Population Health Management Market Drivers in the UK

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White Paper

Written by Alex Green

Signify Research published two market reports in 2017 examining the relatively advanced population health management market (PHM) in North America. In early 2018 we'll be publishing our first report examining the markets outside North America. This white paper examines the drivers for PHM deployment in the UK, one of the key markets that many of the US vendors are looking to as they expand their operations internationally and one of the larger PHM markets outside North America.

The NHS IT Strategy

The NHS suffers from many of the same challenges as the US in terms of how to deliver health care in an environment where the demands on the service are growing year-on-year, chronic disease prevalence is increasing, costs are rising and health care has historically been delivered via an episodic care management process. The obvious difference being the way care is provisioned in the UK with a single payer in the form of the NHS. But the complexities of health care delivery in the UK by no means allow for an easier journey in tacking these issues.

Key Market Drivers

NHS IT Stategy	Five Year Forward View	Global Digital Exemplars
Sustainability and Transformation Partnerships	Accountable Care System	New Models of Care Vanguards

The NHS recently updated its IT strategy framework which focuses its priorities around five key deliverables aimed at tackling these wider challenges. These are:

- To empower the person
- To support clinicians
- To integrate services across health and care
- To manage the health system
- To create the future

The priority “to integrate services across health and care” is the one that is the most relevant in terms of driving the PHM market in the UK. One of the biggest challenges here is the alignment and sharing of data. The is particularly so at the intersection between health care and social care, the two of which are typically funded, commissioned and managed via different organisations (social care is means-tested and typically managed and commissioned at a local government level whereas health care is free to all and commissioned and managed by regional clinical commissioning groups CCGs).

The data aggregation features of many PHM solutions would offer regional providers a potential route to addressing these data integration requirements (although much of the data used in the NHS is still held on paper). The care management and care coordination elements of a PHM offering would offer a platform for different providers to work together to manage their patients in a coordinated fashion. One of the leaders in developing a model of care that addresses this in the UK is Salford.

Salford City Council, NHS Salford Clinical Commissioning Group, Salford Royal NHS Foundation Trust, Salford Primary Care Together and Greater Manchester Mental Health NHS Foundation trust have partnered together to form an Integrated Care Organisation (ICO) in order to develop a new care model for integrated primary and acute care delivery. One of the biggest challenges for this new ICO was to develop an IT solution that offered a shared patient record that could be used across GPs, hospitals and social care records. To do this Salford selected Allscripts PHM CareInMotion solution which allowed the ICO to share data across disparate systems within clinicians’ workflows. Salford is leading the way in the UK in terms of this new model of care but it is expected others will follow (more on this later) and the drive to develop more integrated care models in other parts of the UK will offer PHM vendors addressing the UK market a great opportunity.

The recently updated NHS IT strategy placed a greater emphasis on tighter linkages into the NHS Five Year Forward View (FYFV) objectives. The FYFV is a programme, first announced in 2014, to modernised healthcare provision in the NHS in England. A central vehicle in implementing the FYFV are the NHS Vanguards.

- NHS IT Strategy - “to integrate services across health and care” is one of five priorities and the one that is the most relevant in terms of driving the PHM market in the UK. Greater alignment going forward with Five Year Forward View.
- Five Year Forward View - a programme, first announced in 2014, to modernised healthcare provision in the NHS in England. A central vehicle in implementing the FYFV is the NHS Vanguards.
- NHS Vanguards - integrated care partnerships developing new models of care. Nine Vanguards focusing on integrating primary and acute systems most relevant to PHM.
- Global Digital Exemplars - 16 NHS acute providers that have been recognised for delivering exceptional care via the use of world-class digital technology and information. A number have implemented PHM solutions.
- Sustainability and Transformation Partnerships (STPs) - 44 regional partnerships of providers across the care continuum building proposals with the aim to improve a whole population’s health
- Accountable Care System (ACS) - based on the US Accountable Care Organisation (ACO) model, these are a subset of STPs that are highly evolved in terms of PHM strategy. Eight exist to date. A further eight will be announced in February 2018

NHS Five Year Forward View and New Care Models Programme

In January 2015, the NHS invited individual care provider organisations to apply to become “Vanguards” for new models of care. Five different types of Vanguard were developed each type looking to address specific challenges in the way that healthcare is delivered. Most pertinent to PHM are the nine vanguards put in place that had the objective to “Integrate primary and acute systems”, i.e. the joining up of GP, hospital, community and mental health services. This objective is linked closely to the NHS IT strategic priority outlined above.

Since these nine Vanguards were put in place PHM vendors have had several successes in aiding the Vanguards in addressing this objective around care system integration. Salford (mentioned in the previous section) was one of these Vanguards and as already mentioned has implemented Allscripts CareInMotion PHM offering to aid it develop its new model of care.

Another example is in The Wirral. As with Salford a range of health care agencies in The Wirral, including NHS Wirral CCG, Wirral Council, Wirral University Teaching Hospital NHS Foundation Trust, Wirral Community NHS Trust and Cheshire & Wirral Partnership NHS Foundation Trust have formed a partnership called Wirral Partners. One of Wirral Partners' leading projects in its development of its new model of care was to roll out tools that would allow better information sharing to support patient care. For this it has used Cerner's HealtheIntent PHM solution which marked Cerner's first UK customer for its PHM business. Cerner has been able to use this as a platform to gain additional success in the UK with contracts for its PHM solution now in place in several other authorities including Oxford and Lewisham.

The NHS' intention is that these vanguards will ultimately offer a template for best practice in how new models of care are developed in the NHS. Those trusts and regions that are looking to follow the example of Salford and The Wirral in integrating the management of care delivery across different agencies offer further opportunities for PHM vendors in the UK.

Global Digital Exemplars

A Global Digital Exemplar (GDE) is an NHS provider that has been recognised for delivering exceptional care via the use of world-class digital technology and information. It is intended that the Exemplars will share their learning and experiences so that other trusts can follow in their footsteps as quickly and effectively as possible. The GDE programme is another element of the NHS Five Year Forward View (FYFV) and has the objective of joining up and digitalising health systems in order that healthcare providers and patients have timely access to information that allow them to support service change to improve health for all the population.

There are 16 NHS trusts that form the acute GDEs and again these have proven a great opportunity for PHM vendors targeting the UK. Salford Royal NHS Foundation Trust and Wirral University Teach Hospital NHS Foundation Trust form part of this group of 16 and as already mentioned are part of regional partnerships that have used PHM solutions. Cerner has also had PHM success with this group with Oxford University Hospital NHS Foundation Trust (one of the 16 acute GDEs) choosing HealtheIntent. It also had further partnerships (most at present just for its EHR solution) with an additional four GDEs. Similarly, University Hospital Southampton NHS Foundation Trust (again another GDE) has rolled out a customised version of GetRealHealth's InstantPHR PHM solution in conjunction with Microsoft HealthVault.

As well at these 16 GDEs there are a further 18 GDE "fast followers". These are trusts that are paired with one of the lead GDEs that will look to follow their partner's best practices. This group of 34 Trusts all offer a great opportunity for PHM vendors looking to develop their presence in the UK. The fact the NHS England is providing additional funding to support GDE IT programs further enhances this argument. One potential issue for new vendors is that the fast followers may also take on the same/similar solutions to the exemplars, therefore, the race for selling PHM into the initial exemplars is the most important (and for some, one that's already been run).

One challenge for PHM vendors is that these GDEs are acute trusts and typically the role of managing a community's overall health does not lie with the acute trusts, instead this is the role of the clinical commissioning groups. While these GDEs may be advanced in terms of IT, it can often be with the priority being around managing episodic acute care. Those that are part of a wider regional initiative to coordinate care across local agencies (such as the Vanguards mentioned above) may offer the better opportunities in this group.

Sustainability and Transformation Partnerships

NHS England and local councils within England have formed partnerships, called Sustainability and Transformation Partnerships (STPs) in 44 areas covering all of England. Again this initiative is part of the NHS Five Year Forward View. Each STP has developed proposals built around the needs of the whole population in the area that are intended to improve the whole population's health and care provision.

In 2016, every STP published their initial proposals for development. The intention is that over time a number of these STPs will be developed into Accountable Care Systems where health care providers in the region take on collective responsibility for population health management. The concept of the Accountable Care System (ACS) was developed from the US Accountable Care Organisation (ACO) model and it is intended that these ACSs take on the best practices that have been learned during the deployment of ACOs in the US.

For an STP to become an ASC it must agree to take on a budget for a defined population's health provision, as opposed to the more episodic budgetary planning approach currently implemented via national tariff arrangements. However, the STP must demonstrate that, amongst other things, it is capable of efficiently implementing an integrated population health management strategy.

In June of this year (2017) the first eight ASCs were announced, Frimley Health, Greater Manchester, South Yorkshire and Bassetlaw, Nottinghamshire, Blackpool and Fylde Coast, Luton, Berkshire West and Buckinghamshire. An additional eight shadow ACSs will be announced in February 2018.

The development of STPs in the UK is perhaps the most important driver for the growth of the UK PHM market and offers some of the greatest opportunities for vendors looking to expand their PHM business in the UK. As STPs develop into ACSs the potential opportunity for PHM vendors increases. This initial group of eight ACS, along with the further eight being announced at the start of 2018 would be well worth the focus of any PHM vendor looking to develop their business in the UK.

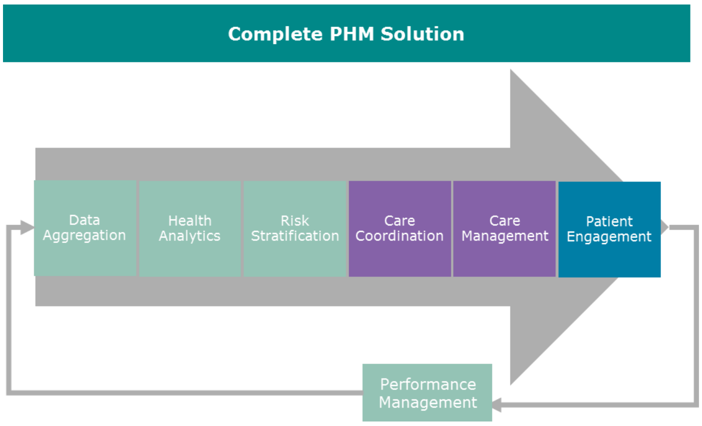
STPs have the advantage over local trusts in that they typically cover a larger population (300,000 – 3 million people), one that would merit the term population health management, and that they incorporate a range of providers across the region, not just acute trusts as is the case with GDEs. Therefore, their remit is one of scale and one that includes the whole population, not just the sick.

On 27th October 2017, NHS England published a "prior information procurement outline document" for IT vendors looking to serve STPs and ACSs in the UK. This document outlined what NHS England viewed as some of the key features of IT solutions that are needed to support STPs and ACSs, and provided a good insight into what it would be looking for in the future when procuring such systems. The feature set described was highly aligned to those developed by PHM vendors serving the US market and included functionality such as:

- PHM analytics to support health needs assessment, assurance and evaluation and system planning
- Care coordination, risk stratification and impactability modelling tools
- Care management, clinical decision support and workflow support tools
- Innovative technology to support self-care programmes to enable patient empowerment and activation
- Primary care transformation support tools (e.g. improving ease of service access, telehealth, demand management)
- Data integration tools such as Health information exchange and interoperability hubs

The fundamental building blocks of a US ACO-focused PHM solution have evolved into three core areas:

- Data aggregation, analytics and risk stratification
- Care management and care coordination
- Patient Engagement



The features listed above align nicely to this US ACO-PHM model and are a further sign that the IT requirements for ASCs will be highly aligned to those of US ACOs. Good news for those vendors that have a proven success record in the US.

The STP program is certainly not without its challenges, the mismatch of geographic alignment to trusts, CCGs and local councils being one, but perhaps larger is funding. At the end of 2015 the STP

Fund (STF), providing an extra £2.1B for FY2016/17, was announced to support the five year forward view. However, most of this was ultimately used to plug NHS budget deficits. And the signs are that the story will be similar for the next couple of years. So as is often the case with the NHS, funding could be the show stopper in relation to the potential from STPs and ACSs.

The EMR Link

A final point for consideration is when looking at the success stories to date, many of the examples of PHM deployments in the UK have been EMR vendors leveraging their existing EMR deployments. Leading EMR vendors such as Cerner, Allscripts and Epic have typically seen success in terms of PHM deployments when they have managed to upsell their PHM solution to their existing EMR customers. The Allscripts/Salford PHM implementation detailed earlier was an example of an Allscripts Sunrise EMR client adding Allscripts' PHM solution to IT implementations. Allscripts' second PHM deployment in the UK with the Dudley Group NHS Foundation trust is another similar story. Similarly, The Wirral was already a Cerner Millennium customer when it selected Cerner to be its PHM solution vendor.

There are two takeaways from this trend.

The first is that often those trusts already using advanced EMR solutions can be the best target customers for upscaling to a PHM solution.

The second is that that those vendors that have a strong foothold on the UK EMR market (e.g. Epic, Cerner, Allscripts, Intersystems, DXC Technology) have somewhat of an advantage as the PHM market grows, assuming they have a competitive PHM offering.

However, typically these EMR deployments have been with NHS acute trusts that alone do not have a remit for an entire population's health. As new models of care are developed such as those being led by the Vanguards, STPs and ACSs, the decision-making process when selecting a PHM vendor may move away from the acute trusts to these strategic partnerships. An entrenched EMR vendor may still have some advantage here (the acute trusts will be heavyweight players in these partnerships and will want to ensure interoperability and smooth operation with their legacy EMR systems) but it may offer opportunities for other vendors too.

Key Takeaways

The Five Year Forward Plan and with it the development of vanguards, GDEs, STPs and ASCs means that the UK PHM market is well positioned for

growth. The key challenge will be upscaling the various pilots and regional projects into larger implementations. The fact that many of these initiatives follow models that were developed around the US ACO model means that US vendors that have a proven track record servicing the ACO population health market are in a good position to take advantage of this growth.

However, as is often the case with the NHS, change is forecast to be slow. Opportunities will present themselves in the form of these limited number of vanguards, fast followers, GDEs and ASCs, where additional funding have been provided (to some extent). However, many trusts in the UK are still struggling with the move to relatively simple EMR solutions (from basic PAS to EMR) and are a long way from implementing the more sophisticated tools offered for population health management. And as deployment moves beyond these specific initiatives, funding will continue to be a sticking point for many trusts and CCGs.

Certainly the UK PHM market is forecast to grow, but this is from a relatively low base. While offering US vendors an avenue for growth, the low starting point, coupled with the funding issues will result in it still offering a significantly smaller opportunity compared to the domestic US market.

New Market Report from Signify Research

This white paper is a scene setter for Signify Research new report on the PHM opportunities in EMEA, Asia and Latin America due for publication in early 2018. The report will provide market estimates and forecasts for PHM platforms in over 20 countries globally with qualitative analysis provided for each. The report will also assess the competitive environment with focus on local regional/country vendors and international vendors. For more information on this report, please email Alex.Green@SignifyResearch.net or call us on +44 1234 436150.

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Alex Green
Director & Principal Analyst
UK Office
alex.green@signifyresearch.net
+44 01234 436150
@AlexG_Signify

Signify Research - UK
Cranfield Innovation Centre
University Way
Beds. MK98 OBT
United Kingdom

Signify RESEARCH