

Fixing financial flows in the name of integrated care

On Wednesday this week we hosted the second in our series of six webinars exploring some of the big themes of integrated care, this time looking at payment mechanisms as part of the design of integrated care systems (ICSs).

The session, chaired by Bob Alexander, chair of Sussex ICS, was joined by more than 60 health-care leaders from all over the country. It began with a talk by health and public policy economist Jacque Mallender from Economics by Design, who provided an excellent and thoughtful summary of some of the main challenges facing ICSs, described the five key design principles behind various payment mechanisms around the world, and offered some pointers about how best to allocate funds to support place-based care. You'll find all the detail in Jacque's guest blog.

Jacque said the challenge was well summarised in the 2018 report Making money work in the health and care system by the HFMA and PWC, which said:

"Funding is too short term. It doesn't support the integration of health and social care locally, nor does it drive a sharp focus on outcomes. There are limited incentives for providers to change their behaviour."



There is an overwhelming consensus that the financial flows need to be redesigned if the aim of integrated care is to be achieved.

"The way the NHS financial system currently works is simply not aligned with place or outcomes-based care. Today the care system and the way that money moves around it is in a messy no-man's land with a chaotic and bewildering array of financial mechanisms in place."

Innovation, not over-performance

Jacque's talk prompted a fascinating conversation that could easily have continued for twice as long as it did. One guest reflected: "One of the failures of NHS management is that when there was innovation money around we spent it on over-performance rather than real innovation. Somehow the new regime must have dedicated head-room for this very reason. It's not easy or we'd all have done it by now.

"The best way to do this is to bring people together and recognise the constraints we're all working with rather than burying our heads in the sand."

Another said: "The biggest issue for me is the management of expectations, both of the population in general and of our lords and masters – which usually don't match.

"There's a challenge over timeframes – there's lots of important long-term work about addressing inequalities that we're not going to solve overnight. Some of these issues have taken 50-100 years to develop and we're not going to solve them in 50-100 days. But we mustn't use that as an excuse to not do things or do them very slowly."

Another guest agreed, saying: "We know that behaviour change takes time. We need to work hard at an ICS level to understand that the patients are all that matter.

"Organisational priorities sometimes trump everything else. We mustn't reward people for taking intransigent positions. We must incentivise good, innovative practice and adopt an approach focused on patient outcomes. We need to make it easier to do the right thing."

The covid context

Of course these discussions are taking place within the context of the ongoing international COVID-19 crisis, which has highlighted deep-seated resourcing issues across the health and care system. Is it even possible to design a new system from within a national emergency?

A personal blog by:
Professor Andrew Corbett-Nolan
Chief Executive, GGI



As this brief summary suggests, no one is under any illusions about the complexity of the integration challenge. But I agree with the guest who said that if you gather people together with a shared vision and a common purpose – and you take the blame away – remarkable things become possible. That sense of shared purpose is so important. And creating it is what motivated us to set up this webinar series in the first place.

In next week's session, we'll be looking at the economics of population health management. There's still time to register your interest if you'd like to be part of the conversation. You'll find the details on the events page of our website.