

Governing Body (public) meeting

DATE: 28 November 2013

| Title | Personal Health Budgets (PHB) | |
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| Recommended action for the Governing Body | That the Governing Body: Note the requirement to implement PHB from 1 st April 2014 as laid out in section 1 of the attached report. | |
| Executive summary | From April 2014 people receiving NHS Continuing Healthcare and families of children receiving continuing care will have the right to ask for a personal health budget. BCCG needs to be in a position to implement this policy within the required timescale. A working group has been established and an action plan is being developed. The financial implications of the PHB programme for BCCG are still being assessed. It is a requirement for BCCG to implement PHB and although additional costs will be avoided where possible, these costs will arise in 2013/14 and future years. | |
| Which objective does this paper support? | Patients: Improve the health and wellbeing of people in Bexley in partnership with our key stakeholders | ✓ |
| | People: Empower our staff to make NHS Bexley CCG the most successful CCG in (south) London | |
| | Pounds: Delivering on all of our statutory duties and become an effective, efficient and economical organisation | ✓ |
| | Process: Commission safe, sustainable and equitable services in line with the operating framework and which improves outcomes and patient experience | ✓ |
| Organisational implications | Key risks <small>(corporate and/or clinical)</small> | <ul style="list-style-type: none"> • Risk of fraud • Risk of failure to meet required timescales • Safeguarding risks – including risk of exploitation |
| | Equality and diversity | People eligible for PHB are potentially amongst the most vulnerable of our patients. It will be essential to ensure that this complicated process is accessible and |

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| | | comprehensible to all. |
| | Patient impact | Personal Health Budgets are enablers of choice and person centred care. |
| | Financial | <ul style="list-style-type: none"> • Project management costs to achieve the required timescales; • Increased financial infrastructure costs to calculate and administer personal budgets; • Cost of providing budget management advice and support; • Cost of audit and review of PHBs; • increased care planning and costs due to requirement to negotiate a budget offer; • Potential higher costs of care due to imperfect resource allocation tools. |
| | Legal issues | As with the current Continuing Healthcare process the assessment and calculation of PHBs may be subject to legal challenge from time to time. |
| | NHS constitution | Personal Health Budgets support Principle 4. The NHS aspires to put patients at the heart of everything it does. |
| Consultation (public, member or other) | Not applicable | |
| Audit (considered/approved by other committees/groups) | The paper was considered by the Finance Sub Committee on 12 November 2013 at which the costs of the project manager were approved. | |
| Communications plan | A communications plan will form part of the action plan. | |
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| | Clinical lead | Executive sponsor Theresa Osborne, Chief Financial Officer |
| Date | 13 th November 2013 | |

Personal Health Budgets (PHB)

1. Introduction

From April 2014 people receiving NHS Continuing Healthcare and families of children receiving continuing care will have the right to ask for a personal health budget. On 9 October the government announced that this right will be strengthened and will become a right to have a PHB. People will be able to choose to take their budgets as a direct payment which they manage themselves, appoint a third party to manage it for them or take a 'virtual' budget managed by the CCG. Clearly patients and their carers will require different types of support according to the option they choose and Bexley CCG (BCCG) will need to be able to offer all options. For example those who choose to take the direct payment and manage it themselves may need support with sourcing the care they need, employment law, tax, national insurance etc whilst those who choose to take a virtual budget will need an 'account manager' from the CCG to report to them on the management of their personal budget and ensure it is deployed in accordance with their wishes.

2. Current Position

BCCG needs to be in a position to implement this policy within the required timescale. We are taking part in a comprehensive training and development programme for CHC teams and finance officers provided by NHS England (London) which extends into the spring of 2014. Through this we are benefiting from the experience of the national PHB pathfinders and have access to resources and tools which they have developed. Greenwich CCG is a pathfinder and we are also able to take advantage of our close contacts there.

3. Action Required

Notwithstanding the above support, the timescales for us to put in place the required policies and processes are very tight. The key issues to be addressed are:

| Action | Progress |
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| To develop a PHB policy | Examples from pathfinders are being reviewed |
| To decide on a client group to concentrate on initially, for example people with learning disabilities or younger adults with physical disabilities. | We have decided to exclude fast track patients (ie end of life), mental health and long term conditions initially |
| To decide whether to integrate the PHB processes for children and adults or to maintain the current separation given | We have decided to run separate but parallel adults and children's projects linking with the respective departments |

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| that the children's CHC budget is delegated to Oxleas through the Specialist Children's Services contract. | at London Borough of Bexley as appropriate |
| To determine which resource allocation tool to use - several have been developed by the pathfinders. A judgement will need to be made as to which best suits our needs. | Testing of two possible tools is currently in progress. |
| To evaluate the options for managing direct payments, which could include setting up an in-house process or outsourcing the work, very possibly to the London Borough of Bexley which has existing direct payments processes in place. | Exploratory discussions with LBB have commenced |
| To establish mechanisms for providing advice and support to potential PHB holders in relation to financial advice, safe recruitment, employment law, tax and national insurance etc - again do we provide in house or source a brokerage service? | Exploratory discussions with LBB have commenced |
| To establish mechanisms to protect against fraud. | We will be learning from the PHB Pathfinders and from LBB who have direct payment agreements in place and wealth of experience in this area |
| To evaluate the impact on assessment and care planning and make any necessary process changes to enable care plans to be translated into budgets. | Review of the care planning process has commenced |
| To ensure that adults and children using PHBs are safeguarded and protected from exploitation. | We will ensure that safeguarding leads are engaged in policy development |
| To assess any impact on nursing capacity | To emerge following review of care planning |
| To identify training needs for CHC nurses. | As above |
| To raise awareness of key stakeholders. | Not commenced yet |
| To develop a communications plan and information resources for patients and carers. | Not commenced yet but good practice from LBB has been shared (eg Direct Payments Handobbok) |

A working group has been established and a detailed action plan is being developed.

4. Financial Implications

The financial implications of the PHB programme for BCCG are still being assessed but early indications are that the following risks are present to a greater or lesser degree:

- increased care planning costs due to requirement to negotiate a budget offer;
- Increased financial infrastructure costs to calculate and administer personal budgets;
- Cost of providing budget management advice and support;
- Cost of audit and review of PHBs;
- Potential higher costs of care due to imperfect resource allocation tools;
- Risk of fraud
- Project management costs to achieve the required timescales.

The Finance Sub Committee has approved a budget of no more than £33,250 + VAT for project management until March 2014.

5. Conclusion / Recommendations

It is a requirement for BCCG to implement PHB and although additional costs will be avoided where possible, these costs will arise in 2013/14 and future years.

Members are asked to **NOTE** the requirement to implement PHB from 1st April 2014.

Alison Rogers, Assistant Director for Integrated Commissioning
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