Who we are

The King’s Fund is an independent charity working to improve health and care in England. Our vision is that the best possible care is available to all.
Improving value: enhanced quality or reduced expenditure?

Dr Matthew Lewis

Consultant Physician, Sandwell and West Birmingham Hospitals

Vising Fellow, The King’s Fund
Scope of talk

› Value
› Variability
› Waste
› Patients
› Populations
My interest

‘….we make no apology for placing the emphasis on clinical practice because... the experience of high performing health care systems around the world demonstrates the scope for delivering better outcomes at lower cost by providing safer and more appropriate care’
Value defined

**Oxford English Dictionary**

- The regard that something is held to deserve; its importance, worth, or usefulness
- Principles or standards of behaviour; one's judgement of what is important in life

**Definition of 'value' in health care**

- ‘The health outcomes achieved per dollar spent’ (Porter 2010) or
- ‘The best outcomes at the lowest cost’ (Porter 2013)
Value

Equation

Outcomes

Cost
Quality → Value → Performance
Variability

Unwarranted variation in healthcare

“variation that cannot be explained on the basis of illness, medical evidence, or patient preference”

John Wennberg
NHS Atlas of Variation 2017
Variability

- Deep wound infection rates for primary hip and knee replacements range from 0.5% to 4%
- Average price paid for hip prosthesis varies from £788 to £1590
- Sickness and absence rates vary from 2.7% to 5.8%
- Emergency readmissions for COPD patients within 30 days of discharge varies from 9% to 18%
- Length of stay for elective breast surgery ranges from 0.4 days to 4.3 days

Carter Report, 2016
Better Value in the NHS, 2015
Optimal value

Value
- Patient (personal)
- Intervention (technical)
- Population (allocative)

Point of optimality
- Underuse
- Misuse
- Overuse

Ref: Better Value Healthcare
NHS Right Care

Commissioning...

- Atlases
- Commissioning for Value Packs
- Right Care Delivery Partners

NHS Right Care
Economist Intelligence Unit 2016

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Gastroenterology

Variation in rate of years of life lost in people aged 1-64 years from chronic liver disease by CCG
Variability

Figure 2.15 – A distribution of acute pathology costs as a proportion of trust operating expenditure. Some trusts spend around 2.8 times more on pathology provision as a proportion of their operating expenditure than others.

Carter report
Getting it Right First Time

Providers:

- £40 million savings per year from hip and knee implants by switching to cemented implants and reviewing pricing
- £300 million savings per year from reducing deep wound infection rates in hip and knee replacement surgery
- 23.7% of surgeons performing hip replacements undertook ten or fewer procedures per annum
Model Hospital

The purpose of the Model Hospital portal is to provide a nationally available performance information system relating to metrics of productivity, efficiency and quality of care.
Finance

Delivering value-based healthcare has to become the focus for clinicians and finance alike as they look to deliver high-quality sustainable healthcare services to meet the needs of a growing and ageing population. But the challenge is how you turn the theory of value into practice.

While much has been written and discussed about the concept of ‘value’, there are not many examples where the value framework has been put into practice at a local level.

The aim was to test how easy it is in practice to link costs and outcomes at a patient level, and explore whether there is any correlation between them.

Initial focus on hip replacements and diabetes – trying to define links between costs and quality.
Bolton Programme Management Office

- Reviewing national data
- Contacting clinical teams regarding opportunities for savings
- Drawing up projects
- Helping delivery
- Monitoring results
Service line management

‘In SLM, a hospital trust is divided into specialist clinical areas that are then managed as distinct operational units led by clinicians. SLR provides data on financial performance, activity, quality, and staffing.’

Requires

› Time
› Clinical engagement
› Expertise
› Training and
› Effective use of data

Authors
Catherine Foot
Lara Sonola
Jo Maybin
Chris Naylor

January 2012

Can it improve quality and efficiency?
Waste

OECD

- 10% of patients are affected by preventable errors
- 10% of hospital expenditure is spent correcting preventable errors
- Many hospital admissions are preventable

‘Overall, existing estimates suggest that one-fifth of health spending could be channelled to better use’
Lean thinking identifies the least wasteful way to provide better, safer healthcare to your patients – with no delays. It’s about being able to do more with the resources available.

Five principles of lean thinking enhance the quality of healthcare by improving flow in the patient journey and eliminating waste:

1. Specify value
2. Identify the value stream or patient journey
3. Make the process and value flow
4. Let the customer pull
5. Pursue perfection

**Value** is any activity which improves the patient's health, wellbeing and experience. Anything else is **waste.**

_NHSI_
Virginia Mason trusts

Focus on lean methodology

- University Hospitals Coventry and Warwickshire NHS Trust
- The Shrewsbury and Telford Hospital NHS Trust
- Barking, Havering and Redbridge University Hospitals NHS Trust
- The Leeds Teaching Hospitals NHS Trust
- Surrey and Sussex Healthcare NHS Trust
King’s Health Partners

Clinical Academic Groups across three sites in SE London
- Guy’s and St Thomas’
- King’s College
- South London and Maudsley

Outcomes books illustrate challenges for local population and measures of clinical quality and performance

Economist Intelligence Unit, 2016
Royal Free London

Acute care collaboration vanguard site:
› Group of 10-15 trusts, population approximately 5 million
› Cross-cutting Clinical Practice Groups

Intention improve value by:
› Standardising best practice
› Consolidating services
› Reduced variation
› Improved procurement
› Shared non-clinical functions
Healthcare Quality

**Safe**: avoiding harm to patients.

**Effective**: providing evidence-based care and refraining from providing services that are unlikely to be of benefit.

**Patient-centred**: ensuring that care is responsive to individual patient preferences, needs and values.

**Timely**: reducing waiting times for care and avoiding harmful delays.

**Efficient**: avoiding waste.

**Equitable**: ensuring that care is of the same quality regardless of personal characteristics such as gender, ethnicity, location or socio-economic status.

*Institute of Medicine 2001*
Quality Improvement

Discharge to assess – Sheffield Frailty Unit

- 37% increase in same-day or next-day discharges (no increase in re-admissions)
- 15% reduction in mortality for in-patient geriatric medicine
- 2 wards closed due to reduced bed occupancy for emergencies
- £2.3m theoretical cost saving per year
Integrated care

The biggest waste we have in our health system is patients’ time. Historically we have designed health systems that build in waiting at every point and which bounce patients from one part of the system to another. By focusing on removing waiting we can make far better use of the existing resource. We are convinced that 30 per cent of what we do is wastage.

David Meates
Chief Executive, Canterbury District Health Board
Involving patients

To challenge the waste and productivity gap in health care we also need to work with patients and the public. They can see inefficiency better than any of us. Having worked with patients and the public for many years I am amazed how rarely we ask them about what is important to them.

An example is visits to outpatients – for a 10-minute appointment a patient may be spending a whole day waiting for transport to and from hospital at significant cost (to the patient and the health service) only to be asked to come back in three or four or six months to do the same again.

As well as cost, this shows a lack of respect for patients’ time. They might not feel they need follow up at all but put up with our way of working because of worrying they won’t be able to get back into the ‘system’.

Jane Collins, 2017
CEO Marie Curie, Former CEO GOSH, Trustee of the King’s Fund
Patient focus

‘Many doctors aspire to excellence in diagnosing disease. Far fewer, unfortunately, aspire to the same standards of excellence in diagnosing what patients want.’

‘...because patients choose fewer treatments when fully informed, the NHS could save billions of pounds.’

King’s Fund and Dartmouth Center

Choosing Wisely
Closing thoughts

Is the NHS fixed in its approach?
1. Are staff prepared to change their work?
2. Do patients accept the need to change?
3. Do accept the need to dis-invest in lower value services?

‘We have arguably the greatest concentration of intellect and talent of any UK business, but there is little evidence it has been fully engaged to solve the efficiency and productivity issues trusts are facing’

Carter report
Thank you

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