



eHealth
week

11 - 13 MAY 2015
RIGA, LATVIA

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ALLIANCE CONTRACTING FOR HEALTH AND SOCIAL CARE

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12 May 2015

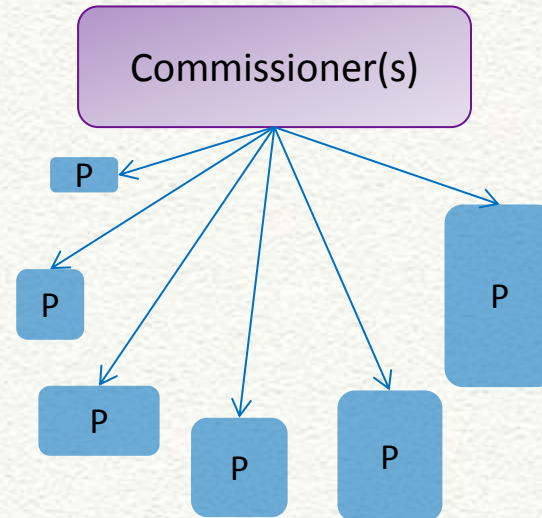
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1. How do payment models to Health & Social Care providers traditionally work?

- **Block grant type funding:**
 - e.g. to run a whole hospital or specific services A&E or maternity
 - used where demand/volume risk is unpredictable or too volatile or
 - where the duration of services or the exact treatment(s) is unknown e.g. mental health
- **Payment for specific services/activity:**
 - payment by Results (PbR) in the NHS in England
 - Based on activity defined by HRGs (Human Resource Groups or Diagnostic Resource Groups (DRGs))
 - fixed fees e.g. per resident in a care home
- **Capitated Models**
 - demand risk transferred and provider treats a defined population for a defined period of time
- **Shared Provider/Commissioner ‘risk’ models (demand/effectiveness)**
 - “Alliance” contracting
 - Joint Ventures or Partnerships

2. Traditional Health & Social Care Contracts



- Separate contracts with each party
- Separate objectives for each party
- Commissioner is the co-ordinator
- Expectation of dispute
- Change not easily accommodated

3. Alliance Provider Contract Structure



← Overarching Alliance “Relationship” contract between all parties setting out governance arrangements, risk/reward mechanism and performance regime



P1



P2

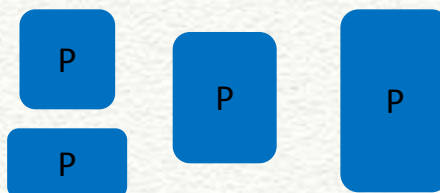


P3

← Individual bi-lateral service contracts with Providers (P1, P2, P3) incorporating, for example, mandatory NHS Standard Contract terms

4. Alliance Contract

Commissioner(s)



- One contract, one performance framework
- Shared risk and reward framework
- Aligned objectives, collective accountability
- Expectation of trust – no fault, no blame
- Change and innovation in delivery are expected



5. Alliance Contracting – purpose and working principles

- Success relies on strong relationships and trust
- Shared responsibility drives improvement, innovation and efficiency
- The heart of an Alliance is a set of agreed ‘principles’
- Decisions as an Alliance made on “best for service” basis rather than individual position

6. When to use Alliancing

- Complex risks and interfaces
- Difficult stakeholder issues
- Likelihood of scope changes due to technological change or political influence
- A need for owner 'interference'
- Threats or opportunities that can best be managed collectively



7. Which industries use alliancing?

Newer initiatives:

- Network Rail Infrastructure Limited
- Highways Agency
- Nuclear decommissioning
- Nuclear new build
- **HEALTH**

Established practice:

- Water
- National Grid (now restructured)
- Defence
- SSE
- Airport construction
- Retail

8. Alliance Principles

Typical alliances principles

- no harm
- best for project / service decisions
- accountable for actions
- open honest communications
- collective responsibility and mutual support
- trust, integrity and respect
- proactive pursuit of innovation / outstanding performance

We will not tolerate:

- Bullying or dominating behaviour
- Unsafe work practices

9. Alliance Decision making

Unanimous, “best for service” decision-making on all key issues

Unanimous

a win:win however hard the journey

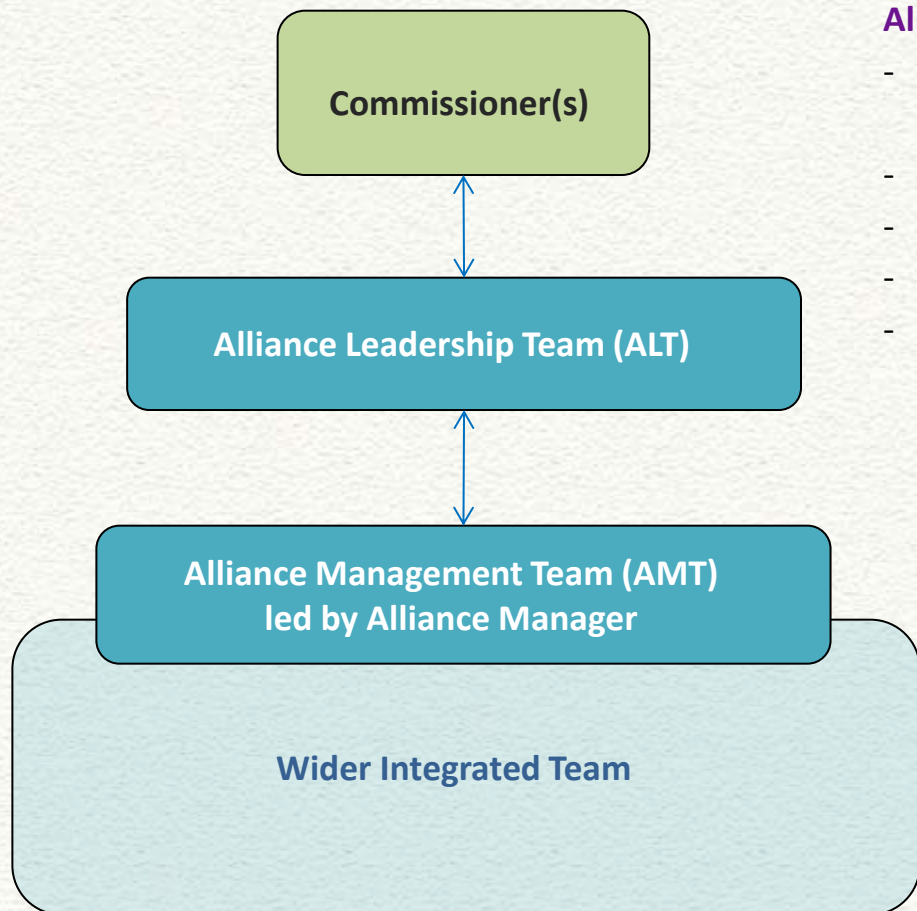
Principle based

Return to principles agreed at the outset and written into the contract

Best for service

Rigorously apply ‘best for service’ test

10. Alliance Governance



Alliance Leadership Team

- senior members (including commissioner) with authority to commit
- ensures delivery outcomes sought
- agrees governance of the service or project
- sets up roles and accountabilities
- ensures data collection is in place for performance monitors

Alliance Management Team

- key people with subject expertise
- implementation plan
- identifies target costs and ensures actual costs are less
- implements delivery of desired outcomes
- regularly reviews performance to find improvements
- reviews risks and mitigating actions

Alliance Manager runs the alliance



11. Alliancing Health & Social Care Contracts in the UK

- NHS Leicester Alliance covering integrated health care across primary, community and acute ✓ **Signed**
- Lambeth Integrated Personalised Support Alliance April 2015 (Health, Housing and Social) ✓ **Signed**
- Lambeth and Southwark Health and Social Care Services (whole population management across all services)
- 6 Alliances in progress across England

The logo for eHealth week, featuring a stylized blue 'e' followed by the words 'Health' and 'week' in a sans-serif font.

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THANK YOU

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