

## Our cost improvement programme

### Briefing for Inner North East London Joint Health Overview and Scrutiny Committee

20 November 2013

#### Background

In the current economic climate, each NHS trust is expected to deliver national productivity and efficiency gains. The national tariff, which determines the amount trusts are paid for individual treatments and procedures, has been reduced centrally by 4% in 2013/14. As the largest NHS trust in the country, this requirement equates to £50m per year for Barts Health. In addition, we have a further local target of £28m on top of this as we received transitional funding following our merger, and we have also experienced some reductions in education funding.

Last year, we achieved financial balance, but benefitted from £50m funding support. That short-term arrangement falls away over a two year period. Therefore, this year and next year our savings programme has been set at a higher level to ensure that the Trust operates without relying on this additional support.

Additionally, in 2012/13, income from our local commissioners was fixed. It was not based on the amount of attendances, admissions and treatments we provided – the 'Payment by Results' system - which normally applies to trusts in the NHS in England. For 2013/14, we have moved to Payment by Results, and this requires significant changes in our processes, so that we are paid in full for the work we do and we avoid financial penalties that are inherent in this type of contract.

Overall, we need to improve standards of care, efficiency and our financial position by:

- Maximising income and minimising financial penalties under our Payment by Results contract
- Achieving financial balance and reducing our current underlying financial deficit
- Standardising our staffing structures in clinical services to provide clear lines of command and supervision and a strong focus on quality and safety, and to do so equally across all our sites and services
- Maximising the benefits and opportunities our merger brings us, including:
  - Better, more joined up patient pathways which mean patients can be seen quicker and we waste less time and resources
  - Identifying and removing duplication and inefficient ways of working
  - Getting better value for money from suppliers through reviewing and revising existing contracts and identifying opportunities for new ways of procuring goods and services
- Consistently meeting NHS performance targets, including the key national targets covering emergency care access, the 18-week referral-to-treatment standard for routine care and rapid access to cancer care, all of which are making a real difference to the quality and timeliness of the care that patients receive across the NHS in England

We have already made a clear commitment to stay true to the values that our Board and the Trust have committed to, and to our mission to change lives in east London through delivering excellent healthcare, reducing inequalities and improving health in our local

communities. These commitments are not changed or reduced by the need for us to improve efficiency, quite the reverse.

### **Our turnaround programme**

In July, Barts Health NHS Trust decided to move into a period of financial turnaround to accelerate the development and delivery of safe cost savings and productivity improvements. It is a whole organisation effort to improve the robustness and pace in the development and delivery of safe cost improvements, whilst never losing focus on quality.

Turnaround is not the whole story. It is the first part of a three-year plan to get us to a sustainable long term financial position. This year, we are concentrating on stabilising the organisation's finances, by ensuring that we take out un-necessary costs, maximise income under our new Payment by Results contract and make these changes at a pace which will allow us to meet and exceed our savings targets for the year. In 2014/15, the focus will be on reducing and eliminating our underlying financial deficit, so that in 2015/16 we can post a financial surplus.

Turnaround has not been imposed upon Barts Health. We have chosen to take this approach to enable the extra focused attention that is required to ensure we meet our organisational goals. Executed well, turnaround will enable Barts Health to be a stronger, more effective organisation, with a better capability to effect change at pace.

### **How efficiency schemes can improve patient care and standards**

Being efficient is not all about money - it is also about making sure our systems and processes are fit for purpose. All too often, we hear frustrations from patients, carers and our staff around problems with simple things like booking appointments and receiving confirmation letters.

As a new organisation which was formed less than two years ago, we are still going through a process of streamlining and standardising the way we do things across all our services and hospitals. At the moment, there are areas where we still have three or more different ways of doing the same things, based on the arrangements which were in place in the three legacy organisations that came together to form Barts Health.

We have a range of key workstreams, all of which are closely tied to improving service quality as well as efficiency.

<b>Area</b>	<b>Focus</b>
Operating theatres	Improving theatre utilisation time, so that more procedures can be carried out each day
Length of stay	Reducing length of stay in line with recognised clinical best practice, where it is safe to do so
Pharmacy	Using the most appropriate drugs for each patient and realising cost benefits from stronger buying powers
Diagnostics	Ensuring each patient is booked for the appropriate tests for their needs, and that un-necessary tests are not routinely booked
Corporate back office	Reviewing and renegotiating contracts and reviewing working practices to improve delivery and efficiency
Estates and Facilities	Reviewing soft service provision and ensuring contracts are running correctly, eg cleaning at Whipps Cross
Demand and capacity reviews	Making sure we have the appropriate resources in place for each service and clinical speciality
Eliminating fines	Ensuring we perform within our contract and that our

	coding and monitoring processes are fit for purpose. Meeting all CQUINs
Income	Identifying and planning to generate additional opportunities for income not currently being realised
Workforce	Making sure our structures are fit for purpose, including rotas and leadership arrangements
Variable pay	Reducing and eliminating agency staffing, and reviewing our own staff bank arrangements

Within these workstreams are a range of around 1,280 individual cost improvement programmes (CIPs). Robust processes are in place to:

- Assess all schemes for impact on patient safety and service quality
- Assess all schemes for risk of non-delivery
- Assure the development and assessment of schemes through a project management office
- Ensure there is ongoing monitoring of all CIPs via an agreed quality impact assessment

When considering where improvements can be made, our clinical and corporate teams ask four standard questions:

- Is the service working to national best practice?
- Can the team/service be more efficient?
- What can we do to improve the patient experience?
- Are we spending our budgets wisely?

### Where we have already saved money and improved care

<b>Changing how we buy replacement hip and knee joints</b>
<b>Issue</b> - Barts Health is a major provider of joint replacement surgery, carrying out nearly 1,000 such procedures a year. We were paying over £2million a year for replacement joints whilst existing contracts that had been in place before our merger continued.
<b>What we did</b> - Our procurement team analysed the existing contracts and proposed best value options for the orthopaedic department to consider. Following a competitive tender process, suppliers were keen to negotiate a good deal in order to work with us.
<b>How we did it and ensured safety and quality</b> - Changing a surgical implant can be difficult, as each product requires a specific set of skills and many surgeons are trained and comfortable with a specific brand of implant. Therefore, the decision to change supplier needed to be clinically led. We set up a group to evaluate the options, and our orthopaedic teams reviewed clinical best practice guidance and research to make sure that the decision to change supplier was clinically based and would maintain high standards of quality.
<b>What we achieved</b> - a saving of over £800,000 that can be re-invested into patient care.

<b>Effective use of medicines brought from home – Newham University Hospital</b>
<b>Issue</b> - Patients are always encouraged to bring their own medicines into hospital so that we have an accurate drug history for them. Traditionally, these drugs have then been disposed of or sent back home with a family member rather than staying with the patient for them to use during their stay. With a greater national emphasis on how patient medicines brought from home are managed in hospitals, it was essential that we reviewed our practices to provide the best care, improve patient safety and reduce wastage.
<b>What we did</b> – Our pharmacy team worked with other trusts who had introduced medicines management technicians to understand best practice. We then ran a pilot on one ward to

better understand how to introduce the role, whether it would make a difference for patients and what processes needed to be in place to make it work effectively. Following a successful pilot, the pharmacy team prepared a business case for rolling out the medicines management technicians throughout the hospital.

**How we did it and ensured safety and quality** - The team of pharmacy medicines management technicians check the medicines that patients bring with them to the hospital to ensure that they are labelled correctly and still appropriate for the patient to use. This helps to promote patient safety by ensuring they continue with their current medications and are not given multiple or conflicting medicines. Previously, patients may have had a set of medicines at home, but were then discharged from hospital with another set which increased the risk of overdose, duplication in therapy and continuation of a medication stopped in hospital. It also reduces wastage as we no longer need to provide a new or additional supply of the same medication.

**What we achieved** – Improved patient safety and care, whilst also saving £124,000 over the last year. Members of our own existing pharmacy team were trained as accredited medicines management technicians, therefore gaining further career development opportunities.

### **Improving the pathway for colorectal patients**

**Issue** - We are a major provider of colorectal surgery and care. Our colorectal outpatients' clinics were not functioning effectively and were often overbooked, meaning that patients were either seen much later than their allotted time or had their appointment put back. The poor management of clinics was impacting on our ability to treat patients within the 18 week standard, led to a higher level of complaints and required us to book additional clinics which had a financial impact.

**What we did** – The Colorectal Service at Barts Health is one of the services participating in the productive outpatients' programme, a transformational initiative supported by colleagues at University College London Hospitals NHS Foundation Trust. We established a core project team of clinicians and managers supported by the programme coach. This team reviewed colorectal clinics and ways to improve patient and staff experience from the point of referral right through to the clinic day through more streamlined administration and booking processes and improving the efficiency of clinics. The project team was provided with training and received support from programme coaches to enable them to drive change and improvements. The team then gathered and analysed data about the clinics, mapped the current pathway, interviewed patients, analysed the reasons why patients failed to attend appointments and audited clinic waiting times and the time patients spent with doctors. Their findings were presented to a wider group of staff who were able to identify a number of areas where the pathway and processes could be improved. The project team then developed a new model of working.

**How we did it and ensured safety and quality** - The new pathway provides patients with an initial appointment where all tests and treatment are discussed and put into motion allowing treatment and any follow up to be undertaken much quicker. All referrals are now vetted by a consultant before booked, speeding up the process and allowing any non-specialist cases to be directed to the most appropriate service for that patient's needs. We are also introducing best practice ways of working from other trusts, including piloting a one stop clinic at Whipps Cross Hospital that will allow us to manage referrals within just two weeks. We are continuing to look at best practice and how we can redesign our pathways to provide the most effective services, reducing unnecessary work for staff and improving the patient experience.

**What we achieved** – We are reducing waiting times from up to six months to no more than

six weeks, improving the patient experience and making better use of staff time.

## **Other improvement examples**

### **Theatres**

- Reduced average late starts by between 40% and 80%
- Improved utilisation on all sites by up to 20%
- Appointed delivery managers for each of our three main theatre suites (Newham, Royal London and Whipps Cross)
- Working to standardise scheduling processes across the Trust and increase cross-site working, for example by offering empty theatre slots on one site to teams from another

### **Clinical coding – ensuring we are paid in full for all the work we do**

- Improved coding processes and procedures, particularly in outpatients, bringing in around £5m a year of additional income
- Appointing an additional 12 coding staff
- Siting coding staff within CAG teams to improve coding in real time

### **SwapShop scheme**

- Set up an online system to allow staff to advertise any unwanted office equipment and furniture
- Managers can then order from this pool rather than buying in new equipment

### **Energy efficiency**

- Introduced Operation TLC (turn off, lights off and close doors) campaign to encourage staff to take these three simple steps to reduce energy usage and to improve patient and staff environments
- Research from the Clinical Research Centre shows that one in three patients experience better privacy and one in four patients experience less disturbed sleep in wards that have been taking the Operation TLC actions
- Since January 2013, we are saving £100,000 a year in energy bills and avoiding 800 tonnes of carbon dioxide, as well as creating a better healing environment for our patients
- The scheme picked up the Energy Efficiencies award at this year's HSJ (Health Service Journal) Efficiency Awards

### **More information**

The appended slide pack includes more detail on our cost improvement processes, in particular how schemes are assessed and monitored for impact on patient safety and service quality.

For more information on our cost improvement programmes or any aspect of Barts Health's operations, please contact a member of our communications team:

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