

Is higher quality specialist mental healthcare more costly?

Written by [Jinyang Chen](#)

Research Team: Jinyang Chen, [Adrián Villaseñor](#), [Maria Ana Matias](#), [Amy Barker](#), [Adriana Castelli](#), [Maria Goddard](#), [Nils Gutacker](#), [Rowena Jacobs](#)



Mental health services face a difficult challenge: how to improve the quality of care while keeping costs at a sustainable level. Improving care can require additional staff, infrastructure or service redesign, but it may also prevent costly crises, hospital admissions and readmissions, so the overall impact on healthcare costs could be positive or negative. This is particularly important for specialist mental health services which care for people with more complex or severe conditions and account for a large share of mental health spending.

We reviewed existing studies that examined both the quality and cost of specialist mental healthcare, using a structured approach to extract study characteristics such as design, type of mental health disorder, quality measure, cost measure and type of study sample. After an initial screening of over 1,500 papers, our systematic review identified nine eligible studies, covering a range of mental health conditions, service models and measures of quality and cost.

Overall, we found that the evidence did not support a simple assumption that better-quality care must cost more. Seven of the nine studies reported findings consistent with higher quality being associated with similar or lower costs in particular

settings. A recurring pattern was that services providing earlier access to specialist care and more continuous outpatient support were linked to less use of costly emergency and inpatient care. Examples included telepsychiatry services that enabled timely specialist assessment and follow-up, and sustained outpatient psychiatric care that reduced reliance on crisis services. Structured multidisciplinary approaches also showed potential to improve care while avoiding unnecessary service use.

Our findings suggest that improving quality need not be viewed simply as an additional cost pressure. Investment may instead be most valuable when it shifts care towards earlier, accessible and continuous support that can reduce avoidable downstream use of hospital and emergency services.

However, all the studies we reviewed had a risk of bias and, overall, the evidence base is still small and mainly observational. This means that we cannot conclude that these service models directly cause lower costs. Better linked data and stronger research designs are needed to establish which approaches can reliably improve quality while keeping costs sustainable. For policymakers, the key message is, therefore, not that better mental healthcare is necessarily cheaper, but instead, that the presumed trade-off between quality and cost should not be taken for granted.

[Read the full paper, funding sources and disclaimers in Health Policy.](#)

October 2026