



Understanding the true cost of mental health services and variation at patient-level is a significant challenge because of the complex and subjective nature of mental health and how activity is recorded.

Defining and Measuring Mental Health:

- **Limited Classifications:** Unlike physical health classifications that are based on a detailed number of diagnoses, procedures and groupings, mental health lacks currencies that are diverse and appropriate enough to compare costs of treatment in a meaningful way.
- **Co-morbidity:** Many patients have overlapping physical and mental health conditions, complicating diagnosis, and assessment.

Data Collection and Quality:

- **Inconsistent Data Recording:** Variation in how mental health data is recorded across different NHS Trusts, GPs, and mental health services. This is reflected in national cost collection results where Mental Health Providers struggle to make their data fit into the required formats and data structures, often leading to unreliable results to benchmark against.
- **Fragmented Systems:** Mental health data is often siloed across primary care, secondary care, and social services, making holistic analysis difficult.
- **Incomplete Datasets:** Many patients drop out of treatment, leading to gaps in longitudinal data.

Sector Solutions:

- **NHS Talking Therapies (formerly IAPT):** Provides standard metrics like recovery rates and access times.
- **NHS Digital & Mental Health Services Data Set (MHSDS):** Centralised effort to improve data collection.

How can Red Circle help?

We have unrivalled experience in PLICS, allowing us to go far beyond the requirements of the national standards for Mental Health costing. Activity based costing is about assigning costs to clinical transactions and patient interactions, not just apportioning costs to national currencies and groupings. Only by doing this can clinicians understand the cost and resource effects of their decisions and where inefficiencies can be addressed.

The Red Circle team understand how to create **and** lever your PLICS data to highlight clinical variation, population disparities, patterns, and markers to support decision making.

We are experts in costing innovation and our aim is to improve patient outcomes by connecting data for value-based healthcare.

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Mauli Hewavitarne
Director of Costing
Mauli.hewavitarne@redcirclehca.com
01454 406100

