Submission to the Senate Inquiry: ‘Impact on service quality, efficiency and sustainability of recent Commonwealth community service tendering processes by the Department of Social Services’

WAAMH

Western Australian Association for Mental Health

Peak body representing the community-managed mental health sector in Western Australia

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Background

The Western Australian Association for Mental Health (WAAMH) was incorporated in 1966 and is the peak body representing the community-managed mental health sector in WA. With around 150 organisational and individual members, our vision is to lead the way in supporting and promoting the human rights of people with mental illness and their families and carers, through the provision of inclusive, well-governed community-based services focused on recovery. WAAMH advocates for effective public policy on mental health issues, delivers workforce training and development and promotes positive attitudes to mental health and recovery. Further information on WAAMH can be found at http://www.waamh.org.au

To develop this submission WAAMH consulted with our members via survey, with 17 responses received. WAAMH also brings to this submission the intelligence we gain from regular contact with our Board of Directors and many more members, which has included discussions on Commonwealth funding issues.

Structure of this submission

This submission addresses many of the terms of reference for the inquiry, including a, b, d, e, f, i, j, and k. These terms are addressed in comments and recommendations throughout this submission, rather than under terms-specific headings.

The submission outlines the critical Commonwealth-funded mental health programs, articulates the impact of federal funding uncertainty, provides recommendations to improve tendering processes, and recommends the development of a cross-departmental funding strategy for mental health.

The importance of Commonwealth mental health funding

In Western Australia, Commonwealth mental health funding is a fundamental and essential part of mental health service delivery. The importance of cross-departmental funding and responsibility for mental health is reflected by the views of WA service providers.

The health and mental health programs, which the WA mental health sector considers Commonwealth investment is most critical to mental health service provision in WA:

1. Day to Day Living in the Community (DOH)
2. Partners in Recovery (DOH)
3. Personal Helpers and Mentors service (DSS)
4. Mental Health Respite: Carer Support (DSS)
5. Other, these included suicide prevention, and health programs such as perinatal, Access to Allied Psychological Services, and the Substance Misuse Delivery Grants Program.

Which are the health and mental health programs where Commonwealth investment is most critical to mental health service provision in WA?
Please prioritise in order of importance with 1 being most important and 5 being least important.

Answer Options	1	2	3	4	5	Response Count
Partners in Recovery	3	7	4	2	0	16
Personal Helpers and Mentors Scheme	4	3	5	3	1	16
Day to Day Living in the Community	5	3	5	2	1	16
Mental Health Carer Respite	1	2	2	7	4	16
Other	3	1	0	2	10	16

Although we asked respondents to prioritise mental health programs in order of importance, services and consumers told us that all of these programs are vital. The funding picture is complex, with mental health funding a complex web of interconnections.

This funding complexity was identified in the Commonwealth Government Reform of the Federation Issues Paper 'Roles and Responsibilities in Health'[1]. The Issues Paper utilised mental health case studies to illustrate the fragmentation and complexity of the system. One issue identified is a current focus on programs and the way they are funded, rather than on what the consumer needs.

In part due to complexity, and part due to underfunding of mental health services, the removal of any part of the funding picture has a flow-on effect to other parts of the system. For example, recent funding cuts to housing and homelessness services had a significant impact on mental health consumers and services, as well as referral options:

> "The uncertainty of the NPAH… is having a grave impact on people in the rural regions of the Lower South West - reduction in housing options, increasing rents and growing number of homeless people with mental illness have been experienced. The stress and further pressure on families is most evident with increases in carer support being sought."

The majority of respondents to our survey raised the central role of housing in supporting mental health recovery. It is agreed that housing is a critical priority for mental health consumers - essential for planning, supports and recovery from mental illness.

Many survey respondents also focused on the critical importance of the Personal Helpers and Mentors (PHaMs) program; an effective program with an extensive range of benefits to consumers and their families. Importantly, PHaMS complements public mental health services, primary care, other mental health, housing and

[1] https://federation.dpmc.gov.au/issues-paper-3

community support services, as well as clinical services. PHaMS also provides support to a significant number of consumers who may not otherwise receive a service:

> "Without the Personal Helpers and Mentors program many of these consumers have no other means of support. Many of these would not be eligible under the NDIS and would fall through the "cracks".

Case study

JJ. was referred to PHaMS from a Disability Employment Agency (DES). He has been diagnosed with depression and mild paranoia and has been in receipt of the DSP for the past nine years. He developed the following goals: to live independently and confidently, to obtain enjoyable employment, to raise self-esteem and to become a professional musician.

JJ. had been working as a gardener two days per week. He incurred a back injury in his teens and this work was causing him pain. Support Worker assisted JJ in re-engaging with the DES and he secured employment as a Process Worker three days per week. He has recently been promoted to Assistant Supervisor and received a pay rise.

When referred, JJ was living at home with his mother and stepfather. This was a tenuous situation due to a troubled relationship with his mother and feeling abandoned by his father who was in the eastern states. The PHaMHs Support Worker helped JJ to apply for housing and encouraged him to take up shared private accommodation as an interim measure to getting his own place. This shared arrangement is working out well. JJ. has also developed a much more balanced relationship with his mother.

JJ. is an experienced musician who has been reticent to pursue his dream of becoming a professional musician due to a lack of self-esteem and confidence. The Support Worker is assisting JJ. from a CBT perspective in completing the Self Esteem and Assertiveness training modules available through the Centre for Clinical Interventions. At this stage, JJ. continues to gain in confidence and is starting to overcome his negative avoidance behaviour. He is now planning to increase his work hours, obtain his own rental accommodation and to undertake a Certificate 3 in Aged Care.

The impact of funding uncertainty

The Department of Social Services grants processes have created significant uncertainty in mental health service delivery with troubling consequences.

One of our members said that the recent funding uncertainty has been the worst ever experienced in their 25 years in the sector. This organisation noted a lack of clear direction, lack of substantive information, delays in government decision-making, and minimal responses and direction to an organisation that may be facing closure.

Services spoke to workforce impacts including staff stress, job insecurity, loss of trust in government, and problems for staff recruitment, retention and training.

The uncertainty for services remains ongoing and is significantly amplified by other Commonwealth funding and service design processes in mental health including the NDIS and the Department of Health.

The funding roll-in to the National Disability Insurance Scheme is particularly concerning, as there remain many unresolved issues for mental health consumers in the NDIS trials, with the transition to full scheme (and associated funding changes) scheduled for 2016.

The Commonwealth Department of Health is another key mental health funder. Current programs include Partners in Recovery (funded until June 2016) and Day to Day Living in the Community (funded until June 2015). WAAMH members rated these first and second as the most critical Commonwealth mental health programs to the mental health sector in WA. As outlined later in this submission, we expect large numbers of mental health consumers currently accessing Partners in Recovery and Day to Day Living to not be NDIS eligible.

Funding for people with complex needs is also being affected. Funding programs soon to expire include the Substance Misuse Service Delivery Grants Fund, which has been evaluated as an effective program in supporting people with co-existing mental health and alcohol and other drug issues, and the Non-Government Organisation Treatment Grants Program. WAAMH's members do not know whether they will be renewed or retendered. Given that approximately 75% of clients in an alcohol and other drug or mental health service have a co-occurring mental health and alcohol or other drug issues, this is deeply concerning.

The National Mental Health Commission's Review of Mental Health Programmes and Services might be expected to provide some long-term solutions to Commonwealth mental health funding challenges. However, its reports have not been made public despite the mental health sector, consumers and carers advocating for its release and appropriate consultation. Without addressing the recommendations of this report, it is likely that Commonwealth mental health funding will continue to be fragmented.

Impact on local services and consumers

Our members reported a range of 10 to 1000 consumers per service affected, should these services not be extended beyond current contracts. This range reflects the variation in the size of organisations and populations of local service areas, and equates to an average of 282 consumers across 16 services. Many service providers also noted the impacts on hundreds of carers and family members.

The kinds of impacts included:

> "the potential for an increase in suicide and self-harm. Family pressure also increases, and this can affect self-medication with alcohol and or drugs. Potential for wider social issues, including homelessness and violence."

> "Individualised and wrap-around care will be an unachievable ideal if PIR funding is not continued."

NDIS Transition

The WA mental health sector is deeply concerned about the impact that further funding cuts, including funding roll-in to the NDIS, will have on provision. The NDIS model, which has very tight eligibility requirements, will not be accessible to a large proportion of people with mental illness currently in receipt of mental health supports.

Respondents to our survey estimate that 35-66% of their consumers will lose service if eligibility for their services were tightened to NDIS eligibility criteria. Many providers focused their concerns about the NDIS on possible PHaMS funding cuts.

With the service model for the NDIS 'Information, Linkages and Capacity Building' still being worked out, the potential gaps for carers are also significant.

Rural and remote

We received strong input from organisations delivering mental health services in rural and remote areas where service availability is stretched at best, and funding cuts and uncertainty will often hit hardest.

In many rural and remote areas of WA, mental health services on the ground are few, and there is significant unmet need.

> "PHaMS is vital in regions where there are minimal support services, for example Lower Great Southern WA. We work with not only the consumer but also their carers and families to ensure that recovery is possible and supported."

Case study

Lamp Inc. provides supports to people with mental illness, as well as their carers and family members, living in local South West communities in Western Australia. Recently Lamp has been included in the NDIS My Way trial site.

Lamp received notification the Federal DSS block-funding contract for the Lower South West would not be offered again after December 2014. In real terms, this equates to the closure of the entire Warren-Blackwood Centre/services, one third of the Augusta/Margaret River services, all weekend centre-based services for people in the Busselton area and the entire Youth and Indigenous Youth and Family Connect programs.

Since first notification, we have been twice advised by the DSS of extensions of contract to ensure "critical services remain during transition". We are now on a contract variation until June 30th 2015. This has meant Lamp has twice prepared to close the services, advised all clients of the closures and then reopened them. Lamp has lost quality, professional, trained staff members, and overall the stress of uncertainty has been difficult.

When the DSS service tenders were offered in 2014, Lamp was not afforded the option to tender as there was no tender for the Lower South West.

All efforts for reconsideration and new and alternative funding, both Federal and State, have been to no avail. Lamp will be closing in June 2015 unless an offer to continue is forthcoming. This will equate to the loss of many direct services to people in the regions and the loss of several jobs for trained mental health support workers.

June 2015 also sees the end of the Day2Day service contracts and to date Lamp has received no information regarding its ongoing funding for this service. Should the funding not continue, the remaining Margaret River Centre and more than 1/3 of the Busselton Centre will be closed, with few services remaining for those clients who find themselves sitting in the ILC or tier 2 of the NDIS.

Tendering and service design processes

WAAMH members provided valuable input on ways in which Commonwealth tendering processes can be improved to achieve improved community outcomes.

Communication

Improved communication processes between the Commonwealth and funded services are imperative. Notification of contract extensions well in advance would reduce negative impacts on staff who are concerned about their employment. There must also be a focus on how the Commonwealth would like services terminated or transitioned if the service is provided to an alternative organisation, or program funding discontinued.

Tender processes

Improved tender processes and documentation would support community managed mental health organisations to submit quality tenders that meet the governments' sought outcomes. This should include explicit processes; and clear tender request documents, guidelines and specifications, which clearly indicate the service requirements. Clear criteria for assessment of tenders must be articulated.

One provider suggested that it would be helpful to have briefings that are as considered and honest in terms of bottom lines - money, time and expectations - as procurement processes can be.

Many of WAAMH's members spoke to the need to provide longer (and set) timeframes for development and submission of tenders than the recent DSS process. This would enable organisations to consult with, and develop, partnerships and consortia. Longer timeframes would also support smaller organisations, which may have limited resources and experience with tendering.

Organisations also suggested implementing processes which provide individual assistance to complete tenders, or training on tendering.

Service design

The programs to be procured should have a clear rationale including the evidence base, policy goal to be met, outcomes and success indicators. Expected outcomes and impacts should be clarified to when designing services and included in tender processes. These must be balanced by the need to provide increased flexibility to enable innovative responses and different variations of programs depending on local needs and populations.

It would also support tendering organisations if the economic and/or population basis or formulas for funding programs and tender regions were explained.

It is essential that the target group for at least some programs includes all consumers, not only those with a diagnosed, persistent or severe mental illness. This couples with the need for a clear recognition of the value of preventative measures that are both targeted and universal.

The need for collaboration, services coordination and integration in mental health is well recognised and we submit that to achieve this, these could be built into tender requirements.

Consultation and Co-design

To avoid the current funding fragmentation, and enable programs to best meet policy goals as well as local needs, the Commonwealth should consult and work collaboratively with the community managed mental health sector; local agencies; consumers and carers; within and across Commonwealth departments; state and territory Mental Health Commissions; and other departments relevant to the specific program area.

Co-design is becoming the gold standard in mental health service design and we strongly encourage the Commonwealth to take steps to improve consumer and carer participation in service design, and commit to working towards co-design.

Tender Standards and Assessment Processes

The establishment of standards and quality controls for tender processes would be extremely beneficial. This should include consistency within and across departments, transparent and fair assessment processes, and resourcing of assessment processes to enable departments to give due consideration to tenders.

Tendering strategies that recognise the value of community-managed organisations, providers with mental health expertise, ‘community-present’ providers, and innovation, should be explored and implemented.

Appropriate criteria for assessment of tenders could include those that address quality, consumer needs, innovation, collaboration and local requirements.

The government should consider how best to enable local input to the review panel, for example through state and territory advice or local service providers on the panel, to enable tenders to meet local needs.

Funding

There is a clear need to reduce uncertainty of funding and allow agencies to plan for the medium to long term. It is also imperative that funding is sufficient and that indexation of grants is standard practice.

One provider noted that the contractual arrangement for PHaMS is too prescriptive and the level of funding has not been able to sustain the contractual obligation around staff numbers. Another provider recommended that government recognise the potential increased costs that may be associated with supporting peer led services such as enhanced support and supervision, increased wellness days, and more flexible working hours which may be needed to enable peers to remain 'fit' for duty.

Cross-departmental funding and procurement strategy

As outlined earlier in this submission, there are multiple departments which fund mental health services and programs. It is imperative that the Government provide DSS mental health funding within the context of all Commonwealth mental health funding and other related service systems including housing and homeless, and the NDIS. There is a need to ensure consumers do not fall through service gaps, in particular in rural and remote locations, and one department alone cannot achieve this.

WAAMH recommends that DSS funding be planned within a whole of government mental health funding strategy. The development of such a strategy should include proper consideration of, and consultation on, the reports and recommendations of the National Mental Health Services Review. As such, we urge government to publicly release all the reports of this review.

The development of the strategy should occur in collaboration with the National Mental Health Commission, the Department of Health, the National Disability Insurance Agency, and State and Territory governments. This would enable funding to be targeted to best meet consumer needs, compliment other existing and planned mental health funding, and reduce funding overlaps and gaps thus achieving better value for spend. Consumers, carers and the community-managed mental health sector are critical stakeholders in mental health service delivery, and should therefore be effectively engaged in the strategy's development.

In the interim, we urge the Commonwealth Government to extend Department of Health and Department of Social Services mental health funding grants until the Review of Mental Health Programmes and Services has been properly considered and consulted on, sustainable mental health programs have been developed and funding roles and responsibilities are agreed.

Authorised by:

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