Keep Our NHS Public Paper to the Commons Health Select Committee

Accountable care organisations, accountable care systems and the NHS in England

As little as five years since the massive restructuring imposed by the Health and Social Care Act 2012 (HSC Act), the National Health Service is again undergoing radical change, this time at breakneck speed and without parliamentary consent.

Whereas the HSC Act increased competition, recent changes introduced by NHS England (NHSE) appear to do the opposite, but these appearances are misleading.

NHSE first divided the English NHS into 44 local health systems or 'footprints' (now 'Sustainability and Transformation Partnerships') and required each of these to integrate its local health and – where local authorities are willing – social care services, through cross-boundary working and pooled budgets.

Now, from 2017, these Partnerships are required to deliver 'accountable care' by morphing into Accountable Care Systems (ACSs), with the aim of eventually becoming Accountable Care Organisations (ACOs). Far from replacing competition with collaboration, NHSE intends to replace multiple smaller NHS contracts with a single long-term lead ACO contractor for each area of England.

NHSE argues that introducing 'accountable care' (a term often and misleadingly replaced by the more politically acceptable 'integrated care') is central to Government aims for 'financial sustainability' of the NHS. *In this context, 'sustainability' means reducing services to match insufficient funding: despite being one of the richest countries in the EU, the UK currently spends below EU average levels on healthcare.* [1]

Accountable care systems (i.e. both ACOs and ACSs) need to be resisted for the following reasons:

- They are being **introduced without adequate public involvement or consultation; and where NHS and social care services are seriously underfunded**;
- They are being **implemented beyond any legal framework**, creating problems of governance and accountability;
- They have **no robust evidence base** to support their use in the context of the English NHS;
- They will **help strip NHS assets, such as land and buildings**, so ending the social ownership of much of the NHS estate while allowing private companies to profiteer from it;

[1] https://www.kingsfund.org.uk/blog/2016/01/how-does-nhs-spending-compare-health-spending-internationally

- They will apply **unprecedented cuts in spending** (£22 billion[2] by 2020, compared with 2015 levels) and transfer the NHS's funding shortfall to new local, self-contained areas.
- They **incentivise rationing of services and – even more concerning – denial of care** and so are fundamentally at odds with social solidarity and the values of equity and universalism that underpin the NHS;
- They **increase the potential scope of NHS privatisation**. For example, multiple procurements will be replaced by a single, major, long-term contract to provide health and social care services for an entire area. The draft model contract for ACOs published by NHSE allows for, and is likely to attract, bids from multinational corporations. [3]
- They **rely on unrealistic expectations**, for example about collaboration and risk-sharing between private and NHS providers.
- They entail 'transforming' the NHS workforce, replacing experienced clinicians – including doctors and nurses – with technologies, and introducing new lower skilled and lower paid roles, such as 'physician and nurse associates'. ACOs are **likely to under-deliver required skill levels and undermine NHS terms and conditions of employment.**

This is a time of unprecedented NHS and social care funding shortfall. No one can deny that acute, primary care and community NHS services and social care need to be better integrated. But major funding input is the first and foremost requirement, to restore safe level of service provision and to facilitate moves towards better integrated delivery of services.

What is clear is that despite the lack of evidence, accountable care systems are being introduced at breakneck speed, and in the absence of public involvement and consultation, parliamentary scrutiny or appropriate legislation.

Simon Stevens has made clear his intention that ACSs will develop into ACOs and NHS England's model contracts assume a tendering process inclusive of bids from private companies or special purpose vehicles to run whole systems of the erstwhile NHS. Here and now, the development and management of accountable care systems themselves are being offered to private companies – as in Greater Nottingham.

These unevidenced and undemocratic proposals are facilitating increasing privatisation of the NHS, by giving private corporations new roles and powers to shape the NHS in their interests.

These new models of care should be opposed.

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[2] There have not been actual cuts in total NHS funding since 2010 - funding has risen very slightly in cash terms. However, the rise has been far slower than the growth of population need and cost pressures. £22bn is the gap between the virtually frozen funding 2015-2020 and the steadily rising costs and pressures, and that implies "savings" which must amount to cuts.

[3] https://www.england.nhs.uk/wp-content/uploads/2017/08/1bi.-170804-ACO-Contract-Particulars.pdf

Integrated care does not require commercial contracts and the involvement of corporates. For the success of a truly integrated system of health and social care, key steps are needed:

a) Increased funding of the NHS and personal social care (e.g. to average EU levels) to ensure that integration can deliver improved patient services rather than be the disguise for 'efficiency savings' and cuts;
b) Personal social care provided on the same terms as health, free at the point of use and paid for from public funding as in Scotland – unlike means-tested charges for social care alongside free health care which will prevent integrated care;
c) Full public involvement and consultation;
d) Robust piloting of future plans for integration and in-depth, independent evaluation;
e) New legislation that protects Bevan's founding principles of the NHS; ends the marketisation and fragmentation of the NHS; and re-establishes public bodies and NHS services that are accountable to Parliament and local communities – legislation such as that drafted in the NHS Bill 2016-17.

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