Update on Personal Health Budgets

Governing Body meeting G

9 January 2014

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Key messages

- CCG requirement to implement "Right to Request" and "Right to Have" Personal Health Budgets for all those in receipt of Continuing Healthcare, from April and October 2014 respectively.
- To note CCG's current position and support additional work required to deliver above.
- To note the potential risks in implementation.

Assurance Framework (AF)

Assurance Framework Number: 2.2

Is this an existing or additional control:
Existing

Equality/Diversity Impact

Has an equality impact assessment been undertaken? No

Which of the 9 Protected Characteristics does it have an impact on?
Potential impact on all 9 protected characteristics

Public and Patient Engagement

Please list PPE activity: None

Recommendations

The Governing Body is asked to:

- Acknowledge progress made and support the additional work required to implement arrangements to meet the national deadlines set for April and October 2014 respectively.
- Approve the development of the preferred option for the financial system to underpin delivery of PHBs and support the further work required to put this in place.

NHS
Sheffield
Clinical Commissioning Group

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A Personal Health Budget is an amount of money to support a person's identified health and wellbeing needs, planned and agreed between the person and their local NHS team. The Government's *vision for personal health budgets is to enable people with long term conditions and disabilities to have greater choice, flexibility and control over the health care and support they receive.*

1. Introduction / Background

- Governing Body will be aware that from April 2014 all patients in receipt of NHS Continuing Health Care (CHC) will have the "right to ask" for a Personal Health Budget (PHB) and in addition, following a recent announcement the "right to have" a PHB from October 2014. Furthermore, we must also consider the use of PHBs in the wider the range of services we commission.

- In the guidance three types of PHBs are referred to, as follows:

  Notional Budget: The patient is informed of the amount that the CCG would spend on a traditional model of care, to meet their needs. They discuss with the Nurse Assessor alternative ways to meet their needs based on the same budget. The alternative is proposed to the CCG. If approved, the Nurse Assessor arranges the care and support for the patient. No money changes hands.

  Managed Account: The patient is informed of the amount the CCG would spend on a traditional model of care, to meet their needs. They discuss with the Nurse Assessor alternative ways to meet their needs based on the same budget. A different organisation or trust holds the money for you. After you have agreed this with your local NHS team, the organisation then buys the care and support you have chosen.

  Direct Payment for Healthcare: The patient is informed of the amount the CCG would spend on a traditional model of care, to meet their needs. They discuss with the Nurse Assessor possible alternative ways to meet their needs based on the same budget. The patient (or their representative)[1] then receives the funds to buy the care and support you (or they) and your local NHS team decide you need. You have to show what you have spent it on, but you, or your representative, buy and manage services yourself.

- The use of Direct Payments for Healthcare are prescribed in the National Health Service (Direct Payments) regulations 2013.

[1] To be a 'representative' a person must meet criteria laid down by the Government in statute.

- Sheffield CCG will make the decision on which PHB to offer to an individual. This decision will accord with the CCG's CHC Policy on the Commissioning of Care and this guidance. Where a PHB is provided to arrange a package of continuing healthcare, it will only be used to meet an individual's reasonable requirements. An individual's reasonable requirements are determined by the CCG's assessment.

- When an individual is eligible for continuing healthcare, the NHS is responsible for meeting all of their assessed health and associated social care needs. Therefore a PHB cannot be 'topped-up' with additional funds from the individual or their representative.

- An individual can enter into a separate contract with providers for services beyond those which the NHS must arrange. Where an individual or their representative chooses to do so, they must ensure that the services funded by the PHB would be sustainable, should the additional services cease. The CCG is only required provide goods and services to meet its duties under the NHS Act 2006.

2. Current Position

- NHS Sheffield, as the then PCT, was part of the pilot arrangements for PHBs and as a result we currently have a number of patients receiving a PHB, commenced as part of that Pilot work over the past 3 years.

Fully Funded CHC – Invoicing directly to CCG	8
Fully Funded CHC – Recharged via SCC	33
Jointly Funded with SCC	55

- In many cases these patients were receiving a direct payment via the local authority's Self Directed Support arrangements prior to becoming eligible for CHC or joint Health Funding. This allowed them to continue to exercise control over their care packages.

3. The Challenge for the CCG

- Although part of the pilot, this number of patients represents only a small proportion of those who will be eligible as PHBs are rolled out. By way of illustration, the LA currently has around 2,500 service users receiving a personalised social care budget.

- In a recent report the Nuffield Trust set out the challenges for commissioners and policy makers, the issues for CCGs were identified as :-

  CCGs will need to respond to the extension of PHBs to people in receipt of continuing care and after that those with long term conditions and have to reassure themselves that a wide range of providers demonstrate sufficient quality.

  CCGs will also need to be ready to decommission services not chosen by budget holders, but at a pace that allows providers the chance to adapt and minimise the risk of market shrinkage, therefore leaving individuals with fewer choices than

before. Also, efforts aimed at diversifying the market of providers need to be carried out with care to avoid destabilising existing providers.

Bringing PHBs together with personal budgets in social care to create integrated individual budgets potentially offers a new route to service integration at the level of the user and carer. A "dual carriageway" approach which brings together referral, assessment, budget setting, planning and monitoring of different budgets without complexities of structural integration between organisations may be helpful in this respect.

3.3 The Health Foundation describes the experience in Holland has been that PHBs have increased costs at a rate which cannot be sustained. The challenge for CCGs is to ensure that PHBs are implemented in a manner that does not contribute further to cost pressures.

4. Communication with patients

- Our view is that the new rights to PHBs need to be communicated to patients, in advance of the two 2014 deadlines. Our proposals for communicating these rights are set out below. However, such communication would need to be accompanied by appropriate mechanisms to deliver the new rights.

- The right to ask to ask for a PHB will be communicated to every patient who is screened in for assessment for NHS CHC, after 1 February 2014. The right to have a PHB will be communicated to every patient who is screened in for assessment for NHS CHC after 1st August 2014.

- The right to have a PHB will be communicated to all patients who are eligible for CHC on 30 September in advance of that date. Where the CCG has been asked to communicate with a representative of the individual, this communication will be sent to the representative. Where the individual is under 18 the letter will also be sent to any person with parental responsibility.

- This communication will include an easy read version of "Understanding Personal Health Budgets" (ref 2900789), produced by the Department of Health and published on the NHS Choices website, for which a link will also be provided.

- Where the CCG has been made aware that the individual may not have capacity to consent to the making of a PHB for them, the CCG will arrange for their capacity to be tested, in line with the Mental Capacity Act. Where that person does not have capacity to consent for a PHB a best-interest decision will be taken as to whether they should have a personal health budget.

- Where an individual (or their representative) indicates to the CCG their wish to exercise their right to ask for / have a PHB, a nurse assessor will arrange to discuss this with them, including which form of PHB may be most appropriate for them.

- An individual who becomes eligible for CHC on a "Fast Track" will also be entitled to have a PHB. However, as such an individual will have terminal condition which will be rapidly deteriorating, therefore the CCG will prioritise arranging a suitable package for them.

- Funded Nursing Care will not be provided by way of a PHB as part of this implementation within CHC.

5. Issues for Consideration

- In deciding whether to offer a direct payment for healthcare, the CCG must consider:
    - The indicative budget that the CCG is willing to offer (likely to be based on the cost of a traditional care package);
    - The CCG's alternative offer of care;
    - Whether a direct payment is appropriate given the individual's condition; and
    - The impact of that condition on that individual's life.
- The CCG will also consider both the complexity and any changing nature of the individual's needs.
- When a PHB is in place the individual's care will continue to be subject to the usual Care Management and eligibility review arrangements as for all other recipients of CHC funding.
- PHBS are intended to provide better health and social care outcomes for individuals. These can be achieved by more flexible use of funds than is traditionally the case. Examples of the sort of services PHBS can be used to purchase are;
    - Employing Personal Assistants
    - Buying services direct from providers, most commonly domiciliary care agencies
    - For Live-in care (either directly-employed or via an agency)
    - Pooling individual's budgets to purchase shared services or items
    - Assistive technology
    - Equipment and adaptations, which would not be provided under the CCG's commissioned services, such as exercise equipment
    - Help to access work opportunities
    - Activities outside of the home, as an alternative to traditional models of day care
    - Respite care in alternative settings
    - Membership fees for clubs and courses
    - Making and keep their social contacts
- A PHB can only be used to purchase lawful goods and services which are identified in an individual's care plan and can only be used to meet an individual's reasonable requirements.
- There are a number of goods and services which may not be purchased as part of a package of CHC, including PHBs-

- Tobacco
- Alcohol
- Debt repayment
- Gambling
- Primary Care services that can be provided by a GP
- Care Services that can be provided by Community Nursing Services
- Acute Hospital Care, including Accident and Emergency
- Homeopathic treatment and remedies, including complementary or alternative medicine.
- Any other treatment that the NHS would not normally fund because they are not shown to be cost-effective
- Medication
- Gifts
- Everyday household costs
- Transport
- Housing Costs, including adaptations
- Housing Related Support
- Welfare services
- Holidays

- Where the PHBs are under-spent, the balance will be returned to the CCG. The individual will not be permitted to spend funds on anything not identified in their care plan.

6. Options for Delivering PHBs

- Commission service from Sheffield City Council (referred option)
  - This option is The system is in place and is delivering personal social care budgets including direct payments. This is a key benefit, given the imminence of the deadlines;
  - It eliminates the prospect of patients facing bureaucracy-led changes to packages, if their eligibility for CHC changes.
  - It supports the CCGs direction of travel towards integration.

This option also has associated risks, however. These include:

  - The need to ensure that appropriate audit controls are in place
  - The lack of an agreed price to be paid to the LA to broker these services on our behalf.
  - The need to develop joint policies where our incentives may not be wholly aligned.

- Develop a system internally
- Commission service from CSU
- Commission from third-party provider
- Commission from multiple providers

- All options would require the development of appropriate SLAs and accompanying controls.

- A further option would be to adopt one of the above as an interim, subject to the completion of a full options appraisal.

7. Risks

- In implementing PHBs there are a number of potential risks that the CCG needs to be aware of and ensure mitigating actions are taken within the design of the arrangements to minimise such risks. These include:-
  - Accountability for care / outcome while reduced level of control.
  - Ensuring agreed and appropriate use of funds through audit and appropriate contractual mechanisms
  - Increased cost of packages due to reduced ability to influence provider rates.
  - Acquisition of inappropriate / ineffective packages of care, particularly in relation to none standard packages.
  - Vicarious / perceived vicarious liability, especially in relation to employment of staff.
  - Education and training needs of those directly employed via a PHB

8. Recommendations

The Governing Body is asked to:

- Acknowledge progress made and support the additional work required to implement arrangements to meet the national deadlines set for April and October 2014 respectively.

- Approve the development of the preferred option for the financial system to underpin delivery of PHBs and support the further work required to put this in place

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Alakesom, V. & Rumbold B (2013) :-
Personal Health Budgets: Challenges for Commissioners and Policy Makers: Research Summary Nuffield Trust