

Appendix B: Delivery Models

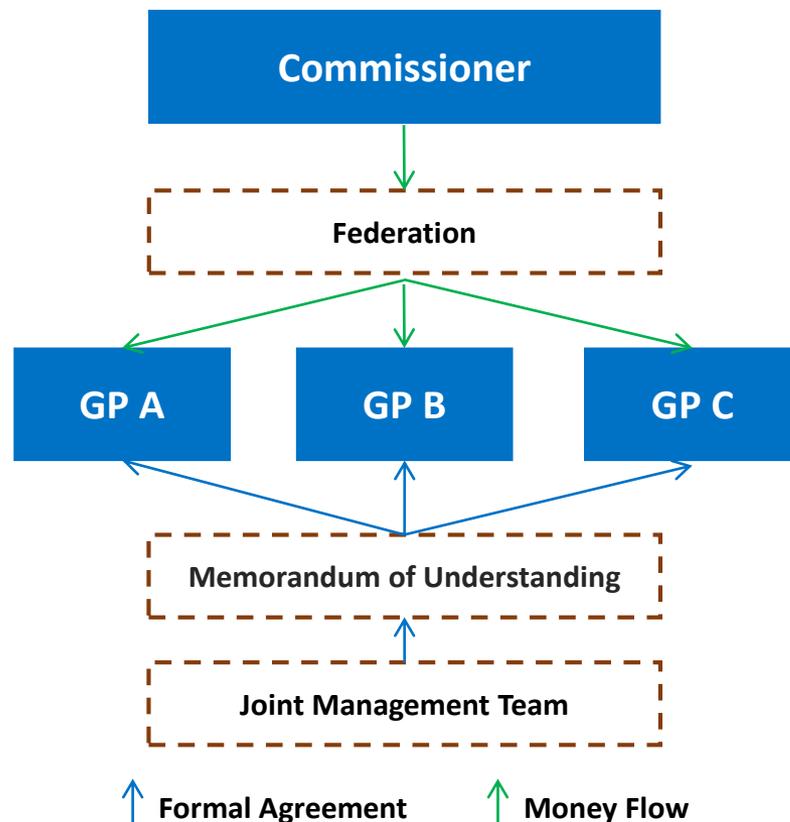
Federation

An organisation or group within which smaller divisions have some degree of internal autonomy, or the action of forming organisations into a single group with centralised control (Oxforddictionaries.com). In a healthcare setting this generally refers to an association of GP practices that come together (sometimes with community primary care teams) to share responsibility for a range of functions, which may include ‘developing, providing, or commissioning services, training and education, back office functions, safety and clinical governance’ (Imison and others, 2010 p6).

Key Characteristics

- Manages non-PMS/GMS contracts and uses its infrastructure to expand primary care provision and its size to take advantage of economies of scale, e.g. provision of shared back office function;
- The Federation may be informal or established as a separate legal entity. The type is dependant on its purpose. If a separate legal entity is established the commissioner can enter into contract with the Federation. Example of types - limited liability partnership, charity, community interest company or limited company;
- In a ‘Loose Federation’ payments are made by the Commissioners to individual providers under the respective terms and conditions of their individual contracts. Full responsibility for service provision sits with each individual provider;
- Service provision is organised through a Memorandum of Understanding (MoU) or a service level agreement, reflecting a shared vision and common understanding around services, key priorities and responsibilities. This MoU may be developed into a formal, contractually binding arrangement which can support service integration and the role and responsibilities expected from each partner;
- In order to ensure effective collaboration a formal joint management team may be formed, with a governing body with representatives from each provider (no formal contractual obligation);
- Individual practices maintain their independence.

Typical Model (Separate Legal Entity)



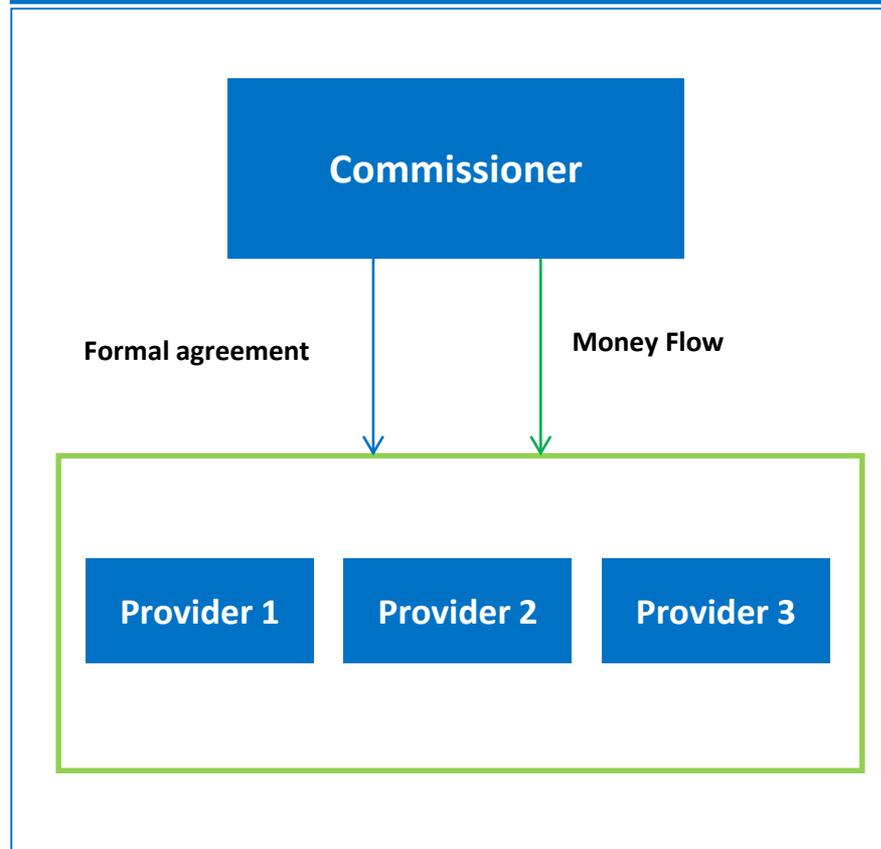
Alliance

An agreement between the commissioner and a group of providers to deliver services. It works on the basis of equal, but separate parties, who work together collaboratively to deliver elements of the care pathway or service. The parties share risk, collectively own opportunities and are all responsible for the delivery of a contract. There are no sub-contractual arrangements in place. Alliances are equal partners and organise their own internal governance to manage the delivery of care.

Key Characteristics

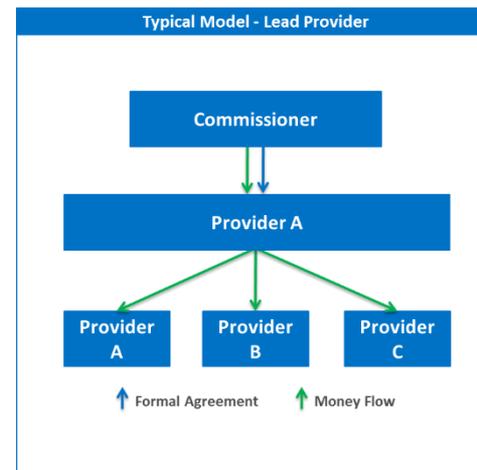
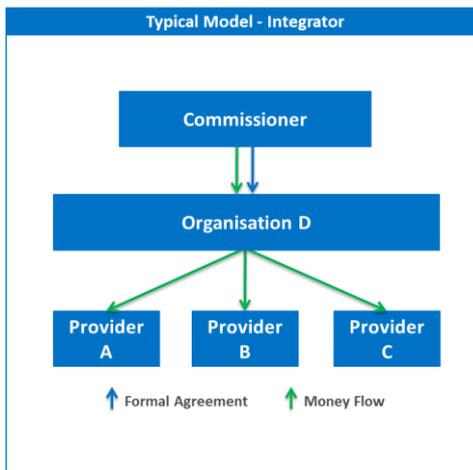
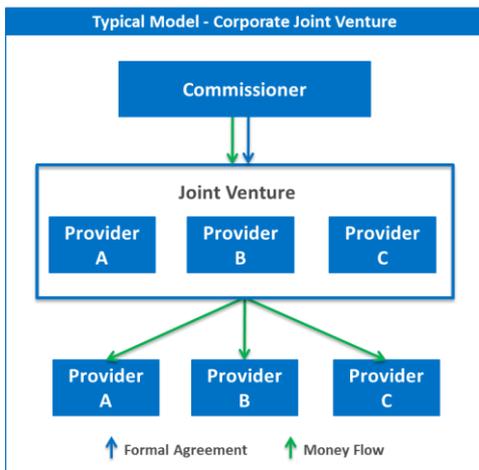
- A number of parties enter into an overarching commissioner-led single contract to work cooperatively and to share the risk and reward (open book accounting);
- The contract describes outcomes and relationships. NHS England have recently developed a standard contract template for an alliance agreement for the purposes of facilitating discussions between Commissioners and Providers as to the terms which should be included in an Alliance Agreement;
- Clear contractual levers are in place to drive integrated working and measures are in place against a set of performance indicators - often pre-agreed outcomes indicators;
- Providers within the alliance model are legally bound together to deliver a specific service they are contracted for;
- Based on extensive clinical engagement, leadership, trust and transparency;
- Providers are accountable for their performance and that of others within the alliance. Success is judged by the overall performance and not just that of a single organisation within it;
- The intention of this model is to promote innovation and identify efficiencies across the system and not just within a single organisation;
- The commissioner communicates with all providers. All providers are equally valued and have an equal say in significant decisions;
- Providers organise their own governance to deliver the care.

Typical Model



Prime

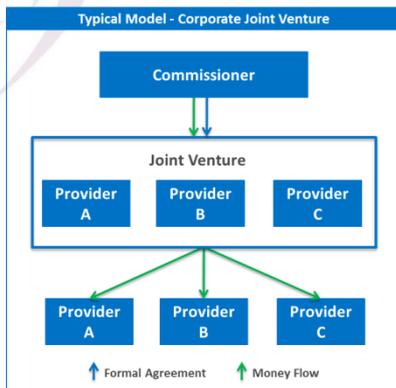
In a prime provider contract model, the CCG contracts with a single organisation (or consortium), which takes responsibility and risk for the day-to-day management of other providers that deliver care within the contracted scope or pathway. The commissioner removes that specific function from the NHS standard contract or block contract with the provider, and the prime provider renegotiates the terms of a new contract for that service. The prime provider remains responsible to the commissioners for the delivery of the entire service, and for the co-ordination of its 'supply chain'. It is the responsibility of the prime provider to design a deliver the model and a patient pathway. The prime provider is likely to be a provider of clinical services itself, but it could involve sub-contracting all but the co-ordination role to other providers who are individually accountable to the prime provider for specific roles and responsibilities. These contracts are often more than £100m in value and have fixed funding, however, demand is open-ended.



Key Characteristics

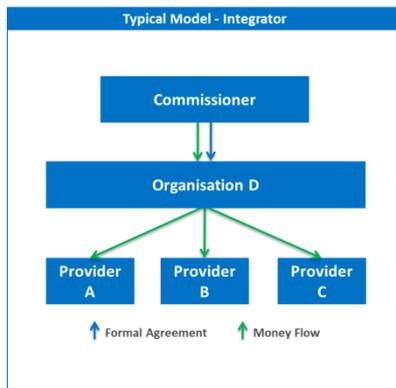
- The commissioner has a single contract with the prime provider who should not just be the contracting vehicle, but be accountable for the organisation and delivery of services;
- Provisions in the standard NHS contract around subcontracting have been specifically altered to enable this contracting model;
- Prime provider organises other providers along the pathway and is responsible for subcontracting delivery of their services but cannot decommission 'material' subcontracted providers without approval by commissioners;
- It manages and monitors outcomes of all services. In some cases it may also provide care;
- Typically the prime provider is allocated a capitated budget to manage all care for a specific population or cohort. This may include a proportion of this budget being 'at risk', dependent on the prime meeting and agreed set of outcome measures;
- The contracting model is based on the premise that the outcome measures are more likely to be achieved if the prime provider manages the pathway and encourages providers to work together more efficiently.

Corporate Joint Venture (JV)



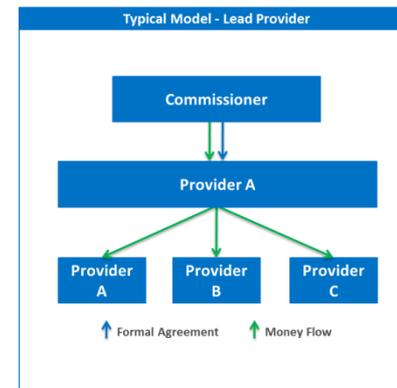
- JV set up to contract for services where all providers (2 or more) involved in the care pathway have representation and agree on terms of collaboration for service delivery, committing resources to achieve common objectives. The Commissioner holds one contract directly with the JV;
- Whilst the parties agree under the agreement to work together, they retain their own separate organisational identity;
- If a separate legal entity is established, the JV will be known as a corporate JV. If a separate legal entity is not established, the JV arrangement will be a form of contractual JV similar to a federation;
- Often used to enable formation of an integrated care pathway between primary and acute and community care services for a specific segment of the population.

Integrator



- Commissioner has one contract, specifying desired outcomes;
- Integrator subcontracts with all providers necessary to provide pathway;
- Integrator is performance managed by Commissioner, and in turn, performance manages all the providers;
- Financial risk sits with integrator to be flowed down to the providers as appropriate under sub-contracts;
- Integrator does not provide care but will look to recover its management/risk based costs for delivering the model.

Lead Provider



- Commissioner has a single contract with the Lead Provider;
- Lead Provider organises other providers along the pathway and is responsible for subcontracting delivery of their services but cannot decommission 'material' subcontracted providers without approval by Commissioners;
- Lead Provider provides, manages and maintains a patient records system to be used by staff working at all providers;
- Lead Provider manages and performance manages all services and monitors outcomes in all services;
- Lead Provider also provides care.

Single Provider

This is when a CCG has a contract with a provider that delivers the vast majority or all services directly. They may also subcontract for some (minority) of the services if it is unable to deliver them directly.

Key Characteristics

- One single contract with one provider;
- If a contract is not thought to be required, one formal agreement is all that is needed;
- May require full integration/merger of different existing providers into a new organisational form;
- One single line of accountability;
- One line of money flow;
- A clear management structure involving one organisation.

Typical Model

