Summary

Establishing priorities for investment in health services is difficult and often uncomfortable for NHS managers and political leaders. There is no agreement on how to make these funding decisions or even on the factors that should be considered. Consequently, priority setting is inconsistent across the NHS. Daniels and Sabin’s ‘Accountability for Reasonableness’ within their book Setting limits fairly: Can we learn to share medical resources? provides the most widely accepted guide to decision-making. This argues for a fair and reasonable process in making legitimate decisions that are acceptable to the wider public.

The overarching principles of making fair and reasonable decisions should be an integral part of NHS commissioning as should the consideration of the impact, especially the opportunity costs associated with any funding decisions. This implies a process that is open, transparent and legitimate, even if individual decisions are not supported by all stakeholders. Without the understanding and ownership of both political and organisational leaders, any prioritisation framework will falter.

Public health specialists have a key role in developing robust frameworks (founded on principles of equity and effectiveness) and in securing their implementation, thereby ensuring fair distribution of NHS resources.

The Faculty of Public Health (FPH) believes that NHS England can now play a crucial leadership role in supporting the development of good priority-setting processes both for its directly commissioned services and for those services commissioned by Clinical Commissioning Groups (CCGs) in England. Similar guidance and arrangements should also be developed and coordinated for lead commissioning organisations in Scotland, Wales and Northern Ireland to ensure a consistent approach.

Introduction

This paper is a contribution to the development of good priority-setting processes in a publicly funded health service, directed principally at the NHS. Twenty years of debate and experimentation means we are better informed about the key elements of a good priority-setting process. A fresh look at priority-setting is timely, pertinent and now achievable, particularly in England with a single co-ordinating body (NHS England) and continued pressure from new healthcare developments at a time of restrained funding.

Within the directly commissioned services, the Clinical Priorities Advisory Group (CPAG) will be central to this process. Draft terms of reference for CPAG indicate it will provide recommendations to the NHS on the “…appropriateness and relative priority of new and existing treatments” and also on those that have “unproven effectiveness, poor cost effectiveness or of low overall priority”. CPAG will determine the circumstances (if any) in which the treatments will be funded by the NHS.
A fair and reasonable process

Daniels and Sabin propose a series of criteria relating to reasonableness and legitimacy. These criteria facilitate the process whereby a funding body makes a reasoned decision and helps to establish public confidence in that decision. One of the underlying reasons for the lack of agreement on priority-setting is that there is not a single agreed overarching purpose for a health service. Different people in different places may have varying perspectives on the values and overall priorities, particularly for a large, publicly funded health service such as the NHS.

If funding decisions are to be based on a reasonable process that captures public legitimacy then consideration of a framework, budgetary constraints, balanced decision-making and a common currency are required:

1. A decision-making framework
A decision-making or ethical framework is necessary to ensure consistency and fairness. This will dictate the information that needs to be gathered to inform funding decisions and the process for considering the complex and competing pressures for healthcare funding.

Those charged with using the framework to make decisions require effective training to ensure that robust and effective decisions are made.

2. Funding decisions in a finite budget
To ensure that the other uses for funds of any decision are considered, decision-making groups must be aware of other funding pressures and service developments that will otherwise be forgone (opportunity costs). If others without direct responsibility or budgetary accountability are allowed to trump prioritisation decisions, decision-making will gravitate to single-issue debates and will tend to disregard other competing priorities. But a fixed health service budget puts a ceiling on total investments – hence the opportunity for fair decision-making across organisational priorities is lost. Equally, single-issue decision-making inevitably means differences in the values being used for each decision, further undermining the credibility of any wider prioritisation process.

3. Balanced decision-making
Reaching a balanced decision across a range of competing health service developments is the result of considering opportunity costs when the demands on the budget are more than the amount that is available. The most robust decisions are likely when those taking prioritisation decisions are also responsible for managing the consequences of the decisions. Taking decisions based on real opportunity costs on a regular basis develops the necessary experience for knowing what offers the most value to the NHS and to the public. The prioritisation of complex and expensive interventions should not be activity isolated from everyday commissioning.

Making decisions about funding treatments for individual patients who fall outside the usual funding criteria is necessary, but it can undermine balanced decision-making by setting precedents. If the total budget is not considered, deciding to fund treatments allows the apparent rarity of the clinical circumstances of an individual patient to drive the decision-making and thereby sustain relatively high prices for drugs. The threat of adverse publicity undoubtedly nudges decision-makers towards funding such treatments. Given that there is a fixed total budget, these decisions then deprive treatment to other NHS patients with more common health problems.

4. Common currency: the QALY
The QALY (the Quality Adjusted Life Year), is the most widely understood economic tool that we have for assessing new technologies against other competing interventions or developments. Although it is a useful comparative tool based on explicit assumptions to support decision-making, it is not the only approach. Others have suggested consideration of wider social and political values, particularly when assessing technologies such as orphan drugs. Indeed, some have suggested the QALY has limited value because it does not reflect these wider social values. But an alternative approach is required; and the only alternatives replace objective evidence with elusive values dependent on contestable social constructs. While the concept of social values has much appeal, unless there is an approach that is systematically applied to all new technologies in a comparable way, it will introduce a bias in favour of funding those new technologies where a value-based approach is added.

This position statement is primarily to inform priority-setting for the NHS in England. FPH believes that NHS England can now play a crucial leadership role in supporting the development of good priority-setting processes both for its directly commissioned services and for those services commissioned by CCGs in England.

Similar guidance and arrangements are also needed to prioritise investment in health programmes and healthcare services across all four UK countries. This should inform lead commissioning organisations across the spectrum of prevention, treatment and care in England, Scotland, Wales and Northern Ireland.