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## CONFERENCE ABSTRACT

# Capitated payments - roadmap to capitation implementation (to facilitate more integrated care)

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**Problem/context:** Integrating services to provide more proactive, personalised, and coordinated care is a policy priority for the National Health Service in England (NHS). In 2014, NHS leaders published a 5-year vision advocating new models of care, such as integrated care organisations and provider alliances, to break down organisational and professional barriers between:

1. health and social services.
2. primary and community care services provided locally and services provided by hospitals.
3. mental health and physical health services.

Achieving this 'triple integration' is urgent: as the population ages and long-term conditions become more prevalent, more people need 'joined-up care' that promotes independence and well-being.

Current payment arrangements for health service providers have been identified as a barrier to triple integration. These arrangements were designed to promote hospitals throughput rather than joined-up care.

**Policy objectives:** NHS Improvement, health care sector regulator, must design new payment policies that help realise the NHS 5-year vision of triple integration. Capitated payments – paying a single provider or group of providers to take financial accountability for delivering triple integration to a specified group of people, subject to quality targets – has been identified as the most effective payment policy option available.

**Key findings:** The decentralised structure of the NHS means new payment policies must prove their worth and gain grass roots support from local commissioners and service providers before NHS Improvement can mandate them nationally.

Therefore, to support the testing and take up of capitated payments, NHS Improvement has developed a 'roadmap to capitation', a guide for local areas to move away from current fragmented payment arrangements towards capitation through a staged process. This how-to guide identifies and describes seven steps in the design of capitated payments that need to be completed, describes how local areas can progress on those steps in parallel, and self assess their progress on them towards implementation. The seven elements are determining:

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- The population scope of capitation;
- The service scope of capitation;
- The base amounts for the capitated payments;
- The contractual duration;
- The quality and outcome measures linked to payment;
- The provider-to-provider payment arrangements within; and
- Any risk share arrangements between commissioners and providers, or between services outside the scope of capitation that nevertheless need to be aligned to the integrated service model.

The roadmap further sets out 5 key gateways on the transition towards capitation, from securing initial agreement in the local areas to piloting, to agreeing the contracts.

**Conclusion:** NHS Improvement's decision on whether to mandate the policy will depend on the progress and experience of test sites. So far, progress is promising, with widespread interest. The roadmap to capitation will be a crucial tool to help the leading test sites and the rest of the sector to progress towards capitated payments.

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**Keywords:** capitation; new care models

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