

PAYMENT BY RESULTS AND RECOVERY

[The Recovery Partnership (Recovery Group UK, the Substance Misuse Skills Consortium and DrugScope) was invited by the Inter-Ministerial Group (IMG) on Drugs to submit a short paper on 'payment by results'. The Partnership would like to thank all those who contributed thoughts and ideas and particularly those who commented on the draft of the paper. The paper below was discussed at the September meeting of the IMG]

Recovery Partnership briefing for the Inter-Ministerial Group on Drug Policy

The Recovery Partnership welcomes the ambition for recovery outlined in the drug strategy, and supports its focus on recovery outcomes in the commissioning and delivery of services. The move away from performance mechanisms focused on activity and outputs will enable commissioners and providers to innovate and better meet local needs.

We know that considerable care is being taken in developing and implementing the drug recovery pilots and note that there are different ways of developing 'payment by results' (PbR). At the same time, the timetable for designing and delivering the PbR for drug recovery has been shorter and ambitious compared with other PbR schemes (e.g., for Specialist Alcohol Services and the extension of PbR to mental health in the NHS). We appreciate that this paper focuses on issues, but we would very much welcome the opportunity to work further with Ministers and officials to identify local and national courses of action to help address them.

While it is important to 'get it right' on PbR, this is only one means by which outcomes can be potentially incentivised and improved. The focus on PbR risks, for example, unhelpfully 'crowding out' time and resources for exploring and developing other approaches to improving recovery outcomes (including personal health budgets or personalisation, as in social care). PbR should be a feature, not an end in itself, to facilitate positive change.

A key issue continues to be the practice and quality of commissioning. This varies significantly and it is understandably difficult for service providers (of whatever size) to highlight and address concerns. The need to change cultures and working practices to deliver a recovery focused system needs to be seen in the wider context of how treatment and recovery services are commissioned and funded, and how commissioning practice can be improved and held accountable. This is particularly so given the Government's wider reform programme, including the introduction of Public Health England and transfer of responsibility for drug and alcohol treatment to local authorities and Directors of Public Health (who at the same time will be assuming responsibility for a range of other public health responsibilities and developing new relationships with other emerging structures such as clinical commissioning groups).

PbR: Key issues for the Recovery Partnership

Some issues (theoretical and practical) are arguably inherent in any PbR system - e.g., avoiding perverse incentives such as cherry picking clients, and establishing outcomes, levels of tariffs and timing of payments ('By their fruits...Applying payment by results to drugs recovery', UK Drug Policy Commission, 2010). The challenges are particularly acute for services for people with often quite complex, differing and variable needs linked to their dependency (including mental and physical health problems, family breakdown, unemployment and homelessness). A system of PbR for treatment and recovery presents significant practical challenges (e.g., people with multiple needs not falling through gaps in provision, and how services respond to relapse) as well as potential opportunities.

It is not possible to provide a full critique in this paper of the outcomes recommended for the drug recovery PbR pilots but there is still much to be resolved, including how the Local Area Single Assessment and Referral System (LASARS) will operate. Key issues include:

Supporting recovery: A flexible, responsive and genuinely person centred approach to recovery requires collaboration between a range of services and sectors that contribute to a recovery journey. The 'Payment by Results for Drugs Recovery Invitation to Participate' acknowledged this by stating that the models to be developed 'will cover *all* treatment and recovery services for adults...in the locality' [emphasis added]. The evidence so far raises serious doubts as to whether frameworks for PbR will incentivise local integration and the holistic recovery focused ambition in the drug strategy. It is a concern, for example, that there is no nationally approved employment, training or education related outcome for the PbR pilots (although these can be developed locally), nor a families related outcome. The focus in the pilots is primarily on outcomes which can be delivered or measured by the treatment system rather than wider recovery services and those which can help build recovery capital. (A housing outcome is included, which we welcome, but is narrowly defined by the definition for the TOP form).

Cash-flow and commissioning: The impact of PbR on cash-flow is a significant issue, and not exclusively for smaller (often locally based) organisations. Factors include the timing of payments, tariff levels, the balance of 'up front', interim and final payments, and whether an organisation is a 'prime provider' or sub-contractor. Diversity and a level playing field for *all* providers to contribute their expertise are key. This is, for example, an issue for smaller residential rehabilitation providers, particularly those providing a service across commissioning boundaries. Commissioners may seek to minimise potential risks and uncertainties by, for example, setting criteria which make it difficult for smaller and specialist providers to compete in tendering and participate. Where a 'prime provider' model is commissioned there are (as currently evidenced by the Work Programme) issues emerging about sub-contracting. It is possible for commissioning and payment structures to make it more financially viable for smaller organisations with good practice and expertise to engage.

Innovation and evidence based services: A balance needs to be struck between local freedom and flexibility and ensuring that treatment and other services are evidence based, safe, effective, holistic and efficient. We welcome the statement in 'Healthy lives, healthy people' that the NHS Constitution will apply to the public health service. It will be helpful to set out what this means for drug and alcohol service provision and how it should inform commissioning decisions. We also welcome the commitment to evaluate the recovery pilots, and the flexibilities in the co-design process as it has progressed - although the variability in delivery across the pilots (e.g., timing, the use and location of LASARS and differing funding arrangements) presents challenges for robust and meaningful evaluation. Other non-pilot areas are also introducing PbR systems or elements of PbR. While consistent with greater freedoms, these are sometimes being introduced in the absence of evaluation, evidence or guidance. There is currently no clear national picture as to how drug and recovery PbR overall is being introduced and whether commissioners are being guided primarily by the freedom to innovate, financial restraints or by a belief that PbR is *required* as a matter of policy. It will be important to monitor PbR schemes carefully to identify and address early on indications of 'system failure', and to ensure a robust and consistent outcome focus and local accountability.

Service user choice: Service user choice should be an important component of PbR models – however, it is unclear how (or whether) this will be reflected in the operation of PbR pilots (e.g., given how LASARS may be commissioned). It is important that PbR has sufficient flexibility to take account of (and facilitate) choice and the recovery goals, motivations and priorities of individual service users.

Co-ordination: Different approaches are being taken to the development and implementation of PbR across Government. It is important to ensure co-ordination and consistency across departments, including for evaluation, sharing of learning and funding. We would welcome the opportunity to work with Government on how best to support consistency. We will continue to work with our memberships and others to monitor the development of systems of payment by results and their impacts - on service providers, partnerships and particularly service users and their families.

Recovery Partnership
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