Integrated Care Works If Incentive Systems Exist

- **Integration alone hardly leads to improvements**
- **Quality and cost competition between service providers necessary**
- **Continued deficits in European countries**

"Integrated healthcare" has become one of the key concepts for European health officials in the search for efficient solutions for their countries' healthcare systems. The quality of medical services and cost efficiency is to be increased through the improved linking of health service providers, or resident practical physicians and specialists, hospitals, nurses, physiotherapists, etc.

"The enormous hopes placed in the integration of all service providers can be deceptive," experts have now warned at the European Health Forum Gastein (EHFG, 30 September to 3 October 2009), the leading health policy conference for decision-makers and experts in the European Union. "Networking alone does little," says Hans-Dieter Nolting, managing director of the IGES research institute in Berlin.

Nolting mentions a series of conditions necessary for integration to go from a fashionable slogan to a sustainable improvement of performance and efficiency: "For integrated care to generate gains in efficiency, conventional service providers must be transformed into genuine "integration providers" who themselves are interested in the highest cost efficiency of the overall system. Medical experts must also be integrated into decision-making processes (clinical governance), physicians must assume budgetary responsibility (fundholding), and high quality and transparency in pricing must reinforce positive competition between providers."

In Europe the first advances have been made in the direction of effective integrated care. "I'm not pessimistic about it," Nolting says. More transparency, better efficiency and quality will also succeed in Europe. With its integration of insurers, hospitals and mobile physician groups, the Kaiser Permanente health plan in California is exemplary with respect to the increase of quality and efficiency through integration. It focuses on treatment and the most effective stage of care, information technology, competition and options. The key elements of this system can be implemented in Europe immediately as well.

Background:

Integrated care providers

It is not enough simply to improve the cooperation and coordination between those involved, who ultimately are in pursuit of their own particular interests. A new type of care provider must be developed who is genuinely interested in the realisation of the most cost effective treatment methods. Fundholding plays a crucial role in this.

Fundholding

The quality and efficiency of medical care depend on the latitude of the integrated care provider. The greater the latitude, the more effective the integrated care. Lump sum

remuneration in the sense of a fundholding expands the latitude, but also bears the risk of physicians selecting their patients. This can be avoided by distributing risk: the risk of morbidity (risk of disease, “bad risk”) lies with the insurer, the performance risk with the caregiver.

Clinical Governance
In the scope of clinical governance, physicians not only stipulate the methods of treatment patient diagnosis and care are to follow, but they also influence the structures themselves: what departments and diagnostic facilities do we need in the hospital, which ones will we keep elsewhere?

Competition
What functions in a hospital – more transparency in medical outcomes – must also be created in the outpatient and integrated area as fast as possible. Medical indicators such as the Pay4Performance models in German and Great Britain are helpful. Here physicians earn a portion of their income based on performance and medical outcome. Physicians play an important role in the issues of transparency and quality: they become motors of quality and efficiency with their professional and business interests.

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