



2010 WINNING CASE STUDY
Innovation
Avail with Department of Health



Department of Health - Improving care pathways in the NHS

Executive Summary

Avail was commissioned by the Department of Health (DH) to work with four Primary Care Trusts (PCTs) to see how best they could reduce costs whilst improving quality of care and patient satisfaction. Our work centred on improving “care pathways”, i.e. the different stages of treatment and care that patients with a particular condition receive, and finding ways to create shorter, better pathways that bring patients out of hospital quicker, or prevent admission in the first place.

The focus of our work was on developing a **repeatable methodology for optimising care pathways**, plus developing four elements which, when combined, could **increase PCTs’ commercial, commissioning and procurement skills and unlock significant cost and quality improvement benefits within the NHS**.

The specific improvements that we have helped the PCTs design and implement will save each PCT hundreds of thousands of pounds each year across each of the 3 pathways. These are improvements that can be replicated across other pathways and by other PCTs. There are 152 PCTs and 340 care pathways, so **the total potential saving to the NHS is estimated to be several billion pounds**.

This programme has developed a range of tools and approaches to help PCTs realise this opportunity.

Problem/opportunity faced by the client

A climate of increasing budgets and heavy focus on improving patient care (reducing waiting times, ensuring equitable access to services, etc) has meant that PCTs have been able to invest in new services without the need to maximise (or even measure) cost effectiveness. Care pathway improvements over recent years have often involved investment, thus increasing cost as well as quality of care. This has undoubtedly improved services and conditions for patients, but has not necessarily maximised value for taxpayers.

In March 2007, HM Treasury confirmed a 4% annual budget increase for the NHS. This increase came with a number of conditions attached, including a requirement to improve demand management of healthcare, goods and services. Original estimates of the demand management opportunity identified the potential for efficiency savings building cumulatively over three years to £400m per annum.

To test these estimates, in 2007 NHS Purchasing and Supply Agency (PASA) commissioned a detailed assessment of the opportunity for healthcare demand management, or what has now become ‘care pathway optimisation’. This assessment estimated that efficiency gains of between

£449 million and £545 million p.a. were achievable, together with wider benefits of improved patient outcomes, higher service quality, and better use of resources.

The DH was keen to undertake some pilots to validate the level of potential savings. In February 2009, pilots were launched across four PCTs.

Project background

The DH felt the need for external support to validate the levels and savings and to help build the commercial skills of their staff to enable them to improve care pathways in the future by building and sustaining their own capability and capacity to do so.

Avail was commissioned to work with the four pilot PCTs during 2009. The programme has developed a suite of resources to enable PCTs to become more commercial, and to commission services that both improve quality of care and deliver financial savings.

Consulting activity

Solution proposed by consultants

Avail proposed developing a **repeatable methodology for optimising care pathways**, plus four elements which, when combined, could increase PCTs' commercial, commissioning and procurement skills, being as follows:

- **Procurement capability diagnostic;**
- **the Good Practice Framework;**
- **the Commissioning Case Studies;**
- **a commercial statement.**

All these are available via the PCT Zone on PASA's website.

How this solution was arrived at

The starting point for developing each of the elements was to develop the solutions from Avail's own solution sets – giving the NHS the intellectual property that they would need to use the resources themselves.

Further domestic and international research into best practice was then carried out to ensure the solution development took into account a much broader base of ideas and influences.

Key to the development and ensuring the outputs were practical and useable was the extent of stakeholder engagement for both the solution development and delivery. The stakeholder base covered all commercial levels with the PCTs including: Chief Executive, Commissioning Director, and Finance Director through to Clinicians, Commissioners and Procurement staff.

At all stages during the programme we tested our direction against a number of core policy strands – namely 'is this improving patient care' and 'is the care being delivered in the most cost effective way'.

What actions were taken?

The major focus has been on developing the **repeatable methodology for optimising care pathways** that was sufficiently evidenced with the qualitative and quantitative benefits.

Optimising the pathway may involve:

- Eliminating activities (for some or all patients) that do not contribute to patient outcomes or quality of care, but which may incur cost
- Replacing some activities with new activities that are more effective or efficient
- Streamlining processes to remove delays
- Retendering some activities to increase competition and reduce the price paid for those activities
- Introducing completely new services that, whilst incurring incremental cost in their own right, may reduce overall costs across the health economy by reducing demand for other services through preventative measures

As well as supporting these specific initiatives at the three PCTs, a key output of the programme was a generic methodology to provide an outline roadmap for a care pathway optimisation project. The areas of focus at the pilot PCTs are outlined in the following table that also shows the resulting service developments and their benefits to each PCT.

PCT pilot care pathway optimisation projects

PCT	Pathway/area of focus	Key resulting service development	Benefits
Rural PCT	Angina	Community cardiology service to treat patients currently referred to an acute outpatient setting	<ul style="list-style-type: none"> • Care closer to home • Increased capacity within secondary care to focus on more complex cases and meet waiting time targets • Cost reduction of up to £400,000 per annum from delivering outpatient services in the community at a price below the acute outpatient tariff
Suburban PCT	Menorrhagia (heavy menstrual bleeding)	Community menstrual disorder service to treat patients currently referred to an acute outpatient setting	<ul style="list-style-type: none"> • Care closer to home • Increased capacity within secondary care to focus on more complex cases and meet waiting time targets • Cost reduction of up to £200,000 per annum from delivering outpatient services in the community at a price below the acute outpatient tariff
Inner City PCT	Emergency admissions avoidance	Post-discharge medicines support service to prevent avoidable readmission of patients due to medicines usage issues	<ul style="list-style-type: none"> • Greater quality of care • Reduction in medicines wastage • Reduction in emergency admissions, with a resulting overall cost reduction estimated to be approximately £150,000 per annum

Secondly, we piloted and further developed a **Procurement Capability Diagnostic (PCD) toolkit** with four pilot PCTs. The PCD provides senior stakeholders with an independent evaluation of procurement capability within the context of their commissioning activities. Capability is measured against ten key statements of procurement maturity.

To obtain an organisation-wide perspective of the PCT’s procurement capability, structured interviews and e-questionnaires are used to gather information from a range of internal stakeholder groups within the PCT. The results of the interviews and e-questionnaires are then scored and analysed to produce a rating of procurement capability against each statement of procurement maturity. Drawing upon the findings of the interviews and e-questionnaires, key stakeholders attended a workshop to develop a Performance Improvement Plan (PIP) to provide the PCT with a list of specific prioritised and sequenced actions to take forward.

Thirdly, we developed a **Good Practice Framework (GPF)** for commissioning and procurement which provides a PCT’s commissioners and procurement staff with guidance and resources covering the full commissioning cycle. The GPF consists of three sections, corresponding to the three segments of the commissioning cycle:

- Strategic planning
- Acquisition
- Performance management

Each of these three segments consists of a series of steps, illustrated below. Effective stakeholder engagement throughout the commissioning cycle sits at the heart of the GPF.

Fourthly, we developed eight examples of good commissioning practice to help PCTs better understand the potential across the NHS to improve care and reduce costs through increased commercialisation, improved commissioning and procurement skills, and a structured approach to care pathway optimisation, this element of the programme involved research into examples of existing good practice in the NHS.

Commissioning case studies

PCT(s)	Case study
NHS Birmingham East and North	Telehealth for long term conditions
NHS West Kent	Integrated primary care service in A&E
NHS Rotherham	Obesity advisory and support services
Devon PCT	Complex care teams
NHS Barnet	Dementia care
Greater Manchester, Eastern Cheshire and High Peak Children, Young People and Families’ NHS Network representing 13 PCTs	Inpatient services for maternity, paediatric and neonatal care
North Central London PCTs	Collaborative commissioning of end of life care
NHS Northamptonshire	Continuing Healthcare

Finally, we developed an overarching **statement of commercial strategy**, owned at an executive level within the PCT and aligned to their strategic priorities.

Scope/scale of consulting intervention

Avail's team comprised consultants from every grade Analyst through to Partner. A core team of 5 were complimented by a further 7 consultants who were used to bring specific skills or insights to the programme.

The skills and experience required of the consulting team

With a team size that ranged from 5 to 13 the skill set utilised was extensive. The core skills utilised were drawn from a deep experience of:

- Leadership and deep health sector understanding
- Stakeholder engagement and relationship development
- Programme management
- Procurement and commissioning delivery, solution and people development
- Commercial practice research
- Business modelling
- Business process engineering and Lean
- Facilitation and change management
- Report and business case writing

Success factors and challenges

To what extent were project objectives met and challenges overcome?

The overriding objective was to develop a set of resources that would enable the NHS to help itself realise significant efficiency gains whilst sustaining or improving patient care through care pathway optimisation. At the outset we were asked to provide sufficient evidence that at least £500m efficiency savings were available through the care pathway optimisation (demand management) approach. **At time of writing this opportunity is now seen to be in the £billions.**

Critical to the success of this programme so far has been overcoming challenges relating to:

- **Commercial leadership:** Avail worked with stakeholders to break down invisible barriers to commercial leadership through open dialogue, sharing and development of ideas. Many stakeholders spoke during and after the assignment of how empowered they believed they had become through the process.
- **Technical ability and credibility:** Having a deep understanding of the technical issues and thought leadership was paramount to gaining credibility with the stakeholder networks quickly and robustly. Having established the necessary credibility trust was grown quickly and confidence to put forward our recommendations, which would ultimately impact the patient, was secured. Without this the programme would have either taken longer or even failed to deliver.
- **Alignment with local priorities:** With any new initiative traction can usually be hampered if the new activities introduced are not working towards the organisations existing priorities. Therefore when we embarked on the care pathway optimisation projects we were careful to find a care pathway that was a priority area.

What were the benefits to the client?

The intent of this programme was to create a set of sustainable and reusable resources that would enable the NHS to continue to deliver significant cost reductions and quality improvements in the delivery of healthcare.

With the pilot PCTs alone substantial benefits have been created that will be sustained long into the future until the care pathways needs to evolve again. More importantly the outputs and outcomes of the programme are going to enable the NHS to diffuse the capability to realise similar opportunities across all 152 PCTS and the 340 or so different care pathways – an opportunity where countless patients will benefit at the same time as creating the opportunity to generate billions of pounds of efficiency savings. This combined with the skills development already now underway across the NHS as a result make this programme far reaching and seismic in the positive contribution that will be made.

What were the lessons learned from intervention?

Throughout the programme we held a number of lessons learned sessions both internally within the programme team as well as with the stakeholders at key points. The value of these sessions was enormous as on a number of occasions it enabled us to reflect objectively and make the necessary adjustments to the overall approach – resulting in enhanced stakeholder participation. This was especially important when some stakeholder groups could not initially see the value for themselves and enabled us to re-shape the approach accordingly.

Client/consultant relationship

How did this work – Client testimonials

“I would whole heartedly recommend undertaking the Procurement Capability Diagnostic to colleagues in other PCTs both in this region and elsewhere.”

Assistant Director Procurement and Contracting, Suburban PCT

“Avail was able to provide a high quality service through listening to our needs and working in a rigorous and collaborative manner to meet those needs. Through the drive and project management skills of the delivery consultants we have reached a point where we have a clear way forward to improving care quality in Tower Hamlets through providing better medicines support to patients. An additional benefit of working with Avail was their ability to provide a delivery consultant with relevant experience as a former NHS and community pharmacist.”

Pharmacy Commissioning Manager, Inner City PCT

“Avail’s approach to working with their clients is highly professional, always demonstrating the key values of excellent customer care. Having a strong team ethic, they quickly became valued members of the PASA team and were able to easily manage the tensions, always present for consultants, in taking personal responsibility for delivery, along with creating an environment where other team members were supported to deliver for themselves. Being results focused, Avail helped the organisation to make decisions that would deliver the required outcomes. Their extensive knowledge of the current and emerging health care challenges was another key factor in their ability to help communicate the change vision and act as critical friend during the development of our commercial transformation programme. We would not be where we are now without them.”

John Warrington, Senior Responsible Officer - Department of Health (Procurement, Investment and Commercial Division)

How did you ensure that the client fully understand the solution?

We had clear, shared project plan and were transparent in reporting on progress and issues emerging. We needed to be flexible to respond to changing client requirements and the shifting landscape of the multiple stakeholders including NHS PASA, the pilot PCTs, Local Authorities and local providers. This is particularly important in a pilot project to ensure that all core constituent parts of the programme's client base travel the journey with us.

How did the consultants positively challenge the clients thinking?

The whole purpose of care pathway optimisation is to challenge the status quo, take stakeholders on a journey of discovery and then work together to develop new pathways. During this process the client teams then grew in confidence and in turn were able to challenge their peers and colleagues. This activity in itself was fundamental to the clients within each pilot feeling the empowerment to make significant recommendations in changing the way in which healthcare was to be delivered.