

DAVID HUME INSTITUTE LECTURE
14 March 2007

Mental health and public policy
Richard Layard

OUTLINE

- 1. Mental illness: deprivation and economic waste.**
- 2. Psychological treatment: costs and benefits.**
- 3. Employment policies and mental illness.**

MENTAL HEALTH AND DEPRIVATION:

2 PROPOSITIONS

1. Mental illness accounts for more misery than either poverty or physical illness (NCDS, Michalos (2004)). It should be considered a major form of deprivation, per se.

2. It contributes to a host of other problems:

truancy and under-performance

drugs, alcoholism, crime

physical “illness”

inactivity

SCALE OF PROBLEM AND NHS RESPONSE

Morbidity	% of adults	% of NHS expenditure
Psychosis	0.5	13
Depression and/or anxiety	16	2
Primarily depression	8	
Primarily anxiety	8	
eg phobia		
obsessive compulsive		
panic		
post-traumatic stress		

Source: Psychiatric Morbidity Survey

EMPLOYMENT RATES AND IB RATES, 16-64 (%)

	Full- time work	Part- time work	Unemployed	Inactive	Total	% who are on IB and / or IS
No mental disorder	55	19	3	23	100	8
Depression	36	14	4	45	100	42
Phobia	22	11	6	61	100	54
Obsessive- compulsive	22	23	3	52	100	42
Panic disorder	30	20	5	45	100	35
General anxiety	42	18	4	36	100	24
Post- traumatic stress	36	14	4	45	100	42

1 million on incapacity benefits by virtue of mental illness

ECONOMIC COST OF DEPRESSION AND ANXIETY DISORDERS

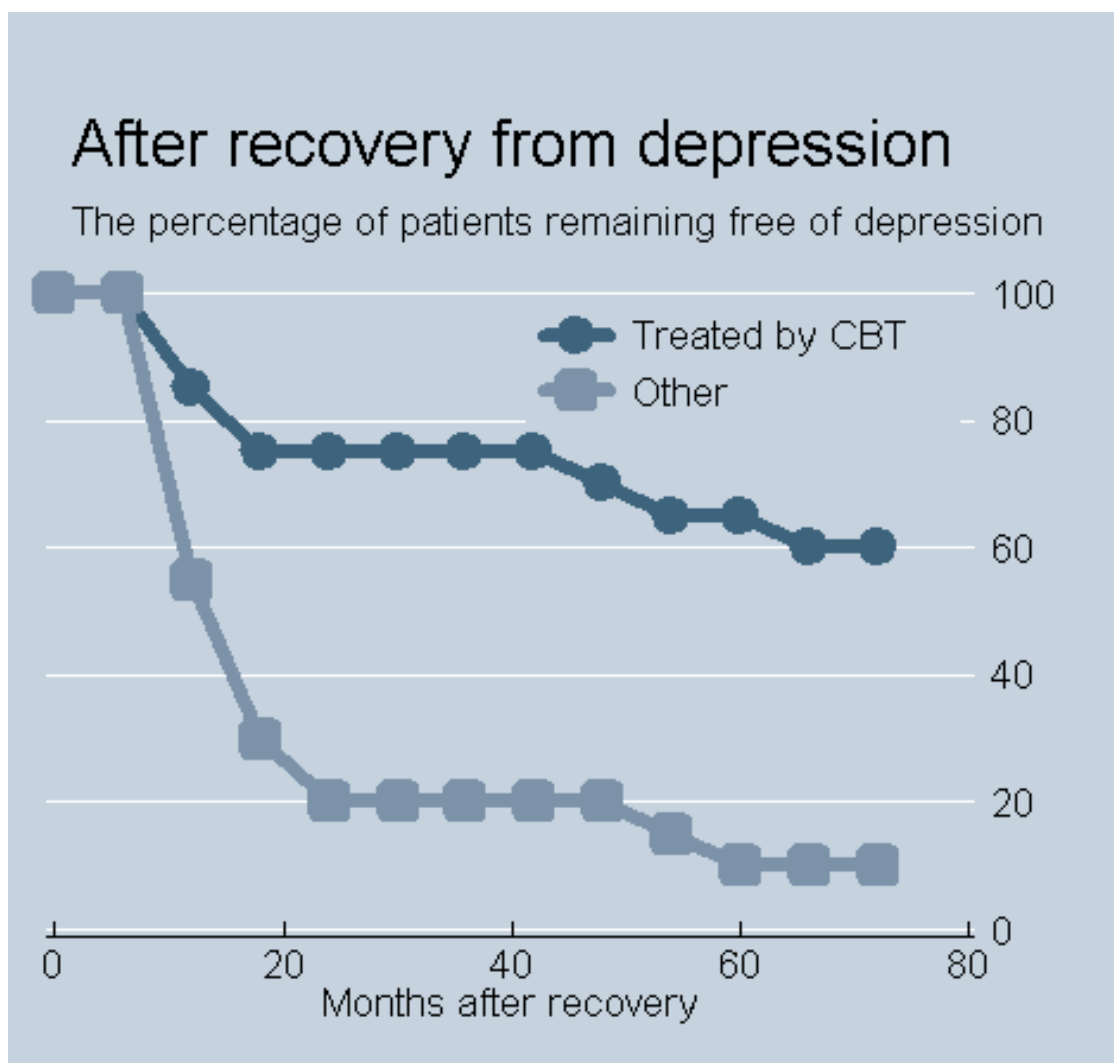
Reduced GDP	£11 b. per year
Cost to Exchequer in benefits + lost taxes	£7 b. per year
Monthly cost per person on benefit	£750 per month
Total cost of course of treatment	£750
Cost of proposed programme in steady state	£400 m. per year
by 2010/11	£200 m. per year

EFFECTIVENESS OF CBT

(% in first 4 months)

	Retention rate	Recovery rate	Natural recovery rate	Change in per cent who recover
	(1)	(2)	(3)	(4)
Depression	80	60	30	24
Phobia	85	70	0	60
Obsessive- compulsive disorder	80	55	5	40
Panic disorder	90	75	5	63
General anxiety disorder	80	50	20	24
Post-traumatic stress	85	75	20	47
Average	82	60	20	33

NON-RELAPSE RATE



Source: G.A. Fava et al, Six-year outcome of cognitive behaviour therapy for prevention of recurrent depression, *American Journal of Psychiatry*, 2004, 161: 10, October.

IMPACT OF TREATING ONE PERSON

	Months	Evidence
1. Extra months healthy In first 2 years In first 5 years	 6 ½ 13½	Longitudinal
2. Extra months of employment per extra month healthy	0.14	X-section Longitudinal
3. Extra months of employment per person treated In first 2 years	 0.92	(1) x (2)

VALUE OF BENEFITS

**Average cost and benefits per person treated (£)
(includes only benefits in first 2 years)**

COST	750	
BENEFITS TO SOCIETY		
Extra output	1,000	
Medical costs saved	300	?
Extra QALYs	3,000	
Total	4,600	?
BENEFITS TO EXCHEQUER		
IB/IS/HB/CT + Taxes	850	
Medical costs saved	300	?
Total	1,100	?

TREATMENT AT PRESENT

- **2³/₄ million go to GP each year with mental health problems. (1/3 of GP time)**
- **NICE Guidelines say they should be offered evidence-based psychological therapy (usually CBT), unless recent or mild cases.**
- **Patient surveys show majority want therapy, but it's not generally available:**

% of mentally ill receiving psychotherapy

All	4%
Those on IB/IS	9%

AGGREGATE OUTCOMES

Proposal

Evidence-based therapy teams everywhere by 2013

8,000 therapists employed; 6,000 trained (by 2013)

Numbers treated build up to 800,000 p.a. by 2013

Plan published in 2007

Effects on IB in 2016 Numbers down 150,000

Money saved in 2016 £1.3b. p.a.

Cost of programme in 2016 £0.4b. p.a.

HOW TO DO EMPLOYMENT BETTER?

1. For those in work or on SSP

Employers

- **should have a charter which encourages people with depression and stress to come forward and seek help.**
- **should train supervisors eg in handling sickness absence.**
- **should provide CBT through occupational health where possible.**

GPs

- **should quickly refer workers in decline to CCBT or psychological therapy.**
- **should use sick-notes as a clinical management tool.**

2. For those out of work

Job Centres

- **Should refer all IB claimants with mental illness to CBT and/or medication.**

3. For all mentally ill:

Therapy teams

- **Should include at least 3 employment support workers liaising with employers + job centres (plus 1 benefits worker and 1 housing worker).**