

Personal Budgets and Health

A Discussion of the Evidence

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Background

3 year PHB pilot ended 2012

- Piloted in 64 sites
- Evaluation looked in detail at 20 sites
- Final report published Nov 2012

Early commitment to rollout, subject to evaluation

- Objective set in Mandate to NHS CB
- Patients who could benefit will have option to hold a PHB

Minister's announcement last Nov confirmed rollout

- CHC patients (56,000) to have 'right to ask' by April 2014
- 9 areas to 'go further faster' (with £1.5m)

Evidence review: purpose

1. Which countries have developed programmes similar to personal budgets, and what are their key features?
2. What evidence is there about the impact of personal budgets on health and wellbeing?
3. What evidence is there to indicate potential affordability and value for money?
4. What evidence is there on the implementation of personal budgets, and what lessons can be learnt?

The evidence

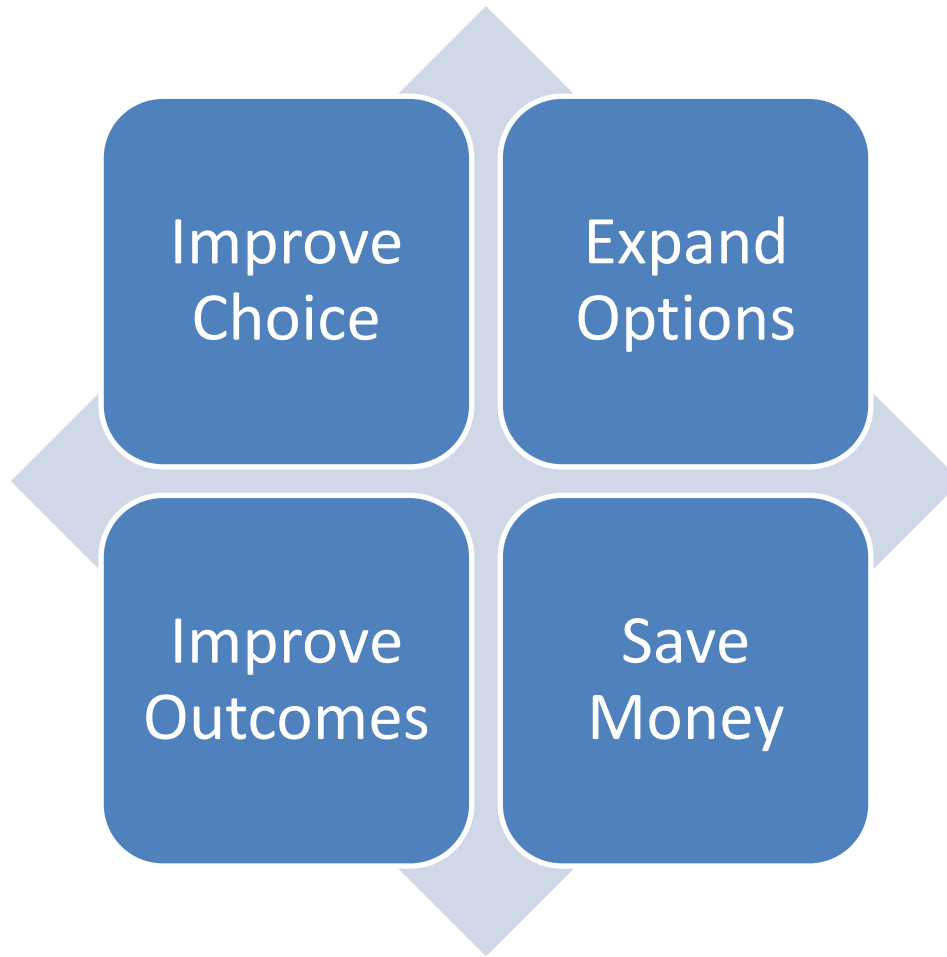
- Like the 2010 Health Foundation review, I found little high quality research available.
 - Much is descriptive rather than evaluative
 - Gaps particularly around health outcomes and cost effectiveness using validated measures
 - Most don't allow meaningful comparisons with traditional care
 - Most are cross-sectional rather than longitudinal

Today's presentation

Based on the evidence examined during the review, and wider literature, I will discuss:

- The 4 main motivations behind PBs
- Where the English programme sits in relation to others
- What the evidence and wider literature can tell us about each of the 4 main motivations

Why personal budgets?

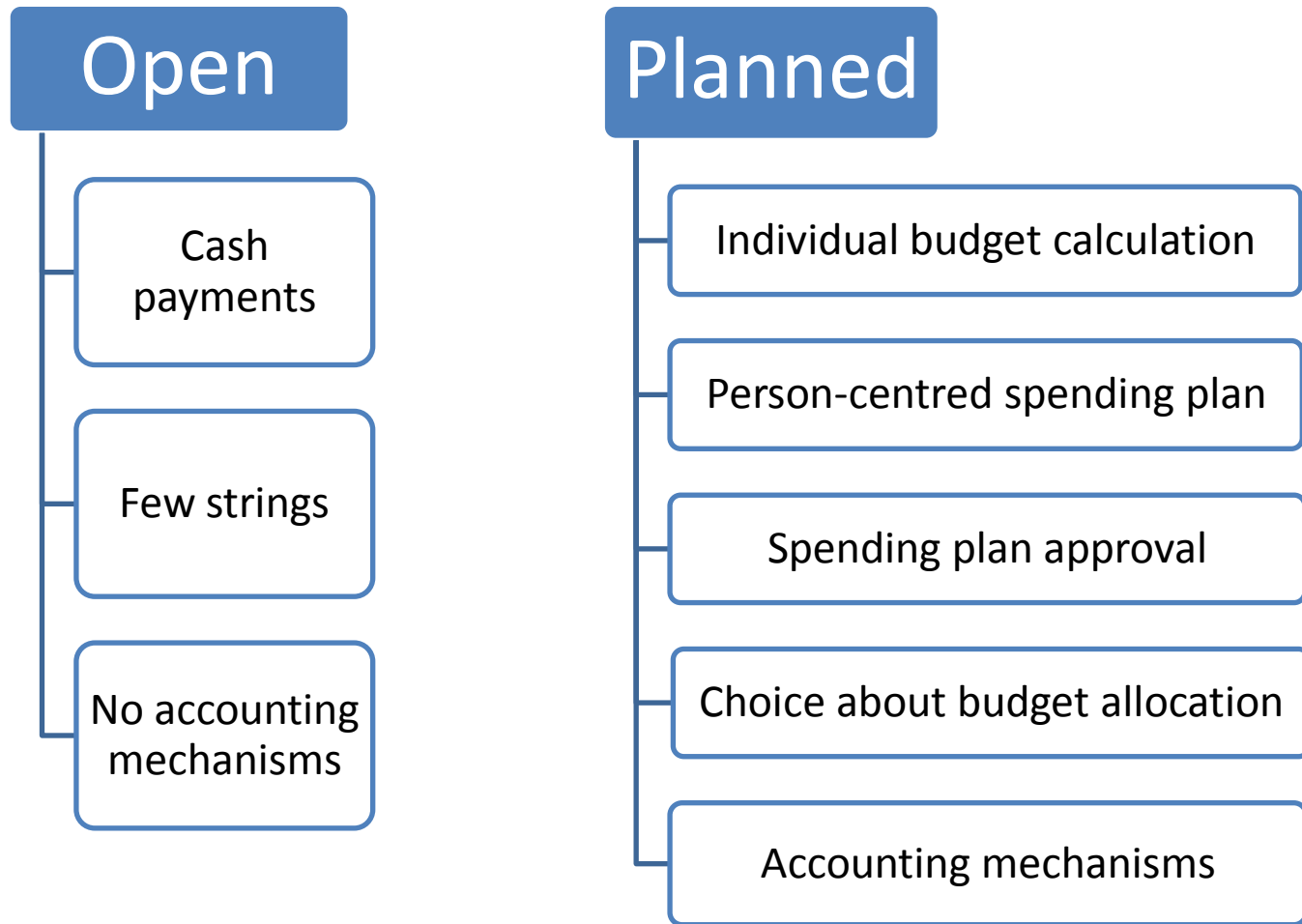


The assumption



Types of personal budgets

(Alakeson 2010)



BUT: Many countries fall between the two, and
Differences *within* models as important as those *between* them

In England ...

- Like those in the Netherlands, the US, Canada and Germany:
 - Involves considerable input from commissioners or providers, but with the aim of increasing the level of autonomy for individuals
- But in England
 - More of an explicit 'health' focus
 - Theoretically more expansive re choice
 - No co-payments or top-ups allowed

What does the evidence suggest?

- The exercise of informed choice depends on some important preconditions
- Choice is often popular, but not everyone values it in the same way
- Choice to budget holders is limited in practice in many different ways
- There are both benefits and costs of choice

Benefits of Choice

- A more 'tailored' health care package vs the 'one size fits all' health care → happier/healthier patient
 - Competition: if money follows the patient, patient choice will encourage providers to improve quality and efficiency
-
- Neither of these are guaranteed.
 - Nor do they arise *solely* from the presence of choice.
 - Nor are they without cost.

Costs of Choice

“There is an irreconcilable conflict – in the context of a fixed health care budget – between allowing individual patients unconstrained choice of treatments that are free at the point of consumption, and the allocation of resources in a cost-effective manner. Individuals may choose treatments that are the most **effective** (and that best meet their preferences) but not the most **cost-effective** (or that reflect the preferences of society as a whole) – with corresponding opportunity costs in terms of health gain foregone by other patients.”

(Appleby et al 2003)

Expand Options

What does the evidence suggest?

- ❖ Some evidence that nursing home use can be reduced
- ❖ PBs are a good way to personalise services
- ❖ Despite large increase in budget holders in the Netherlands, the market has failed to develop
- ❖ In the US, Canada, Finland and Sweden, programmes did not always solve problem of shortages of workers

What does the evidence suggest?

- ☹ PBs have little impact on health outcomes
- 😊 PBs generally improve satisfaction, feelings of wellbeing, and quality of life, but mechanisms are not clear
- ☹ Evidence base remains weak; more ongoing evaluation is required, particularly on longer term and wider implications

Save Money

What does the evidence suggest?

- £ Cost savings possible at individual level, but impact on quality not known
- £ PBs more cost-effective for some than others
- £ Costs can be contained, but at the expense of choice
- £ No evidence for overall cost savings
- £ No evidence of reduced use of health services in longer term
- £ Healthcare spending could easily *increase*

In summary:

- The evidence base is very weak, but it points to:
 - Increased satisfaction and wellbeing for budget holders (not necessarily better 'health')
 - Potential cost savings at the individual level
- International experience and other literature highlights:
 - Potential concerns regarding quality and equity
 - Potential increase in healthcare costs overall
 - Potential concerns regarding suitability for most patients

**Market
development
needed**

**Not a given –
dependent on
attitudes &
processes**

Raised
expectations

Lower satisfaction?
Feelings of regret?

More choice

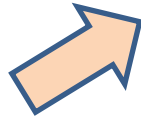
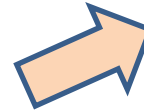
Greater
autonomy

Improved
outcomes at
lower cost

**Decision
support
required**

Choice 'paralysis'?
Choice influenced by
other factors, e.g., guilt?

Increase in costs?
No improvement
in outcomes?



More research needed!

- In particular, to examine longer term consequences (esp. for health, cost and equity)
- And to help assess whether personal budget holding is the *best* way to achieve greater freedom, responsiveness and control for the patient

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