of this service after the initial funding period of 18 months.

Calderdale CCG Proposal

Following the decision from SMT a proposal was submitted to NHSE which identified that the key areas for focus by the new IAPT service would be respiratory, cardiovascular disease and diabetes. These were identified as they are already key priority areas for the service improvement within the CCG in terms of service improvement, cost efficiencies and savings.

They have also been identified as part of the work carried out by Right Care to identify areas where the CCG is an outlier when compared to the performance and activity in other CCGs.

People with respiratory problems have been identified as the first cohort that IAPT will focus upon. We know that respiratory problems are exacerbated by fear and

panic and that they have a tremendous impact upon an individual's quality of life, which in turn has a negative impact upon their emotional health and wellbeing. This is seen as an area where the role out of IAPT can make a significant impact in how people are able to manage and live with their long term conditions; this in turn supports their resilience in the community rather than resorting to secondary care.

It is expected that the support and intervention of IAPT will form an integral part of the respiratory pathway in addition to the work of other initiatives such as the roll out of COPD (Chronic Obstructive Pulmonary Disease) nurses in phase 1 of CC2H.

It is planned that the second area of focus will be cardio vascular disease. One of the key contributory factors in developing cardio vascular disease is obesity and physical inactivity, in Calderdale 2/3rds of people are classed as overweight or obese and 1/3rd are physically inactive. The current cost to the health system of Cardiovascular Disease (CVD) is estimated to be 2,019,000; however as with other long term conditions (LTCs) there will be a wider impact across the local community and economy. There is a significant relationship between weight management and emotional well-being, one of the current IAPT providers has already successfully developed a programme to support weight management in another area and so if successful in this bid Calderdale will aim to replicate this and develop this service.

Lessons from the IAPT evidence to date suggest that best outcomes are achieved with adapted treatments that take into account the LTC and are embedded in its care pathway. Research literature identifies that for people with LTC that treating their mental health problems reduces physical health care costs by around 20% and mainly pays for itself (Layard & Clark, 2014)

<u>Expected outcomes from the integration pilots</u>

The following have been identified as expected outcomes:

- Evidence-based treatment, thinking through how services would be organised and managed
- Building relationships between services, and plans to provide truly integrated services.
- National clearly defined outcome measures will be routinely collected. Studies will be carried out across the pilot sites which will inform the ongoing development of data collection and a healthcare utilisation study which will investigate the impact of Integrated IAPT on patient outcomes and usage of primary and secondary healthcare services, including savings as part of its brief.

It is however acknowledged that linking data to show physical healthcare utilisation savings and showing and realising savings in physical healthcare will be a challenge.

National Funding Expectations

The early implementer sites will receive additional funding in 2016/17 and 2017/18. It is expected that for the subsequent 3 years that funding for the service will be in the CCG baseline.

The table below sets out the additional investment provided nationally to deliver the objective detailed in the Five Year Forward Implementation Guidance:

Funding type	**2016/17 £m**	**2017/18 £m**	**2018/19 £m**	**2019/20 £m**	**2020/21 £m**
Expansion of psych. therapies			157	233	308
Investment in integrated services	20	88			

For Calderdale CCG this translates as :-

Calderdale CCG estimated impact	2016/17	2017/18	2018/19	2019/20	2020/21
IAPT access to 25%					
Gross investment	0	0	596.6	885.4	1170.4
Gross savings	0	0	-463.6	-896.8	-1383.2
Net total	0	0	133	-11.4	-212.8
Year on year investment	0	0	596.6	288.8	285
Year on year savings			-463.6	-433.2	-486.4
Net year on year total	0	0	133	-144.4	-201.4

There is an expectation under the Mental Health Five Year Forward View that the CCG would have approximately £596k in 18/19, an additional £289k in 2019/20 and a further £285k in 2020/21 in its baseline to fund increasing access to IAPT.

However the funding formula also assumes that this overall increase in investment of £1,170k will be matched by £1,383k of savings.

Risks

The risks to the CCG are:

1. That the savings do not materialise as expected and are not able to be embedded into contracts.

2. That the pilot expenditure plans have a level of cost in excess of the indicative £597k identified for 2018/19

Pilot Financial implications

Calderdale CCG will receive additional funding for the first 18 months of the pilot. Due to the current financial challenges faced by the CCG with increasing pressure from acute services, concerns have been expressed about any funding implications for the CCG from 2018/19 onwards. The direct funding from NHS England is provided below:

Funding for non-training aspects of the project will be transferred to NHS Calderdale CCG directly from NHS England (NHSE) as part of their baseline in four instalments:

- October 2016: £59223.675
- January 2017: £59223.675
- April 2017: £182037.53
- October 2017: £182037.53

The funding for the trainees will be provided direct to the provider from Health Education England, year 1 £107,795 and year 2 £299,393.

NHSE have requested a signed memorandum of understanding (MoU) from the CCG that will work as an early implementer to make this service financially sustainable going forwards. They have suggested that the following wording is added to the MOU:

Financial sustainability:

- *Work to identify and maximise savings in physical health pathways, aiming for services to become self-funding from these savings.*
- *Commit to expand services to 25% of prevalence by 2020/21. As part of this actively support the identification of savings and prioritisation of investment to facilitate integrated services to be maintained in 2018/19 – reviewing the position regularly and discussing with the national team.*
- *Show clear value for money.*

This replaces wording that would commit us to the year 3 funding levels put forward in the application.

In addition, the main IAPT provider has confirmed that they would be able to flex their services so that if a waiting list management plan was required (which could be introduced whilst still maintaining performance on waiting times as we are currently over performing), they could work with this to reduce their costs in year 3 significantly or possibly to zero level if required. This is possible because of the staff turnover rates of psychological wellbeing workers and the need for providers to recruit on an annual basis – they would not recruit in later 2017 if it was likely that a waiting list management plan would be required. As we have an AQP (Any Qualified Provider) contract which is paid for on a cost per case basis this would mean that costs could

reduce from 1 April 2018 without the need for further contract variations, other than the inclusion of a requirement for a waiting list management plan in the current contract to take effect from 1 April 2018.

It is considered that the revised wording from NHS England and the contract changes detailed above would mitigate the financial risks to the CCG in the event that savings were not identified.

Before progressing further the work as an early implementer site, it is requested that SMT consider the following options.

Options:

1. Agree a contract with the provider that must include contingency plans to manage demand and recruitment in the event that ongoing funding is not available after 2017/18.
2. Agree a memorandum of understanding that is returned to NHSE that agrees that the CCG will cannot commit to, ongoing funding of the integrated IAPT service but will attempt to ensure that this is possible through a realisation of savings made in physical health pathways.
3. Give notice on the CCG intention to proceed with the integrated IAPT bid to NHSE.

3. Recommendations

It is recommended that the SMT consider options 1 and 2 as preferred options. This would allow the CCG to pilot this service and evaluate the impact upon physical pathways without the risk of ongoing financial commitment.