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on the day BRIEFING

NHS Providers

Integrated Care Provider (ICP) contract

NHS England and NHS Improvement (NHSE/I) have today published the Integrated Care Provider (ICP) Contract ('the contract') and associated explanatory documents. This new contract follows a period of consultation, concluded in October 2018. NHS Providers' response to that consultation is available here.

This briefing summarises the contract's explanatory documents, as well as giving an overview of those supporting documents focused on CCGs, commissioning and procurement, primary care integration and local government integration. We also set out the NHS Providers' view. A list of published documents is contained in the Appendix. We hope that this summary is helpful however any provider considering using this contract will of course wish to read the documentation in full.

Key points

- At the moment, NHS commissioners must use different contractual forms to commission primary medical services (for which GMS, PMS and APMS contracts are mandated through specific regulations and directions) and hospital and community health services (in respect of which NHS England's Standing Rules Regulations enable us to publish, and mandate use of, the NHS Standard Contract). But at the heart of an integrated care model is the integration between general practice and other community services – so in NHSE/I's view a new type of contract, different from existing forms, is needed to commission integrated services from what is often known as an Integrated Care Provider (ICP).
- The ICP contract intends to streamline commissioning of health and social care services by reducing the number of existing contracts in a local area, and improving population health outcomes by sharing health objectives across providers.
- The contract is available for use from 2019 in a controlled and incremental way through discussion with NHSE/I. The use of the contract will be monitored so that it may continue to develop through a process of co-production with early adopter commissioners and other stakeholders. Contracts may be awarded for a period of up to 10 years.
- This version of the contract follows consultation with providers, commissioners and local government, and NHSE/I expect it to develop further as local areas start to use it.
- The contract is in three parts:
    - Service conditions that set out the core requirements of an ICP
    - General conditions setting out contract management processes and legal requirements
    - Particulars which record the signatories of the contract and locally agreed schedules.

- The contract is intended to be locally adaptable with options for 'fully integrated' or 'partially integrated' models with primary care available, and scope to include (or exclude) a variety of services including mental health, subsets of acute services and local authority- commissioned services (public health and/or social care).
- NHSE/I anticipates that the contract may be awarded for a term of up to ten years, and will have ongoing flexibility to ensure it is able to reflect developing best practice and policy.
- The contract is designed to have a wider than usual scope and a higher value than many existing contracts so that it is better able to address integration of care based on a population health management approach.
- In the documentation NHSE/I set out their expectation that the contracts will be held by public statutory providers.
- To address fragmented payment approaches and improve population-wide outcomes, guidance is provided for commissioners to develop a pooled Whole Population Budget (WPB), through the use of a Whole Population Annual Payment (WPAP), where the majority of the funding available to the ICP as part of the contract would be paid in monthly instalments.

Core ICP contract documents

Explanatory notes to the ICP contract

The contract has been developed to enable further integration of the commissioning of health services, including primary care, public health and social care services. Currently, NHS commissioners must use a variety of different contractual forms to contract health services, but the ICP contract aims to streamline this process and improve population health outcomes by sharing health objectives across providers.

The contract is derived from four key sources:

- Existing provisions in the NHS Standard Contract
- Simplified requirements from merging the existing NHS Standard Contract and the requirements of proposed Directions (for example, requirements on training staff)
- Provisions relating to primary medical services, based on the proposed Directions
- New requirements specific to an integrated care model (such as improving population health and addressing health inequalities).

The contract is in three parts:

- Service conditions that set out the core requirements an ICP would be expected to deliver
- General conditions setting out contract management processes and other legal requirements
- Particulars which record the signature of the contract and locally agreed schedules.

The contract is locally adaptable in a number of respects:

- The contract is intended to be locally adaptable with options for 'fully integrated' or 'partially integrated' models with primary care available. These provisions relate largely to arrangements

with primary care. NHSE/I plan to undertake further work with CCGs wishing to adopt a flexible model with regard to primary care in which some practices could be 'fully integrated' under the contract alongside some practices opting to be 'partially integrated.'

- The scope of the contact is intended to be adaptable to local circumstances and can include (or exclude) a variety of services including mental health, subsets of acute services and local authority-commissioned services (public health and/or social care).

The House of Commons Health and Social Care Committee (HSCC) has recommended that "the law should rule out the option of non-statutory providers holding an Integrated Care Provider Contract. In recognition of this recommendation, the documentation sets out NHSE/I's expectation that the ICP contract is most likely to be held by statutory bodies and they state they have 'published a version of the ICP Contract now which is suitable for award to statutory bodies only.' If, during market engagement by commissioners, a non-statutory body bids for the ICP contract, further conversations with NHSE/I would be necessary.

The Department of Health and Social Care (DHSC) is developing new legislation, currently out for consultation, that will underpin the primary medical services requirements within the ICP contract, and the contract may be amended in the future to streamline the commissioning and provision of these services.

The service specification, outcome measures and implications for contract management and assurance

The contract contains a number of proposed descriptors and indicators to define the requirements against which the ICP lead provider will be held to account. The ICP lead provider will be required to comply with the generic nationally-mandated reporting requirements common to all NHS Standard Contracts and (where the service scope includes primary medical services) GP contracts, and against any quality indicators which are specified locally. An element of the Provider's total potential remuneration will be linked, via a Local Quality Incentive Scheme and a CQUIN scheme, to its achievement against locally- and nationally-determined quality indicators.

The care model

For an ICP to be recognisable as delivering integrated, person-centred care, the contract must capture the essence of the integrated care provider model. This ensures that potential providers are fully aware of the commissioner's minimum expectations of delivery for an ICP.

Service specifications and clinical outcomes

In an ICP context, longer term contracts are intended to enable flexibility for service redesign, changing population need and developing best practice. The contract is framed on the basis that articulating the detail of service provision and outcomes for the duration of the contract would be overly restrictive but security about the nature of what the ICP must provide is also required.

Variations to the contract

It is likely that the ICP contract will be awarded for longer than typical periods for services other than primary medical services, and will have flexibility to ensure it reflects best practice and policy. Existing provisions within the NHS Standard Contract have been mirrored in this contract to allow the core terms of the contract to be updated when a new national priority is identified, or when deemed necessary by commissioner and provider during the term of the contract.

Section-by-section descriptions

The explanatory notes outline the high-level explanations of the function of each section of the ICP contract. We encourage members to consult the document here for these summaries, and the contract itself for further detail.

ICP contract: questions and answers

This document helpfully defines an ICP and NHSE/I's view of the need for a new prototype contract, building on the NHS Standard Contract to enable integration, specifically the integration of primary medical services with other local health and care services, although GP participation is voluntary. The key changes made to the contract following the 2018 consultation are:

- Strengthening of accountability and transparently provisions in the contract
- Providing a template integration agreement for local authorities and updating the template integration agreement for GP participation
- Updating other guidance as appropriate, including guidance documents about GP participation and the integrated budget approach.

The contract is available for use from 2019 in a controlled and incremental way through discussion with NHSE/I. The use of the contract will be monitored so that it may continue to develop through a process of co-production with early adopter commissioners and other stakeholders. Contracts may be awarded for a period of up to 10 years.

NHSE/I have worked with some local authorities in areas where the ICP contract is being considered to assess how the contract can be made fit-for-purpose for the commissioning of public health and social care services.

ICPs would be accountable to the public in the same way as other providers of NHS care. Clearly no CCG has yet awarded an ICP contract given its launch today but the document mentions; it is likely that the first contract maybe awarded in Dudley.

Whole population models of provision: establishing integrated budgets

This document provides both general guidance and detail on a Whole Population Budget (WPB), including steps commissioners would need to take to develop a pooled budget.

A WPB is defined as the total funds available to the ICP for all relevant services in-scope for the whole population, designed to support a holistic approach to population health management focused on outcomes. The Whole Population Annual Payment (WPAP) is the majority of the funding available to the ICP as part of the contract, paid in monthly instalments for either or both local authority health care services. The WPB can also include payments for activity based services such as vaccinations and immunisations when these are within the ICP service scope.

This payment approach has been developed to address fragmented payment approaches that focus on delivery of a volume of activity as opposed to delivery of population-wide improved outcomes. The core characteristics of a WPB are outlined as follows:

Predictability:

- Increases system stability to plan and implement changes as the value of the budget is identified and set in the context of a multiyear contract.

Accountability and flexibility:

- Creates clear accountability within a lead provider for the holistic needs of the population for services within the scope of the contract
- Encourages and enables providers to redesign service delivery across care pathway settings
- Reduces the number and complexity of commissioner and provider contractual relationships.

Incentive signals:

- Encourages investment in preventative care
- Encourages providers to consider a population health approach
- Reduces incentives to 'cost-shift'.

The National Tariff Payment System (NTPS) rules also provide guidance to commissioners and providers to determine local payment approaches for NHS services, and in developing an integrated budget payment approach (WPAP), commissioners and providers must be satisfied that the proposed local payment approach complies with the local pricing principles and rules.

In developing a WPB approach, the guidance assumes local areas have addressed or will address in parallel with the WPB:

- Service transformation aims
- Data availability and quality
- Population and service scope (the scope of services and population under the ICP contract should be sufficiently wide to support integration of care)
- Testing and refining of the new payment approach
- Provider-to-provider payments.

Overview of key associated documents

CCGs, commissioning and procurement

CCG roles where ICPs are established: This document seeks to clarify the changing role of CCGs where ICPs are established. It states that the commissioning of ICPs will have implications for CCGs and may lead to a shift in the activities of providers and commissioners, but the statutory functions of CCGs will not change.

The High Court has confirmed that "in principle, the integration of health and social care via a single provider of care (an ICP) where that provider has a substantial degree of autonomy over health care choices and resource allocation:

a) Is within the statutory powers of a CCG
b) Does not represent unlawful delegation of ICPs to non-delegable functions or preclude CCGs from fulfilling their statutory functions
c) Is not contrary to the commissioner-provider split under the National Health Service Act 2006"

The document states that there will remain a need for an effective commissioning function in the NHS, and will become leaner and more strategic organisations that support providers to work with other local partners on population health, service redesign and the implementation of the NHS long term plan.

This document outlines the implications or CCGS in commissioning an ICP, describing how CCGs will continue to be accountable for the delivery of their statutory duties, defining CCG activities as separate from ICP activities, and sets out the legislative framework for pooling budgets for NHS, social care and public health services.

Procurement and assurance approach: This document is intended to assist commissioners when considering the procurement of an ICP by describing the current legal framework, the likely steps required to award an ICP contract and some common principles to inform the process undertaken by commissioners. It also outlines the currently regulatory framework and the integrated support and assurance process (ISAP).

Primary care integration

GP Participation in an ICP and GP integration Agreement FAQs: These documents are intended to assist GP practices who are considering participating in an ICP, in assessing n what this may mean for them. The importance of primary care to successful integration, and the intention of the NHS long term plan to 'dissolve the historic divide between primary and community health services' to benefit patients is highlighted as a key reason for GPs to participate in an ICP contract arrangement. The documents provide information on the potential impact of an ICP contract arrangement on GPs including their patients, role, practice and contracts. The documents also provide further information on the content

and development of a GP Integration Agreement (GP IA), which sets out how GP practices can work more closely together.

Local government integration

Template ICP / Local Authority Integration Agreement – FAQs: This document is intended to assist local authorities and ICPs when developing an ICP/local authority integration agreement. This guidance sets out the purpose of the agreement and provides further information on why an area would choose to use the agreement, how the agreements could be developed, and what they might look like in practice, and in relation to other agreements.

NHS Providers view

We welcome NHSE/I's recognition of the need to adapt and improve health and care systems to meet society's growing and changing health and care needs and take a population health management approach. Trusts are supportive of the principles underpinning the ICP contract to join up health and care services, support people to stay well for longer and bring care closer to home. We also welcome NHSE/I's openness to engaging on the draft contract and to ensuring this new approach evolves in co production with early adopters.

However the majority of trusts have told us that a contractual mechanism for integration such as this is a step ahead of what is currently needed to support collaborative working via ICSs and STPs. The ICP contract alone will not deliver integration and much of the difficult work to build local relationships and transform care is still developing and not yet consistently mature across the country.

It is therefore important to ensure that the ICP contract evolves alongside other developments in the policy landscape including the new oversight framework for CCGs and providers, and the review of the financial policy frameworks, for example. Trusts are keen to shape and understand expectations of how the provider landscape may evolve in the context of system working, over time. We would expect local partners to be able to lead and shape local configurations of services, and we particularly welcome the fact this new contract is being positioned as an optional mechanism for those interested and ready to trial a new contractual approach to integration.

It will be interesting to see what uptake of versions of this contract is across the country and we look forward to working with trusts and their partners, and with NHSE/I as it develops over time.

Appendix: published documents

All documents are available here:

The contracts:

- NHS Standard Contract (Integrated Care Provider) – General conditions
- NHS Standard Contract (Integrated Care Provider) – Particulars
- NHS Standard Contract (Integrated Care Provider) – Service Conditions
- NHS Standard Contract (integrated Care Provider) Template Integration Agreement for Partially Integrated ICPs
- NHS Standard Contract (integrated Care Provider) Template ICP/ Local Authority Integration Agreement

Associated explanatory documents:

- Integrated Care Provider contract: easy read
- CCG roles where ICPs are established
- Contracting arrangements for equality and health inequalities analysis
- GP Participation in an Integrated Care Provider
- Explanatory Notes to the ICP Contract
- Procurement and assurance approach
- Template ICP / Local Authority Integration Agreement – FAQs
- ICP Contract: Questions and Answers
- Whole population models of provision: Establishing integrated budgets
- GP Integration Agreement FAQs