

Towards integrated health organisations:

Considerations for policy and NHS leaders

Read our new report

Based on engagement with over 30 healthcare leaders from across the sector.

The 10 Year Health Plan (10YHP) introduced integrated health organisations (IHOs) as a population-based contracting approach to improve outcomes for patients and improve value for money through greater allocative efficiency.

Recommendations for the Department of Health and Social Care and NHS England

NHS leaders describe IHOs as containing four core components:



Contractual arrangements: a capitated contract for a whole population awarded by an ICB to a host provider. The host provider holds the IHO contract on behalf of a group of providers, then delivers and/or sub-contracts services, aligning financial incentives between providers to reduce downstream demand.



Structural form: the host provider, which initially can only be an advanced foundation trust, will need collaborative structures to work with other care providers in partnership including local government.



Reimagined governance: while an IHO will not be a new legal entity, the host provider's governance will need to adapt to focusing on improving population health and the sub-contracting services from other providers, not just service delivery and organisation performance.



Collaborative behaviours and leadership: beyond these hard mechanisms, the success of IHOs will depend on trust, relationships and shared purpose across partners. Leadership should be about convening, not controlling.

1

Take a locally determined approach to establishing IHOs, involving ICBs and local provider partners in decisions over whether to hold IHO contracts and at what geographical scale.

2

Create a transparent IHO authorisation process in the Model IHO Blueprint, assessing host provider board's population health management capabilities, collaboration agreements, risk-sharing, and ICB capability.

3

Update the NHS Oversight Framework and financial and performance metrics for 2026/27 to shift from recovery-focused measures to those that incentivise transformation and collaboration, ensuring new metrics are in place when the first IHOs launch in 2027.

4

Support and resource the development of ICBs' and IHO host providers' strategic commissioning skills, and update policy to enable ICBs to delegate some functions to IHO hosts over time.

5

Ensure robust probity and conflict management by engaging with the Competition and Markets Authority on IHO contract compatibility with competition law and, if needed, making legislative changes.

6

Support inclusion of social care and public health in IHO contracts by amending the NHS Act 2006 to redefine the foundation trust 51 per cent income threshold as 'public sector' funding rather than strictly 'NHS' funding.