

On financing models: incentives or disincentives for integrated care

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Presentation outline

Objective: overview of main financial models conducive to integrated care identified in the literature.

□ Financial models

○ **Provider payment mechanisms**

- Service bundling (from activity to population based payment): *Overcome provider reimbursement systems that fragments care provision and creates inflexibilities in resource reallocation*
- Financial incentives (performance based and direct payment): *Incentivise provider cooperation and align incentives to common goals for outcomes, quality and costs*

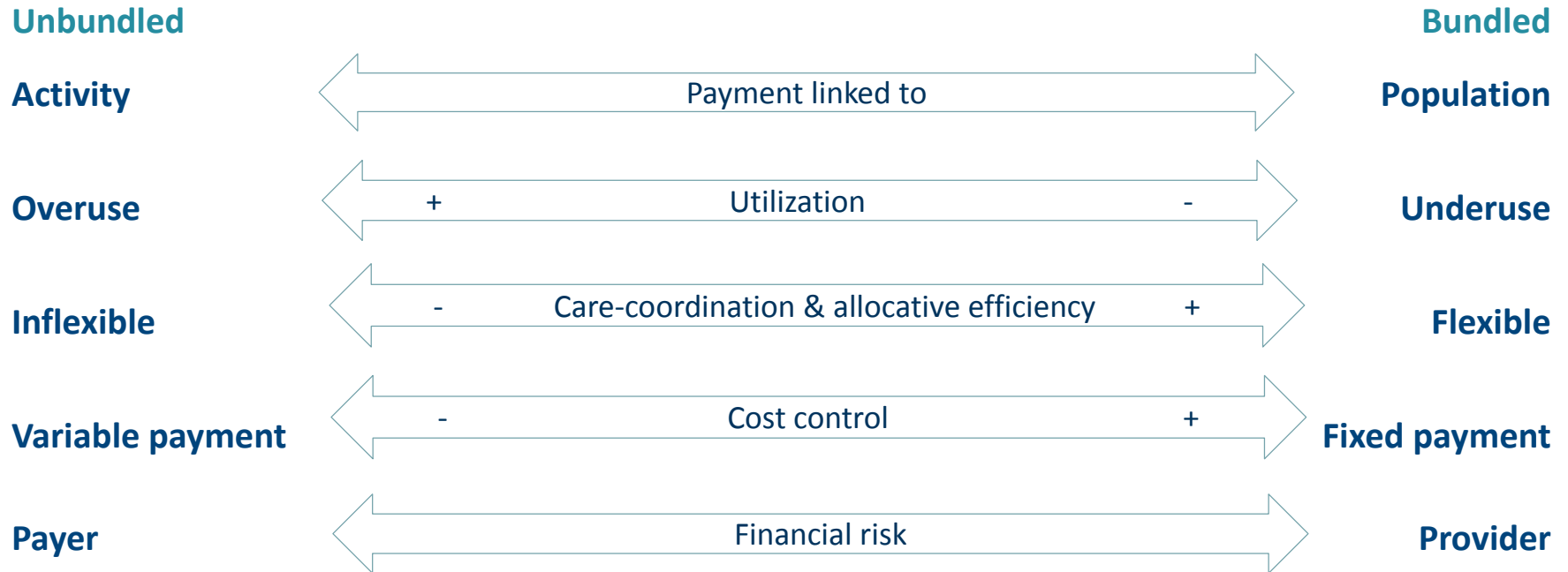
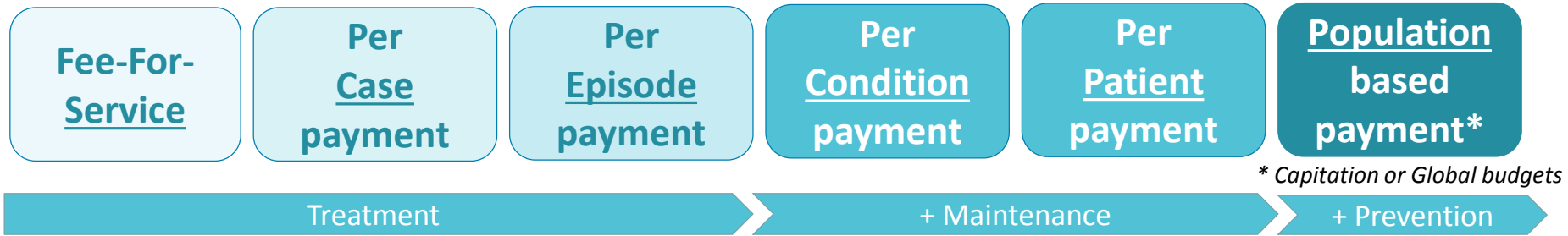
○ **Resource integration mechanisms**

- *Overcome budget silos (e.g. across health and social care sectors)*

□ A continuum of options for financial integration: Refine vs reform system

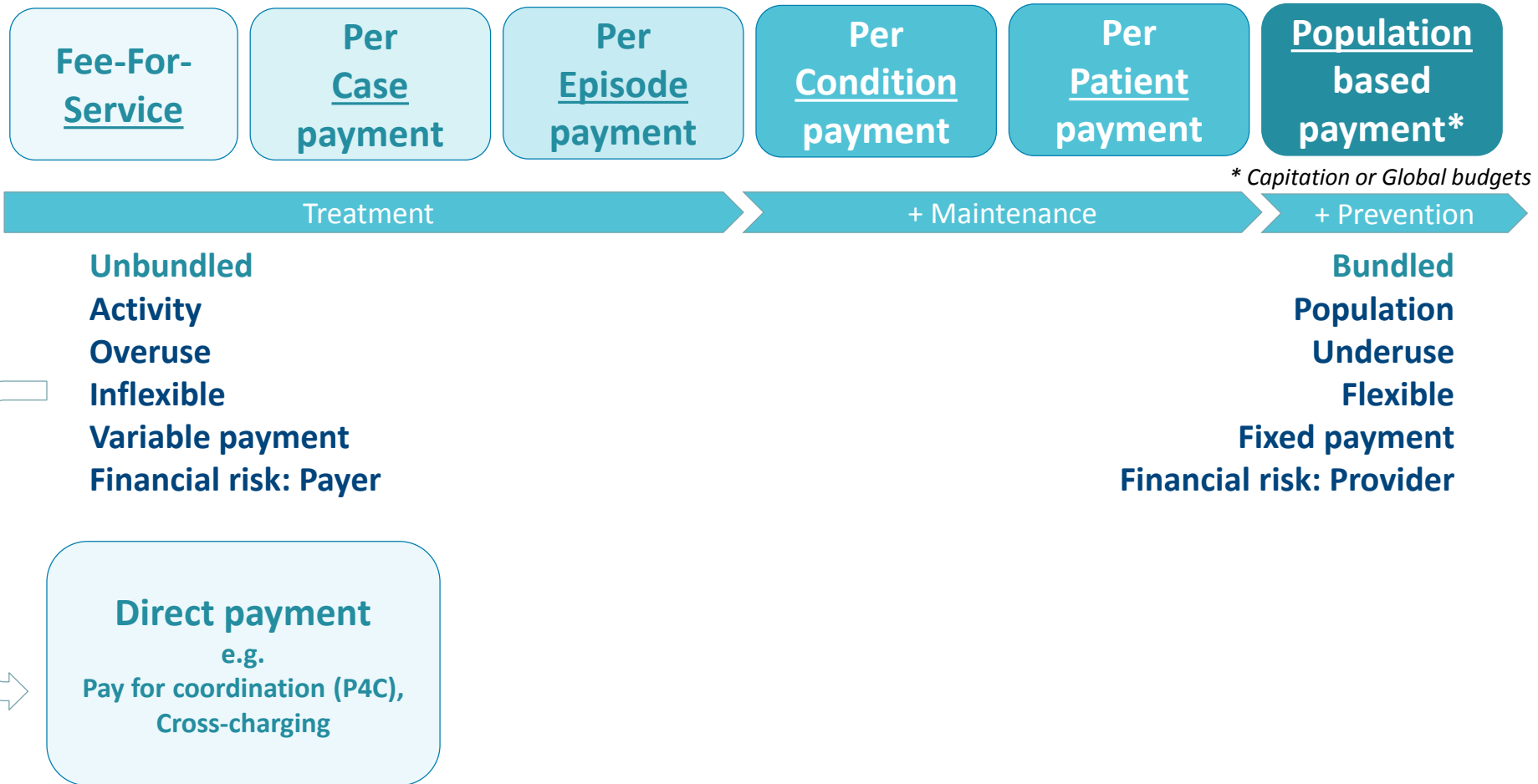
Provider payment mechanisms

Bundling (grouping services together into a single-price bundle)



Provider payment mechanisms

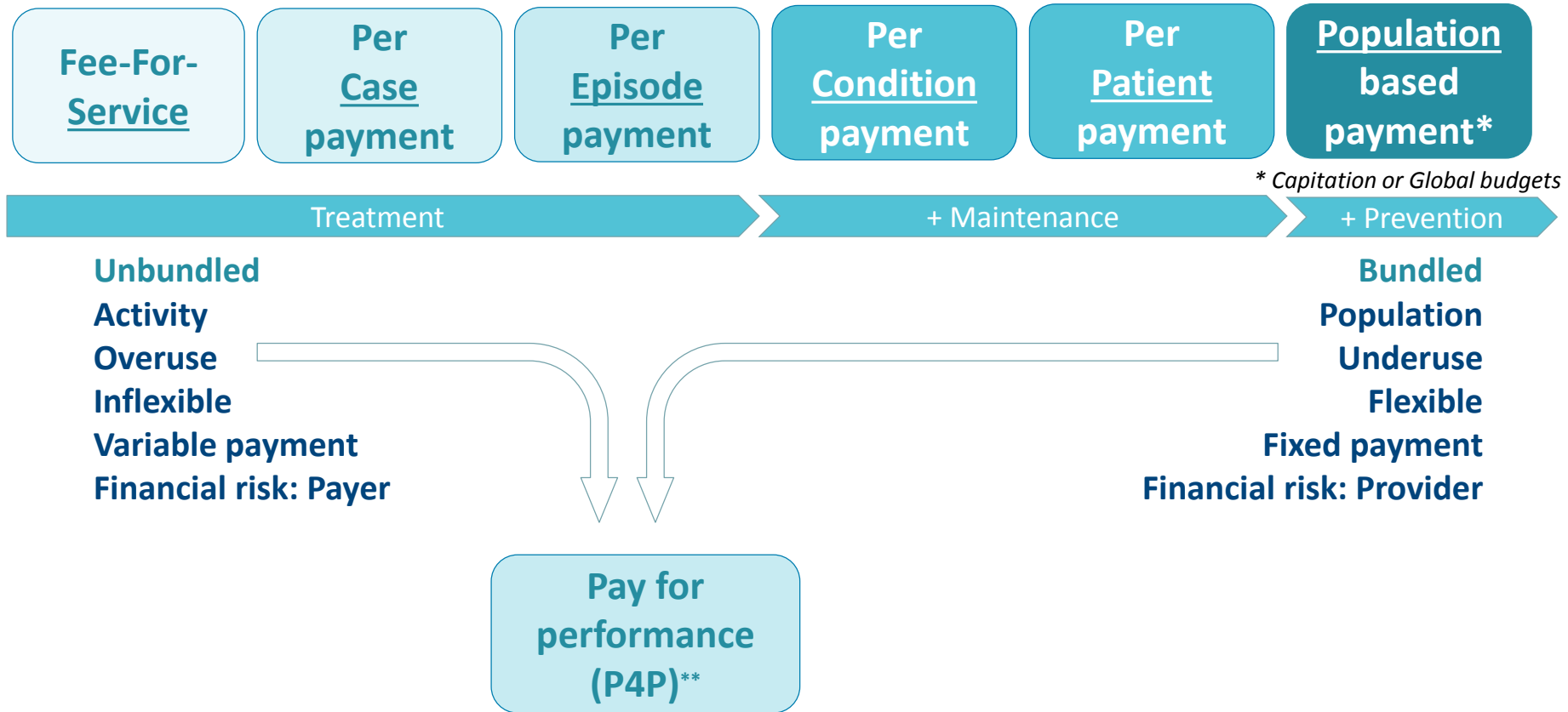
Financial incentives (Direct payment, bonuses and penalties related to quality and costs)



** financial rewards or sanctions directed towards improving **quality** of care: Health outcomes, processes, structures, patient experiences, efficiency

Provider payment mechanisms

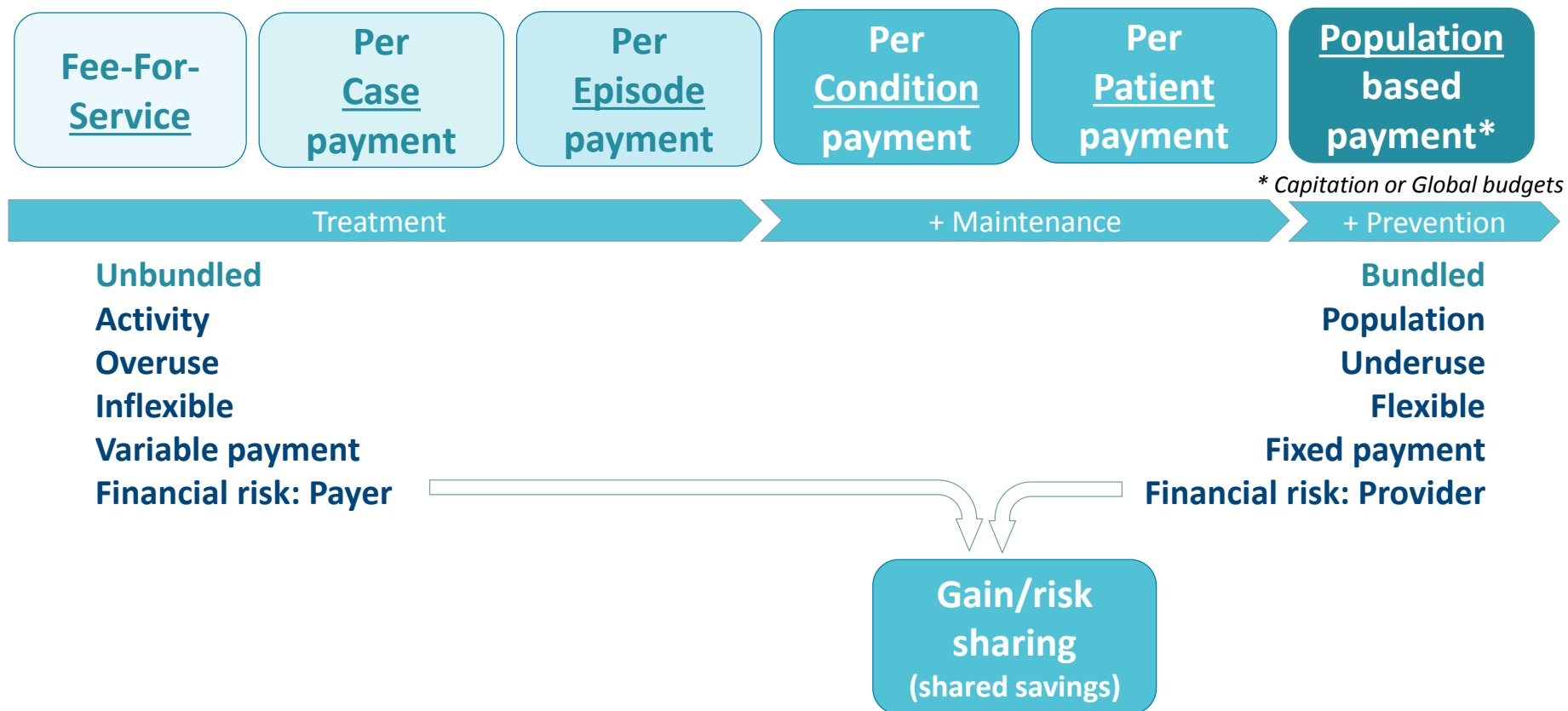
Financial incentives (Direct payment, bonuses and penalties related to quality and costs)



** financial rewards or sanctions directed towards improving **quality** of care measured by: structures, processes, patient experiences, health outcomes, efficiency

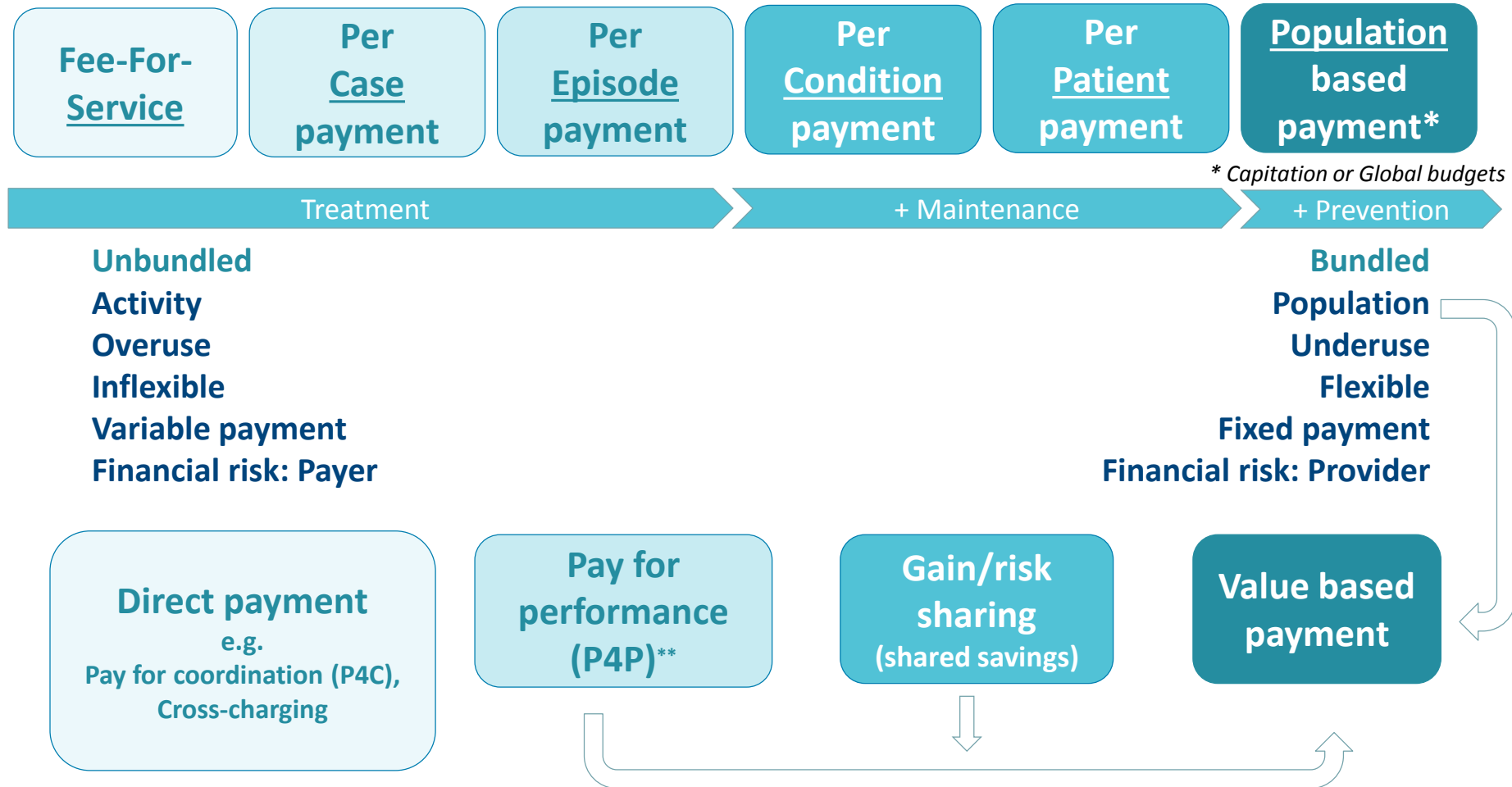
Provider payment mechanisms

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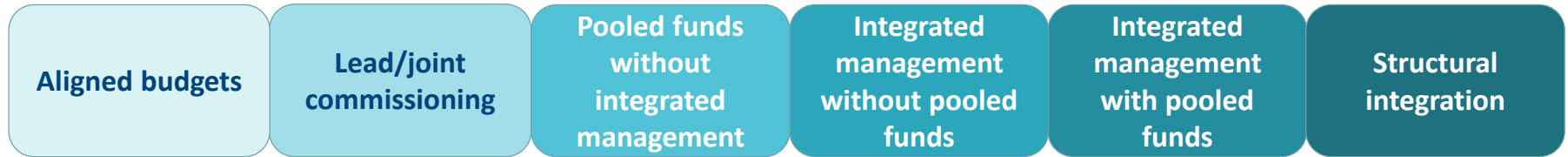


Provider payment mechanisms

Financial incentives (Direct payment, bonuses and penalties related to quality and costs)



Resource integration mechanisms



Mason, A., et al. (2014). "Financial mechanisms for integrating funds for health and social care: an evidence review."

- Common vision & objectives
- Co-ordinate commissioning* based on common strategy
- Pool funds
- Integrate management
- One organisation

** The process of securing services; planning, agreeing/purchasing and monitoring services.*

A continuum of options for financial integration:

Refine vs reform system

Payment bundling /
resource integration

Provider Integration/
Capability to assume
accountability for
outcomes and total costs



One size does not fit all!



Thank you!

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