

“Measuring Up”

Improving Health Systems Performance in OECD Countries



IMPROVING VALUE FOR MONEY
THE UK NHS: PERFORMANCE
MEASUREMENT AND IMPROVEMENT
IN A CENTRALISED SYSTEM



Clive Smee, Chief Economic Adviser,
Department of Health, UK

5th November 2001



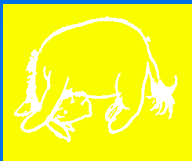
Health
Canada

Santé
Canada

Canada

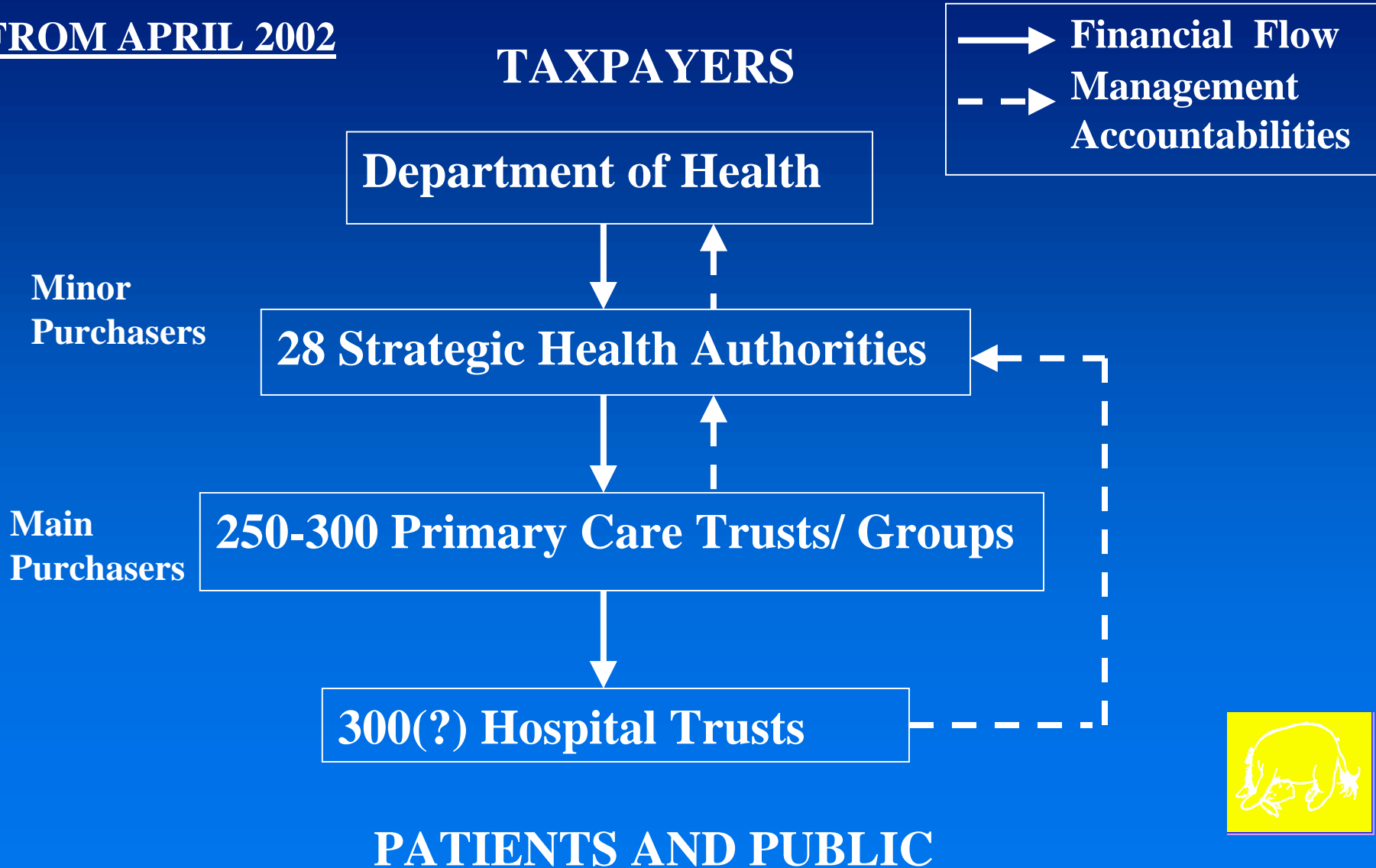
SUMMARY

- **Evolution of performance measures in the NHS**
- **Current approach to measurement and improvement**
- **What has been learnt?**
- **Improving measurement and performance in the future**



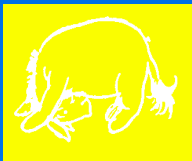
ORGANISATIONAL RELATIONSHIPS IN THE NATIONAL HEALTH SERVICE

FROM APRIL 2002



HISTORY OF PERFORMANCE MEASURES IN NHS - 1

<u>PERIOD</u>	<u>MEASURES</u>	<u>USE</u>
I. 1980s	Activity and Cost Indicators	Local management Central monitoring
II. 1990-97	Efficiency Indicators Waiting Times, Patients Charter	Central management of efficiency and waiting times Limited public accountability



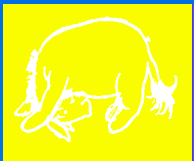
HISTORY OF PERFORMANCE MEASURES IN NHS - 2

<u>PERIOD</u>	<u>MEASURES</u>	<u>USE</u>
III. 1997–	Performance Assessment Framework	Balanced score card
	High Level Performance Indicators	Active central management Accountability to public
	NHS Performance Ratings - 2001 - Hospitals - 2002 - Other providers	Incentivising and managing hospitals (and other providers)

PERFORMANCE ASSESSMENT FRAMEWORK (PAF)

AREAS:

- Health improvement
- Fair access
- Effective delivery of appropriate care
- Efficiency
- Patient/carer experience
- Health outcomes of NHS care
- [Capacity and Capability]



REQUIREMENTS OF PERFORMANCE IMPROVEMENT

Performance Monitoring Systems (PAF)

+

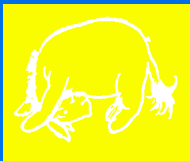
Mechanisms for Defining Standards and Targets

+

Incentives to Change Behaviour

+

Support to Behavioural Change



COMPLEMENTARY TOOLS OF PERFORMANCE IMPROVEMENT - 1

Areas

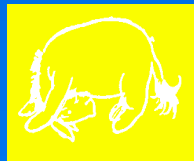
Tools

1. Standards and targets

- NHS Plan
- Delivery Contract
- National Service Frameworks
- National Institute for Clinical Excellence (NICE)

2. Incentives

- Unification of budgets
- Performance Ratings
- Earned autonomy
- Performance Fund
- New doctor contracts



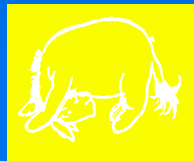
COMPLEMENTARY TOOLS OF PERFORMANCE IMPROVEMENT - 2

Areas

Tools

3. Support

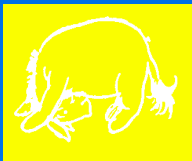
- Clinical governance
- Commission for Health Improvement (CHI)
- Modernisation Agency
- Leadership progs/NHS University



NHS PERFORMANCE RATINGS - EXAMPLES OF MEASURES FOR GENERAL HOSPITALS 2000/01

I. KEY TARGETS

- **Reduction in patient waiting lists**
- **Breast cancer patients treated in < 2 weeks**
- **Hospital cleanliness**
- **No critical report from Commission for Health Improvement**



NHS PERFORMANCE RATINGS - EXAMPLES OF MEASURES - 2

II. BALANCED SCORECARD

Patient Focus

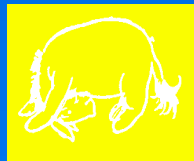
- % of out-patients seen within 13 weeks
- % of complaints resolved within 4 weeks

Clinical Focus

- Emergency re-admission rates
- Deaths in hospital within 30 days of surgery

Staff Focus

- Sickness/Absence rates for NHS staff



NHS PERFORMANCE RATINGS

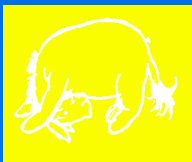
INTEGRATING:

Monitoring

Target Setting

Incentives

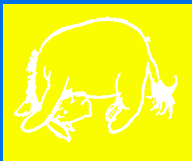
Support



WHAT HAS BEEN LEARNT?

A. ABOUT DEVELOPING PERFORMANCE MEASURES - I

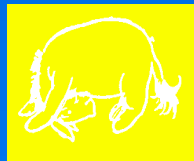
- **Complex, and resource intensive**
- **Start with data to hand - but don't neglect better indicators**
- **Different courses require different horses**



WHAT HAS BEEN LEARNT?

A. ABOUT DEVELOPING PERFORMANCE MEASURES - II

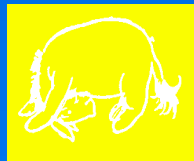
- Parsimony before comprehensiveness
- Think “outcomes”; use “output” and “process” indicators as proxies
- Governments wish to aggregate; patients wish to disaggregate
- Presentation is critical



WHAT HAS BEEN LEARNT?

B. ABOUT USING PERFORMANCE MEASURES TO IMPROVE PERFORMANCE - I

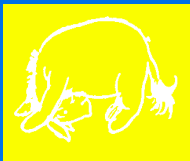
- Performance targets both improve and distort
- Need to balance:
 - Top-down management and decentralised benchmarking
 - Central targets and local autonomy
 - Financial and non-financial incentives



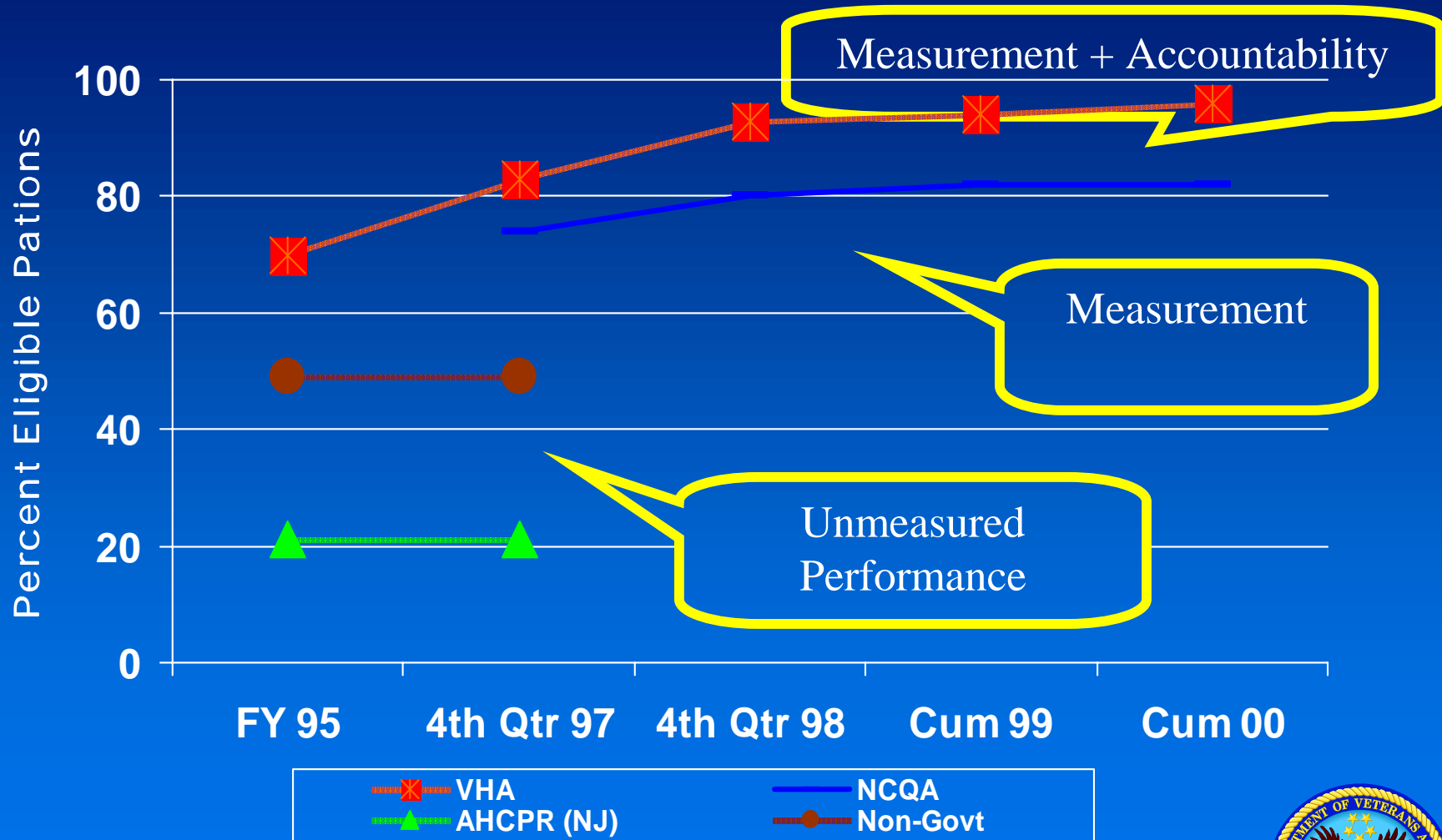
WHAT HAS BEEN LEARNT?

B. ABOUT USING PERFORMANCE MEASURES TO IMPROVE PERFORMANCE - II

- **Selecting performance to reward**
- **Infrastructure and skill requirements**
- **Importance of evaluation**



Beta Blocker following AMI in VHA Medical Centers



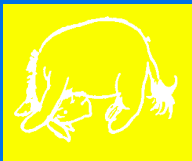
AHCPR: Soumerai *et al.* *JAMA* 1997;277(2):115-21
 Non-Govt: Krumholz HM *et al.* *Ann Int Med* 1999;131(9):648-54



IMPROVEMENTS IN THE FUTURE

A. Measures

- **Focus on Outcomes: clinical and patient aspects**
- **Address patient and clinician concerns**
- **Presentation: attractive; understandable**
- **Local Ownership**



IMPROVEMENTS IN THE FUTURE

B. Management

- **Stability in use**
- **Small number of targets**
- **Align with key policies**
- **Foster self comparison and benchmarking**
- **Expand human resource skills in information, IT and analysis**

