Options for the future NHS funding of hospice care in England

A consultation paper

September 2010
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Introduction

As part of the agreement between the Liberal Democrats and the Conservative Party to form the government there is a commitment to introduce a new funding system for hospice care in England.

In July 2010, the government announced a review of palliative care funding that will report in summer 2011\(^1\), and which will form the basis of the new funding system for hospice and palliative care providers. The review will examine funding for palliative care across the board, including the voluntary, commercial and statutory sectors, and will apply to both adults’ and children’s services.

Both the review and the commitment to introduce a new system for hospice funding present us with a once-in-a-generation opportunity to influence the shape of future statutory funding for the care provided by local charitable hospices.

Help the Hospices is aware that members have different views on both the mechanism and levels of NHS funding for hospice care. The purpose of this discussion paper is to seek your input to inform our negotiating position with the government during the coming year.

This discussion paper provides members with information on the political context, as well as exploring models of hospice funding around the UK. It goes on to propose a framework against which we will be able to assess the different options for hospice funding, before applying the draft framework to some of the most commonly discussed funding options.

Throughout the paper, we have highlighted a number of key questions on which we would particularly welcome your input. You are, of course, welcome to comment on any aspect of the paper.

We would welcome your comments and input by 8 October 2010. Information on how to submit your thoughts is included at the end of the paper.

Jonathan Ellis
Director of public policy and parliamentary affairs
Help the Hospices

\(^1\) [http://palliativecarefunding.org.uk/](http://palliativecarefunding.org.uk/)
Building a consensus on future hospice funding

Although there are many different views on how local hospices should be funded by the NHS, it is widely accepted that the current system, which is characterised by inconsistency and variation, needs to be reformed.

As your membership organisation, Help the Hospices wants to make sure that the voice of hospice care is prominent in the review as it progresses, and that any subsequent government proposals for reform have been developed with extensive hospice input and command the support and confidence of the local charities that provide the majority of hospice care.

Building a consensus on future hospice funding will not be easy, but it is imperative that we are able to present a consistent message to government during the coming months.

To help us to achieve that, the consultation process that we have developed will have a number of stages.

This paper is stage one. Our objective at this point is to seek your views on what a funding system for hospice care should be able to deliver. Later in the paper, we set out a proposed framework that we could use to evaluate different funding options.

Stage two will involve a series of four consultation events around England at which we will explore the options for a potential funding system in more detail, using the framework that will have been developed in stage one. Those consultation events will seek to build a local hospice consensus on the preferred model.

In stage three, we will be aiming to develop and refine the preferred model of hospice funding so that we are able to submit the model to the government later in the calendar year.

To maximise our ability to influence the review of palliative care funding, it is essential that all member hospices in England get involved in this work during the coming weeks.
The political context

The coalition programme for government

The binding agreement between the Liberal Democrats and the Conservative Party contains a specific commitment relating to the funding of hospice care:

"We will provide £10 million a year beyond 2011 from within the budget of the Department of Health to support children’s hospices in their vital work. And so that proper support for the most sick children and adults can continue in the setting of their choice, we will introduce a new per-patient funding system for all hospices and providers of palliative care."²

The additional resources for children’s hospices were announced on 26 June³. However, so far, the government does not have a clear proposal for how such a ‘per-patient’ funding system might work in practice. It is, however, highly significant that the government has chosen to include a specific commitment on hospice funding within the coalition agreement, and an indication of the importance that the government is giving the issue.

The review of palliative care funding

On 9 July 2010, the Department of Health announced a review of palliative care funding that will report in summer 2011⁴. Launching the review, care services minister Paul Burstow MP said: “I am delighted that we are today taking the first step to honouring our commitment to introducing a new per-patient funding system for all hospices and providers of palliative care.”

The terms of reference⁵ for the review have now been published, and are copied below.

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Terms of reference

To review the current funding mechanisms for dedicated palliative care for adults and children.

To consider and quantify the impact of changes in funding mechanisms, based on an NHS tariff to meet NHS responsibilities, regardless of the choice of provider, on a per-patient basis.

To make recommendations on a funding mechanism which:

- is fair to all sectors, including the voluntary sector
- encourages the development of community-based palliative care services
- supports the exercise of choice by care users of provider and of location of palliative care provision.

Phase one of the review should offer a definition of dedicated palliative care services, together with some indicative costs, by autumn 2010.

Phase two should make detailed recommendations for the mechanisms for funding the core service across all sectors by summer 2011.

A national stakeholder event took place on 3 September 2010 at which there was a significant representation of local charitable hospices.

The review and its subsequent recommendations will apply to all providers of palliative care, including hospices. As a first step, the review is seeking to define exactly what would be funded by the new system. The review will produce an interim report in autumn 2010 that will aim to define ‘dedicated palliative care’ in more detail, and to give an early indication of whether there is a need for the government to invest more resources. Member hospices are encouraged to take part in a separate online discussion on the members area of the Help the Hospices website about the definition of ‘dedicated palliative care’.

The review presents us with an opportunity to propose a model of hospice funding that is more suitable than the existing system. Our ability to successfully make a case for more resources will depend entirely on whether we are able to propose a model of NHS funding that is capable of commanding political support, particularly within the current economic and policy context, and which can potentially ‘unlock’ resources from elsewhere within the NHS for investment in palliative care services.

6 [http://www.helpthehospices.org.uk/members/login/policy/]
The NHS white paper – Equity and excellence: liberating the NHS

It is important to recognise that the commitment to a new funding system for hospices in England comes within the context of the government’s wider reform agenda for health and social care.

In July, the government published a new white paper, setting out its plans for reform of the NHS. Help the Hospices produced a briefing for members that summarises the main proposals within the white paper and that considers the potential implications for local hospices in the coming years.

The white paper provides an important and useful insight into the direction that the coalition government is aiming to take the NHS. It includes several key proposals:

- A major reform of commissioning – Consortia of GP practices will take on the commissioning function from primary care trusts (PCTs), under the guidance of a new independent NHS commissioning board.

- An extension of patient choice – Choice will be extended beyond choice of provider to choice of treatment by 2013-2014. In end of life care, there will be a new ‘national choice offer’ to support people’s preferences about how to have a good death. Personal health budgets will be extended after the pilot phase is complete in 2013.

- A new focus on outcomes – Process targets will be replaced by measures of outcomes.

- A new system for payments and pricing – The NHS Commissioning Board will be responsible for payment systems in healthcare, while Monitor (currently the financial regulator for NHS foundation trusts) will take on responsibility for pricing. Monitor will become the economic regulator for healthcare, and providers will be required to be licensed by Monitor in order to provide NHS services.

The government is continuing to consult on the proposals, and will be presenting a new Health Bill to parliament later in the autumn to enact the changes. You can read more about the white paper in our members briefing.

The direction of travel set out in the white paper indicates that the government is pushing ahead with steps to build a market in health care in which providers compete on the basis of a more level playing field of prices and regulation. This, of

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8 Help the Hospices. Equity and excellence: liberating the NHS – Briefing for members.  

9 Ibid.
course, has implications for how the new ‘per-patient’ funding system for hospice care might be developed.

**Building the Big Society**

The prime minister has described the Big Society agenda\(^{10}\) as his personal legacy and a defining characteristic of the government’s programme.

Although details of exactly how the Big Society agenda will roll out have been slow to emerge, there are a number of elements of the programme that are highly relevant to any consideration of future models of hospice funding.

There are five key themes to the government’s Big Society agenda:

1. **Giving communities more powers** – for example, through a new right to bid to run local state-run services
2. **Encouraging people to take an active role in their communities** – by promoting volunteering, including a new National Citizen Service
3. **Transferring power from central to local government** – by giving local authorities a general power of competence
4. **Supporting co-operatives, mutuals, charities and social enterprises** – promoting an expansion in services, and a greater role in the delivery of public services
5. **Publishing government data** – opening up access to government data

You can read more about the government’s Big Society programme in our members briefing\(^{11}\).

What the emerging Big Society agenda tells us is that the government appears to be committed to a plurality of voluntary and community organisations taking a greater role in the delivery of public services, although as yet the government has not made any comment on the way in which voluntary and community organisations would be funded to take on such an enhanced role. Again, it is an important part of the context to considering potential future models of hospice funding in England.

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The existing framework for state funding of hospice care in England

There are a variety of ways that local hospices receive funding from the NHS for the care that they provide. A characteristic of the existing system is the wide variation in both the levels of funding received and the way in which that funding is given.

Over the years, we have used the average proportion of costs (excluding fundraising) as a general measure of the level of funding that the NHS has provided. While this is a useful indication of general trends over time, it also conceals the wide variation in the amount of statutory funding that different hospices receive. The charts below are taken from the latest edition of ‘Hospice accounts’\(^\text{12}\), and clearly show the enormous differences in the levels of funding.

\(^{12}\text{Help the Hospices. Hospice accounts: analysis of the accounts of UK independent voluntary hospices for the financial year to March 2010. London: Help the Hospices, 2010.}\)
The mechanics of how NHS funding is provided also vary considerably around England. There are, essentially, only two different models of funding in use in England at present:

1. **Grant funding** – Historically, most hospices received funding from the NHS in the form of a grant. Although grants appear to have been in decline as the mechanism of choice for the NHS in recent years, many hospices continue to receive some or all of their NHS funding in this way. The grant is often seen as a contribution towards the costs of the care provided by a hospice, rather than an attempt to fund the full costs of the care provided on behalf of the NHS.

2. **Local tariff** – A small number of PCTs have sought to develop local tariffs for palliative care services commissioned from hospices. These have been developed as an off-shoot of the ‘payment by results’ system, yet are not nationally defined.

Within this context, there are three principal types of agreement used to deliver either the grant or tariff funding:

1. **NHS community contract** – In recent years, the introduction of the standard NHS community contract has seen increasing numbers of hospices asked by their PCT(s) to move from grant funding to a formal contract. In addition to what is described as the NHS standard terms and conditions, the contract should describe in some detail the services and volumes that are being commissioned. However, in many instances, the contract does not address that level of detail on the services being funded.

2. **Service level agreement** – Many hospices now have service level agreements (SLAs) with their local PCT(s). These agreements have varying levels of detail about the services being commissioned. In some instances, the document focuses on top-level service objectives, while in others, they can be far more detailed with complex service specifications and indicators. SLAs can be used in conjunction with either grants or contracts.

3. **Joint funding agreements** – More recently, some hospices in the West Midlands have been successful in negotiating a joint funding/joint commissioning agreement with local PCTs that explicitly recognises that both the NHS and the local hospice are jointly funding palliative care services within their local communities, and that they have some shared objectives (as well as objectives that are specific to their own organisations).

It is important to note that these different models of hospice funding are not mutually exclusive. It is not uncommon for hospices to receive NHS funding in a number of different, eg a contract for one aspect of the service, with a grant for everything else. Grant funding, even if it is disguised as an SLA or other form of agreement, remains the most common way in which hospices receive NHS funding.
Given the variation in both the levels of NHS funding that local hospices receive and the mechanisms used, it is perhaps not surprising that so much depends on the relationship between the local hospice and relevant PCTs as local commissioners.

The government’s commitment to introduce a new funding system for hospice care presents us with an opportunity to tackle these variations and to come up with a model of hospice funding that is fair and sustainable.

Questions for our members

**Question 1:** What do you consider to be the principal weaknesses, or strengths, of the ways in which hospices receive funding from the NHS currently? Is there anything that you would wish to retain from the current system?

**Question 2:** Do you believe that there is a need for the government to develop a new national system for hospice funding in order to address the variation in the level of funding and the mechanisms used by the NHS locally?

**Question 3:** Would you welcome a consistent, national approach to hospice funding?
Hospice funding around the UK

There are a variety of ways in which hospice care is commissioned and funded around the UK. In this section, we summarise the models of commissioning and statutory funding for hospice care in Scotland, Wales and Northern Ireland.

Scotland

The framework for allocating funds to hospices in Scotland differs significantly from the English model of commissioning. For one, since 2003 Scottish NHS boards have been required to fund 50% of the agreed annual running costs of independent voluntary hospices providing specialist palliative care within their area. Also, since devolution there has been a move away from competitive ‘internal markets’ in Scottish healthcare provision and a shift in emphasis towards ‘strategic planning’ and ‘partnership’ approaches, which has rejected the commissioning terminology.

Community health partnerships in the 14 regional NHS boards are responsible for providing primary care and social services in local communities. In recent years, these partnerships have been encouraged to develop a palliative care action plan to coordinate the involvement of NHS, voluntary sector and council partners in planning and delivering palliative care. NHS boards are expected to deliver palliative care plans by negotiating service agreements with voluntary hospices.

The system by which service agreements are negotiated is presently under review. Indicators are that Scottish officials are rethinking issues surrounding commissioning. In 2009, a Public Audit Committee (Scotland) (PAC) review recommended that to make sure they deliver best value for money, NHS boards should negotiate robust commissioning and monitoring arrangements with the voluntary sector for the delivery of palliative care services. It proposed that boards adopt formal mechanisms for discussing service agreements with hospices in their area and suggested that the Scottish Government offer further guidance on what such agreements should include. The PAC proposals are currently being considered and a review of NHS hospice funding in Scotland is expected to be completed soon.

In recent years, there has been considerable concern among local charitable hospices that the agreement to fund 50% of agreed costs is slowly being eroded, with several hospices now receiving significantly less than that.

Wales

In Wales, the Welsh Assembly Government has taken a different approach to the funding of palliative care services. The Welsh Palliative Care Implementation Board was charged with implementing the recommendations of the 2008 Sugar Report on

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providing good quality palliative care for Wales. That report found a need to address inequity in the availability of palliative care services across Wales. It proposed drawing up long-term agreements for service provision over at least a three-year funding cycle, which would allow providers to plan for the future, and suggested that voluntary sector organisations should be included as equal partners in these planning decisions. There was an emphasis on ‘expert commissioning’ and the development of formal arrangements by which regional commissioning units and an All Wales Commissioning Panel could make sure that the services provided across Wales are those most suited to the particular areas and groups they provide for, and that they value quality not merely financial concerns.\textsuperscript{15}

Alongside this, the report recommended that the All Wales Core Palliative Care Service should be used as a basis for distributing additional funding to the voluntary sector in order to help hospices maintain their core functions, at least until more stable relationships are built up between the NHS and providers.

Interim funding agreements were issued to hospices for 2008-2009, although these were not without controversy. What happens after this is less clear as Wales is in the midst of overhauling healthcare service provision. The Department for Health and Social Services has declared that it intends to abolish with the internal market and the purchaser-provider split, and to abandon ‘commissioning’ and replace it with a ‘strong and effective planning system’\textsuperscript{16}, which would be a move towards the system in Scotland.

On 1 October 2009, the reorganisation of NHS Wales came into effect; the previous trust and local health board system has been replaced with single local health organisations in the form of seven new local health boards, which have responsibility for planning, designing, developing and securing the delivery of primary, community and in-hospital care services. Under the new system, it is intended that planning will be ‘a continuous process aimed at improvement - a constant questioning of resource use and activities, coupled with a responsiveness to change’\textsuperscript{17}. However, it remains to be seen how this will affect the allocation of funds to Welsh hospices in the future.

**Northern Ireland**

In Northern Ireland, commissioning is undertaken in a similar way to England, although health and personal social services are provided as an integrated service by health and social services boards. There is a strong emphasis on commissioning as an ‘end-to-end’ process, providing the package of care and services needed from cradle to grave.

\textsuperscript{15} Palliative Care Planning Group. *Report to the minister for health and social services*. Palliative Care Implementation Board, 2008.


The Department of Health, Social Services and Public Safety (DHSSPS) has recently redesigned the mechanisms for commissioning healthcare. Following the reforms of April 2009, there are five geographically based local commissioning groups (LCGs), which function as the ‘main engines’ for commissioning healthcare. These have devolved budgets for which they are accountable to the regional health and social care board (RHSCB) in that area. LCGs are charged with making care commissioning decisions in light of the identified needs of their population and available resources. They are also expected to take ownership and control of their local commissioning agenda, set strategic direction, and exercise effective oversight and management\(^\text{18}\).

Commissioners and providers of health and social care are expected to conclude service and budget agreements at the start of every financial year. The DHSSPS intends to formalise this process, making contractual relationships between commissioners and statutory providers more formal in terms of the expectations placed on each party and nationally standardising issues such as terms and conditions of contract, quality standards and the financial regime.

Importantly in Northern Ireland, RHSCBs are encouraged to promote a sustainable market in healthcare provision and ‘work in partnership with providers, seeking to realise all opportunities to secure delivery of significantly higher standards for safe good quality care and improved health and well-being’\(^\text{19}\). Currently, RHSCBs collectively make SLAs directly with a range of non-statutory providers to a value of approximately £50 million a year.


Developing a framework for assessing the funding options

There are several options for the long-term funding of hospice care in England. Although the government is committed to a ‘per-patient’ funding system, the government has not, as yet, confirmed how such a system would operate.

To help us to be able to assess the options, we need a framework against which to evaluate the extent to which any future model of hospice funding does, or does not, meet the needs of local hospices. This will help us to determine which option, if any, is the preferred option.

One of the key strengths of the hospice movement is its diversity and localism. However, introducing a consistent national approach to hospice funding could help to remove the variation in the level of funding, and in the mechanisms used, at a local level. It will be essential to guard against a ‘levelling down’ of funding to a notional average, and vital to show the financial benefit of unlocking resources from elsewhere within the NHS to be reinvested in palliative care.

As local charities, hospices are unique providers of essential care services. A funding system needs to reflect the specific needs that local hospices will have as providers of care within an increasingly commercialised healthcare market. This may mean that there would need to be a different approach to funding hospices compared to other providers of palliative care services, such as the NHS, or indeed, the private sector.

As a first step, we have put together a draft framework that has eight domains. The framework will be used to assess different options for the future statutory funding of hospice care, and, once finalised, will be submitted to the government during the review process.

Question for our members

**Question 4**: As well as the local diversity of hospice care, and the impact of increasing competition, are there additional considerations that need to be taken into account in developing a new system for hospice funding that are different for local hospices compared to other providers, such as the NHS?
Suggested draft framework for assessing the options for hospice funding

**Domain 1: Protect independence**
The funding model should promote and protect the independence of local charitable hospices, and support the underlying philosophy of hospice care.

**Domain 2: Volume based, not resource based**
The funding model should be linked in some way to the needs of the local community and the volume of services provided by a hospice, and not just the resources that the NHS might have.

**Domain 3: Consistent**
The way in which funding is allocated should be consistent, both geographically and over time. In essence, the NHS should use a consistent framework for funding and commissioning hospice care, against defined, consistent outcomes.

**Domain 4: Cost reflective**
The level of funding should in some way reflect the cost of providing the care, whether this is done prospectively or retrospectively. This could be either on a ‘full-cost’ basis or as an agreed proportion of costs.

**Domain 5: Transparent**
The mechanism and level of hospice funding should be transparent and based on agreed processes, with opportunities for redress if things go wrong.

**Domain 6: Sustainable**
Funding should be agreed and paid on time, and should provide hospices with long-term confidence about the state funding that they will receive, eg through multi-year contracts or agreements. The funding framework must also be politically and economically sustainable.

**Domain 7: Simple**
The funding mechanism must be straightforward and must not create inappropriate additional bureaucracy for local charitable hospices.

**Domain 8: Fair**
The mechanism for state funding should provide a level playing field for hospices compared to other providers.

Questions for our members

**Question 5:** Do you agree with this proposed framework? Are there any domains that are missing from this list, or any that should be removed?

**Question 6:** Would you weight the importance of any of the domains more highly than others?
The options for future hospice funding

There are several potential models of future statutory funding for hospice care. In this section, we use the framework to explore the strengths and weaknesses of four of the main options that have been discussed previously. As mentioned previously, these different models are not necessarily mutually exclusive.

It is important to note that there will be other possible options for NHS funding of hospice care in England. This section is not intended to be an exhaustive analysis of the potential models, but is designed to simply show how the framework discussed above could be applied. At this stage, we are particularly interested in your views about what a funding model should deliver for hospice care, and on the framework outlined on page 16. The consultation events that we will be organising later in October will explore the options for funding in more detail.

Local grant funding

Historically, most hospices in England were funded primarily through local grants from PCTs (or their equivalent). The grants are often perceived as being a contribution from the NHS towards the costs of providing care to local people. In recent years, the use of grant funding has become less frequent, as increasing numbers of PCTs move towards contracts and service level agreements.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>Protects the independence of local hospices from the NHS.</td>
<td>The amount of funding is dependent on available resources and may not be linked to community needs.</td>
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<tr>
<td>A true grant system has little administrative burden.</td>
<td>Creates inconsistency around the country, with different hospices funded at different levels depending on the financial status of the PCT.</td>
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<td></td>
<td>Difficult to plan beyond the grant term.</td>
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<td></td>
<td>May not be linked in any way to the cost of providing care, and is not responsive to fluctuations in demand or activity.</td>
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<td></td>
<td>Is not transparent, and it is difficult to appeal.</td>
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<td></td>
<td>Is almost entirely dependent on the personal relationships between the PCT and the local hospice.</td>
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Percentage of costs

Over the years, we have used the average proportion of costs covered by NHS funding as a measure of the level of financial support for hospice care by the government. This is also the system by which hospices are funded in Scotland, as described on page 12. In the past five years, the average proportion of expenditure (excluding fundraising) that has been funded by the NHS has remained relatively stable at between 32 and 34%.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>Capable of protecting the independence of local hospices.</td>
<td>Is not linked to any assessment of the needs of the local community (unless there is a mechanism to do so).</td>
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<tr>
<td>Consistent among local hospices.</td>
<td>The link with the true costs of providing care is unclear, particularly the ability to reflect different costs among different local hospices.</td>
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<tr>
<td>Would be publicly transparent.</td>
<td>If the percentage is based on ‘agreed costs’ (as it is in Scotland), it could result in regular negotiations and debate about what costs would be ‘agreed’.</td>
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<tr>
<td>If the percentage was agreed on a multi-year basis, it provides stability and sustainability.</td>
<td>Agreeing the percentage would by its nature be arbitrary.</td>
</tr>
<tr>
<td>Is a simple system to operate, with minimal administrative overheads for local hospices.</td>
<td>Future governments could seek to reduce the agreed percentage of costs to be covered.</td>
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Tariff

Many members will recall that the previous government had attempted to extend the use of tariffs to voluntary sector providers, following the ‘payment by results’ model. Despite the fact that the government failed to find a way to make such a system work nationally, in recent years, several PCTs have begun to actively explore and develop local tariffs for palliative care services.

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<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tr>
<td>It provides a consistent national approach to the costs of care.</td>
<td>If developed as a national system, the price of services would not reflect different local costs or the needs of the local community.</td>
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<tr>
<td>It is a transparent system, with funding linked to levels of service activity.</td>
<td>If developed as a national framework with local pricing, the price of different services would be influenced by the resources available to commissioners, not necessarily by local needs.</td>
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<td></td>
<td>A tariff system would be administratively burdensome for local hospices.</td>
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<td></td>
<td>Hospices would have to compete with other providers who may have lower costs or overheads.</td>
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<td></td>
<td>It would be difficult to determine activities or services that should or should not be included.</td>
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Pathway funding

In the revisions to the NHS Operating Framework, published in July 2010, the government gives perhaps the clearest indication yet of the way in which it is beginning to think about how the ‘per-patient’ funding system might work in practice. It points to the example of the ‘year of care’ pathway that has been developed by the MND Association for patients with motor neurone disease (MND)\textsuperscript{20}. Although the MND pathway does not seek to ascribe costs and prices to the care that is provided, it does identify in some detail the interventions of different care professionals and services for MND patients. Little is known about how such a system might operate for palliative and end of life care, but we have included it here as it is clearly part of the government’s current thinking.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>Could relatively easily be linked to an assessment of local community needs.</td>
<td>Could be complex to administer, both for the NHS and for local hospices.</td>
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<tr>
<td>Provides a consistent national framework</td>
<td>Pricing and costs would likely continue to be agreed locally and therefore maintain geographical variation in the levels of funding.</td>
</tr>
<tr>
<td>Provides a sustainable framework (but the link to costs remains unclear).</td>
<td>It is unclear how such a system would be linked to levels of funding.</td>
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<td></td>
<td>It would be difficult to judge where a patient with palliative care needs might be on such a ‘pathway’, compared to patients with other conditions. There is a risk that tools such as the LCP could become the trigger for such a system.</td>
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Questions for our members

**Question 7**: Do you agree with this assessment of the strengths and weaknesses of these four options for statutory funding of hospice care? Are there other considerations that we should bear in mind?

**Question 8**: What other potential models of the statutory funding of hospice care should we consider? Please describe how the proposed system would work, using the framework provided in this discussion paper.

\textsuperscript{20} MND Association. *MND year of care pathway.*
Initial assessment of the main funding options

Using the draft framework, we can begin to assess the options for the long-term funding of hospice care. Please bear in mind that this is only an initial assessment, designed to promote comment. The framework itself will be refined based on the comments of member hospices, and a full assessment will be made of the options against the final framework later in the autumn.

<table>
<thead>
<tr>
<th></th>
<th>Local grants</th>
<th>% of costs</th>
<th>Tariff</th>
<th>Pathway</th>
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<tbody>
<tr>
<td>Independence</td>
<td>Met</td>
<td>Partially met</td>
<td>Partially met</td>
<td>Not known</td>
</tr>
<tr>
<td>Needs based</td>
<td>Partially met</td>
<td>Not met</td>
<td>Not met</td>
<td>Met</td>
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<tr>
<td>Consistent</td>
<td>Not met</td>
<td>Met</td>
<td>Met</td>
<td>Partially met</td>
</tr>
<tr>
<td>Cost reflective</td>
<td>Partially met</td>
<td>Met</td>
<td>Partially met</td>
<td>Partially met</td>
</tr>
<tr>
<td>Transparent</td>
<td>Not met</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
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<td>Sustainable</td>
<td>Not met</td>
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<td>Simple</td>
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<td>Fair</td>
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Question for our members

Question 9: Do you agree with this initial assessment? Are there other considerations for the four principal funding models that we need to include?
Summary of the key questions

The existing framework for state funding of hospice care in England (page 11)

Question 1: What do you consider to be the principal weaknesses, or strengths, of the ways in which hospices receive funding from the NHS currently? Is there anything that you would wish to retain from the current system?

Question 2: Do you believe that there is a need for the government to develop a new national system for hospice funding in order to address the variation in the level of funding and the mechanisms used by the NHS locally?

Question 3: Would you welcome a consistent, national approach to hospice funding?

Developing a framework for assessing the funding options (pages 15 and 16)

Question 4: As well as the local diversity of hospice care, and the impact of increasing competition, are there additional considerations that need to be taken into account in developing a new system for hospice funding that are different for local hospices compared to other providers, such as the NHS?

Question 5: Do you agree with this proposed framework? Are there any domains that are missing from this list, or any that should be removed?

Question 6: Would you weight the importance of any of the domains more highly than others?

The options for future hospice funding (page 20)

Question 7: Do you agree with this assessment of the strengths and weaknesses of these four options for statutory funding of hospice care? Are there other considerations that we should bear in mind?

Question 8: What other potential models of the statutory funding of hospice care should we consider? Please describe how the proposed system would work, using the framework provided in this discussion paper.

Initial assessment of the main funding options (page 21)

Question 9: Do you agree with this initial assessment? Are there other considerations for the four principal funding models that we need to include?
How to submit your views

The government’s review of palliative care funding presents us with an important opportunity to set out the model of statutory funding that members wish to see put in place. It is therefore vitally important that we hear from as many members as possible.

Help the Hospices welcomes your views and comments on the any of the issues contained within this discussion paper. In particular, we would welcome your reflections on the key questions that have been highlighted in this paper.

We would welcome both personal views, and comments on behalf of your hospice.

You can submit your views through the members area of the Help the Hospices website using the online form provided. Please submit your views by 8 October 2010. Comments submitted earlier would, however, be particularly welcome.

We appreciate that this is a tight deadline to respond, but if we are to successfully capitalise on the opportunity that this review presents, it is necessary to move very quickly.

Help the Hospices will produce a summary of the comments that we receive from members, which we will make available on the members area of the website.
Next steps beyond the consultation

This member consultation is the first step in a programme of activities to make sure that we are able to successfully influence the outcome of the review of palliative care funding.

Later in October, Help the Hospices will be holding a series of four consultation meetings around England to explore the options for future hospice funding in more detail, applying the principles of the draft framework contained within this paper.

Our objective is to seek consensus on the preferred way forward for the statutory funding of hospice care by the end of November 2010. This will enable us to develop a fully costed proposal, which we will aim to submit to the review team and to the government by the end of the calendar year.

If you have any further questions, please email Jonathan Ellis, director of public policy and parliamentary affairs, or call him on 020 7520 8894.