

Open for business

We head behind the scenes at Schoen Clinic London to see how its new care models are driving market transformation

Historic London

King Edward VII's CEO Lindsay Condon talks about innovation in a changing market

Mind the gap

Cardano's Dr Michelle Tompsett discusses the capital's mental health

FEBRUARY 2020 | Volume 24 | Issue 1

Healthcare Markets

Independent. Intelligent. Insightful.

In focus

Capital market

Central London's private hospital market is growing, according to the latest research from LaingBuisson

LaingBuisson
Healthcare Intelligence

Mind the gap

the widening gulf in London's mental health provision

Demand for mental health services is rising across the developed world, but with larger populations, greater competition for resources, higher levels of isolation and increased stress, big cities are feeling the pressure most acutely. Candesic's **Dr Michelle Tempest** takes a deep dive into the current state of London's mental health provision to find out how the independent sector could help meet the ever widening gulf between demand and supply

Mental health issues impact one in four people and demand for services is increasing across the entire spectrum of care – homes to hospitals. Mental wellness, self-care, supported care and digital disruption are topics for another article, but suffice to say that in the mental health arena business is booming and revenue models are evolving.

For now, let's not forget - and I say this with a heavy heart - that policy makers around the globe are struggling with how to square the circle of increased mental

health demand at every age demographic. No matter how deep investor pockets are, there is one common thread: to improve care for the most vulnerable in society.

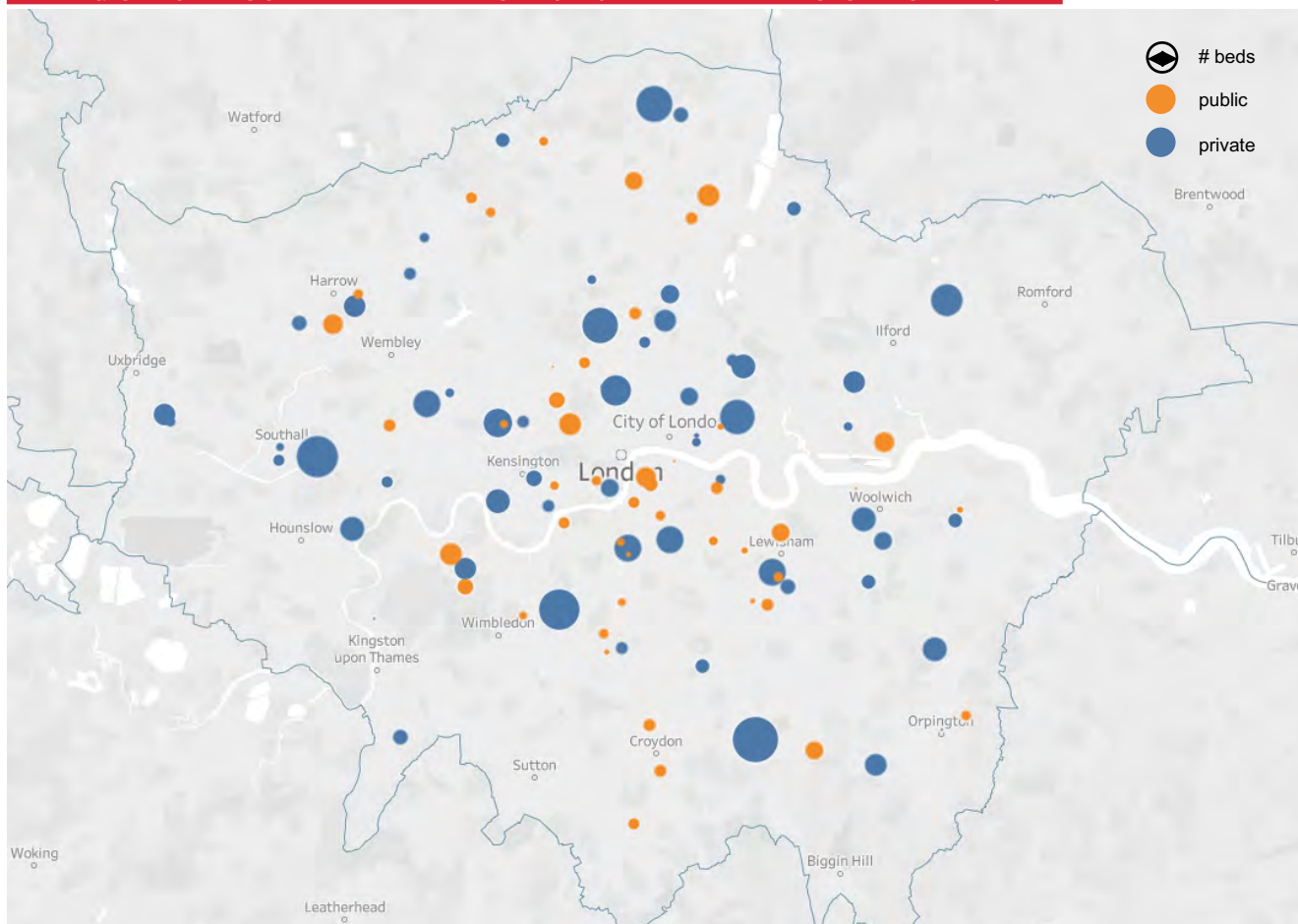
Multiple publications highlight how life expectancy correlates with place of birth. In London, men born in more affluent wards live an additional five years when compared with those born just one or two tube stops away in the most deprived areas.

For females, it's the same pattern, with a four-year difference. And the socioeconomic gap is widening. Health inequalities

become even more stark with the addition of a mental health diagnosis or a learning difficulty. Data from the NHS suggests females with a learning disability have an 18-year lower life expectancy than the general public, while males with a learning disability have a 14-year lower life expectancy. In addition, people with learning disabilities are 26 times more likely to have epilepsy, eight times more likely to have severe mental illness and five times more likely to have dementia.

There is no doubt that caring for challenging cases is complex. To give a very

FIGURE ONE
THE LARGEST PROVIDERS OF MENTAL HEALTH BEDS IN LONDON ARE INVARIABLY NHS ESTABLISHMENTS



SOURCE CQC; CANDESIC RESEARCH AND ANALYSIS

human story, rather than a statistic, let's take a real situation. Around ten years ago as a hospital doctor, I received an emergency call from the maternity unit. A young mother from London developed postpartum psychosis (psychosis after childbirth) after a long and complex delivery.

She presented as confused, disorientated and believed her new born son smelled as if he was on fire – continually throwing water over him as he cried. It was clear she needed an urgent admission to a mother and baby unit (MBU), ideally close to her home.

However, hospital systems are very different at three in the morning, compared to three in the afternoon. Resources are scarce and human staffing rotas run on a minimum (sometimes less than minimum) and getting an MBU bed is a postcode lottery at the best of times. On that particular night and after well over 100 telephone calls, every MBU bed in England, Scotland, Wales and Northern Ireland was full, with little prospect of becoming available over the next week.

The result was heart wrenching. Mother

NHS DATA
 COLLECTED
 SHOWS AN
 AVERAGE OF
 97 LONDON
 MENTAL HEALTH
 INPATIENTS BEING
 PLACED OUT OF
 AREA MONTHLY IN
 2019

and baby had to be separated and mum was treated on a general adult mental health ward, rather than in a specialist unit.

In that particular case, mum did well and after six weeks she was home with her son and they bonded well. But not every case has a happy ending and of the 101 perinatal suicides in the UK and Ireland between 2009 and 2013, analysis from the National Childbirth Trust found that 40% would still not be able to access specialist perinatal care today.

Despite NHS England's commitment to spend £365m on perinatal mental health, London has not increased provision since 2016 with a small number of specialist MBU beds spread across three NHS trusts. Despite the popularity of Louis Theroux's television documentary about the importance for mothers detained under the Mental Health Act being treated alongside their babies, there remains a market opportunity for public and private players to expand this specialist service line.



The broader market

In preparation for this article, many hours of research were dedicated to building a supply map of mental health beds across the UK.

Figure One (see previous page) graphically focuses the Greater London market with different colours for NHS and independent mental health beds. These cross multiple metrics - specialist versus generalist, adult versus child, and forensic versus non-forensic, to name a few.

The data was compiled in order to better understand the market on a granular level, and be able to understand where market opportunities exist within London's mental health sector.

Figure Two highlights that within Greater London the NHS provides around 80% of mental health beds, with private players controlling the remaining 20%.

OUR ANALYSIS
SHOWS THAT
DEMAND
OUTSTRIPS
SUPPLY...AND THAT
CAPACITY IS FULL
TO BURSTING

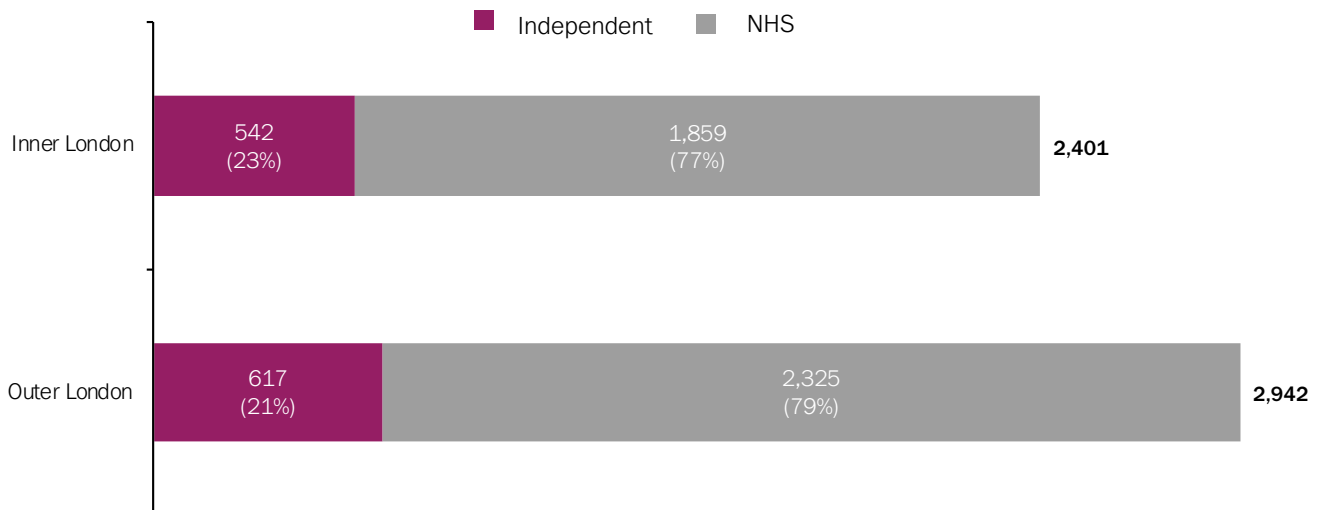
Our analysis comparing inner to outer London shows a geographically proportional split, with no distinguishable geographic preference between the NHS and private providers.

Figure Three is a chart splitting along speciality lines where it can be seen that the NHS provides 90% of generalist beds, but only accounts for 65% of specialist beds (encompassing autism spectrum disorder, old age, personality disorder, eating disorder, brain injury, rehabilitation, addiction, liaison psychiatry, mother and baby, psychiatric intensive care unit, high dependency unit, deaf and veterans), indicating that the private sector is targeting specific areas within the larger market.

Most addiction rehabilitation centres are dominated by private providers with 88% market share.

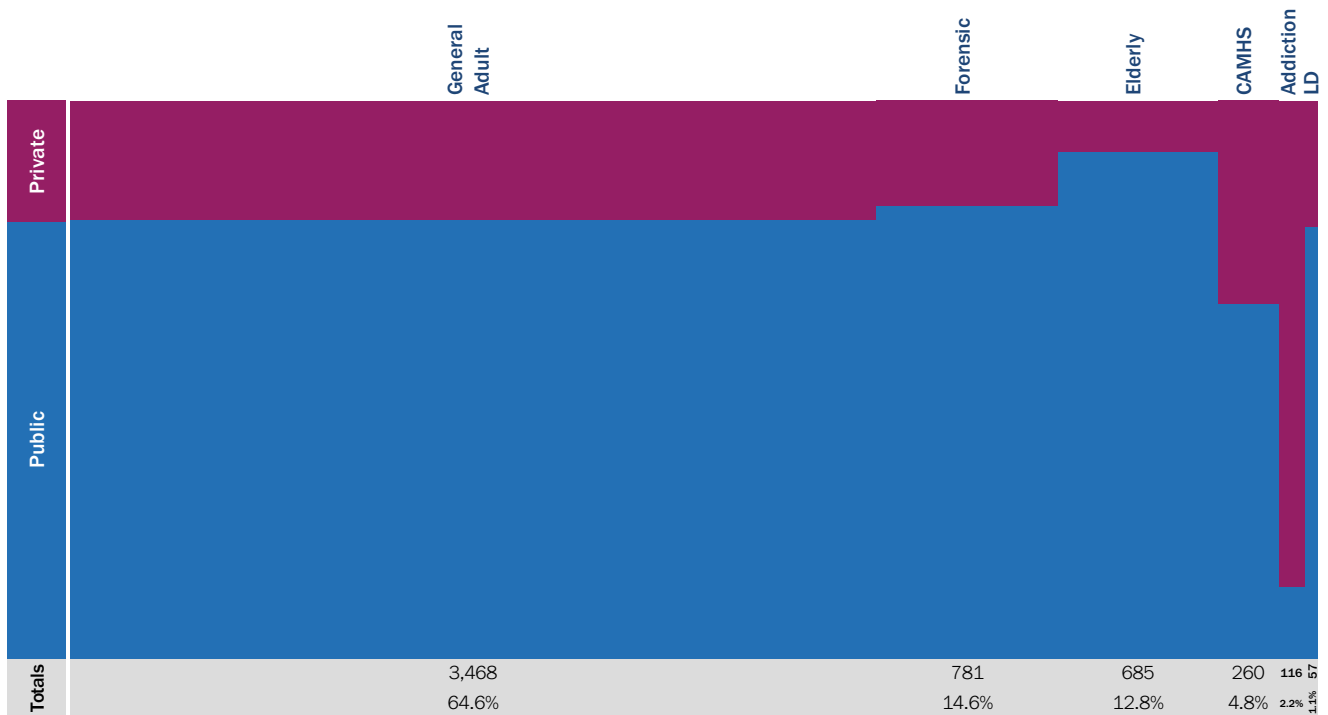
Some self-pay and insurance contracts

FIGURE TWO
THE SPLIT BETWEEN INDEPENDENT AND NHS MENTAL HEALTH BEDS IS SIMILAR IN INNER AND OUTER LONDON
MENTAL HEALTH BED NUMBERS BY PROVIDER TYPE IN INNER AND OUTER LONDON, 2020



SOURCE CQC; CANDESIC RESEARCH AND ANALYSIS

FIGURE THREE
ADDICTION IS THE ONLY MENTAL HEALTH CARE SPECIALTY LARGELY DOMINATED BY PRIVATE PROVIDERS



SOURCE CQC; CANDESIC RESEARCH AND ANALYSIS

provide lucrative addiction treatment contracts. 42% of the private sector is focused on rehabilitation beds, with the remaining 58% spread across other specialties.

When analysing mental health beds for patients above 65 years of age, the NHS heavily dominates the market with over 90% of the total beds allotted, suggesting this market doesn't hold so much appeal for private providers.

Expanding on market opportunities, our analysis shows that demand outstrips supply, with providers still sending patients out of area for inpatient treatment. Also, at the time of this analysis, our data showed that capacity was full to bursting.

NHS data collected shows an average of 97 London mental health inpatients being placed out of area monthly in 2019, sent to both NHS and private providers elsewhere in the country.

This data strongly suggests that London supply is insufficient to care locally for its population. This presents an opportunity for NHS, public-private-partnerships or independent providers to expand to fill a crucial need to provide for severely in need patients.

Until this happens, many current patients are in limbo while they are either placed far from home or in non-specialised units that do not provide a tailored standard of care.

Finally, there should always be a focus on outcomes and positive changes that could be done to improve care delivery. NHS England released a report in 2019 focused on the increasing challenges to accessing mental health care within greater London.

Here are three key themes:

- **An aim to reduce delays in treatment:** After a clinical decision to admit (DTA), all delays of more than 12 hours to admit to inpatient care should be formally investigated and reported to NHS England and NHS Improvement
- **An aim to improve bed utilisation:** Commissioners and providers should monitor and discuss bed occupancy levels in their local organisations and with their Surge Services, and providers should update these daily on the Capacity Management System (CMS)
- **An aim to encourage more community care:** Care and Treatment Reviews (CTRs) will assess whether an individual's care and treatment can be provided in the community, in accordance with NHS England's published CTR policy and guidance

Although these are all welcome interventions, they do little to support increasing demand and the fact that patients are being sent a long way from home to access the care they need.

I am passionate to help the mental health market evolve – both in terms of business, strategy, management, operations and outcomes.

After all, how we decide to treat and care for our most vulnerable is the litmus test of a civilised society.



Dr Michelle Tempest, partner, Candestic