HFMA briefing
January 2024

hfma

Health inequalities case study: Bolton quality contract

Introduction

The HFMA has published a briefing on using financial incentives to tackle health inequalities, summarising the national incentives which are already built into the funding system and suggesting areas where integrated care boards (ICBs) can add their own local incentives.[1] The Bolton quality contract is an example where a system has used the NHS standard contract to incentivise organisations to improve health inequalities.

Bolton

Bolton is a metropolitan borough in Greater Manchester. There is a place-based partnership which sits within the Greater Manchester integrated care system and matches the geography of Bolton Council. Bolton's population is made up of around 296,000 people, of which 28% are from a Black, Asian or minority ethnic background. Bolton is more densely populated than the English average, there are higher-than-average levels of deprivation and there is a lower-than-average life expectancy.

Health and care organisations in Bolton were working through a place-based partnership (known as a locality) several years before integrated care systems were established in 2022. The locality has a transparent and joined-up approach to the use of resources in health and social care and is committed to getting best value from the NHS pound. Elements of its structure and governance also help smooth the process of financial change. For instance, there is a joint post with the same person taking the role of director of finance for Bolton NHS Foundation Trust and director of finance for the Bolton locality. In addition, Bolton NHS Foundation Trust provides both acute and community services, making it easier to move resources to improve prevention.

This case study explores a financial incentive which the locality introduced in 2015/16 and has reviewed and developed each year since. The incentive is part of the Bolton quality contract and is available to the 49 general practices which operate in Bolton.

Bolton quality contract for general practice

Bolton Clinical Commissioning Group (CCG) introduced the Bolton quality contract in 2015/16 to enable investment in capacity in general practice and improve the service offered to the people of Bolton. The mechanism was that practices would be paid their core contract as per existing arrangements (for example through the general medical services contract), and that the Bolton quality contract would be paid on top, guaranteeing a minimum income per head to all practices who met their performance standards.[2] Unusually for general practice, the Bolton quality contract uses the NHS standard contract.

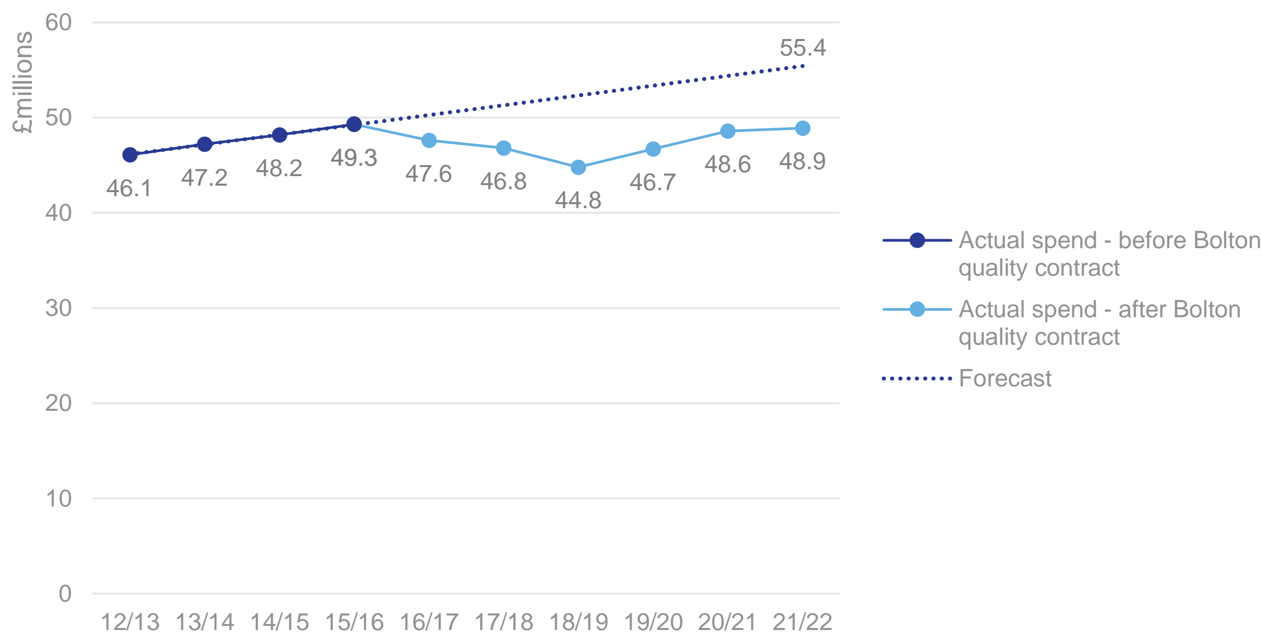
When it was first introduced, the Bolton quality contract represented a significant investment in general practice, with the CCG committing £3.1m in the first year. The anticipated savings were however greater, at £3.8m in the first year if all practices met the standards. This was mostly down to reduced prescribing costs, with more limited savings from reduced emergency attendances, emergency admissions and procedures of limited clinical value. Prescribing spend before and after the Bolton quality contract is shown in **Figure 1**.

---

[1] HFMA, *Using financial incentives to tackle health inequalities*, January 2024

[2] When it was first introduced in 2015/16, the minimum income per weighted patient was £95.00. This has since increased to £118.42 in 2023/24. Across the locality, £102.28 is from practices' core contract and £16.14 is from the Bolton quality contract.

Figure 1: Prescribing spend in Bolton before and after the Bolton quality contract



Source: *Bolton locality board papers*, 9 May 2023

The locality has committed £5.3m to the Bolton quality contract in 2023/24. Half of this is guaranteed income for practices, and half is paid based on their achievement of performance standards, forming a financial incentive. Each standard has its own weighting and target outcomes. Practices which achieve the standards in full will receive full payment, but there is a sliding scale on each standard where practices can earn 25%, 50% or 75% of the payment for that standard if their performance meets certain thresholds. After performance for the year has been measured and valued, any practice which fails against mandated standards or achieves less than 50% across all of the standards (or both) will be given a penalty which claws back 5% of the total value of the contract. The locality gains assurance through sense-checking, data analysis and benchmarking as well as annual payment verification visits. There is also an independent appeals process through which practices can dispute their reported performance against the standards.

Bolton's quality contract was initially inspired by an incentive scheme in Liverpool which brought together various financial incentives including for local enhanced services, prescribing and demand management. Bolton CCG reviewed the Liverpool scheme and worked closely with Public Health England to develop its first set of standards (19 in total). The locality reviews the standards and thresholds each year to ensure consistency with any changes made to the national primary care contract, and to make sure the scheme continues to incentivise the right outcomes to bring the best value. In 2023/24 there are eight standards:

Standard	**Example outcome measures**
GP access	• Contacts per 1,000 population • Face-to-face contacts per 1,000 population
Ageing well	• % of relevant population given an assessment
Carers	• % of people recorded as carers on the practice register • % of carers offered an annual health check
Defined patient groups	• % of dementia patients given an annual review • Patients who are military veterans are recorded as such in the patient record

Health improvement	• % of patients with a recorded body mass index • % of patients with a recorded smoking status • % of recommended screenings carried out for diabetic patients
Long term conditions best care	• Scores for the proactive management of asthma, diabetes, chronic obstructive pulmonary disease, atrial fibrillation, chronic kidney disease, and heart failure with left ventricular disfunction
Membership engagement	• A set of mandatory requirements for instance on reporting, safeguarding, emergency planning and system working
Prescribing	• Reduced spend on prescribing • Antibiotic items prescribed per specific therapeutic group age-sex related prescribing unit (STAR PU) • % of antibiotics prescribed which are high-risk antibiotics

Right from the start, it was intended that the Bolton quality contract would help reduce health inequalities. Bolton CCG recognised that differences in patient populations meant that ease with which practices meet targets would vary. It therefore assigned practices into peer groups, based on the demographics of their populations (in terms of age, ethnicity and deprivation). Targets and thresholds were set within each peer group, with practices achieving a standard in full if they reached the 75th percentile of their peer group's performance from the year before. This gave each practice a set of achievable but stretching targets.

For 2024/25, the locality intends to review and map its standards and outcomes to NHS England's Core20PLUS5 approach. This is a national approach which provides structure and directs integrated care boards (ICBs) on which areas they might prioritise in order to have the greatest impact. In the approach:

- 'Core20' refers to the most deprived 20% of the population
- 'PLUS' refers to population groups identified at a local level as facing health inequalities
- '5' refers to key clinical areas requiring accelerated improvement.

Core20PLUS5 identifies the key clinical areas of health inequalities among adults as: maternity, severe mental illness, chronic respiratory disease, early cancer diagnosis, and hypertension case finding.[3] And among children and young people, it identifies the key areas as: asthma, diabetes, epilepsy, oral health, and mental health.[4]

There are already elements of the Bolton quality contract which are well aligned to Core20PLUS5. For instance outcomes on asthma, diabetes and chronic obstructive pulmonary disease overlap with Core20PLUS5's key clinical areas.

[3] NHS England, *Core20PLUS5 (adults) – an approach to reducing healthcare inequalities*, 2021
[4] NHS England, *Core20PLUS5 – an approach to reducing health inequalities for children and young people*, 2021

About the HFMA

The Healthcare Financial Management Association (HFMA) is the professional body for finance staff in healthcare. For over 70 years, it has provided independent and objective advice to its members and the wider healthcare community. It is a charitable organisation that promotes best practice and innovation in financial management and governance across the UK health economy through its local and national networks.

The association also analyses and responds to national policy and aims to exert influence in shaping the wider healthcare agenda. It has particular interest in promoting the highest professional standards in financial management and governance and is keen to work with other organisations to promote approaches that really are ‘fit for purpose’ and effective.

The HFMA offers a range of qualifications in healthcare business and finance at undergraduate and postgraduate level and can provide a route to an MBA in healthcare finance. The qualifications are delivered through HFMA’s Academy which was launched in 2017 and has already established strong learner and alumni networks.

© Healthcare Financial Management Association 2024. All rights reserved.

While every care had been taken in the preparation of this briefing, the HFMA cannot in any circumstances accept responsibility for errors or omissions and is not responsible for any loss occasioned to any person or organisation acting or refraining from action as a result of any material in it.

HFMA

HFMA House, 4 Broad Plain, Bristol, BS2 0JP
T 0117 929 4789
E info@hfma.org.uk

Healthcare Financial Management Association (HFMA) is a registered charity in England and Wales, no 1114463 and Scotland, no SCO41994.

HFMA is also a limited company registered in England and Wales, no 5787972. Registered office: 110 Rochester Row, Victoria, London SW1P 1JP

www.hfma.org.uk