

Quality, Efficiency and Value

**What NHS Non-Executive Directors
need to know**

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This resource is one strand of a wider induction and development programme led by the NHS Chairs Group and the Corporate Business Management Team at the Scottish Government.

It was written with, and for, Non-Executive Directors of NHS Boards in Scotland. However, the document and additional resources referred to within the document may also be of value to Executive Directors.

NHS Boards should consider how to use this resource in relation to their local Board development.

Foreword

Accountability of NHS Boards is clearly set out in legislation. NHS Boards are responsible through the Cabinet Secretary to the Scottish Parliament for the safe, effective and person-centred delivery of services. Appointed by Scottish Ministers, Non-Executive Directors of NHS Boards play an essential role in governing the quality and performance of the delivery of health and social care services to the people of Scotland.

Development of the Non-Executive Directors of NHS Boards supports good governance around all aspects of the organisations activities. This resource has been developed in recognition that our Non-Executive Directors all need to have an understanding of quality, efficiency and value within NHSScotland. It provides an overview of what quality is, how it is measured and how it can be used to improve service delivery for patients. This is one of a series of resources designed to help Non-Executive Directors understand how they too, can play an essential role in ensuring that the NHS Board maintains focus on quality.

On behalf of the Chairs of NHS Boards, I hope you find this resource useful.



Jeane Freeman
Chair of Golden Jubilee Foundation Board



Introduction

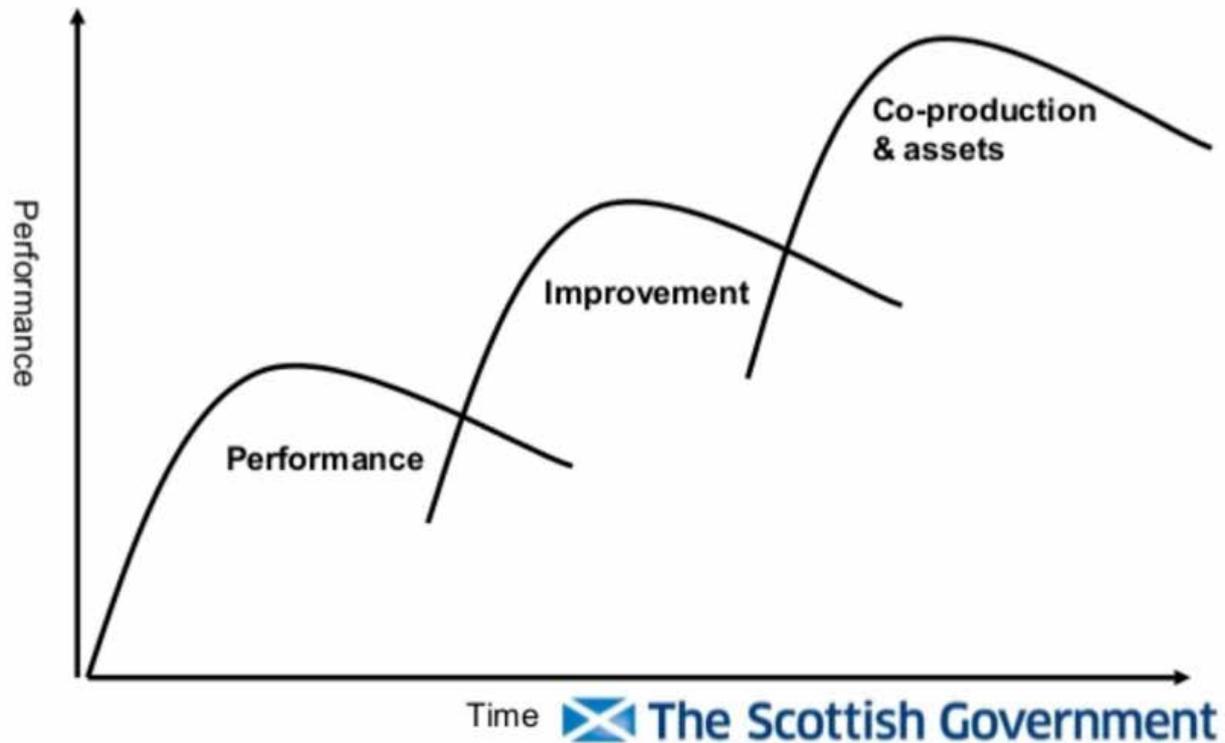
NHSScotland is going through a sustained period of pressure both in terms of available resources but also increasing demand on services. Health care is being challenged to respond to this not through indiscriminate cuts, but by improving efficiency, driving up quality and reducing levels of harm.

Scale of the challenge

Since 2008 NHS Boards have delivered over £1.3 billion of efficiency savings (over 10 per cent of the revenue budget for NHS Boards), which have been reinvested to fund service developments. For the past five years NHS Boards have exceeded their efficiency target of 3 per cent of baseline funding across NHSScotland. NHS Boards delivered these efficiencies at the same time as making significant improvements to the quality of services. NHSScotland's portfolio of work around efficiency and productivity seeks to maximise opportunities for quality improvement whilst ensuring sustainability of services now and in the future.

However, we cannot be complacent. Despite the increases in resources allocated to the NHS; price inflation, increasing demand and the welcome innovations in healthcare technology all lead to huge pressure on our systems.

The future - getting to the third curve



Derek Feeley: Scotland – why quality is the best response to the financial challenge – The Kings Fund, 2012

Context

Efficiency and productivity

Efficiency is one of the six dimensions of quality.

The Institute of Medicine defines efficiency 'as avoiding waste, including waste of equipment, supplies, ideas, and energy'.

Efficiency and productivity can also be defined as follows:

Efficiency	Productivity
Delivering the same results for a reduced input	Providing more for the same level of input
Lowering costs while maintaining service quality	Improving quality and/or quantity of service within existing budgets

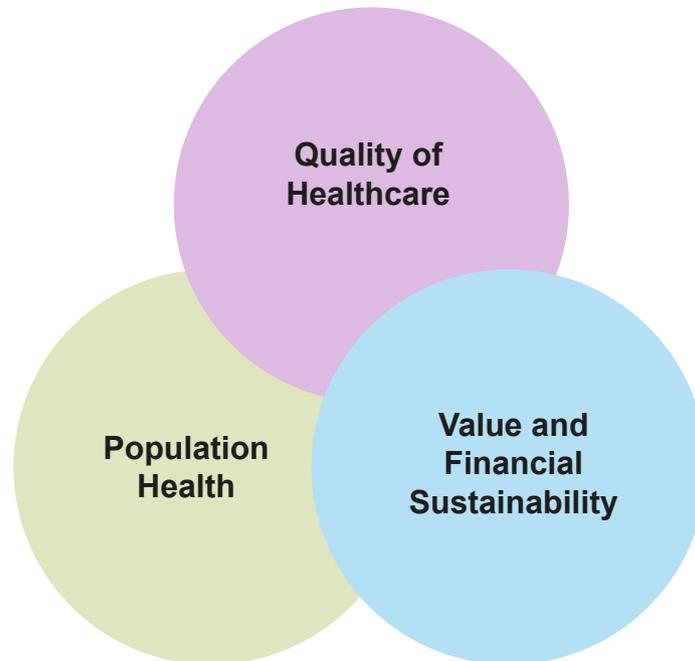
Efficiency and productivity are not about making cuts. They are about raising productivity, enhancing value for money and improving the quality of service by reducing waste and variation.

The Triple Aim – What is it?

Many of the world's best performing healthcare systems frame their ambition around the 'Triple Aim' of Quality of Care; Health of the Population and Financial Sustainability.

The Triple Aim is a framework that describes an approach to optimising health system performance through the simultaneous pursuit of three dimensions:

- Improving the quality of healthcare
- Improving the health of the population
- Achieving value and financial sustainability



Achieving value and financial sustainability

This document will focus on the value and financial sustainability axis of the Triple Aim.

Ensuring value for money, is about achieving a desired outcome at the least cost whilst maximizing the benefits to patients or the wider population from finite resources. Achieving value for money requires health services to be not only clinically effective but also cost-effective for agreed benefits.

NHSScotland has to continuously strive to improve in order to meet ongoing challenges such as: an ageing population, increasingly complex care needs, rising patient expectations and improving Scotland's public health record. Concepts such as reducing waste, variation and harm whilst increasing reliability, safety and person-centeredness are the drivers for focusing quality efforts in health care.

High performing healthcare organisations

When we look at healthcare organisations that are rising to these demands effectively, the evidence points to a number of key leadership characteristics which enable them to continue to respond to the efficiency and productivity challenge whilst increasing quality.

Through the study of organisations who deliver to high standards, some key attributes have been identified:

- Quality is a system property that requires a focus at multiple levels within the organisation. Quality is a social process and must focus on both the human dimensions of change as well as the science of improvement;
- There is impatience rather than satisfaction with current performance and constantly seeking to learn from others;
- Benchmarking is seen as an invaluable process as it helps to identify what good performance looks like;
- An enabling organisational structure and culture is core to delivery; and
- The journey to high performance is described at the highest level as a multi-phase and long term leadership objective.

Opportunities for improving efficiency in healthcare

What does the evidence tell us?

The Health Foundation report 'Does improving quality save money? *A review of evidence of which improvements to quality reduce costs to health service providers*, provides a useful source of information and research evidence on the potential link between quality and efficiency.

'The most successful hospitals or primary care organisations are not the ones which just deliver the best evidence-based clinical services, or are most focused on safety, or whose services are highly customer-oriented, or which consistently managed to balance their budgets. The most successful healthcare organisations are the ones which recognise the multi-faceted nature of their endeavour and manage to deliver across all of the dimensions of quality. For most of the last decade, organisations have become accustomed to times of plenty– their challenge has been to improve patient care and health outcomes and they have been given the resources to do so. But the impending public sector spending crisis changes this context utterly. Every manager and clinician in the country should now be asking themselves how they can continue to improve quality while also cutting costs.'

Martin Marshall Director of Clinical Quality, the Health Foundation, 2009

There has been a growing recognition that healthcare has to attend to fundamentally reviewing and improving its care delivery systems to keep pace with challenges now and in the future.

Don Berwick, former President and Chief Executive Officer of the Institute for Healthcare Improvement and a high profile advocate of using quality improvement methods, identifies some systemic failures which lead to high volumes of waste and if addressed, could result in large gains in efficiency and quality. The contention is that as with all other large, complex organisations the pursuit of efficiency and high-value care has to be well-led, focused and relentless.

- **Failures of Care Delivery** – the poor execution of care processes and the lack of widespread adoption of known best care processes results in potentially unsafe and inefficient health practices.
- **Failures of care coordination** – the waste that occurs when patients follow fragmented care systems and results in unnecessary complications, delays and errors. To improve this requires a fundamental shift to organising care along pathways designed in collaboration with those who receive the care to ensure maximum value.
- **Overtreatment** – the waste that comes from undertaking procedures where there is little evidence of clinical value to patients and in some cases may cause harm. Overtreatment diverts capacity and resources away from areas of greater need and does not deliver effective person-centred care.
- **Administrative Complexity** – administration systems which are overly complex and not joined up effectively across care pathways, cost healthcare a huge amount of money and increase the likelihood of errors and delays in the system.

What approaches support increasing quality, efficiency and productivity?

In its publication of the 2020 Framework for Quality, Efficiency and Value, the QuEST team in Scottish Government has identified an approach and a number of principles which should guide the work of quality and efficiency.

<http://www.qihub.scot.nhs.uk/quality-and-efficiency/2020-framework-for-quality-efficiency-and-value.aspx>

Three-part approach to undertaking the quality, efficiency and value journey:

- **Identify and diagnose** – identify where you wish to concentrate improvement efforts
- **Improve** – use quality improvement tools and methods that have been proven to be successful
- **Evaluate** – check whether you have or have not made a difference

Principles

The **approach to improving** quality, efficiency and value is underpinned by 10 key principles which are well evidenced by research as important to delivering improvement.

1. **Reduce unwarranted variation in service provision, remove waste and eliminate harm**
2. **Improve healthcare quality by increasing the safety, effectiveness, experience and responsiveness of services**
3. **Use resources effectively – reduce costs, improve productivity and release efficiencies to enable reinvestment in front-line patient care**
4. **Use good quality benchmarking and performance data, together with insight into service provision, to identify where productive opportunities lie**
5. **Encourage innovative approaches to service redesign and use of technology**
6. **Adopt a whole system approach to service redesign**
7. **Collaborate and partner with other NHS Boards, local authorities and the third sector**
8. **Ensure clinical decision-making takes precedence over short term efficiency gains or achievement of targets**
9. **Encourage a more productive and empowering workplace culture**
10. **Identify, spread and sustain good practice**

Enabling tools and resources

Improvement means doing things more effectively and efficiently in the future to deliver better quality patient experience and outcomes.

There are a range of approaches and tools available to support NHS Boards to deliver improvements in quality, efficiency and value.

Health economics

This can inform and improve decision-making about the allocation of scarce healthcare resources. Population, preventative and healthcare interventions can all be prioritized through the analysis of their costs and benefits to ensure that benefits are maximized. Realising the benefits of different approaches should be undertaken systematically to ensure the outcomes are quantified as well as the costs so an assessment can be made of the merits of an improvement project.

Data for Improvement

Benchmarking is the process of comparing processes and performance to other NHS organizations or to best practice elsewhere in the public, private or third sector.

Learning through using benchmarking data can provide assurance as to the effectiveness of existing ways of working as well as providing a valuable means for identifying opportunities for improvement. NHS Boards are encouraged to use data for improvement approaches and the development of new versions of these is ongoing. For example, Discovery is a newly developed web-based information system that will provide easy access to comparative information to help review, monitor and plan services and support quality improvement. This is available to managers and clinicians who will benefit from using comparative and benchmarking information to underpin service planning and delivery. More information about this can be found at www.discovery.scot.nhs.uk

Sharing learning about what works

This is an important aspect of increasing efficiency and productivity is ensuring we use a wide range of approaches to share knowledge of what works.

The ability to spread learning and encourage the adoption of best practice has to be systematically planned for and encouraged in order to ensure that learning from tests of change and pilots which prove effective are translated into business as usual as soon as possible.

Supporting staff to network and providing spaces, both virtual and face-to-face, where people are able to share success and discuss challenges are vital to supporting organisations' improvement efforts.

The QI Hub is a national partnership between special NHS Boards and the Scottish Government which aims to facilitate this through the provision of a website which enables access to a suite of case studies and an online networking community, People Connect, where staff from across NHS Scotland can access information and advice from colleagues and exchange learning.

Spread and Sustainability – the Challenge

In common with healthcare systems across the developed world, NHSScotland needs to improve its ability to spread well-tested and proven best care delivery processes at pace and scale. An evidence assessment undertaken by the QI Hub in 2014 and made available in the publication, *'The Spread and Sustainability of Quality Improvement in Healthcare: A resource to increase understanding of the ten key factors underpinning successful spread and sustainability of quality improvement in NHSScotland'*.

<http://www.qihub.scot.nhs.uk/knowledge-centre/quality-improvement-topics/spread-and-sustainability.aspx>

NHSScotland must continue to strive to learn and adopt and adapt from the best-known practice and this is a critical aspect of driving value and continuously improving the use of our financial as well as human resources and a key focus for leaders across our systems.



Sustainability – quality and efficiency

Adapted from Slideshare: *The King's Fund 2012 Annual Conference: Derek Feeley: Scotland – why quality is the best response to the financial challenge*

Non-Executive Directors of NHS Boards play an integral role in governing the delivery of health and social care services. Listed below are some of the things that Non-Executive Directors can do to ensure that the NHS Board plans and delivers services from a quality perspective.

What Non-Executive Directors can do to promote quality, efficiency and value

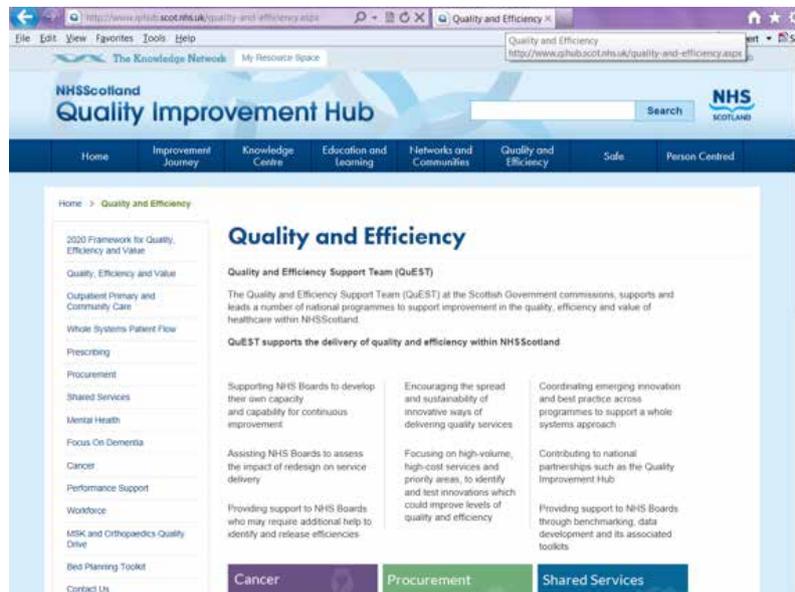
- **Consider what role you have to champion quality improvement both within and out with your Board**
- **Determine whether the leaders in your organisation are advocating for action to promote Quality Improvement**
- **Is the Board learning from initiatives and practices undertaken by high performing organisations?**
- **Are Board delivery plans informed by evidence of good practice nationally and internationally?**
- **Does the Board ensure that Quality has a focus in each of its sub-committees?**
- **What process does the Board use to scrutinise how good quality delivery is measured?**
- **Does the Board look at the potential impact of performance targets on Quality?**
- **Enquire to what extent the Board's monitoring of staff governance incorporates 'Quality'**

Case Studies

There are over 150 examples of **case studies** on improving quality and efficiency hosted on the QI Hub website and these provide rich examples of the excellent work being pursued across Scotland.

Find these at: <http://www.qihub.scot.nhs.uk/knowledge-centre/case-studies.aspx>

There are also a range of highly accessible **online learning resources** on improving systems and processes which all staff can access and these can be found at: <http://www.qihub.scot.nhs.uk/education-and-learning.aspx>



The screenshot displays the NHSScotland Quality Improvement Hub website. The browser address bar shows the URL <http://www.qihub.scot.nhs.uk/quality-and-efficiency.aspx>. The page features a navigation menu with links for Home, Improvement Journey, Knowledge Centre, Education and Learning, Networks and Communities, Quality and Efficiency, Safe, and Person Centred. The main content area is titled "Quality and Efficiency" and includes a section for the "Quality and Efficiency Support Team (QuEST)". The QuEST section describes the team's role in supporting improvement in the quality, efficiency, and value of healthcare within NHS Scotland. It lists three key areas of focus: Supporting NHS Boards to develop their own capacity and capability for continuous improvement; Encouraging the spread and sustainability of innovative ways of delivering quality services; and Coordinating emerging innovation and best practice across programmes to support a whole systems approach. The page also includes a sidebar with a list of topics such as "2000 Framework for Quality, Efficiency and Value", "Quality, Efficiency and Value", "Outpatient Primary and Community Care", "Whole Systems Patient Flow", "Prescribing", "Procurement", "Shared Services", "Mental Health", "Focus On Dementia", "Cancer", "Performance Support", "Workforce", "MSK and Orthopaedics Quality Drive", "Bed Planning Toolkit", and "Contact Us". At the bottom of the page, there are three buttons labeled "Cancer", "Procurement", and "Shared Services".

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Quality improvement resources from the NHSScotland Quality Improvement Hub

<http://www.qihub.scot.nhs.uk>

Resources and case studies from the NHSScotland Event which each year celebrates improvements across NHSScotland <http://www.nhsscotlandevent.com>

Slideshare <http://www.slideshare.net>



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