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Defining and demonstrating value from continuous improvement in the NHS

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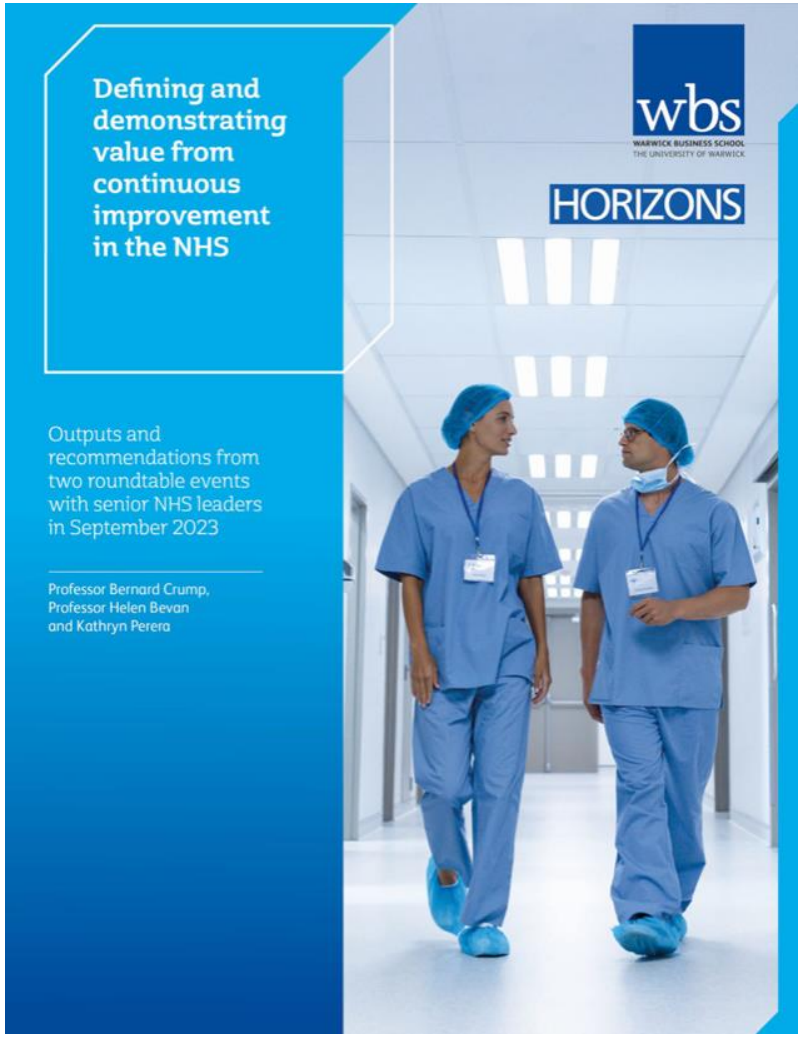

Defining_and_demonstrating_value_from_continuous_improvement_in_the_nhs-2024.pdf (horizonsnhs.com)

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Does improving quality in health and care cost money or save money?

Much controversy surrounds this seemingly straightforward question. The answer is often unknown, since the needed analyses are missing or inadequate. Even where analyses do exist, the answer varies with the stakeholder's viewpoint and the timeframe examined. An investment that improves quality for patients may have different financial consequences for providers.

Leatherman, S., Berwick, D., Iles, D., Lewin, L.S., Davidoff, F., Nolan, T. and Bisognano, M. (2003). The business case for quality: case studies and an analysis. *Health Affairs*

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Findings from the NHS delivery and continuous improvement review that preceded NHS Impact

Continuous Improvement is most effective when it is ‘baked into’ the strategic priorities of an organisation or system. Achieving this aim will be easier where organisations and systems share an understanding of the value proposition for CI activity.

NHS England » NHS delivery and continuous improvement review: recommendations

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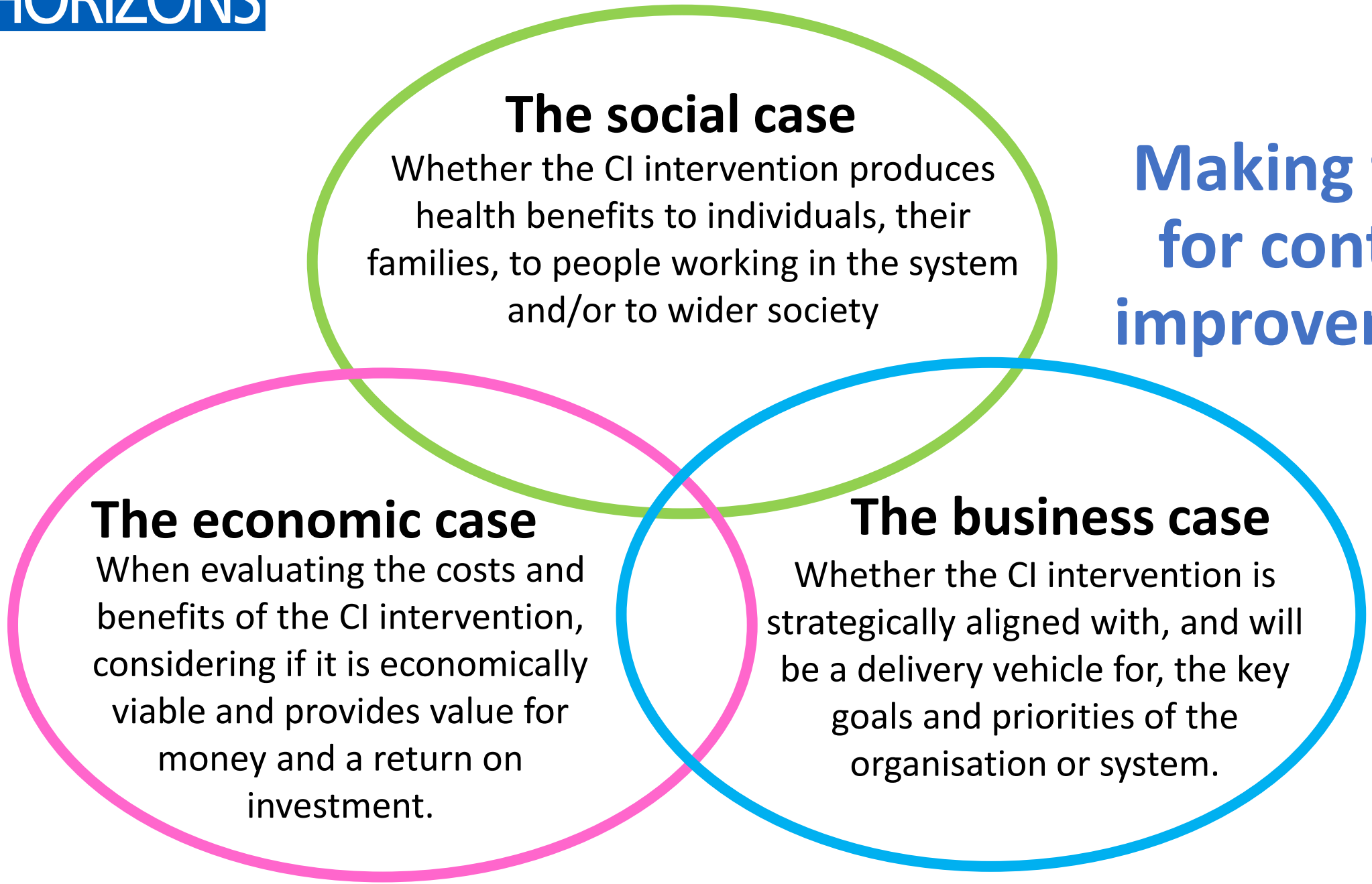
Making the case for continuous improvement (CI)



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The starting point: the evaluation of the Virginia Mason Institute/NHS partnership

- No objectives for the partnership had been agreed which were couched in terms of value for money
- The partnership was about establishing a self-sustaining culture of improvement and adoption of a quality management system within the partner organisations (the social and business case lenses).
- Concern that associating the project with efficiency or financial performance would hinder workforce engagement - seen as central to these goals

… if this had been presented to the organisation as a "You're going to save money as a result of it" right, then people would resist it because they've seen this kind of programme happen many, many times before and they would have just seen this as "Here we go again. This is a posh way of dressing up a cost improvement programme".

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Later in the evaluation, Leeds Teaching Hospitals developed the "Leeds Waste Reduction Tracker"

- Attributed a proportion of this to the partnership
- The value resulting included both cash releasing savings, and the capacity to do additional, funded, work within existing resources
- We compared this with the direct and indirect costs of involvement in the programme

The ROI for 2019/20 was estimated as £15.41 for each pound invested

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We posed three key questions

- How can we make the economic case as strongly as the social and business case for CI?
- What approach could be developed to support organisations to evidence the value arising from their CI activity when considered through all three lenses?
- How can we demonstrate both the value and return on investment of CI in NHS operational currency?

Consistent capture of value remains a challenge internationally and across sectors (not just the NHS)

Most improvement projects are **small tests of change** on part of a **pathway** of care.

Organisations have choices about **when** and **how** to **harvest** those consequences & to reinvest the capacity. The net change in value is as much a **consequence** of those **decisions,** as of the intrinsic improvement itself.

Value is not **solely**, or even largely, a **financial outcome**. It includes **quality** and **safety** improvements and less **pressure** on the **workforce.** These need to be quantified and valued.

Value consequences **may** be in terms of direct savings, but more commonly they **release capacity**, in terms of beds, equipment and clinical time.

While there is pressure for short-term savings, the economic value of CI interventions may only be **realised** in the **longer term**.

Many **small changes** across an organisation can lead to **step changes in value,** but this requires sustained **cooperation**.

Value needs to be examined at a **system level**, not solely at a unit level. The nature of health and care means it's common for the benefits of an improvement to be seen in a **different part of the system** from that which invested in the improvement effort.

Commissioning levers are not nuanced for CI and its value dimension, leading to situations where commissioners **don't pay** for **quality**, while paying for underuse, overuse and misuse.

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Urban Wemmerlöv (Professor of Productivity and Quality, University of Wisconsin-Madison) found…

- 35,000 + peer reviewed publication of the use of CI methods in manufacturing
- 84% made mention of cost benefits
- But in only 34 studies (0.09%) were financial costs and consequences reported in any detail
- Only 4 included the costs of the intervention itself
- Only 2 gave the sources of the data
- In only 3 were finance staff involved in validation of the cost benefit analysis.

Wemmerlöv, U. (2021) The retrospective determination of process improvement's economic value at the individual manufacturing firm level: Literature review and proposed measurement framework. *Journal of Operations Management*

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There are promising approaches to learn from, in the NHS and globally

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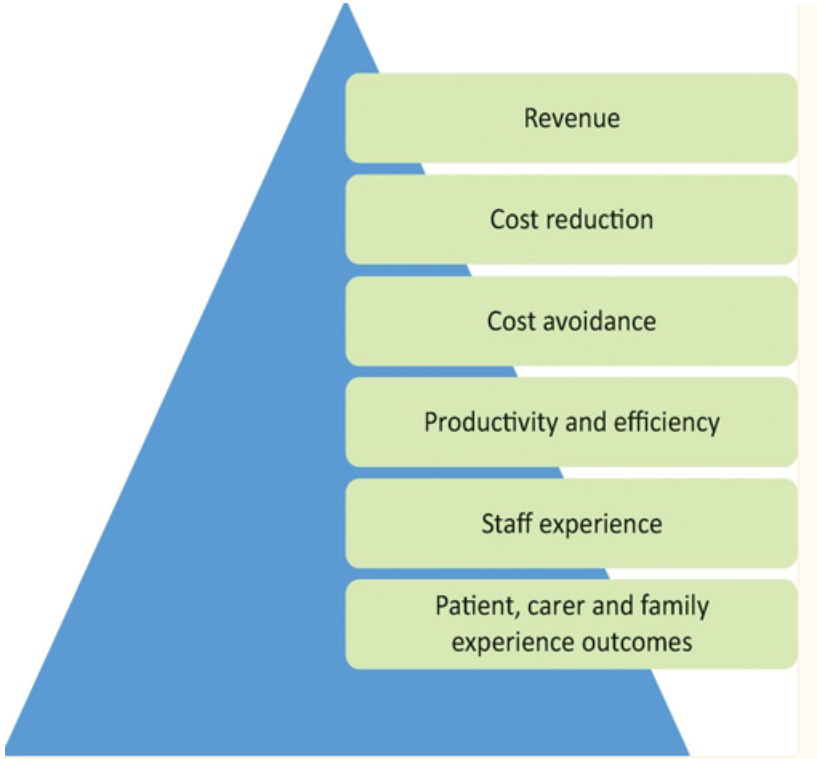
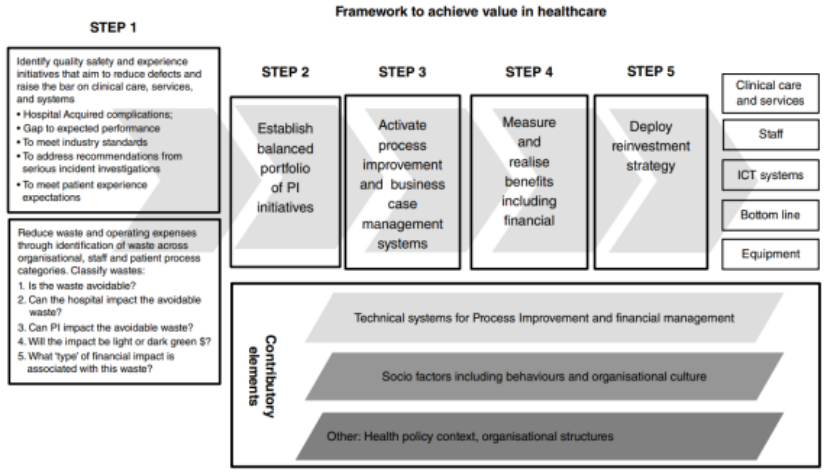
East London NHS Foundation Trust



St Vincent's Health, Australia



The Engagement Value Outcome (EVO) framework

VALUE COMPARISON

	VALUE METRICS	WEIGHT	OPTION 1	OPTION 2	OPTION 3	OPTION 4	OPTION 5
OUTCOMES	Fall in stillborn rates	25%	4	4	2	2	2
	Fall in brain injuries rate	25%	4	5	2	3	3
	Increase in breastfeeding	10%	3	3	1	2	1
EXPERIENCE	Improved service access	5%	4	4	3	3	2
	Improved care experience	5%	4	4	2	3	3
	Reduced harm	10%	3	5	3	2	1
RESOURCES	Cost reasonability	10%	4	3	3	5	2
	Sustainability	10%	3	3	2	3	1
VALUE		100%	3.7	4.1	2.2	2.8	2.0
RISK	Quality of evidence	50%	4	5	3	2	1
	Capacity to deliver change	50%	3	4	4	3	2
RISK		100%	3.5	4.5	3.5	2.5	1.5
STRATEGIC FACTORS	System strategy alignment	50%	3	4	3	1	1
	Time to savings realisation	50%	2	3	3	1	3
STRATEGIC FACTORS		100%	2.5	3.5	3.0	1.0	2.0
SCORE			32.4	63.8	22.6	6.9	6.0
RANK			2	1	3	4	5

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What are the strengths and weaknesses of these approaches in your view?

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The Leeds waste reduction approach

"Involved a shift of language".
"Focused on value streams and systems to track costs across boundaries".
"Benefitted from being used consistently over time.

The East London Foundation Trust approach

"ELFT is "staff-led" with strong staff and patient involvement."
"ELFT is an approach other Trusts are already embracing, adding their own flavour".
"We liked the ELFT pyramid and would like more information".
"Would like to see more clearly how it links to the financial system in the Trust"

The EVO approach

Divergent views about how complex the approach is:
"Seems very complicated and needs good finance support." "Simple concept. Is there appetite for all that work for one pathway?"
"EVO is good because it uses existing systems and brings them together systematically".
"EVO is a process but if benefits are to be realised it needs to be part of a quality management system".

The St. Vincent's approach

"Strong link to strategy."
"The welcome emphasis on opportunity cost is vital to bring about change".
"Critical is shared purpose with an emphasis on the need for action Now!"
"This was the model which looked at the issues end to end."

There is reluctance to discuss the consequences of CI work in terms of "value", particularly financial impact: Should this reluctance be reconsidered? How should the conversation linking CI to value be framed?

If finance is the only driver, nothing will succeed

Clinicians switch off when money is mentioned

Being less wasteful has a double benefit; we save resources and get greater value when we reinvest them

How do you talk about value-based care to clinicians who are firefighting?"

Drive out waste to drive out clinical harm

Waste lands badly as a language. We need to look further ahead

Waste reduction is a double negative. Can we find a more positive frame?"

"Changes happens at the speed of trust." This will need priority. Clinicians need the headspace to play their part but are too busy to get involved

Traditional Cost Improvement Programmes have stripped things to the bone so now we need a mature conversation on value

We need to challenge everywhere about the value question

People need to be confident that they will have a say in how resources that are freed up will be used

Value is a valid question in all aspects of an organisation and system, not just what is delivered by quality improvement

Making value a single thing is a risk

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Ten design principles for creating a value framework for CI

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1. Clarify purpose.
2. Engage those who do the work and those impacted by the work in co-design
3. Don’t just drop the framework in, work on culture readiness.
4. Create a common definition of value and of continuous improvement (CI) but allow for differences in framing.
5. Keep language and messaging simple.
6. Learn and adapt: improve data through transparency and use.
7. Ensure that leaders own and curate the framework.
8. Co-operate across systems.
9. Focus the work on strategic priorities.
10. Apply the approach to population health and prevention as well as direct care.

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Conclusions

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- The large majority of the leaders who took part in the roundtables supported the need for the challenges in assessing the value from CI to be addressed.
- They would welcome action leading to the development and adoption of a framework that could enable this to happen and would want to be active partners in its development.
- A number cited the difficulty of securing and sustaining investment in, and commitment to, CI in the absence of better methods to capture the value arising from CI.

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The roundtables demonstrated that there are significant opportunities to develop improvement-led delivery and that defining value is key to fully operationalising CI across the NHS. There is a high level of interest amongst the senior leaders to participate in this work. Beter capturing and understanding that value will generate important insights that then inform our understanding of quality, contributing to broader work on how the NHS consistently delivers value in meeting its fundamental purpose and aims.

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For follow up

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