NHS
Oxfordshire
Clinical Commissioning Group

Oxfordshire Health and Wellbeing Board

9 November 2017

Accountable Care Systems

Accountable Care Systems (ACSs) are systems in which NHS organisations (both commissioners and providers), often in partnership with local authorities, choose to take on clear collective responsibility for resources and population health. They were proposed in "Next Steps on the NHS Five Year Forward View", NHS England (March 2017).

It is proposed that an ACS would get far more control and freedom over the total operations of the health and care system in their area and they will get a fair share of the national transformation funding to deliver key priorities, rather than having to bid competitively against other areas.

Specifically, ACSs can:

- Agree an **accountable performance contract** with NHS England and NHS Improvement that can credibly commit to make **faster improvements**.
- Together manage **funding for their defined population**, committing to shared performance goals and a financial system that will, for example, allow them to move beyond tariff payments where appropriate, deploy their shared workforce and facilities and effectively end the annual contract negotiations within their area.
- Create an effective **collective decision making and governance structure**.
- Demonstrate how their provider organisations will operate on a **horizontally integrated** basis, whether virtually or through actual mergers.
- Demonstrate how they will also operate as a **vertically integrated** care system, partnering with local GP practices formed into clinical hubs serving 30,000-50,000 populations. This will also mean a new relationship with local community and mental health providers as well as social services.
- Deploy **population health management capabilities** that improve prevention, enhance patient activation and supported self- management for

long term conditions, manage avoidable demand, and reduce unwarranted variation in line with the RightCare programme.

- Establish clear mechanisms by which residents can exercise **patient choice** over where they are treated for elective care.

This would be a complex transition which would require careful management to create opportunity while also reducing instability and managing risk. ACSs require a staged implementation. This also provides the opportunity to prove their ability to manage demand in ways that other areas can subsequently adopt.

Why do we need to change?

Fundamentally, we believe that the required improvements to services and the necessary financial efficiencies are only achievable by working together as a system. Ideally, this would be across health and social care with the agreement of all organisations – NHS and local authority.

Different organisations operate different financial regimes which do not incentivise the redesign of care pathways, particularly if this is across more than one organisation. Costs can become stranded at an organisational level and the historical approaches of Quality, Innovation, Productivity and Prevention (QIPP) programmes and Cost Improvement Programmes (CIP) do not address this. The current financial mechanisms are not enabling us to shift resources at the scale and pace we need to transform our system.

Other challenges include the different regulations and governance that exist, the limited interoperability of our IT systems, the workforce challenges of working as a system and the increasing need for all of us to take greater ownership of our health and wellbeing, particularly relating to lifestyles and management of long term conditions.

Accountable Care Organisations (ACO)

In time some ACSs may lead to the establishment of an Accountable Care Organisation (ACO). This is where the commissioners in that area have a contract with a single organisation for the great majority of health and care services and for population health in the area. A few areas in England are on the road to establishing an ACO, but this takes several years. The complexity of the procurement process needed, and the requirements for systematic evaluation and management of risk, means they will not be the focus of activity in most areas over the next few years.

Local development of an ACS

The first wave of ACSs has been announced by NHS England and two of those are our neighbours in Buckinghamshire[1] and Berkshire West. This provides Oxfordshire an opportunity to benefit from the work and learning they have already done and to share in the work they will be doing from now on.

Very early stage discussions have taken place between Oxfordshire CCG and the following organisations' Chairs and Chief Executives to scope the support for working together under an ACS model for Oxfordshire. These organisations include:

- Oxford University Hospitals NHS Foundation Trust
- Oxford Health NHS Foundation Trust
- Oxfed (Oxford Federation for General Practice and Primary Care)
- Abingdon GP Federation
- PML[2] Federation of GPs
- SEOX (South East Oxfordshire Federation of GPs)
- Oxfordshire County Council (two meetings were held, the first with the Chief Executive and Strategic Director of People; the second with the Leader).

An ACS would enable us to:

- Take a system-wide approach to population health.
- Accelerate implementation of integrated care across the County.
- Enable us to better align incentives to improve outcomes.
- Enable financial transparency and development of a financial system that supports sustainability of all parts of the system.
- Engage constructively with the universities and local democratic processes.
- Develop a single integrated data set focused on data for business intelligence and improved patient care rather than contract monitoring.
- Work as a system with the regulators.

What are the benefits for patients and citizens?

Patients would see one system responsible for their health and social care, thereby facilitating a more responsive and individualised service. Services would be seamless.

Our citizens would know that all the organisations who are spending their taxes are working together to deliver the best outcomes and value within the money available. It would enable resources to be moved into prevention and services closer to home. Choices about where to invest and disinvest would be more transparent and would

---

[1] Oxford Health NHS Foundation Trust is a partner in the Buckinghamshire ACS.

[2] PML is a not-for-profit healthcare provider run by local GPs for local patients delivering NHS primary healthcare contracts in Oxfordshire and Northamptonshire

enable far greater involvement of citizens and their elected representatives in determining where the money is spent.

Next steps

Discussions are continuing across organisations. Moving in this direction would be a significant shift for Oxfordshire and there needs to be agreement across all organisations that this will deliver the benefits we need before we begin to develop any detailed plans.

Dr Joe McManners
Clinical Chair

David Smith
Chief Executive

31 October 2017