

Efficiency

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24 March 2010



We've been here before

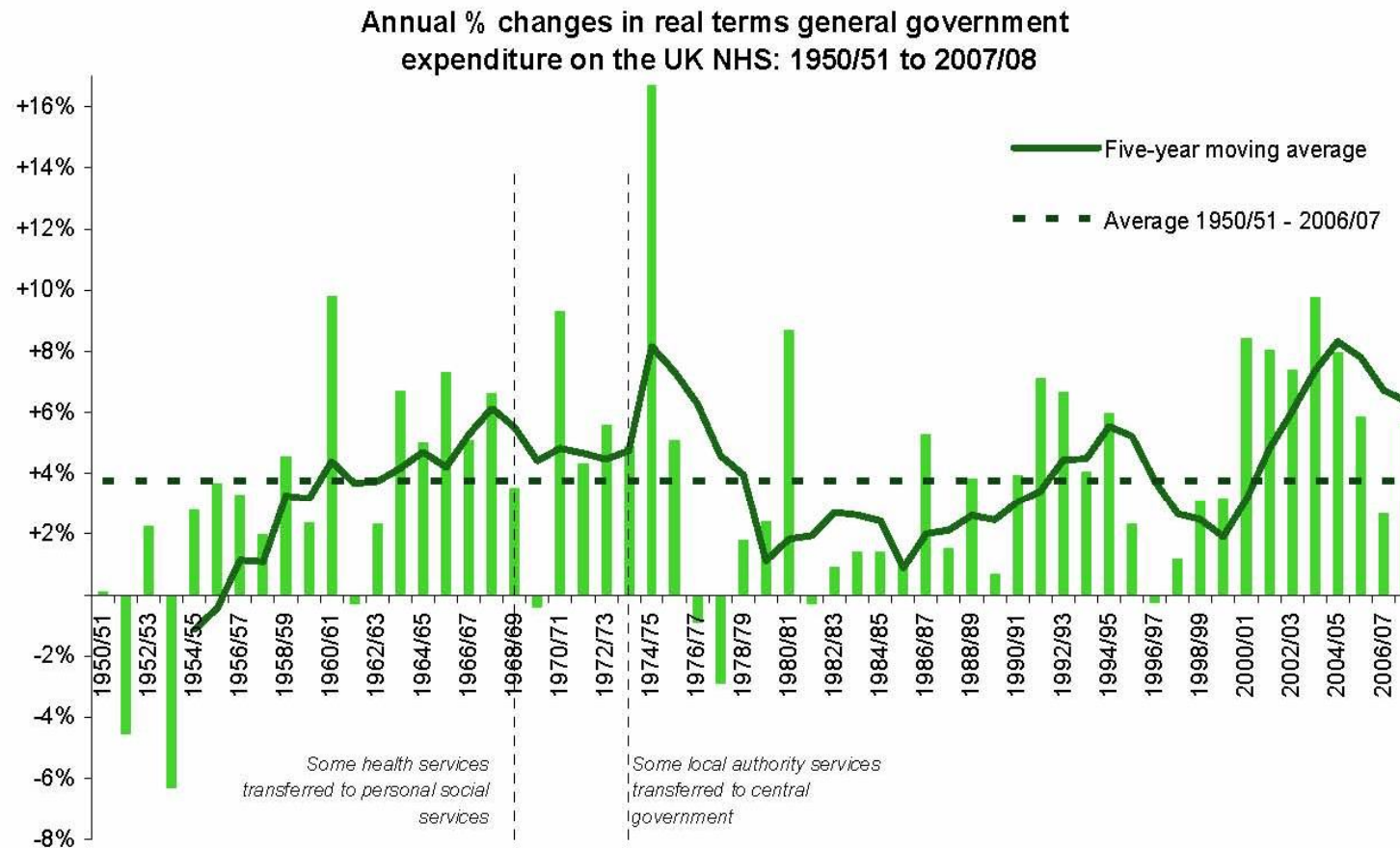
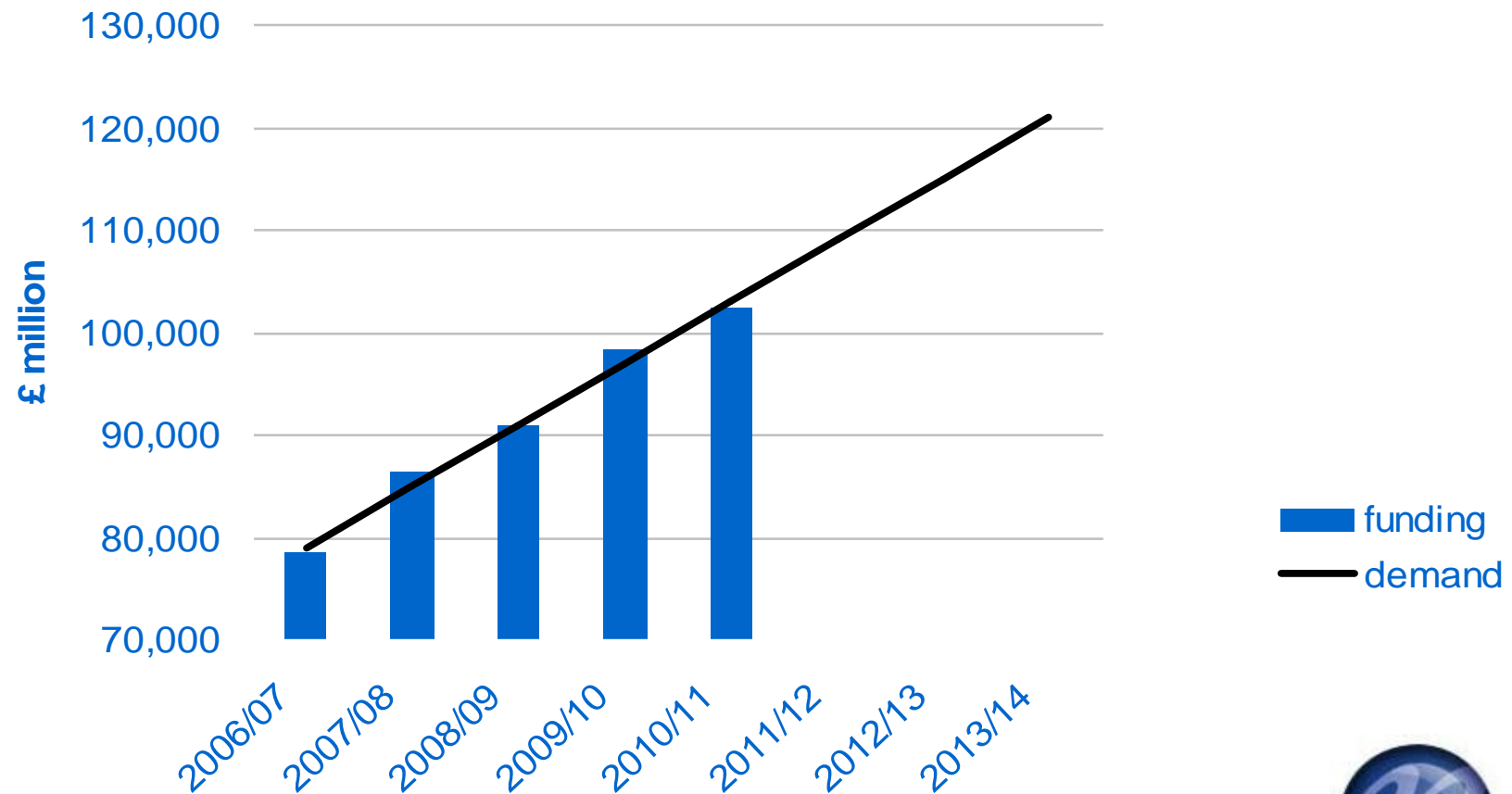


Chart 2: Annual change in real terms general government expenditure on the UK NHS: 1950/51 to 2006/07

Sources: ONS, *Annual Abstract of Statistics: 2008*, Table 10.22, and earlier editions;
ONS database, series YBHA, ABMI and YBGB

What is different now is scale

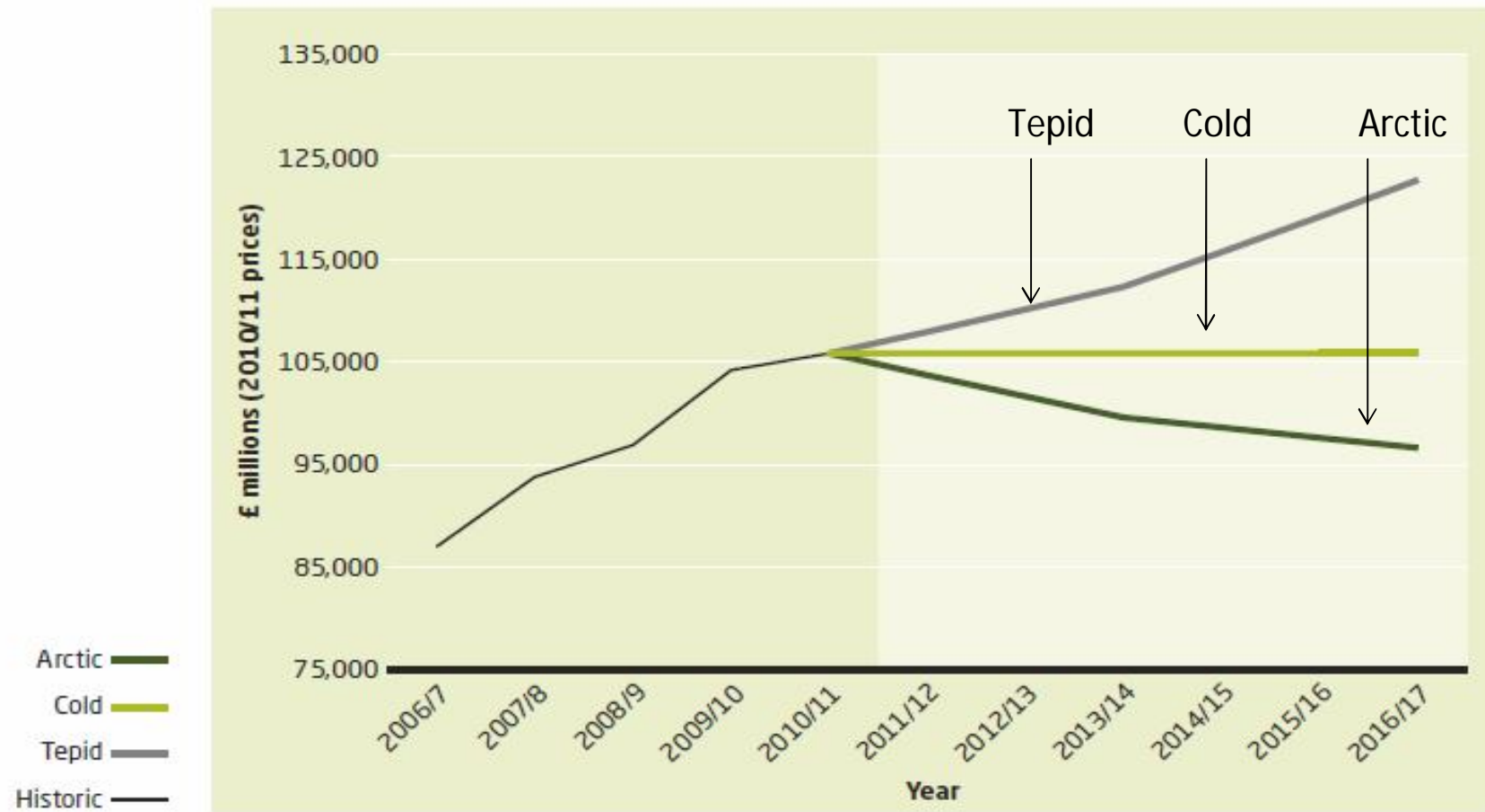
NHS demand and funding by year



Source: DH



... resources static at best



Source: Appleby et al. *How Cold Will it be? Prospects for NHS funding: 2011-2017* (King's Fund and IFS, 2009)



We are in better shape than before

- Information and guidance
- Quality
- Financial management
- Improvement techniques
- Consensus



We know there is waste



£2.1bn from two NHS products



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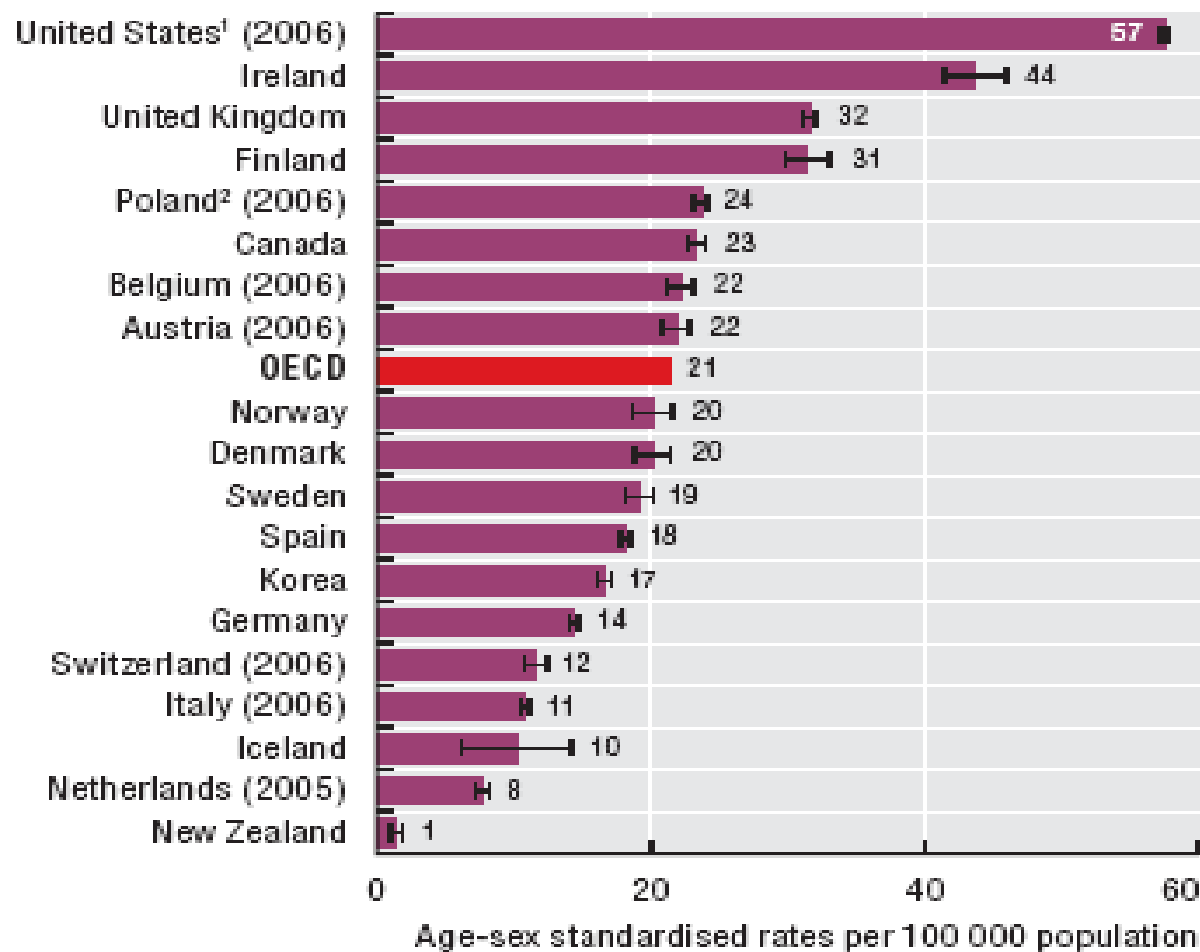
£1m in one surgical directorate

Through bottom-up analysis and cross site benchmarking, we identified several quick-win ideas, and others that require deeper systemic change

- | | | |
|---|---|---|
| <ul style="list-style-type: none">1 Reducing day-before admissions by 95%2 Shifting more elective procedures to higher-margin day cases3 Improving recording and income capture4 Decreasing controllable DNAs5 Decreasing number of beds through decreasing the bed capacity buffer available to meet variable emergency demand | } | Quick wins
(achievable within 6 months) |
| <hr style="border-top: 1px dashed #000;"/> | | |
| <ul style="list-style-type: none">6 Decreasing number of beds through streamlining elective demand7 Increasing discharge timeliness through addressing blocking social factors8 Increasing discharge timeliness through removing weekend holdups9 Matching staffing levels/mix to demand though higher staffing flexibility10 Improving outpatient profitability11 Increasing theatre utilisation12 Decreasing consumables costs **** | } | Longer-term opportunities
(achievable in 12 months; require process redesign and/or significant behavioural change) |

Too many persons are admitted to hospitals for diabetes complications, highlighting the need to improve primary care

Diabetes acute complications admission rates, population aged 15 and over, 2007



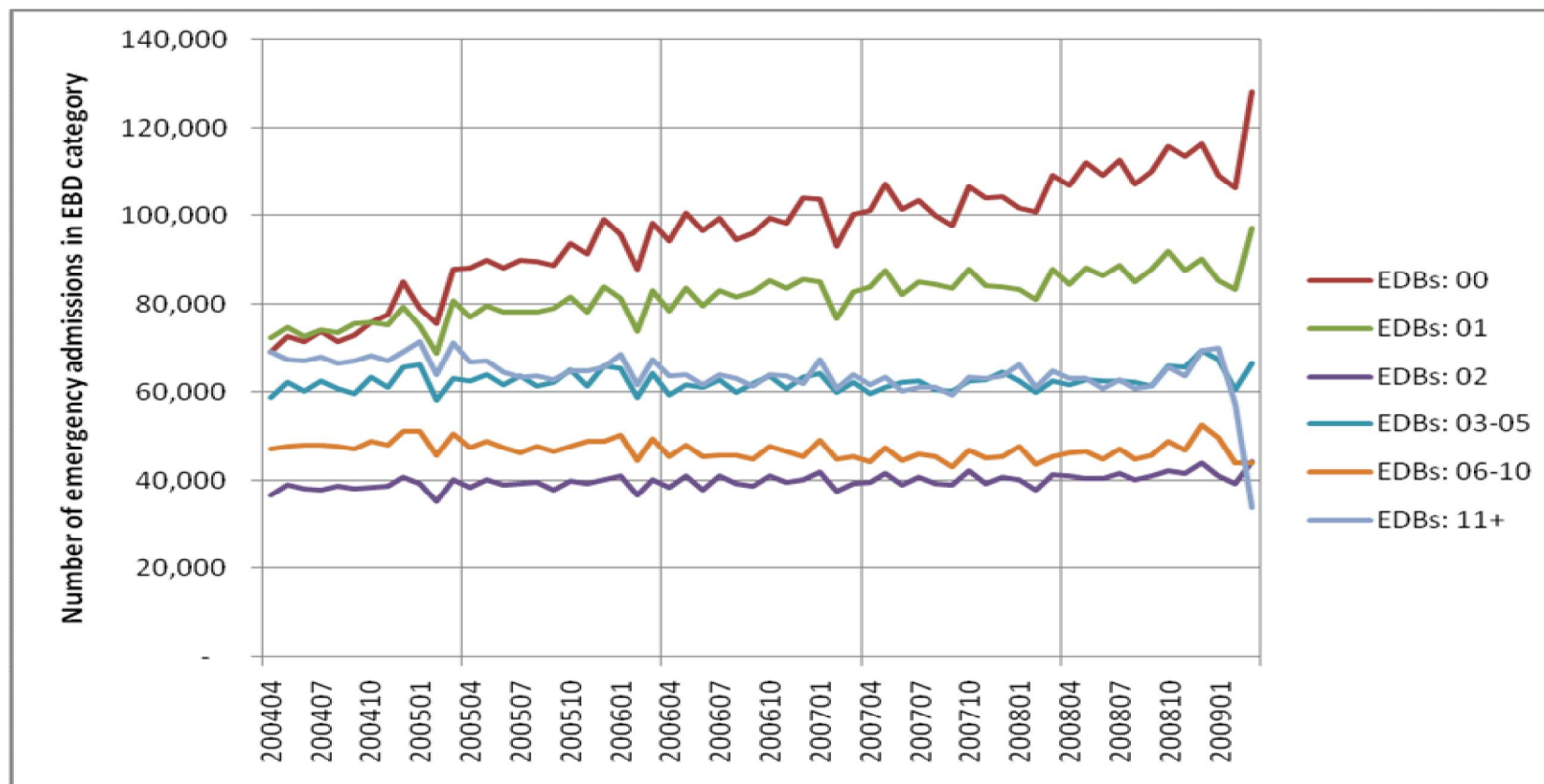
Source: OECD Health Care Quality Indicators Data 2009 (OECD).



Avoidable admissions

Month of Admission	LOS	ICD10	Diagnosis	Acute Trust
APR 2002	11	J440	Chronic obstruct pulmonary ds with acute lower resp infec	Hospital E
MAY 2002	4	J441	Chron obstruct pulmonary ds with acute exacerbation unspec	Hospital E
JUL 2002	8	J440	Chronic obstruct pulmonary ds with acute lower resp infec	Hospital E
AUG 2002	3	I500	Congestive heart failure	Hospital F
AUG 2002	2	J449	Chronic obstructive pulmonary disease unspecified	Hospital F
OCT 2002	3	J440	Chronic obstruct pulmonary ds with acute lower resp infec	Hospital F
OCT 2002	2	J441	Chron obstruct pulmonary ds with acute exacerbation unspec	Hospital G
OCT 2002	2	J441	Chron obstruct pulmonary ds with acute exacerbation unspec	Hospital G
NOV 2002	4	J441	Chron obstruct pulmonary ds with acute exacerbation unspec	Hospital F
DEC 2002	4	J441	Chron obstruct pulmonary ds with acute exacerbation unspec	Hospital G
DEC 2002	5	J441	Chron obstruct pulmonary ds with acute exacerbation unspec	Hospital G
JAN 2003	1	J441	Chron obstruct pulmonary ds with acute exacerbation unspec	Hospital G
FEB 2003	3	J441	Chron obstruct pulmonary ds with acute exacerbation unspec	Hospital G

Rise in zero and 1 day admissions



Source: Nuffield Trust



Why waste?

- Rigid working practices
- Boundaries
- Incentives
- Leadership/motivation/culture



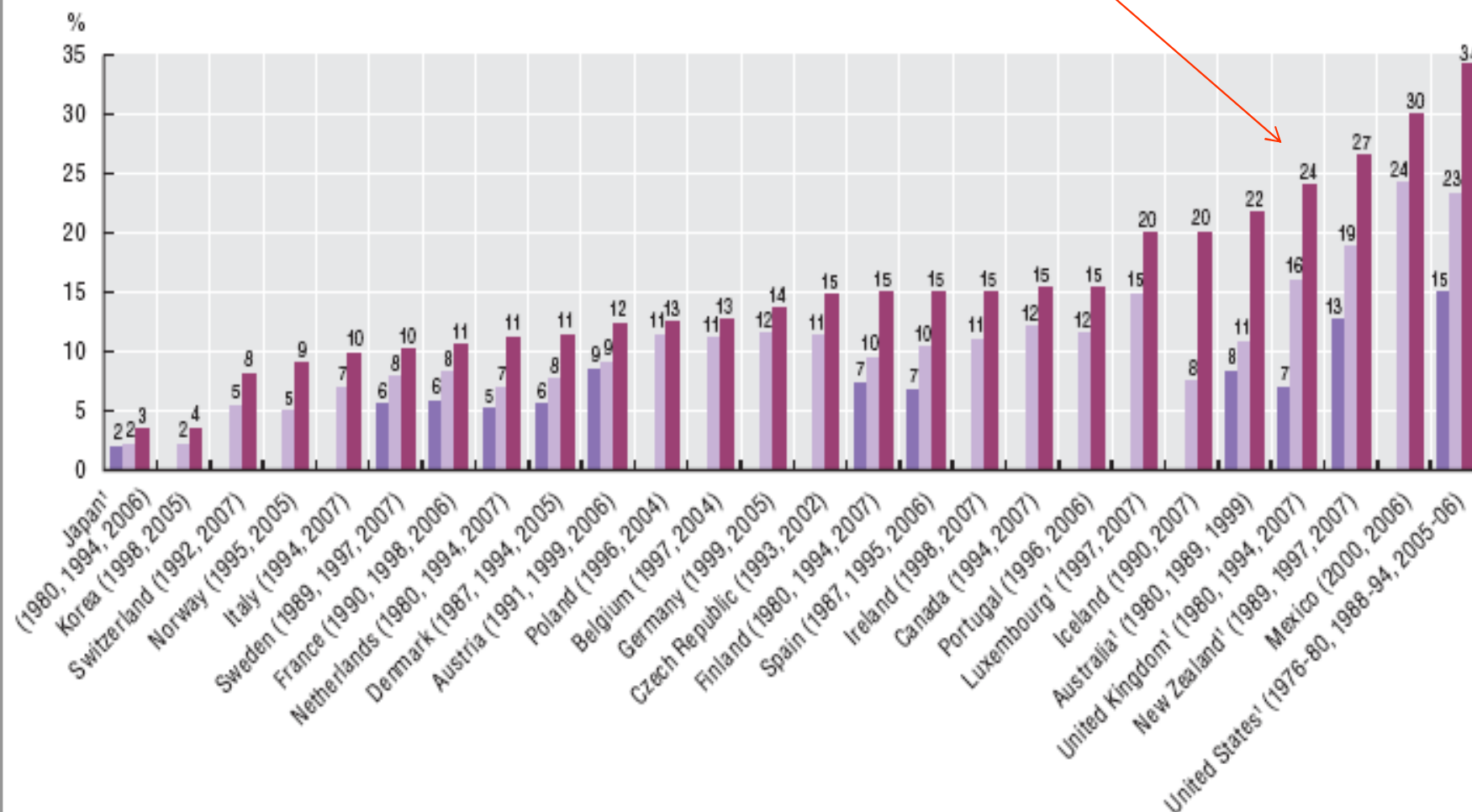
Biggest efficiency frontiers

- **Prevent avoidable hospital costs**
 - Secondary prevention (LTC, older people)
 - End of life
 - Primary prevention (obesity inactivity)



Obesity among adults is increasing in all OECD countries.

We are here

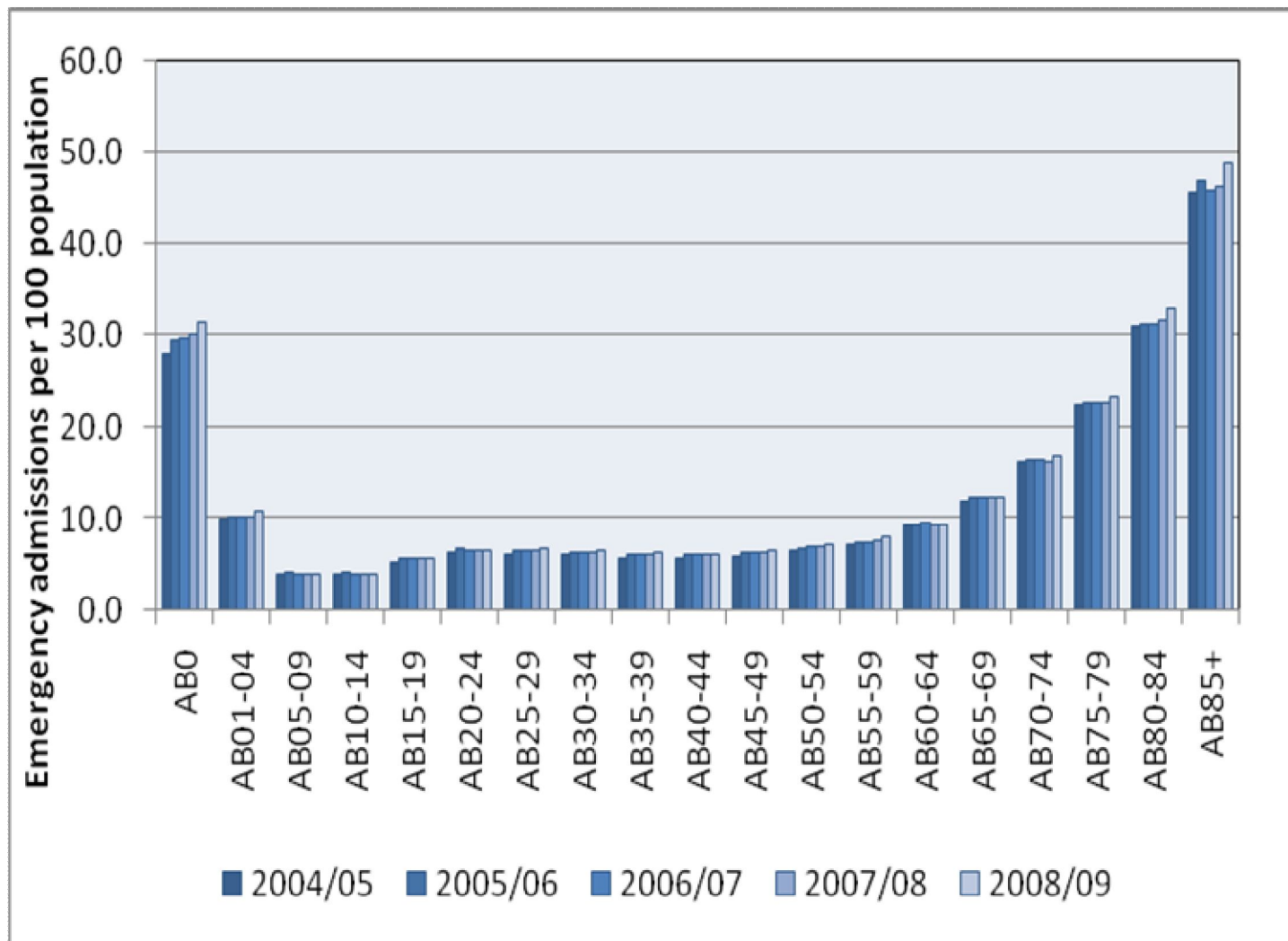


Australia, Czech Republic (2005), Japan, Luxembourg, New Zealand, Slovak Republic (2007), United Kingdom and United States figures are based on health examination surveys, rather than health interview surveys.



Source: OECD Health Data 2009, OECD (<http://www.oecd.org/health/healthdata>).

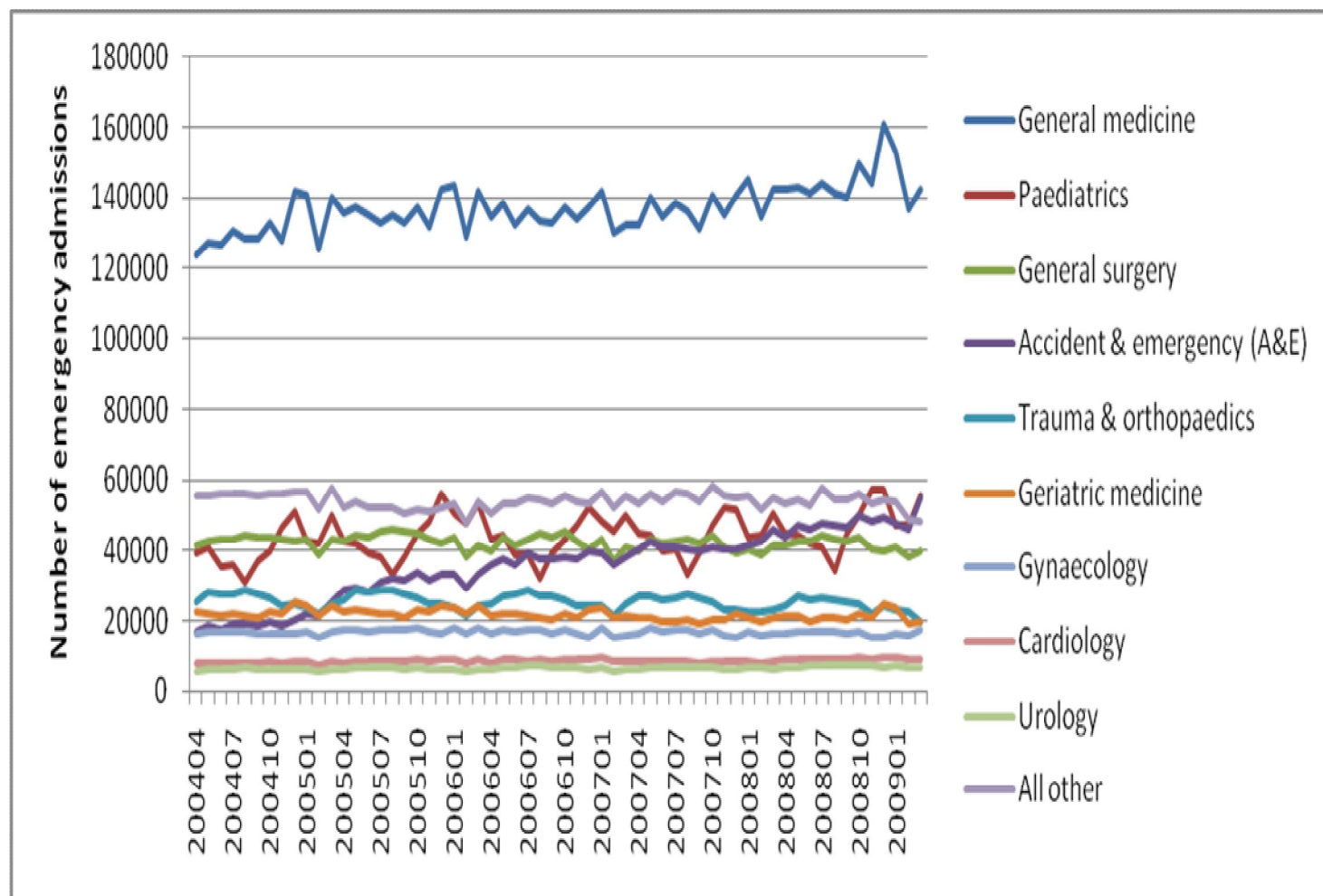
Emergency admissions increase with age..



Source: Nuffield Trust



.. and are in general medicine



Source: Nuffield Trust



Short term changes will get us somewhere

- Operational efficiencies
- Topslice
- Cuts: staff, facilities, beds
- Tariff (and non-tariff)
- Wage settlements
- Cuts in central budgets



But change in landscape needed

“The current care systems cannot do the job. Trying harder will not work, changing systems of care will.”

*Need systems of care in which “clinician and **patient and** institutions... collaborate and communicate to ensure appropriate exchange of information and co-ordination of care”*

(Institute of Medicine, Crossing the Quality Chasm, 2001)



Meaning....



... and probably a lot of...



Migration path challenging

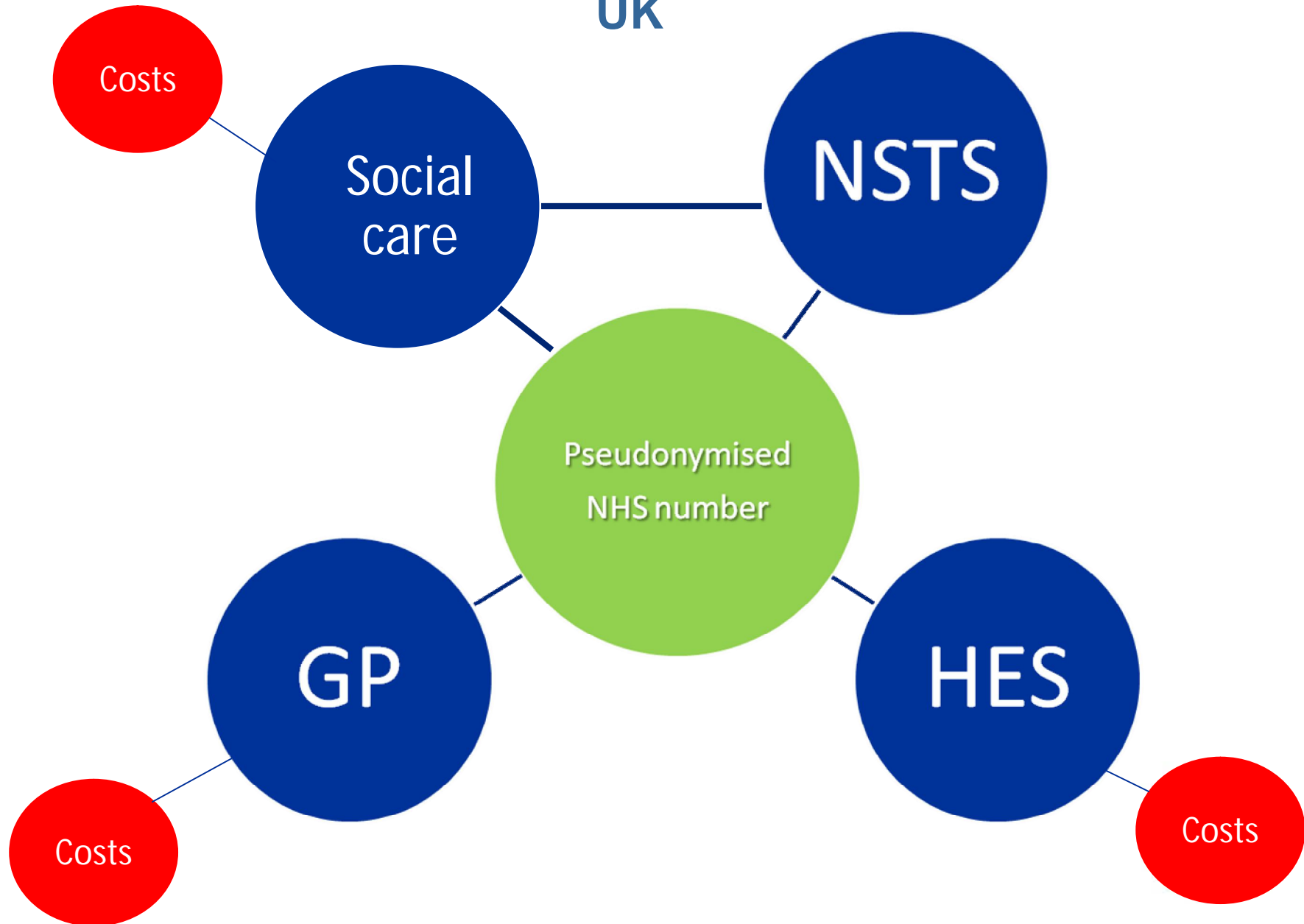
- Highly centralised 'national' system
- Culture and risk
- Doctors
- Information and analytics
- Incentives
- Commissioning
- Competition and cooperation



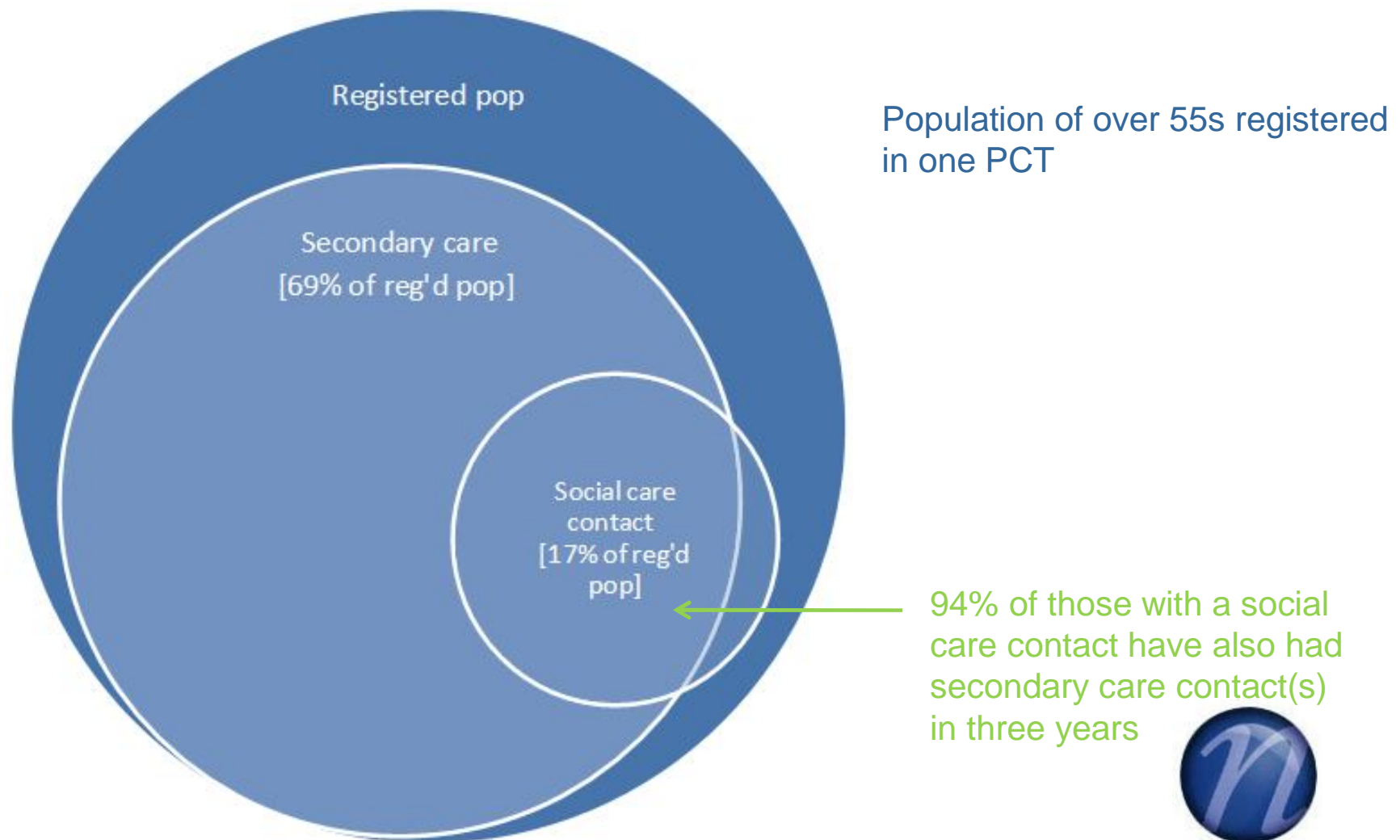
Information underexploited



Uniquely helpful data environment in UK



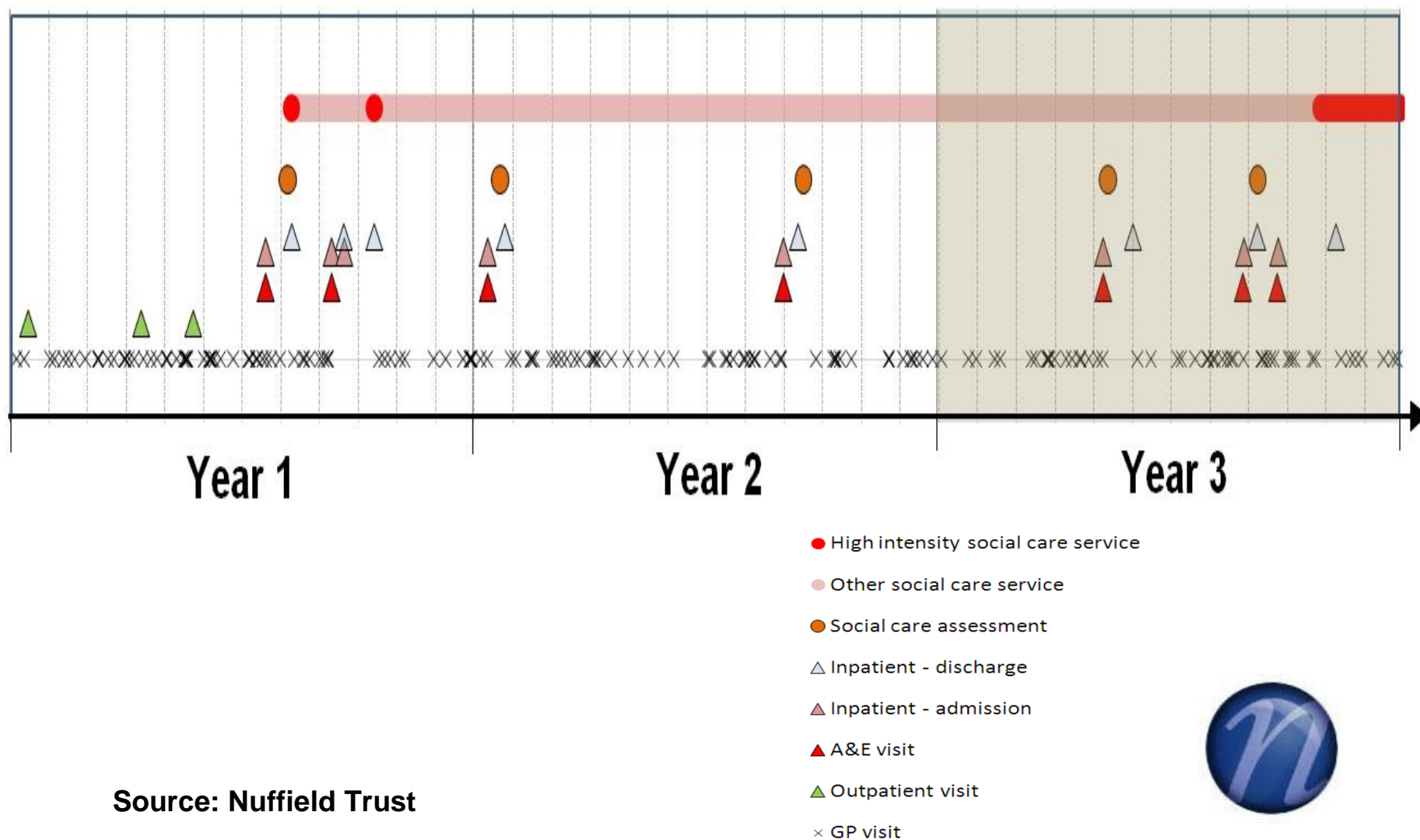
Data linkage : Social & hospital care overlap



Source: Nuffield Trust



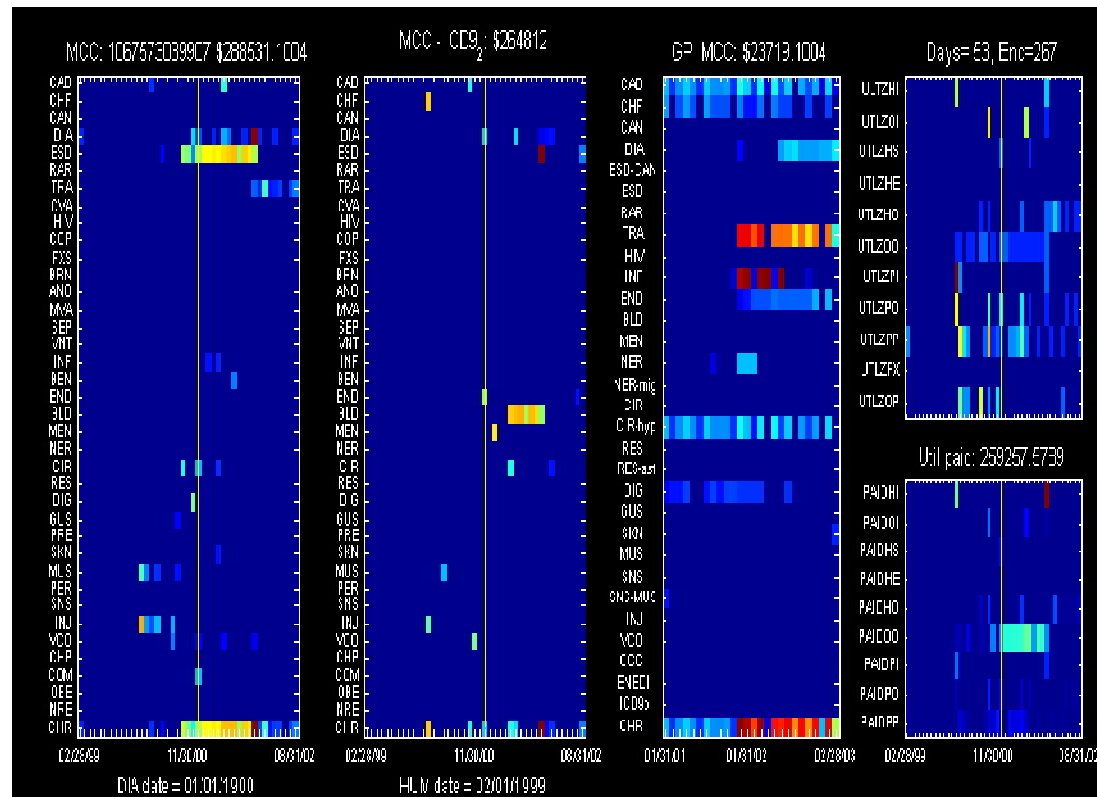
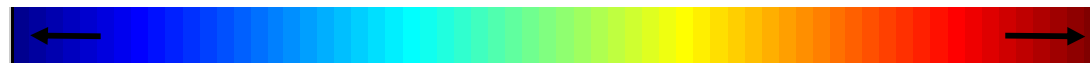
Data linkage



Source: Nuffield Trust



Individualised data to guide appropriate intervention...



Ongoing, individualised, real time data analysis to guide intervention:

Utilisation and demand management

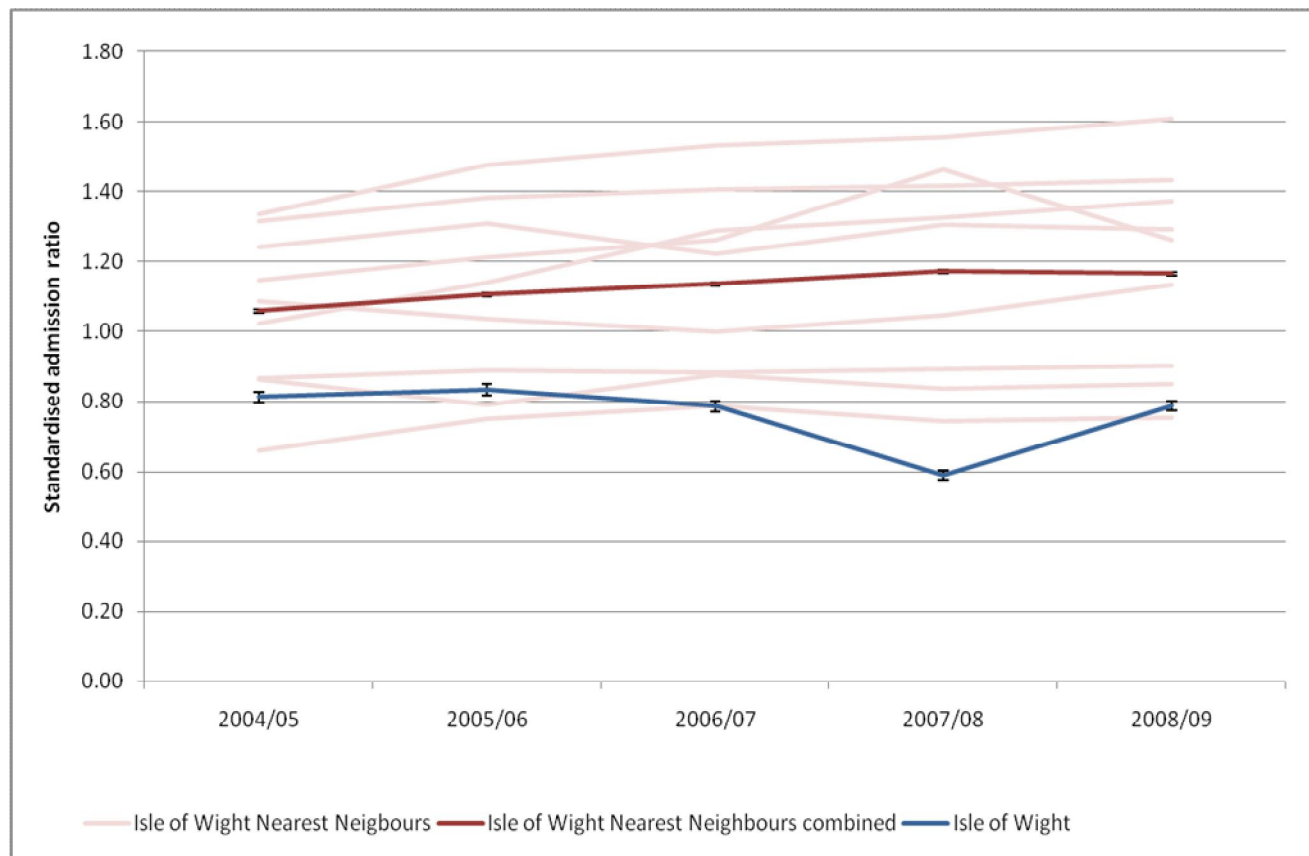
Care coordination

Risk factor reduction

Source: Humana UK



...and assess impact of interventions to reduce cost



Source: Nuffield Trust



Summary

- Financial challenge big
- NHS in better shape
- Efficiencies and cuts needed
- But more significant change needed
- No one tool
- Key ingredients:
 - Physicians
 - Information
 - Incentives
 - Entrepreneurialism/ risk cover

