

Further populating the Value-Based agreements taxonomy: the legal perspective

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Contracting for VBHC: Key elements



Clarity on scope of the pathway/equipment to be included and the criteria (outcomes/thresholds)



Has the payer determined what current contracts/services/patients are impacted and a transition plan to move to a value based model



How much of the contract value is tied to the required outcomes and how the rest is reimbursed

Approaches to contracting for VBHC

Light touch

(i.e. Evidence based care discount/ product guarantee or risk share for product or services)



Transformational

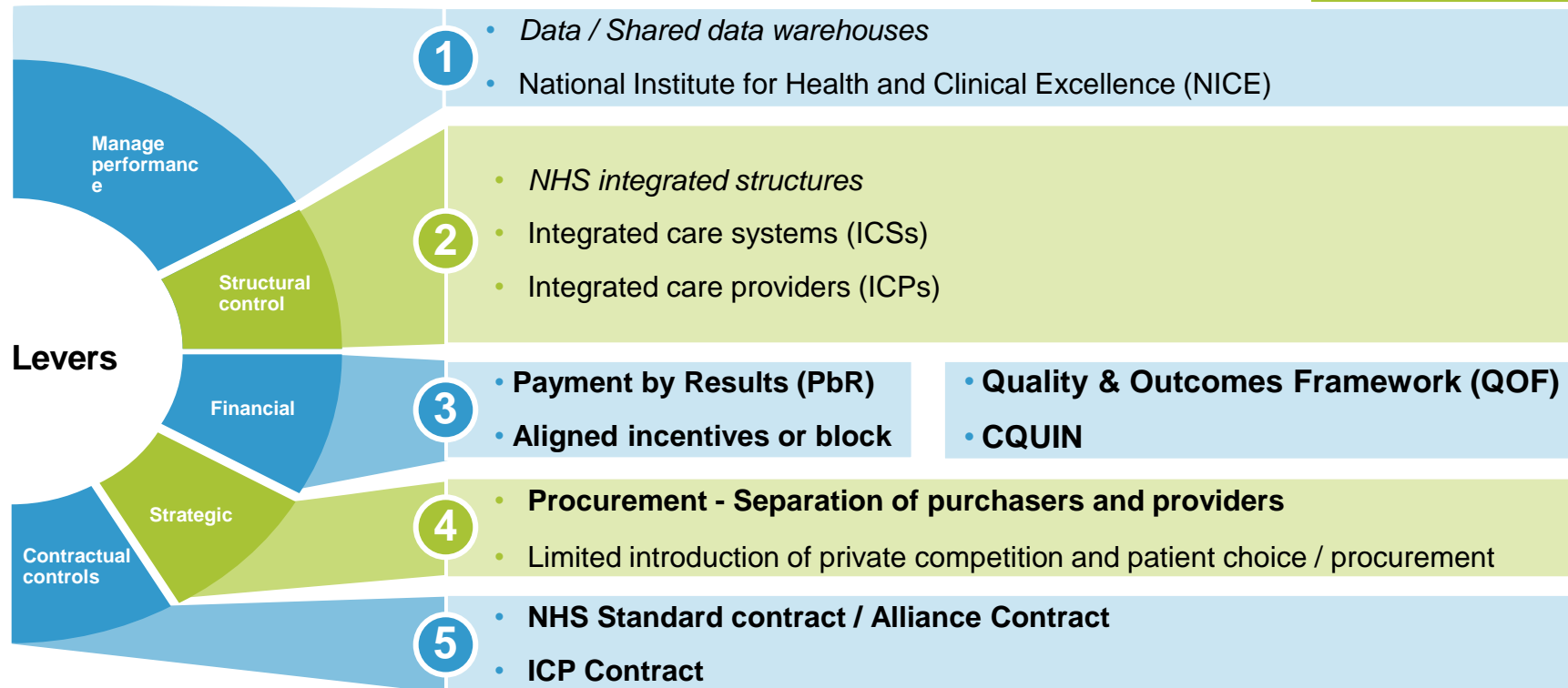
(i.e. alternative payment models, integrated care systems (ICS in the NHS))

Scope	Patients with existing service	Disease specific cohort		Population group
Outcome measurement	Limited outcomes and process indicators	Development of outcomes and process measures		Outcome measures based on population priorities
Budget	Service line budgets	Actual spending on pathway within several organisations		Capitated budget
Performance	Contractual sanctions for not achieving KPIs	Additional payment linked to outcomes	Element of contract value linked to outcomes	Proportion of contract value linked to outcomes
Contract form	Separate contractual arrangements	Arrangement of key contract terms / KPIs between providers	Overarching agreement and existing contracts	Single contract with accountable provider
Collaboration	Informal collaboration between providers /commissioners	Some collaboration between providers or commissioners		Joint commissioning. Provider alliances prime contractor model etc.

Levers within the system

Examples of NHS levers for change

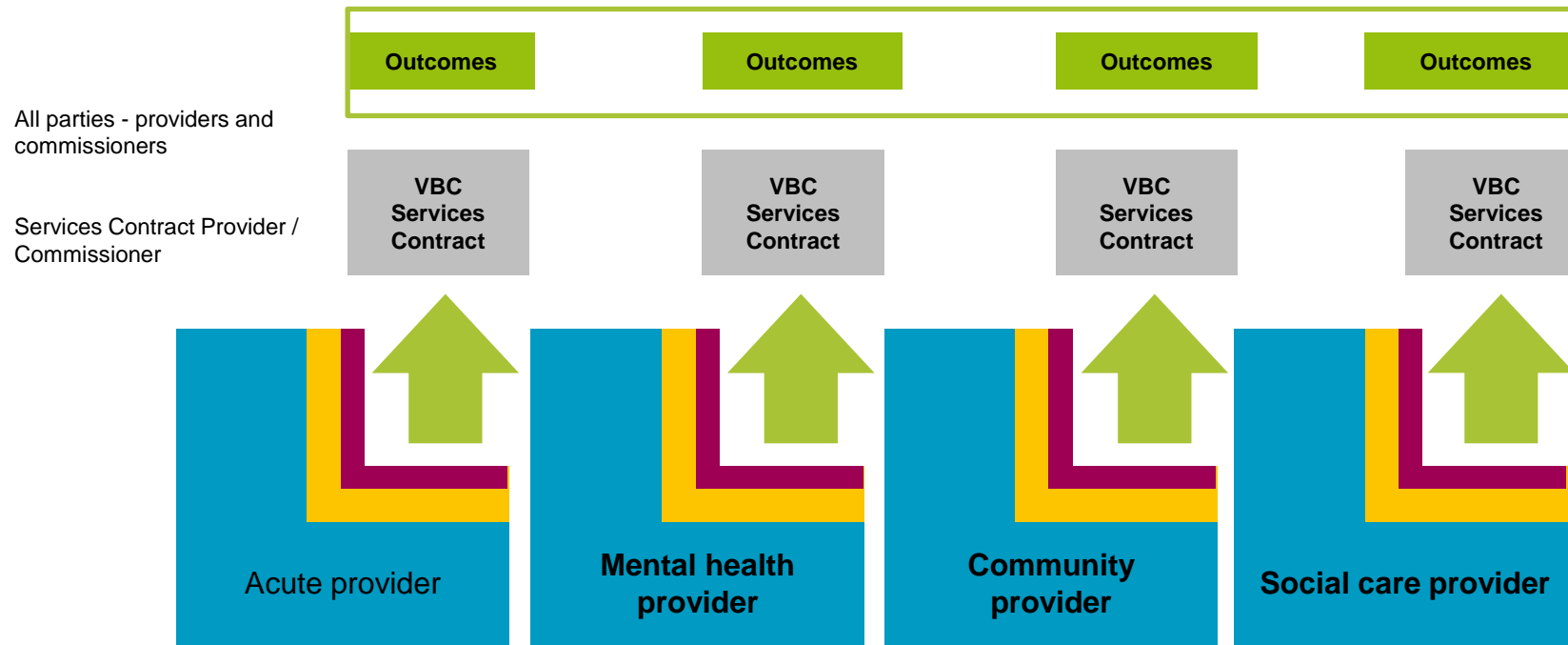
Not exhaustive



Adapted from: NHS Commissioning [England] practice and health system governance: a mixed methods realistic evaluation
By NHS [England] National Institute for Health Research.

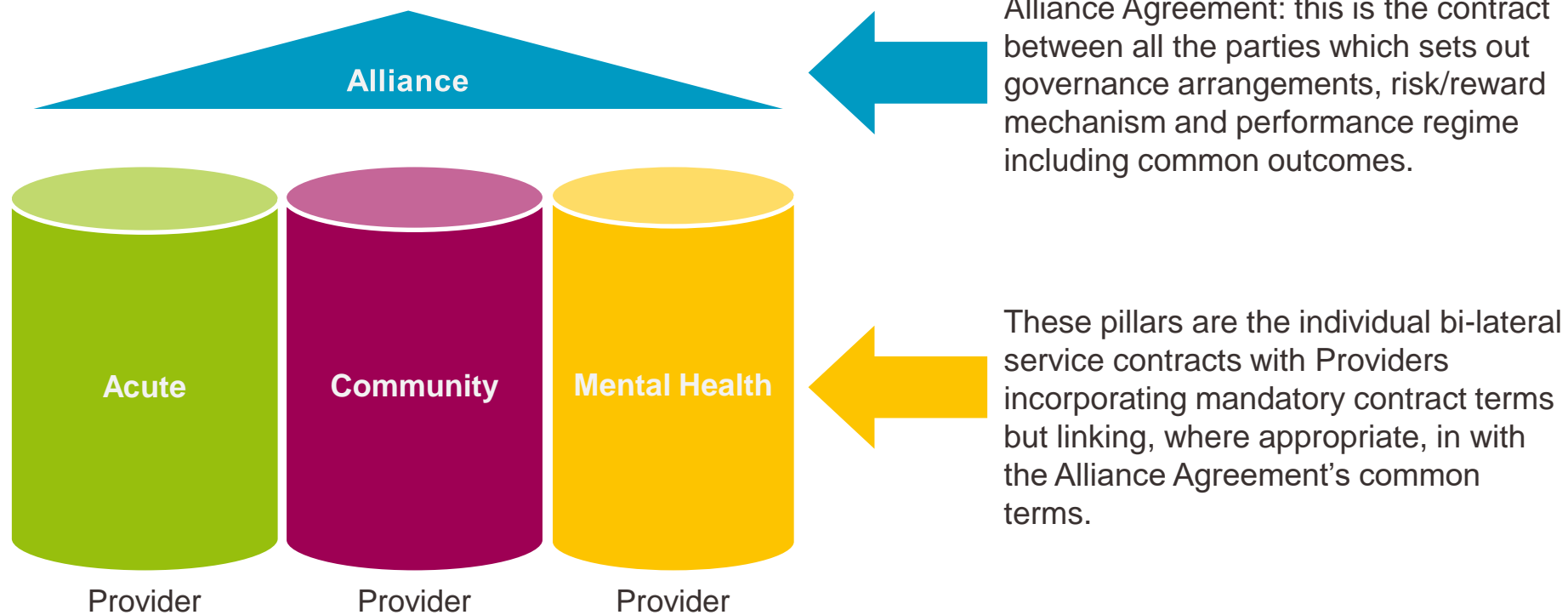
Contracting approach for VBHC across a pathway

Single overarching contract



- The VBC element (grey area) will be removed from the main clinical services contract and will be contracted for via a separate standalone VBC contract.
- The outcomes element (green area) will be removed from the main clinical services contract and will sit under the Single Overarching Contract (SOC) which is signed by all parties and held by the lead provider.

Alliance contracting model for VBHC



Challenges in moving to value based contracts



Move away from inputs/cost basis and standard form of contracts for process management – importance of data / benchmarking



Initial costs to set up the new way of working – changes in the finance/payment mechanisms



New models of collaboration



Managing a new risk profile