Partnerships and contracting for new care models

Progress so far in the English health system

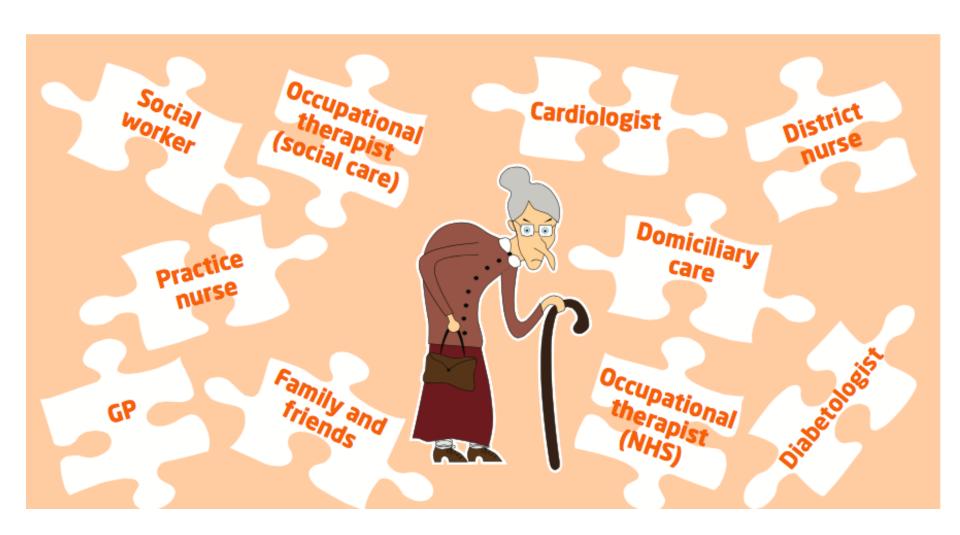
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**27 February 2017** 

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### The challenge for our local services

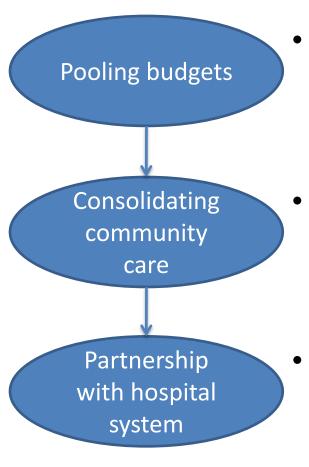


## Our 'five year plan' ...



- Primary Care Medical Homes (PMHs)
- Multi-specialty community providers (MCPs)
- Primary and acute care systems (PACS)
- Integrated Care Organisations (ICOs)
- Accountable Care Organisations or Systems (ACOs and ACSs)

### But pursuing very similar reforms ...



 ... for primary care, community services, hospital services, social care

 Larger primary care groups, close integration of primary and community services in multidisciplinary teams

Linking up the primary / community system with hospital services so they work coherently together

### ... And pursuing similar improvements

Changing the intervention

 Substituting between types of intervention (prevention rather than treatment; social support rather than healthcare)

Changing who does what

Changing the roles of hospital consultants,
 GPs, nurses, social workers and others to
 make better use of resources

Improving coordination

Improving sequencing of interventions, managing transitions, removing duplication and delay

# But the 'rewiring' needed is extensive ...







## Key design choices

Purchasers need to decide

•••

- Which budgets to bring together in a single contract
- Which provider
   /partnership should hold
   the budget
- How to hold the provider system to account

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Providers need to decide ...

- How to stitch themselves into a coherent system
- How to make decisions and share resources in a large collective
- How to address performance issues within the system

#### A spectrum of options for integration

Sub-Contractual Corporate Merger contracting joint venture joint venture Separate Shared Shared Single governance governance governance and governance management Reliance on **Flexible** Separate contracts partnership partnership Complete pooling of risk, entity Little sharing of Sharing of risk, reward and risk, assets not assets Sharing of risk, assets

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reward and

some assets

A permanent

arrangement

#### An emerging model ...



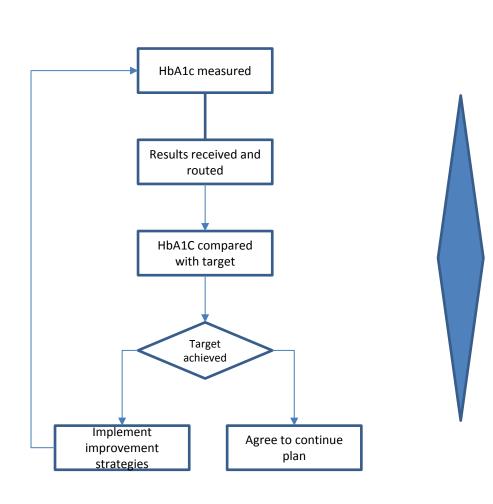
Commissioners establish long term strategic partnership with lead provider or group

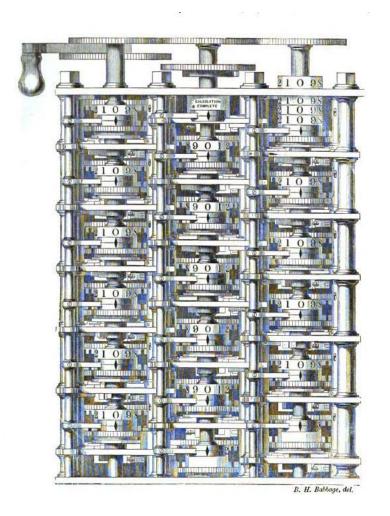
Lead entity holds budget, delivers services, distributes funds, oversees performance

Lead entity works in close partnership with core group of other key providers

Lead entity or alliance maintain arm's length contracting relationships with other services

# Care models or learning systems?





### But how will we motivate performance?

Strategic partnerships with the provider system



Competitive procurements and contracts

Soft incentives (benchmarking, retaining savings)



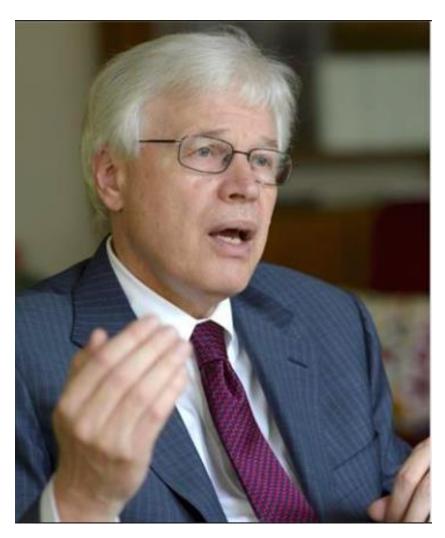
Hard incentives (payments or penalties based on performance)

Risk sharing between purchasers & providers



Transferring a broad range of risks to providers

# **Economic thinking is changing ...**



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# **Breathe Magic**





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