

Session 3

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Health quality indicators and value of output

The UK has used a cost weighted activity index for measuring health output in the National Accounts since 1998, with a major improvement in the coverage of the index in 2004. Brief explanation of composition of the index.

Interest in published analysis of the trend in health output and productivity was one factor leading to the Atkinson Review of Measurement of Government Output and Productivity for the National Accounts (speaker was co-Director of Review)

Brief summary of key recommendations from the Atkinson Review, including need to include quality change as part of output measurement.

The Department of Health worked in 2005 to develop methods of quality-adjusted output measurement, in line with Atkinson recommendations, and published results in December 2005. These were used in an ONS health productivity article in Feb 2006.

Explain the quality adjustment methods :

- Recommendations from academic research: best method is to use value weights instead of cost weights, based on change in health outcomes from different treatments – but no routine data source.
- Interim recommendations from academic research – evidence from mortality within 30 days of hospital treatment; assumption about health gain from treatment; waiting times.
- Other adjustments developed by the Department of Health: evidence on patient experience; value weight for statins; evidence from primary care of improving blood pressure control.
- ‘Value of health’ adjustment also raised the value of health output in line with real earnings growth – not really a quality adjustment and needs separate exploration
- Work in progress, for publication later in 2006: wider use of health quality indicators, same or similar to those developed by OECD, as modifiers of the cost-weighted activity index.
- Measuring patient outcomes more widely: brief comment on current UK developments and potential for future use in an output index.
- Issues for comment, including risks in using partial measures; uncertainties on weighting together different aspects of quality change. Reference to planned consultation by ONS.