**RE: Australian Government Productivity Commission – Mental Health**

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**Executive Summary**

Personality disorder is present in the Australian community at a population prevalence of approximately 6%, and is a mental illness associated with significant costs in terms of resource expenditure and reductions in income and productivity. There are additional intangible costs experienced by people with this disorder, including lower social connectedness, pain and suffering, and high levels of stigma and discrimination. With the provision of evidence-based treatment, however, personality disorders are treatable, and appropriate treatment leads to remission of symptoms and improved psychosocial functioning. This culminates in significant cost-saving benefits, as stepped care evidence-based treatment with proper clinical staging is both less expensive and more effective than ineffective forms of treatment currently provided through the constraints of hospital, community mental health and primary care settings. This submission presents the most up to date empirical research demonstrating the effectiveness of psychological therapy in producing positive treatment outcomes for most people with personality disorder, the most recent economic evaluation data of cost-saving benefits, and calls for the productivity commission to focus on recommendations that will lead to more Australians benefiting from evidence-based treatments. Sadly, many consumers experience stigma, inadequate or absent treatment options, and are more likely to be offered expensive treatments (e.g., inpatient stays, psychopharmacological therapies) of inadequate duration (e.g., limited to 10 sessions of better access psychological intervention) of limited efficacy, rather than a proper dose of effective psychological therapy that can lead to remission and recovery. Significantly, such work goes a long way in reducing and preventing suicide; thus it is one noteworthy focus for a suicide prevention framework that presently tends to be silent on personality disorder. Given the effectiveness and cost-saving benefit of evidence-based psychological therapy for personality disorder, and the consumer desire and capacity for vocational engagement, mental health reform including a spotlight on the treatment of personality disorder is a national priority (Grenyer et al., 2017; National Mental Health Commission 2018).

**Treatment outcomes**

Personality disorder is a complex and debilitating mental health disorder associated with high rates of self-harm, suicide, and comorbidities, occurring at a prevalence of approximately 6% worldwide (Tyrer et al., 2015). Rates are as high as 40-50% amongst psychiatric inpatients (Korzekwa et al., 2008). Medications do not treat the disorder (NHMRC, 2012). The most recent meta-analytic review demonstrates two recognised evidence-based psychological therapies, which have equivalent effectiveness: Cognitive-Behavioural Therapy and Psychodynamic Therapy (Cristea et al., 2017). In conceptualising recovery from personality disorder, there has traditionally been an emphasis on symptomatic remission, yet consumer perspectives highlight the need for a more holistic definition of personal recovery including the desire for meaningful vocational engagement (Ng et al., 2016).

**Cost-benefit studies**

In a recent systematic review examining all economic evaluations of cost data related to interventions for borderline personality disorder (BPD), the mean cost saving for treating personality disorder with evidence-based psychological therapy across 30 studies was USD $2,988 (@AUD $4,100) per patient per year (Meuldijk et al., 2017). Significantly, this review demonstrated that the provision of psychotherapy (vs. treatment as usual) resulted in further cost savings of USD $1,551 per patient per year.

Of the studies included in this review, a large study conducted in the Netherlands demonstrated that personality disorder diagnoses attracted a total cost of EUR $11,126 per patient per year (Soeteman et al., 2008). Two thirds of these costs were related to direct medical costs, while the remaining costs related to loss of productivity. In an early Australian cost benefit study examining the effect of twice weekly outpatient psychotherapy for one year, the total cost of hospital admissions in the year before treatment (AUD $684,346) decreased by an average of AUD $21,431 per patient following the implementation of this treatment (Stevenson & Meares, 1999). Based on the estimated cost of this treatment, savings were equal to AUD $8,431 per patient – an equivalent of approximately AUD $250,000 for the entire cohort in the year following treatment.

Typically the high levels or service utilisation and corresponding high costs in the treatment of personality disorder generally relate to short-term crisis management, following presentations to emergency departments (Shaikh et al., 2017). We have recently demonstrated that of all mental health patients presenting to hospital, people with a primary diagnosis of personality disorder represent 20.5% of emergency and 26.6% of inpatients (Lewis et al., 2019). We have presented data from a randomised controlled trial showing that appropriate stepped-care psychological therapy over an 18 month period reduced costs by USD $2,720 (@AUD $3,800) per patient per year, by reducing the duration of inpatient stays (from an average of 13.46 days to 4.28 days) and through patients being 1.3 times less likely to re-present to emergency departments (Grenyer et al., 2018).

Taken together, these findings highlight that appropriatly staged, evidence-based psychological treatment for personality disorders is both less expensive and more effective.

**Community mental health**

The NSW Mental Health Commission and others have continuously called for cost shifting to community services (i.e., promoting prevention, recovery, and treatment). This includes a shift to a stepped model of care, which has been widely recognised as a valuable approach in providing solutions to structural weaknesses in existing healthcare models for the treatment of people with mental illness more broadly (National Mental Health Commission; NHMC, 2014). Sadly, despite deinstitutionalisation of mental health, community mental health funding continues to compete with acute hospital costs. Acute care is not a treatment for personality disorder, but consumes substantial parts of mental health budgets with a number of challenges including known problems with costs-overuns from nurse ratios, rosters and overtime rates.

**Primary health care**

The provision of evidence-based treatment for personality disorders requires a shift away from short-term crisis management (e.g., emergency department presentations, inpatient stays) and channelling of funding to community-based contexts that can ensure effective treatment occurs in the community, as per the guidelines of the NHMRC (2012). This is because effective treatment of personality disorder typically requires at least one year of evidence-based psychological therapy (e.g., Bower et al., 2005; Grenyer et al., 2018). There is a current gap in providing this level of care in Australia. State funded mental health services are oriented around crisis and acute care. Commonwealth funded primary health care imposes limits of only 10 sessions a year for psychological treatment. Psychiatry has medicare schedules for long duration treatment but there are high shortages in that profession and many choose not to practice psychological treatment. Schemes such as the NDIS are inappropriate because ongoing disability is not a feature. We therefore support calls by the APS (August 2018 submission), and other groups such as the Australian BPD Foundation, for 40 treatment sessions a year to be funded and available to treat personality disorders in the community by psychological therapy by qualified practitioners.

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