towards better care

Consultant neurologist Steven Allder and independent financial consultant John Yarnold offer their view on value and a process for achieving it in healthcare services

It is hard to overstate the magnitude and complexity of the strategic challenge the NHS faces. While some symptoms can be seen in the impact on quality, others are financial – seen in the widespread and growing deficits and reducing NHS financial performance.

The NHS has come through a structural reorganisation that aimed to put clinicians in charge. There are differing views on the value of this restructuring – it clearly consumed a lot of staff time and focus. But there is now a shared recognition that service transformation is needed if the NHS is to be sustainable.

It seems right that any response to the strategic challenge should be patient-centred, transparent and quality focused. But so far the NHS response has been based on wage restraint and cost control.

At the national level, this has been relatively successful, with costs contained to an extent and, until recently, a largely stable performance in terms of quality. However, more recently there has clearly been a deterioration in performance across both quality and finance. Morale also seems to be worsening.

More 'traditional' cost-cutting and a further round of wage restraint neither appears feasible nor sufficient to address the challenge. If there is to be a transparent, patient-centred and quality-focused response, the key question must be: how do we improve value for the patient? The core of the challenge is to be more productive – but not just churning out more activity for the same cost. The focus must be on value, measured as outcomes divided by cost.

Dr WE Deming is probably the most widely acclaimed quality guru. His method, the 'system of profound knowledge', has proved almost infallible across many industry sectors and organisations, although each industry railed valiantly against it initially. He asserted that if you focus on quality improvement, the costs of delivering the output will decrease.

Brent James and his colleagues at Utah-based Intermountain Healthcare have demonstrated that Deming's theory holds true in the healthcare industry. Perhaps the key question for NHS clinicians and managers is knowing which service area to start in.

In recent years, we have developed an empirically based methodology for identifying the patient streams where the gap between the value proposition (how we would like to see care managed) and the value offering (how care is actually delivered) is the greatest. We can then attempt to derive a new value proposition and implement it to close the 'value gap'. There are four steps in the analysis phase:

- Analyse the demand
- Find the hotspot
- Decide the demand stream driving the most consumption
- Narrow down the scrutiny to the element of care behind the overall poor quality.

In practice, this can mean detailed scrutiny of patient notes so that you can break patients into clinically coherent groups with similar prime diagnoses, comorbidities, complications and functional status.

Looking for the value gap might start with looking at the differences between individual patient costs and income – although the accuracy of the tariff or other payment approaches in matching real costs should be taken into consideration.

Finally, you need to identify which step in the treatment is behind the poor quality. We use a graphical tool to help guide the analysis. This can be populated using case notes and can help to isolate where problems arise. The grid identifies four key steps in the healthcare 'value chain', adapted from work by Harvard Business School professor Michael Porter:

- Diagnosis (Dx)
- Treatment (Rx)

Value grid

	Date	Where	Notes
Admission			
Discharge			
Age			

MRN	
Physical state	
Mental health issues	
Social care	

	Dx	Rx	MC	FS
Timely				
Effective				
Safe				
Patient-centred				
Efficient				

- Management of medical complications (MC)
- Functional state (FS).

Using a tick-box approach supplemented by notes, each step can be evaluated across five quality aspects – was it timely, safe, patient-centred, effective and efficient (see facing page)?

The delivery phase can also be broken down into a series of steps. At the outset, the system owners (including commissioners and providers and involving board level directors and clinicians) need to buy in to the experiment and two teams need to be set up, a frontline team and a senior team.

The frontline teams should take forward the analysis of the selected step of care and develop a new approach/pathway – the value proposition concept.

The senior team's role is initially to support and resource this process and then assess the viability of the concept. It is likely this process will go through a number of iterations, with the finance team's role being to confirm the efficiency and sustainability of the proposal.

The concept then needs to be turned into a practical design and tested. Again, the senior team's role is to support the process and help overcome implementation barriers, including leadership behaviours and cultural issues.

In the cases studied so far, the biggest value gaps have been in the organisation of care around the unscheduled admission of frail patients. Everyone is dissatisfied with the level of care – the patients, the clinicians, the carers and the relatives – and the care is very costly.

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In healthcare, the organisational system has not been studied and designed explicitly around user purpose and perspective. This is true of almost all established traditional organisations with a hierarchical structure.

Acute care is still based on illness profiles from the mid-20th century. This model has then been overlaid with 'patches' to address consecutive generations of targets and mandatory performance standards. Through no fault of their own, most medical staff are not trained in the subtleties of diagnosing the root cause of symptoms in patients with a number of long-term conditions and on drug regimes with more than 20 different drugs.

The problem lies in the business model. Because so many of these diseases arise at a multi-avenue intersection of several different systems of the body, a single specialist will not have the perspective to get the right answer.

Hospitals need to create coherent solution shops, whose job it is to diagnose and devise therapies for patients with multiple long-term conditions. This would require appropriate protocols for the application of diagnostic tools and multi-disciplinary teams to evaluate all complex diagnoses – it sounds expensive but is likely to be far less costly than applying the wrong treatment.

To quote Deming: 'How can we claim to lead if we do not yet understand what it is we are trying to do?' You can't develop an effective strategy without understanding the business model and how it creates value. And to achieve this, there needs to be a rigorous analysis of demand, identifying the coherent homogenous patient groups and analysis of the value offering and the value proposition. Unless this journey is taken, the organisation will be left trying to manage what it doesn't understand and the result will inevitably be falling quality standards and increasing costs.

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