

New research shows impact of poor commissioning in mental health

- In 2014/15 **35 NHS mental health trusts had a contract commissioned with a block element.**
- Mental health trusts which commissioners selected to have a 100% block contract in 2014/15 had **on average 31% more days of delayed discharge** per month than those trusts providing mental health services without a block contract.
- Mental health trusts with some element of a block contract put in place by commissioners in 2014/15 had **on average 17% more days of delayed discharge** per month than those trusts providing mental health services without a block contract.

Some block contracts can provide efficient access to services for patients and stability for providers. However, the continued use of **unaccountable, ill-defined, block contracts** by mental health commissioners is **detrimental to patient access** to mental health services. They **disincentivise service improvements** and **restrict innovation**.

What are block contracts?

Under a block contract a commissioner agrees that a provider is paid a **lump sum fee** to offer services for a certain patient population for a fixed period of time. These contracts are usually put in place by a commissioner for a year, although they can be rolled over to subsequent years.



The commissioning of an unaccountable block contract, which is poorly monitored and defined, means that **other providers are not able to offer services** to that patient population – even if they can provide a service more suited to local patient demand or that offers better value for money.

Re-commissioning, or ‘rolling over’ these contracts exacerbates this **negative impact on patient choice** and value for money.

How does this impact mental health services?

Specialised mental health services, such as support for those suffering from an eating disorder or high acuity CAMHS, are commissioned by NHS England.

Some block contracts can offer financial stability for the NHS. However, poorly monitored, managed and defined block contracts **limit transparency and patient choice**. NHS England has previously stated that **unaccountable block contracts should be phased out in commissioning** for mental health – but this has not been achieved.

This is to the **detriment of patient access to quality care** as unaccountable block contracts:

- act as a **disincentive for driving service improvements** and the development of innovative treatment pathways to providers. Providers with unaccountable block contracts are guaranteed to receive service commissions with little oversight so have no need to ensure they offer a higher quality service.
- **restrict the development of new and innovative services** by other providers in an area. Investment cannot be made in a new service if it will not be commissioned.
- mean that providers with a block contract must also operate on a fixed price basis and are unable to mitigate against the cost impacts of increasing demand for services. This also **limits the resources available to drive service development and improvements**.

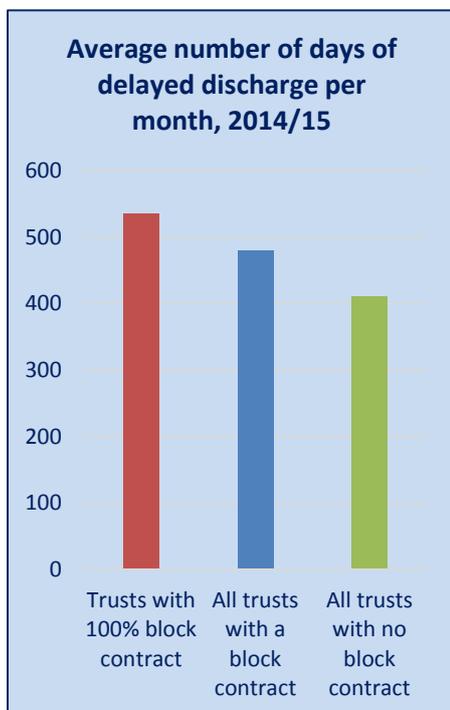
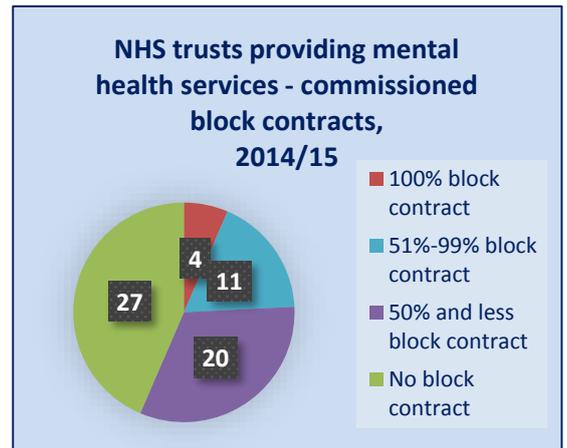


New research on impact of block contracts on patients

In 2014/15 **35 out of 62** NHS trusts providing mental health services had a contract in place with a block element as a result of commissioner decisions (as per the chart to the right). We have analysed the latest data available on these trusts from the Health and Social Care Information Centre.

The **lack of transparency** around block contracts means it is not possible to identify which trusts had specifically unaccountable block contracts in place.

However, our analysis has shown that trusts providing mental health services **that commissioners did not use block contracts with in 2014/15 performed better than those trusts with a block contract** on key factors, including delayed discharges.



Our key findings are:

- Mental health trusts whose services were commissioned with a 100% block contract in 2014/15 had **on average 31% more days of delayed discharge** per month than those trusts providing mental health services without a block contract.
- Mental health trusts whose services were commissioned with a block contract in 2014/15 had **on average 17% more days of delayed discharge** per month than those trusts providing mental health services without a block contract.
- Those mental health trusts whose services were commissioned with a block contract in 2014/15 had **more than double the average number of days of delayed discharge** per month in 2013/14 than those trusts providing mental health services without a block contract.
- In 2014/15, NHS trusts providing mental health services that were commissioned without a block contract had **on average 4% fewer emergency readmissions within 30 days** than those with a block contract.

We believe that, by **rewarding historical service provision rather than evidenced best practice**, unaccountable block contracts **encourage complacency** from providers.

All providers should be given the opportunity to offer services on an equal basis. This would **encourage commissioning based on quality and patient outcomes rather than historical service provision**.

Otherwise complacency on quality and outcomes will mean patients may slip through the net and be **left in inappropriate care**, instead of being moved down the care pathway. This contributes to delayed discharges.

This demonstrates the **detrimental impact** unaccountable block contracts can have on patients and the need to ensure the government's **transparency agenda is realised** by enabling identification and phasing out of unaccountable block contracts.

In light of our findings, IMHSA is calling on NHS England to improve transparency and push forward on its intention to phase out unaccountable block contracts in mental health commissioning.

This is essential if we are to improve patient outcomes and access to mental healthcare.