

The final month of 2014 and the opening weeks of 2015 have been a whirlwind for Alan Brace. Like many senior NHS managers, the Aneurin Bevan University Health Board director of finance and procurement and deputy chief executive has faced the operational challenge of huge levels of emergency demand. But he has also been the centre of attention after being named HFMA Finance Director of the Year.

The congratulations have extended beyond Aneurin Bevan and have included a personal letter from Wales health and social services minister Mark Drakeford.

The award is also a fillip to the board. Several organisations, including those in the NHS and commercial sector, have been in touch to learn about the health board's activities. Major accountancy firm EY is exploring how through a more strategic relationship it can support the health board on developing world class finance, while strengthening the board's medium-term planning.

Motivational spirit

It's given him a lift too. 'I found it quite motivating and it's given me a much-needed boost of energy. Sometimes the job can be tough going, but I came back after Christmas energised and enthused to keep going. I'm looking across my team and thinking about submissions we can make to the 2015 HFMA Awards so other people can get recognition.'

He is pleased a Welsh practitioner has been recognised, particularly given the NHS's role in the general election. 'England, rightly, dominates the health agenda, but it was nice to see an acknowledgement on a broader stage of the positive things going on here,' he says.

The HFMA judges complimented Mr Brace's strong financial management – Aneurin Bevan was one of two health boards to break even in 2013/14 without the help of brokerage. They also singled out his work on introducing industry best practice and value-based care – Aneurin Bevan is one of four pilot sites in Wales for applying prudent healthcare.

On the former, the health board has introduced finance centres of excellence. In 2009, the FDs of the health board's six predecessor organisations, preparing for a merger and the introduction of an integrated health system, agreed the status quo was not an option. 'We were looking at a world of flat cash and huge clinical and financial challenge in the system. We were going to be merged,

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Leading from the front

HFMA Finance Director of the Year Alan Brace is a passionate advocate of value-based care, clinical-financial engagement and staff development. Seamus Ward reports

that in the new organisation,' he says.

They used evidence from the public and private sectors nationally and internationally, pointing to the need to emphasise the importance of business partnering in supporting clinical directorates and leaders.

'For business partners to be effective they must be supported by centres of excellence that strive to be best in class in areas, such as business intelligence and insight, costing and financial planning.'

The finance department has business partners in every clinical team, allied to centres of excellence that focus on improving and maintaining financial control and strong governance. They also work with partners such as internal and external auditors to develop and improve financial accounts and reporting.

Costing is a good example of where finance and clinical staff can work together to produce useful information, Mr Brace says. 'We are producing information that clinicians are using to drive change and improve their practice or service. In turn, information from clinicians is used to improve our work, generating a

cycle of improvement that's beneficial to the organisation and everyone who works in it.'

The work on value-based care came about as a result of earlier work on reducing waste, harm and clinical variation and through the need for change. Aneurin Bevan is a billion-pound organisation, so in a flat cash environment it has to save £50m-£60m each year, he says. 'There's a real danger of focusing on the 5% you don't have, rather than maximising the value from the 95% you have.'

'We bought into and followed the Institute for Healthcare Improvement patient safety initiative, but we couldn't easily see where the money would drop out. It was difficult to show the financial benefits from this work.'

'Eventually, our work took us to looking at the link between the money we spend and clinical outcomes we should expect, as well as the functional outcomes for patients.. This took us to time-driven activity-based costing.'

The initiative is consistent with the Welsh government prudent healthcare programme, launched by the health minister last July. It calls for the NHS to work on value-based

principles, placing greater value on patient outcomes rather than volume of activity to create a patient-centred system.

The organisation's involvement in the value work and the prudent healthcare initiative started with Mr Brace's study visit to Harvard Business School. The visit exposed him to the work of health value gurus Michael Porter and Robert Kaplan. When he came back, prudent healthcare was announced, so policy in NHS Wales and the health board became aligned.

Mr Brace says: 'We are developing a greater understanding of the relationship between the money spent and the benefit to patients. We are moving on from initiatives like 1,000 lives and improvement methodologies to getting money and clinical practice and outcomes sitting alongside each other.'

As a result, finance teams are gaining confidence. 'We've moved from being a support function trying to reduce costs, to a leadership role alongside clinicians. It's probably where we wanted to be, but we had to earn it. My team has been fantastic in rising to the challenge, coupled with the support of the board – the medical director is a fantastic support.'

The health board is leading its introduction in orthopaedics, but it is being applied in other clinical areas. He says the value approach, based on time-driven activity-based costing, allows the NHS to marry clinical and cost-effectiveness to patient outcomes. 'Take knee surgery,' he says. 'There are traditionally long waiting lists for surgery but research has found that 30% of the operations performed have no significant functional benefit to patients. It's a difficult conversation to have with orthopaedic surgeons. We are asking – is it effective and best use of money? That is quite a difficult thing for a number of people in the system.'

It's difficult to argue against value-based care – doing the right thing for patients. But building relationships and trust with these staff members is a key element of it. Open discussions with transparent data help win the argument, he says. 'The health service has traditionally tried to do things to doctors, nurses and other clinicians. This is clinically-driven – we are doing it with them.'

The health board is developing its value-based healthcare and wants to compare itself as widely as possible. It is in discussion with ICHOM (International Consortium for Health Outcomes Measurement) about becoming a strategic partner that will allow the board to compare its outcomes and costs with 'best in class' organisations throughout the world.

Through costing, engaging with clinicians and financial planning and management, Alan Brace is certainly leading the way. ○

HFMA Awards 2014: winners

Costing: Derby Hospitals NHS Foundation Trust

The trust took the award for an innovative, barcode-based theatre stock usage system that also collects information on each procedure (identified by OPCS code). This includes the clinicians involved and time in theatre. The data produced can be interrogated by clinicians, managers and finance staff to improve processes and care. The judges said the team had shown a 'fundamental desire' to use intelligent costing to inform decision making.



Working with finance – Clinician of the Year: Rob Duncombe (above)

The Christie NHS Foundation Trust director of pharmacy has introduced new business models and helped redesign pathways. He has made a significant contribution to the achievement of QIPP efficiency savings. This includes an overhaul of the pathway for patients on recurrent, costly chemotherapy plans. The judges were impressed by this and commended his record of engagement with clinical and finance staff.

Accounts Team of the Year: Wrightington, Wigan and Leigh NHS Foundation Trust

The judges were impressed by the quality of the financial information



produced by the trust and its innovative methods for engaging with stakeholders at all levels. The finance department produced a video outlining its 2013/14 annual accounts. The video, available on YouTube, was shown at the trust AGM and was 'the highlight of the meeting', said its chairman.

Deputy Finance Director of the Year: Tim Jaggard (below)

The University College London Hospitals NHS Foundation Trust deputy director demonstrated a range of attributes, including technical skill, leadership and the vision to look outwards and across boundaries. The judging panel was impressed by his broad knowledge, commitment to development and innovation and achievement of high standards of financial governance.



Efficiency: Alder Hey Children's NHS Foundation Trust

The trust took the award for its innovative, part-private financed scheme to build a children's health park. The scheme, which includes a new children's hospital, is

to open later this year and is funded through a mix of sources. Before handover the trust will make an £82m bullet payment, reducing the unitary payment by £2m a year.

Havelock Training Award: The Walton Centre NHS Foundation Trust (below)

The trust took the award for its work to increase the knowledge and understanding of NHS finance. It had a number of initiatives, including finance drop-in clinics – open forums where finance questions can be answered or training provided. In addition, divisional accountants have protected time to work with their divisions on areas such as cost improvement and business cases.



Governance: South Warwickshire NHS Foundation Trust

The judges said the trust stood out in a strong field of candidates for the Governance Award. They agreed that South Warwickshire had made dramatic improvements in the quality of its data, changing attitudes to the importance of accurate information from frontline staff up to board level. Better data has driven improvements in discharge and accident and emergency waiting times and enhanced patient care, the judges added.