

## Original articles

### Are short term savings worth long term costs? Funding treatment for personality disorders

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The new system of funding introduced by the National Health Service reforms has led to an increased awareness of financial concerns within the NHS. This was indeed one of the main aims of the reforms, with the expectation that a more efficient and better quality service would result. This may be a realistic aim, as long as clinicians' freedom to make appropriate secondary and tertiary referrals do not become totally dependent upon financial considerations. Yet it has become clear from findings within our own unit, Henderson Hospital, that, in at least 42% of cases, requests for ECR funding for treatment were refused on a purely financial basis (Dolan & Norton, 1992).

Henderson Hospital is a therapeutic community (TC) specialising in treatment of people with severe personality disorders. Typical presentations include self-damaging and suicidal behaviour in the context of severe emotional and psycho-social disturbance. Substance abuse, violence and abusive behaviours are common and 50% of referrals have criminal convictions. Personality disordered patients have notoriously high service usage and tend to "suck in" services in a reactive and unproductive way. Often Henderson residents have failed to engage in other forms of therapy. The severity of their acting out behaviour means they are not contained in out-patient settings and many have a history of repeated contacts with psychiatric, social, forensic, penal and probation services.

Previously we argued that refusing to fund treatment for such patients was a false economy (Dolan & Norton, 1991). Spontaneous remission of personality disorders is uncommon and although a district health authority (DHA) may save itself any immediate expense by refusing to fund appropriate expert treatment, the untreated patient will continue to remain a burden to professionals, often using psychiatric, social, probation and prison services for years to come.

The present study illustrates this point by considering the cost of the psychiatric and forensic services used by our current patients in the one year prior to their admission to Henderson Hospital.

#### *The study*

Henderson Hospital has 29 beds with a maximum admission period of one year. The study sample was 29 consecutive admissions collected retrospectively from May 1992. Data on mental health and forensic service usage in the one year prior to admission to Henderson were collected from three sources: case-notes including information provided by the referrer; the 'social history form', a questionnaire completed by all admissions, concerning family, personal and clinical history; and 25 of the 29 subjects who were resident during the study period completed a further form specifically asking about the previous year's usage of services.

#### **Calculation of costs**

Figures of extra contractual referrals (ECR) tariffs for 1992/93 were requested from the four Thames regional health authorities. Each RHA made figures available, although some individual DHAs and Trusts had not submitted 1992/93 tariffs to their RHA at the time of the request (May 1992).

#### *Findings*

Table I presents a summary of psychiatric and prison service costs incurred by 29 Henderson residents in the year prior to admission. The total mean, minimum and maximum costs are estimated.

#### **In-patient general psychiatry tariffs**

The daily cost for a general acute psychiatric in-patient bed of DHAs/trusts who provided a daily

TABLE I  
Estimated costs of mental health and prison service use of 29 residents in the year prior to admission to Henderson Hospital

Category	Units	n	Unit costs			Total costs		
			min.	mean	max.	min.	mean	max
IP psychiatric bed	days	2,051	73	153.2	242	149,723	314,213	496,342
Secure bed	days	140	111	173	258	15,540	24,220	36,120
<b>Total IP costs</b>						<b>165,263</b>	<b>338,433</b>	<b>532,462</b>
OP assessments		6	86	179	429	516	1,074	2,574
OP therapy		16	357	586	1,075	5,712	9,376	17,200
Day hospital	days	404	36	71	123	14,544	28,684	49,692
<b>Total OP costs</b>						<b>20,772</b>	<b>39,134</b>	<b>69,466</b>
Prison stay	weeks	118	238	386	744	28,084	45,548	87,792
<b>Grand total</b>						<b>214,119</b>	<b>423,115</b>	<b>689,720</b>

bed tariff was averaged. The average figure was £153.20 (range £73–£242). (The daily tariff for Henderson Hospital is £111). The average daily cost of close supervision units was £173 (range £111–£258).

In the previous year, 21 residents (72%) had been in-patients for a total of 293 weeks (average 15, range 2–52 weeks). Three (10%) had been in close supervision units for a total of 20 weeks (range 7–13 weeks).

#### Out-patient general psychiatry tariffs

Out-patient charges were given in three ways: (1) the cost of an out-patient assessment; (2) the cost of an out-patient appointment; and (3) the cost of an out-patient episode.

Two calculations of out-patient costs were made. If a patient reported only "having seen a psychiatrist" we judged this, conservatively, to mean being assessed and offered one appointment (option 1 + option 2). The average figure was £179 (range £86–£429). If a patient reported having had "individual therapy" of any type, but did not specify for how many sessions, we costed this using the figures for an assessment plus eight appointments (option 1 + [option 2 × 8]) or those for an out-patient episode (option 3). The average figure for a treatment package was £586 (range £357–£1,075). Day hospitals cost an average of £71 per day (range £36–£123).

Twenty-three (86%) patients had used out-patient services. Eleven (38%) reported being assessed by a psychiatrist, five of whom had individual treatment. Eleven (38%) had individual therapy with another health worker. Three (10%) had attended a day hospital for a total of 404 days (average 134, range 5–252 days).

#### Prison costs

The average cost of a week in a British adult prison is £386 (range £238–£744) (HMSO, 1991). Five (17%) residents had been in custody in the previous year for a total of 118 weeks (range 4–43 weeks).

#### Comment

The 29 Henderson admissions had used a considerable amount of health and prison services in the previous year; the average estimated costs are £423,115 per year (mean cost per patient £14,590).

Although the use of average figures provided by the four Thames regional health authorities can only provide a rough guideline to national charges, 75% of Henderson referrals come from these four regions. We believe that it is unlikely that this information is an over-representation of service use as our calculations exclude costs to the general practitioner, social services, the probation service and medical or surgical interventions precipitated by these patients' frequent impulsive and self-damaging behaviour.

Our finding is consistent with previous literature showing that individuals with personality disorders are frequent users of mental health services. In addition it has been demonstrated that the level of future psychiatric service use by personality disordered patients can be accurately predicted by their immediate past and current service use (Perry *et al*, 1987). Those personality disordered patients who are not treated are likely to continue to be high service users and remain extremely costly to their DHAs and to the nation.

The price of a service does not in itself indicate the quality of the service provided. The average length of stay at Henderson Hospital is seven months and at

the present daily tariff of £111 this would cost £23,310 per patient (£675,990 for all 29 patients). However, a review of the evidence for the efficacy of Henderson Hospital treatment suggests that this is money well spent.

Part of the evidence is a follow-up study of 194 male and female admissions which showed that, regardless of length of admission, 41% had been neither convicted nor admitted to hospital after three years. This 'success' rate increased to 71% for those who stayed more than nine months in treatment, compared with 23% for those referred to Henderson but not admitted (Copas *et al.*, 1984). Extrapolating from the lowest of these figures, an overall 41% reduction in service uptake for these 29 subjects would represent an average saving of £173,477 per year (i.e. 41% of £423,115). After four years, these savings would outweigh the £675,990 cost of funding their admission to Henderson.

However, the lure of short-term savings has not only led to delayed treatment for patients but is also now threatening the existence of units such as Henderson. Over the past two years there has been a significant reduction in extra-regional referrals since the ECR system was implemented, and only 36% of ECRs have been agreed. It is evident from this research that purchasers' refusal to fund a proven effective treatment for personality disordered patients is a false economy.

In April 1993 a new procedure was introduced by which providers need not obtain prior authorisation

before accepting tertiary referrals (DoH, 1992). The cost of treatment will be met providing that the purchaser is informed of the referral by the referring consultant. Although this will now guarantee funding for some 70% of Henderson ECR referrals there remains the issue that some 30% of referrals are made by non-medical professionals (social workers, probation officers, psychologists). Such referrals will still be subject to the non-emergency ECR procedure with the inherent delays and refusals.

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