

RCN Policy Briefing

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The Piloting of Personal Health Budgets in England

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Introduction

This briefing will provide a short introduction to the possible role of Individual Budgets within health care. The Department of Health in England is planning to begin a pilot programme on personal health budgets in early 2010¹. This follows on from Lord Darzi's NHS Next Stage Review which pledged to pilot personal health budgets in selected areas as a way of giving patients greater control over the services they receive. The concept of individual budgets for health divides opinion. For some it is a long awaited solution for giving greater control and choice for patients, but for others it is a step too far that challenges the very foundations of the NHS. This document is intended to provide an overview of the main issues for this system of healthcare funding, outline the timetable for the pilot programme and summarise the current RCN position on personal health budgets.

Definitions

The definitions used within the area of self directed support are important but have been subject to widespread confusion across health and social care. Both personal health budgets and direct payments are methods of self-directed support where it is the individual who decides how their support needs will be met.

The Department of Health have said they intend to pilot three broad categories of personal health budgets as follows:

- 1) The first is a notional personal budget – patients are given a notional budget (no money changes hands) and discuss their treatment with their doctor or health care manager to decide how this money will be spent;
- 2) The second category is where patients are allocated a real budget but this is held by an intermediary such as their GP or a care co-ordinator;
- 3) The third is where patients are actually given cash payments and expected to purchase and manage services themselves.

¹ 'Personal health budgets: first steps', Department of Health (England), published on 28.1.09

Experiences from Social Care on Individual Budget Pilots²

Although healthcare budgets are a new concept, individual budgets (IBs) for social care were piloted in 13 Local Authority areas in England in 2005-06. The pilots examined the experiences of a sample of 959 people in all groups of service users purchasing care through individual budgets.

The report found that people with individual budgets generally felt more in control of their lives. It also found that generally the costs for both individual budgets and conventional care were broadly comparable, however there were some differences in individual client groups. Older people did not appear to fare as well with IBs as other groups and the costs were slightly higher. One important finding of the study was that major shifts in staff and organisational culture were needed to implement IBs in the pilot sites.

The RCN will be calling for the lessons from the social care experience to be taken on board during the piloting of personal health budgets.

What is the pilot programme for personal health budgets?

The Government has made a clear commitment to piloting personal health budgets over the next three years with a view to rolling them out nationally should they prove successful. The pilots will draw on the experience of other health systems and in social care.

The timetable for the pilots is as follows:

March 2009	This was the deadline for pilot applications, with 74 applications being accepted initially. Further assessment of these applications are now being undertaken and this number will be reduced further.
January 2010	Three-year pilot programme begins
2010-13	Pilots completed and evaluation in 2013

Former Health Minister Lord Darzi said: "This pilot programme therefore marks the beginning of a challenging yet exciting journey. We want it to build on the great successes already achieved with individual budgets in social care and see PCTs take an innovative approach to making

² Glendinning et al 2008 The national evaluation of the individual Budgets pilot. www.dh.gov.uk,

personal budgets work for healthcare." It is expected that patients with long-term conditions, those receiving care under the NHS continuing care system and users of mental health services are likely to be included in the pilot programmes.

Why are personal health budgets being piloted?

The main idea behind personal health budgets is as follows:

- The Government believes that if patients have a personal budget it will enable them to personalise their own care to suit them which will give people a choice and control over how they access and receive care;
- Patients who have personal health budgets should also have a personal care plan. This will make care assessment quicker and easier and ensure that individuals are required to give out the same information fewer times;
- To bring together different kinds of support or funding from more than one agency and therefore providing a more streamlined commissioning process;
- To let people use the money allocated to their care in a way that best suits their own needs and situation;
- To give individuals support to plan what they want and to organise it with help from a broker or advocate, family or friends, as the individual desires;
- To put people in the centre of the planning process, and recognise they are the person best placed to understand their own needs and how to meet them.

Personal health budgets and implications for nursing

The main issues can be categorised under the following headings:

1) The nurse-patient relationship and professional issues

The aim of personal health budgets is to change the relationship from one where the patient receives mainstream NHS health services to one in which they become an even more active partner. This is something that is welcomed by the College. However when individuals receive care from nursing staff, the direct payments element may potentially compromise the

nurse-patient relationship. For example personal health budgets may encourage patients to request from nurses a form of care delivery that is not evidence based.

2) Organisational and employment issues

The direct purchasing of services by patients will have a fundamental effect on NHS organisational structures and culture. There are significant issues to be addressed on employment stability, variations in pay for workers employed by users, and complicated regulatory and professional issues arising out of direct employment by members of the public³. In the short to medium term, with likely reductions in funding for the NHS from 2011, this could become an attractive proposition for Government when seeking to reduce costs, as services could go to 'third or independent sector providers' who may not employ nurses on NHS pay and conditions of service.

3) NHS model

There are significant issues around the knowledge and skills of nurses and their skills to support individuals with this new concept of patients controlling and managing their own health budgets. There will need to be a comprehensive education and development programme for nurses who will be involved in the pilot schemes. This will need to be carefully evaluated before individual health care budgets are rolled out nationally. Overall personal budgets could become a platform for drawing health and social care budgets together. However, the relationships between patients, employees, volunteers and carers will have to be carefully thought through to make it clear who is responsible for which parts of the care package.

Key questions on personal health budgets?

The RCN supports the principle of personal budgets for social care but is cautious over its application in the health sector as the challenges can be very different.

Politically the concept of patients having ownership of their own health budgets looks attractive and may give some control of patient care and treatment back to the patients.

³ For a full account of the impact of Direct Payments, read '*The national survey of Direct Payments: Policy and Practice*' produced by the Personal Social Services Research Unit and the London School of Economics (May 2007)

However the RCN has a number of questions and significant issues that it will be raising during the piloting of personal health budgets as follows:

- How will patients ensure they are purchasing care from individuals with the right skills and competencies to deliver that care? Health care is different from social care, much of which is generic;
- The accountability relationships between patients, employees, volunteers and carers will have to be carefully thought through to make clear who is responsible for which part of the individual care package provided under the direct payment;
- What happens if you have a healthcare need but your personal health budget has been spent?
- How will the operation of personal health budgets reconcile the concept of patients purchasing their own care with the principles of evidence based care that are at the very core of nursing?
- Who is responsible for clinical governance and regulation for members working for individuals in their homes?
- How is good employment practice maintained if members are working across a range of 'small employers'?
- How are conflicts resolved between patients/clients and professionals with regards care and treatment?
- Will patients be allowed to spend their personal health budgets on less cost effective or less evidence based care, and how will personal budgets be adapted to deal with those with rare conditions where some medicines are particularly expensive?
- Would individuals be allowed to 'top up' their personal health budgets through private payments?
- Can personal health budgets be invested and spent later?
- Whether personal health budgets will in fact add additional administrative steps and bureaucracy;
- How do you identify problems with access to care and how do you monitor standards?
- What happens to the pay, terms and conditions of employment of staff? What happens to access to the NHS Pension scheme for members?
- Who will pay for training and development for nurses working with patients who have individual budgets?
- It is unclear how providers will cost the provision of services on an individual basis as there is currently no community tariff;
- Is there going to be an investment in training for NHS staff who are asked to support patients in their choice of use of personal budgets? Who can perform the role of advocate in this situation?

Conclusion

The College believes it is critical that patients have access to reliable information for them to make informed choices about how to spend their personalised budgets. For the older person with deteriorating health causing their needs to fluctuate, control of their individual budgets may not be possible without sufficient support from family, carers or advocates, and reassessment not available.

It must be recognised that personal budgets are not right for everybody, and individuals should be presented with the option of using these arrangements rather than feeling that they are under a significant obligation to do so. This is of particular importance when looking at vulnerable elderly people and those with mental health problems.

While the RCN would support the investment in personal choice, this shift in funding systems should not be used an opportunity to make investment cuts in community nursing.

It is vital for Government to await the outcome of the pilots on personal health budgets. There are significant details that need to be addressed in terms of safeguards, advocacy, protecting the vulnerable, professional regulation and workforce planning. The results of the pilots should be carefully reviewed and lessons learnt before UK wide systems are implemented.

If you are involved in the pilot scheme or have other experiences which you think will be useful in developing RCN policy, please contact us at policycontacts@rcn.org.uk