

Practical Aspects of Personal–Budget Service for People with Disabilities Review of the Literature

Yonatan Eyal Tom Einhorn Dafna Haran

The study was commissioned by the JDC Israel Unlimited, Government of Israel,
the Ruderman Family Foundation and the Ted Arison Family Foundation

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Abstract

Background

The use of personal budgets to access services for people with disabilities has expanded worldwide in recent years. While person-oriented services may differ from one another, they all seek to accord people with disabilities the possibility of controlling, managing, and utilizing the budgets allocated for their support and care.

Goal

The literature review was written at the request of JDC Israel Unlimited as part of a pilot of service provision based on personal budgets (PB). The pilot was led by JDC Israel Unlimited in cooperation with the Ministry of Labor and Social Affairs and Services, the Ministry of Health, the Ruderman Family Foundation, and the Ted Arison Family Foundation (Israel). The review deals with the practical aspects of PB programs around the world; e.g., the characteristics of program participants, the way that the budgets are set, and the impact of PB on service provision.

Method

The review includes peer-reviewed articles and internal reports and documents reflecting the experience and knowledge of the diverse systems employing PB in north America (Michigan, US and Canada), Europe (the UK, Ireland, France, Germany, Finland) and Australia. The sources were varied, both direct – from experts in the field with whom contact was established at overseas conferences and tours – and indirect, through initiated searches. To begin with, a list of relevant topics was drawn up, consistent with the study proposal. The sources were examined to identify locations where the topics were treated. At the next stage, the data were processed and the review was written up, based on the content.

Findings

- **Cost of the personal budget programs:** Most of the programs reviewed managed to stay within the range of costs that had been acceptable prior to the transition to PB. Note that PB programs may have indirect financial benefits due to the increased integration of people with disabilities into

the labor force. Nonetheless, on the whole, PB programs are not less costly than other methods of service provision, and they should not be considered more economical.

- **Service mixture and nature:** PB recipients tend to consume services more creatively and innovatively than recipients of the classic model.
- **Participant characteristics:** People with a physical disability, in great need, or requiring of substantial support generally adopt PB programs at a high rate. People with disabilities in minority groups adopt PB programs at a relatively low rate, apparently because of organizational difficulties, the absence of support and assistance frameworks, low awareness, or the lack of accessible information.
- **Limitations of the services provided:** PB programs are planned to facilitate the provision of an overall response to the unique needs and wishes of recipients. However, all the countries reviewed had set limitations on the recipients to ensure appropriate utilization of the budgets. Thus, e.g., most of the countries do not allow the budget to be used for daily living costs unrelated to the disability or for the consumption of alternative medical services, or for illegal purposes.
- **Cost effectiveness:** In terms of cost effectiveness, people under 30, and people with a physical or mental disability tend to derive more from PB programs in the areas of health, welfare and quality of life. Older people generally do not derive significant benefit from the programs.
- **Contracts with suppliers:** PB programs allow recipients to contract with suppliers of their choosing or they limit contracts to a list of approved suppliers. The lack of a list may call into question the quality of a service.
- **Impact on suppliers:** The transition to PB puts considerable financial pressure on suppliers. The inability of suppliers to survive the structural changes in service provision and the curtailment of the market of suppliers affects mainly people with disabilities living in the periphery or belonging to vulnerable population groups.
- **Open budget model versus planned budget model:** There are two models of budgeting and service provision. In the open model, the recipients manage the budget themselves and use it as they see fit, under certain limitations. In the planned model, financial expenditures, including the process of identifying the recipients' needs and wishes, is usually supervised and managed by a professional.