A meeting of minds

Many are hoping that capitation in the NHS will be a catalyst for radical change, removing boundaries to create an integrated system that puts the wellbeing of the patient first. Mark Gould reports on a successful integration model in Spain and how it might work in the UK.

AS THE NHS MOVES TO A FULLY CAPITATION-BASED funding system, commentators and clinicians are expressing optimism that this will be the catalyst for a radical change in the way the NHS works. It is hoped that the traditional boundaries between hospitals, mental health, community and GP services will be swept away by an integrated system that prioritises health promotion, wellbeing and the specific needs of the patient. Much is being made of such a model of integration, which has been working – with notable success – for the past decade in Spain, where the healthcare system is modelled on the NHS.

Indeed, in his Five Year Forward View, which sets out the broad direction of NHS reform, NHS England Chief Executive Simon Stevens looks to the Spanish Accountable Care Organisation (ACO) model and similar new systems in the US and Singapore. These are places where the old fiefdoms, seen as barriers to more personalised and coordinated healthcare, are dismantled and new health organisations take their place.

Some parts of England are already moving towards integrated health systems using some of the lessons learned from Spain. Under the Alzira model, which takes its name from a town in Valencia, acute, community, mental health and primary care for 250,000 people is fully integrated and paid for via a capitated budget. This system manages to deliver significant savings. Figures for 2009 revealed that Alzira's costs per patient were 26% lower than the average for patients across Valencia.

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Crucial to its success is the way that it refocuses the whole health system towards population healthcare and avoiding hospital admissions. Clinicians face financial penalties for missing targets or deviating from clinical guidelines. Significantly – and controversially for some – the service is run by a private company, Ribera Salud, which directly employs some GPs, but this has not stopped the system being extended to other parts of Spain, including the region around Madrid.

Business and clinical

Elisabetta Zanon, Director of the NHS European Office, which is part of the NHS Confederation, visited Alzira in 2011 and found "a coordinated, structured approach in relation to both business and clinical management. There is not a situation where these primary care centres are doing what they want."

When comparing Alzira with other healthcare providers in Valencia, Zanon found:

- emergency admission rates of 10% (compared with 14% for other hospitals)
- re-admission within three days per 1,000 discharges is 4% (compared with 6% in other hospitals)
- outpatient major surgery is over 73% (compared with 50% in other hospitals)
- patient satisfaction (on a scale of zero to ten) is over nine, compared with seven for other providers.

In 1999 the Valencia regional government was looking for a private company to build and run an acute hospital because people were travelling too far for hospital care. But by 2003 >

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The success of capitation relies on a highly integrated clinical and business model

› they realised that they needed to look at the broader context, so they came up with a plan to integrate hospital, community and primary care.

Zanon says this approach worked in Spain, where GPs are employees of the health service and not, as in the UK, independent contractors. "Its success relies on a highly integrated clinical and business model across primary and secondary care. Right along the patient pathway, incentives for the different providers are aligned to ensure that work is carried out in the most appropriate, and therefore efficient, care setting."

Under this model, Ribera Salud receives a fixed annual sum per local inhabitant from the regional government for the duration of the contract – anything from 15 years and up to 30 years in the Madrid region. In return, it must offer free, universal access to a range of primary, acute and specialist health services.

Key to its success has been the use of a unified IT system across all services, with a shared patient record between GPs and specialists, and a rigorous management culture requiring compliance with a set of procedures and guidelines. It also uses incentives for staff to ensure compliance.

"Part of the salaries of GPs and consultants is fixed and part is incentive based: the better they perform, the more they are paid. Financial incentives are used to drive clinical goals and innovation," says Zanon.

Dr John Howarth
The evolving system will be based on collaboration

Elisabetta Zanon
Part of GPs and consultants' salaries is incentive based: the better they perform, the more they are paid

Anne Crofts
Capitated budgets anticipate flexibility in the system

Transferring the model

While Simon Stevens refers to Spain as one of the models for the NHS to look at to help inform thinking around integration, Zanon says that the system cannot simply be transferred here. "I can't imagine an exact replica in the NHS, but I can see local leaders such as GPs, or acute providers or commissioners, getting together in a more collaborative way using some elements of Alzira to support new ways of working."

Manchester, where the local unitary authority and a coalition of councils, NHS providers and Clinical Commissioning Groups will be involved in deciding how to spend a devolved £6bn-a-year budget, could draw lessons from Alzira.

Creating an Alzira-style organisation in the NHS would encounter regulatory barriers, and issues around competition and procurement as well as around integration of patient data. "I think we would need to look at a new type of organisational model – for example, a joint venture collaboration bringing together different local bodies in an integrated care approach," she concludes.

DAC Beachcroft Partner Anne Crofts agrees that transferring the model would be difficult: "Capitated budgets clearly anticipate, and aim to incentivise, flexibility in the system to enable patients to be cared for in the most appropriate way. The challenge in the UK is in bringing together organisations that have evolved under very different legislative regulatory regimes; they need to work with each other in a symbiotic relationship where success is dependent on every party delivering on their promises.

"Where relationships are mature and there is a history of collaborative working," she adds, "there can be a clear pathway to creating contracts or jointly owned vehicles to deliver new models of care.

"Historically, GP practices have sat outside of the NHS public body regime, typically operating as small private partnerships and businesses. The regulatory regime governing their contracting and payment models reflects this. However, GPs are also clearly central to the development of integrated care models in the UK. Bringing the different sectors together successfully – whether under new contracting and employment arrangements or in new organisational forms – requires an understanding of both the technical legal hurdles and the softer cultural issues that underpin the current structures."

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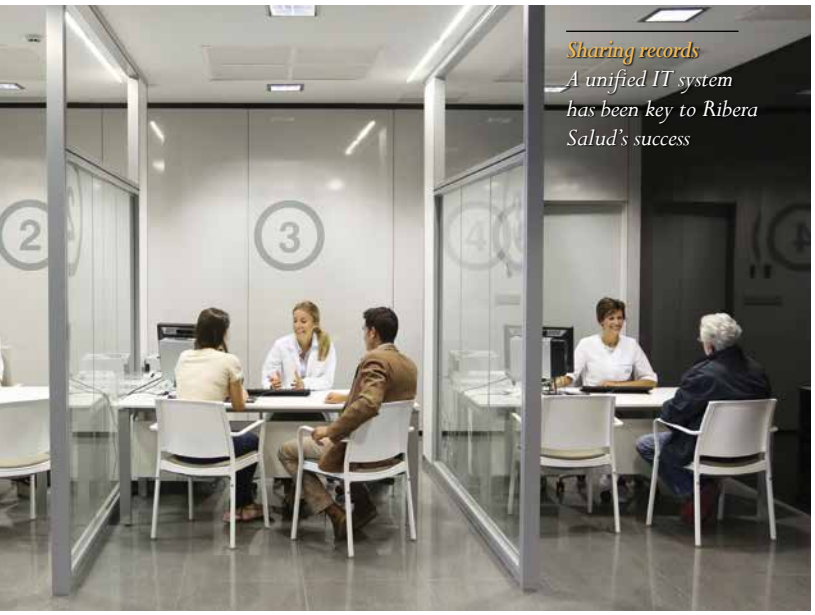
Making progress

Independent health think tank the King's Fund says integration is the best response to the challenges posed by an ageing population. Nicola Walsh, Assistant Director of Leadership Development, says recent policy initiatives mean that some parts of the country are making progress in coordinating care for older people and those with complex needs.



Sharing records
A unified IT system has been key to Ribera Salud's success

"Leading service change across complex systems of care is a very different role from leading a successful organisation," she says. "It requires a collaborative approach between organisations and support for professionals to act in different ways. Although much of the work to make integrated care a reality will happen at a local level, to help make it widespread, significant changes are also needed to how health services are paid for, regulated and commissioned. We're also likely to require double-running of services while new models of care are implemented, so we have argued for a transformation fund."

Mike Farrar, the former Chief Executive of the NHS Confederation, says three factors are vital to Alzira's success: long-term contracts, capitated budgets and aligned incentives and contracts with primary care practitioners.

"You need long-term contracts so providers get time to redesign the service," he says. "GPs were brought in as direct employees with incentive schemes designed around the success of the system rather than the success of small practices. At an early stage Ribera Salud benefited significantly from an injection of capital from US insurance company Centene, which purchased a non-controlling interest in the company. The injection of money allowed them the headroom to redesign services and renegotiate their workforce incentives, in particular with GPs."

In the UK he feels things are more complex. "We are moving to capitated budgets but the Five Year Forward View does not yet commit to long-term contracts, so it's not easy for organisations that might be investing in integration now and making savings to be long-term beneficiaries. Workforce flexibilities are not as well developed. Some Vanguard sites are keen to employ staff in different ways but we have many employment models – some staff are on Agenda For Change, a national contract, while GPs are on General Medical Services (GMS) or other contracts." ■

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The view from Morecambe Bay

"It's hard to think of another solution that could bring about the scale of change we need to deliver better care at lower cost," says Dr John Howarth, the Director of Service Improvement at Cumbria Partnership Foundation Trust, following a visit to Alzira last year. Dr Howarth is part of a team hoping to replicate the Alzira model around the small town of Millom, on Morecambe Bay.

"The real interest here is how a single, fully integrated provider can take a capitated budget and deliver better care for significantly lower cost. This is what we are attempting to do in Millom. If it succeeds, it will result in significant investment in primary and community care and significantly less flow of patients to the acute hospital site, and we will do it together," he says.

While there are many more barriers to speedy integration in the UK – not least the fact that GPs are independent contractors – Dr Howarth says that the evolving system will be based on collaboration rather than trying to create new organisations with all the complexities of new legal frameworks or contracts.

"If system leaders chose to, we could start a journey towards a much more integrated model, particularly around the Morecambe Bay footprint, that could begin to take elements of a capitated budget. It wouldn't need to happen in one step and it could start with the willing general practices, together with the major providers, stepping into a new integrated provider vehicle or a collaborative," he says.

On his visit to Spain he was impressed with the speed and flexibility that Ribera Salud brought. He feels that long contracts enable longer-term investment decisions and simply leave clinicians and managers free of the distractions of the annual contracting round. "Fifteen- to 30-year contracts are the sort of thing we need," he insists.

Key to the success of Alzira is its unified IT system and smart use of high-quality data, as well as "extremely impressive business intelligence" which informed all levels of the organisation, meaning individual patient costs are visible to clinicians. The system also employs a single integrated electronic patient record so GPs can ask for a specialist opinion extremely easily without the patient having to travel or be seen.

Equally, Dr Howarth was impressed with integrated clinical pathways, work done to reduce variability, and the integration of multi-specialty clinical teams. "The primary care centre we visited had specialists spend a day every fortnight with the GPs for learning and case reviews."

Dr Howarth also praised the human side of the operation. "Ribera Salud was supporting staff to do their job with good facilities, good IT, good working conditions and good work-life balance where GPs work a standard 40-hour week."