Putting patients in charge of the purse strings

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Personal health budgets allow a patient to choose what care they need and access it in a convenient manner. But does it work?

The correspondence columns of local newspapers often print letters expressing the writer’s gratitude to NHS staff for the quality of care they have received. This is usually an acute episode of care for this is what the NHS excels at. Where it struggles is service delivery for long-term, complex conditions across multiple disciplines and sectors. The top-down approach, where the agenda of care is determined by slowly responsive services, relatively inflexible clinic times and the need to travel between sites, can be time consuming, awkward and expensive for patients.

The system should work better when a person can decide what care and services they need and access them in the most convenient manner. That, in a nutshell, is what personal health budgets offer, with the proviso on the one hand that this can involve buying non-NHS services and, on the other, that health professionals have oversight of where the money goes.

What is a personal health budget?

Personal health budgets are part of NHS England’s Integrated Personal Commissioning Programme, which aims to smooth the boundaries between health and social care funding, and allow individuals to determine how money is spent.1

NHS England defines a personal health budget as ‘an amount of money to support the identified healthcare and wellbeing needs of an individual, which is planned and agreed between the individual, or their representative, and the local clinical commissioning group (CCG).’

An individual should:

• Know upfront how much money they have available for healthcare and support
• Be enabled to choose the health and wellbeing outcomes they want to achieve, in dialogue with one or more healthcare professionals
• Be involved in the design of their care plan
• Be able to request a particular model of budget that best suits the amount of choice and control with which they feel comfortable
• Be able to spend the money in ways and at times that make sense to them, as agreed in their plan

Table 1. Five features of a personal health budget that the DH considers to be most important3

It is intended to “enable people with long-term conditions and disabilities to have greater choice, flexibility and control over the healthcare and support they receive.” It can be held by an adult or carer or representative, or a family member or carer on behalf of a child.

This is not new money but money that would have been spent on an individual anyway; it is just being allocated and spent in a different way.

Money and planning

The defining features of a personal health budget are flexibility and creativity, and at its heart is the care plan. This very much reflects the individual’s priorities for care and outcomes rather than those of the NHS.

Developed by the patient or carer with the support of the healthcare team, and agreed with the CCG, the personal health budget specifies what the budget can be spent on. This might be therapy, transport, equipment or nursing care, but it excludes NHS emergency care and primary care services such as dental treatment and GP care (including medication), as well as more obvious things like alcohol, gambling, repaying debt or anything...
illegal. Buying medication from a non-NHS source would not automatically be excluded, but would be for negotiation between the individual and the care team. How this sits with, for example, the use of complementary therapies or offence indications is unclear. The plan should be fully funded so that, provided the budget is spent as intended, the money should not run out.

Money can be paid directly into a dedicated bank account administered by the patient (or carer) to spend in an agreed way; to a third party (carer or organisation), to spend on the patient’s behalf; or it may be notional, so that payment for services remains the CGG’s job and the care team arranges service delivery. Direct payments offer the most flexibility for individuals but also carry the greatest personal responsibility. Advice for people buying services is available and it is the responsibility of local NHS teams to recommend organisations offering local support. The DH provides guidance on choosing the form of payment.

**Eligibility**

Since October 2014, people who are eligible for NHS Continuing Health Care, and families of eligible children, have a right to a personal health budget and CGGs must give due consideration to any request. For children this means the care normally provided by the NHS, not what is provided by social care or educational services.

NHS Continuing Health Care is a package of care arranged and funded solely by the NHS. Eligible people are not in hospital and have “a complex medical condition and substantial and ongoing care needs”. Eligibility does not depend on a specific diagnosis, who provides the care or where it is delivered – the package may be provided in the home (such as a nurse or therapist, and help with personal care and laundry) or a care home (when it also includes care home fees). A CGG must publicise personal health budgets, and help eligible people and their carers decide whether it is appropriate for them.

**Do they work?**

Analysis of outcomes for 129 personal budget holders, 45 per cent of whom received direct payments, showed that most people reported positive outcomes and up to 23 per cent reported difficulty with the process (see Table 2). In this cohort, 42 per cent stated how much their weekly budget was; of these, it was £200 or under in 26 per cent, £201–500 in 30 per cent, £501–£1000 in 19 per cent and over £1000 in 26 per cent.

Responses from 101 carers were also positive, with more than three-quarters stating that the individual’s life had improved in at least eight of 10 aspects. Overall, less than five per cent of patients or carers reported their lives being worse as a result of a personal health budget. The findings of evaluations have been incorporated into guidance for CGGs and health teams.

NHS England says there is no evidence that personal health budgets increase demand. They reduce the average cost of inpatient care by about £1300 compared with controls, by about £3000 for people with mental illness and £4000 for recipients of NHS Continuing Care.

**Problems?**

The King’s Fund says that there has been a lack of “systematic progress” in involving people in decisions about their care. Uptake of direct payment of personal health budgets is increasing but has been “slow, patchy and sometimes inequitable” although much of the research it cites is five to seven years old. The Nuffield Trust highlighted uncertainties about how budgets will fit into wide care provision and the risk of a postcode lottery determined by CGG priorities.

There is concern that the success of personal health budgets depends on the ability of individuals to argue their case. It is evident that budget holders should be able to articulate their needs and that health teams have the training necessary to deliver support.

**Table 2. Positive and negative outcomes of personal health budgets**

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<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
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<tr>
<td>Impact on quality of life</td>
<td>Information and advice</td>
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<tr>
<td>Arranging support</td>
<td>86%</td>
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<tr>
<td>Self-esteem</td>
<td>20%</td>
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<tr>
<td>Feeling safe</td>
<td>82%</td>
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<tr>
<td>Independence</td>
<td>21%</td>
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<td>Control over life</td>
<td>73%</td>
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<td>Dignity</td>
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<td>78%</td>
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<td>71%</td>
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<td>72%</td>
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**Conclusion**

People who receive NHS Continuing Care are now entitled to a personal health budget agreed with the CGG. The DH has accumulated considerable expertise; its initial evidence shows that budgets have good outcomes for patients and carers, and reduce resource use. Individuals need advice and support to obtain the best outcomes, for which staff training will be critical.

**References**


10. Limb M. *BMJ 2014;348:g1149*.

**Declaration of interests**

None to declare.

Steve Chaplin is a pharmacist who specialises in writing on therapeutics