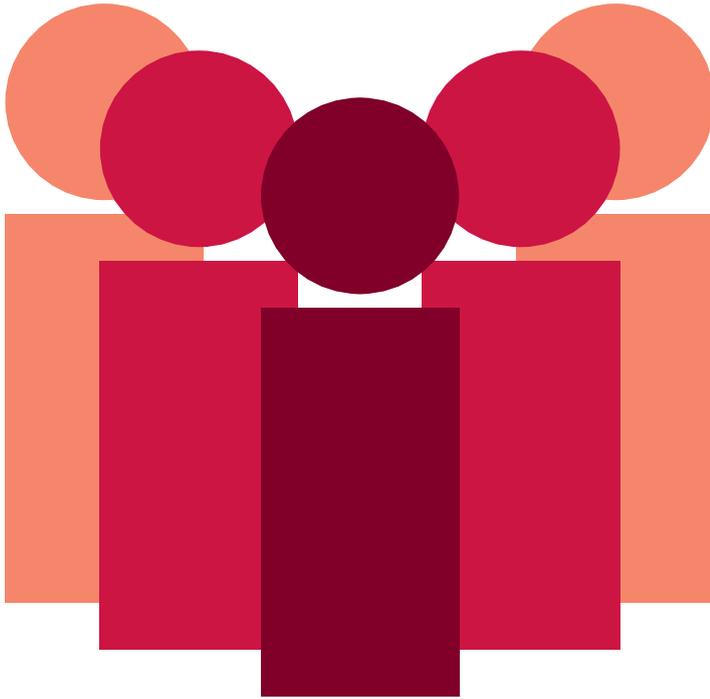


*A new payment model  
for integrated care*

## Capitation

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*“Expertise at every level  
of the negotiating and  
reporting process.”*



# Supporting your journey towards integrated care.

*Are you frustrated by  
unwarranted variation in activity  
volume, and seeking to  
incentivise different behaviours?  
Could a capitated payment  
system be the answer?*

### WHAT IS CAPITATION?

In line with the NHS Five Year Forward View, there is a general move away from payment mechanisms reflective of historic activity levels and throughput, towards alternative models of commissioning and contracting based on “outcomes”, in support of more patient-centered care.

One such model is a capitated payment system, in which payment is made to a provider based on the expected costs of delivering the care required by a particular group of patients (such as those with Long Term Conditions, or the Frail Elderly).

### WHY DO WE NEED A NEW APPROACH?

Capitated payment systems enable commissioners to financially incentivise providers to improve the health of the target population, rather

than encourage growth in activity volume. They also support financial sustainability and promote service change through reduced contract volatility.

### WHAT ARE THE BENEFITS?

#### For the patients:

- A more streamlined and efficient care pathway;
- A bigger focus on prevention and keeping the population healthy.

#### For the providers:

- Money saved as a result of efficiencies achieved can be reinvested to improve service quality;
- Income stability through reduced contract volatility;
- Financial incentives are aligned to the needs of the patients.

#### For the commissioners:

- Reduced contract volatility enables further investment in driving change, rather than as mitigation for contract over-performance;
- Improved opportunity to incentivise the transformational changes required;
- A simplified approach to commissioning, potentially with a direct relationship with just one lead provider.

### WHAT CAN FOURSIGHT DO TO HELP YOU?

At FourSight, we have almost 20 years' experience of contracting and financial modeling in the NHS, and our team has supported providers and Commissioners in this area.

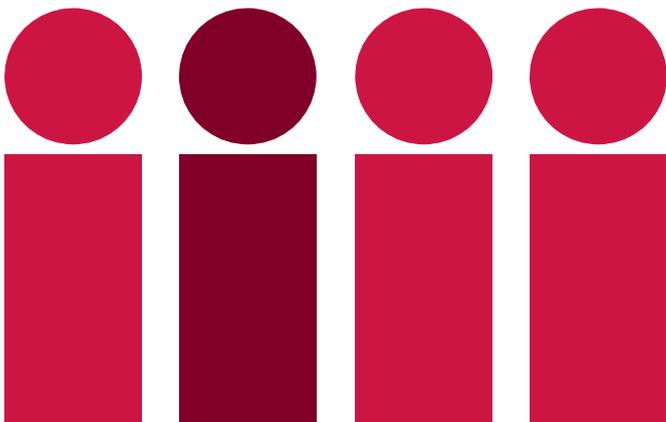
We work closely with financial, operational and clinical teams to fully understand the ambition and intention, and to develop innovative solutions to help drive the changes.

Should you require additional support or a full project team to assist in a transition to capitated budgets, we would be delighted to assist. Our highly technical team can provide expertise at every level of the project process; from planning, right through to implementation and review.

### CONTACT US

To speak to a Director, please contact Mike Smith on +44 (0)7786 196247, email [enquiries@foursightconsultants.com](mailto:enquiries@foursightconsultants.com) or read more about us on our website at [www.foursightconsultants.com](http://www.foursightconsultants.com).

We look forward to hearing from you.



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\*Latest Accountancy Magazine league table.

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