Lord Darzi announced in his NHS Next Stage Review that in 2009, we will start piloting personal health budgets, as a way of giving patients greater control over the services they receive and the providers from which they receive services. The pilots will draw on the experience of other health systems and in social care.

Personal budgets sit in a spectrum of policies of personalisation, which also includes Choice and Care Planning. As the Prime Minister said in the preface to the Next Stage Review:

“We need a more personalised NHS, responsive to each of us as individuals … giving us real control and real choices over our care and our lives.”

What’s the rationale of personal health budgets?
The main aim of introducing personal budgets is to support the cultural change that is needed to create a more personalised NHS. It may be that only a relatively small number of patients would find that their needs lend themselves to a personal health budget, but their impact on the way care is delivered may be much wider.

What’s the difference between personalised care plans and personal health budgets?
Personal budgets are really an extension of care planning. The key differences are that the patient is aware of the resource implications – the budget - and has greater control over how that budget is spent. We foresee 3 broad categories of personal budget, with increasing degrees of user control over resources:

• **Notional personal budget** - Patients are aware of the treatment options within a budget constraint and the financial implications of their choices. The NHS underwrites overall costs and retains ‘risk pooling’, all contracting and service coordination functions.

• **Real personal budget held by the system** - Patients are allocated a ‘real budget’, held by an intermediary (e.g. GP, care coordinator, advocate) on the patient’s behalf. The intermediary helps the patient choose services within the personal budget.

• **Real budget as a cash entitlement** - Patients are given cash payments instead of service entitlement. Patients are expected to purchase and manage services including care coordinators and financial intermediaries themselves. This would be the equivalent of direct payments in social care.

We are planning to test all three models of personal budget in the pilot programme. We will need to legislate in next session’s Health Bill to allow direct payments.
Have you already decided on any rules about the budgets will work?
The key principles are that personal health budgets must:
• fully support the principles of the NHS as set out in the Constitution - a comprehensive service, free at the point of use;
• include tailored support developed to meet the different needs of potential patients, particularly those least well served by existing services;
• be purely voluntary – no one will ever be forced to have a budget;
• be underpinned by safeguards so that no one will ever be denied essential treatment as a result of having a personal budget; and
• make good use of NHS resources, with appropriate accountability.

We want as much flexibility as possible whilst upholding the key principles above. We’ll be gathering experience about what works, so that around the end of the year we can share learning and ask for formal expressions of interest for the pilots.

Who can have one?
We have already heard that those with long term conditions, those receiving NHS Continuing Healthcare and users of mental health services might be well placed to benefit. We would like to hear your views on where personal budgets would be most useful, for example patient groups, services and circumstances.

Will PCTs who are already exploring personal budgets have to stop?
Not at all. We are keen to work with PCTs who are already considering or exploring the idea of personal budgets locally.

Will patients who already have something like a personal budget need to change their arrangements?
No. However, we would recommend that the patient talk to their care coordinator or doctor and find out whether the area they are in is thinking of taking part in the pilot. We would also really like to hear from individuals who have already experienced having more control over the health care they receive and what they think the benefits and disadvantages were.

Will everyone who takes part in the trial get a direct payment?
No. Direct payments are likely only to be an option in certain circumstances. We would welcome your views on where direct payments would be most useful. Also, this part of the pilot programme could not start until we have the necessary legislation in place, which is likely to be in 2010.

PLEASE KEEP IN TOUCH. We would be really pleased to hear from you about your experiences so far and what you hope will come out of the pilot programme. We’ll try to answer your questions too!
In the first instance please write to personalhealthbudgets@dh.gsi.gov.uk or call Nicola Watt on 0207 210 5140.