

The Mental Health Commission today published a report - *The Economics of Mental Health Care in Ireland* - prepared by Eamon O'Shea and Brendan Kennelly of the Irish Centre for Social Gerontology and Department of Economics, NUI Galway, showing the economic benefits of investment in services to deal with mental health problems. Such problems cost the economy over €3 billion a year.

The report also contains economic survey results which show the public would be willing to pay more for community based mental health services.

The estimated cost to the economy of mental health problems in 2006 in Ireland was over €3 billion, which is more than two per cent of GNP, the report says. The health care system accounts for less than one quarter of the costs. The main economic costs of mental health problems are located in the labour market as a result of lost employment, absenteeism, lost productivity and premature retirement. There are also costs imposed on the prison service, social services dealing with homelessness and informal care costs as well as lost output and productivity.

The significant human and social costs associated with mental health problems, including pain, suffering, stigma, reduction in quality of life and suicide are not included in the baseline estimates.

The Mental Health Commission strongly supports the implementation of the Government policy on mental health, *A Vision for Change*. This policy requires substantial investment in the development of community treatment facilities to replace the institutional care approach. "Resources are not infinite, so choices must be made between alternative uses of the same resource or service", said Bríd Clarke, Chief Executive officer, Mental Health Commission. "As the report says, 'economic analysis is therefore a crucial aid to decision making on resource allocation and on priority setting'." While decisions on resource allocation are grounded in values, economics is a central tool in the making of these decisions.

The economic reasons for policy makers to invest more in mental health are:

- (1) The economic cost of poor mental health in Ireland is very significant;
- (2) The Irish public has expressed a willingness to pay extra taxation for a mental health programme that would enable more people to live in the community;
- (3) There is a burgeoning economic base of evidence about particular interventions which have a positive effect on the quality of life of people with mental health problems.

The authors of the report used a well-known technique in economics - a contingent valuation survey - to estimate how much people would be willing to pay in extra taxation for a particular improvement in mental health services. The results from the survey demonstrated that people would be willing to make significant tax contributions to new community-based services for people with mental health problems. However, the survey also found that people tend to value spending on cancer and ageing programmes more than they do mental health care.

The share of total public health expenditure spent on mental health services has fallen in the past twenty years from just under 14% in 1984 to 7.76% in 2007. However in absolute terms there has been a four-fold increase in per capita spending over this period and it has roughly doubled in the past decade.

"We have not yet made the connection between increased public spending on mental health care and individual and societal gains", said Dr. Edmond O'Dea, Chairman, Mental Health Commission. "Making mental health a national health priority in Ireland would be an important first step in realising the potential gains associated with increased spending on mental health. As part of that prioritisation, we should set a target of 10 per cent for mental health care expenditure as a proportion of overall health expenditure, to be realised over a five year period."

Dr. O’Dea said this study was commissioned because of the need to show the economic, as well as social and personal benefits of investment in mental health care. He said society’s decisions to spend money on providing support and services to its more vulnerable members are based on values, not simply on cost/benefit analysis. “But an increased understanding of the economic benefit of spending on mental health care will help ensure it is prioritised. Individuals benefit from increased spending on mental health care, but so do communities, society and the economy. For all of these reasons, mental health must become a national health priority, with specific targets for expenditure, evaluation and outcomes.”

To download the report, please go to www.mhcirl.ie