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

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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

TAXPAYERS

Department of Health

28 Strategic Health Authorities

250-300 Primary Care Trusts/ Groups

300(?) Hospital Trusts

PATIENTS AND PUBLIC

Financial Flow

Management Accountabilities
## HISTORY OF PERFORMANCE MEASURES IN NHS - 1

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>MEASURES</th>
<th>USE</th>
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</thead>
<tbody>
<tr>
<td>I. 1980s</td>
<td>Activity and Cost Indicators</td>
<td>Local management</td>
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<td></td>
<td></td>
<td>Central monitoring</td>
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<tr>
<td>II. 1990-97</td>
<td>Efficiency Indicators</td>
<td>Central management of efficiency and waiting times</td>
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<tr>
<td></td>
<td>Waiting Times, Patients Charter</td>
<td>Limited public accountability</td>
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## HISTORY OF PERFORMANCE MEASURES IN NHS - 2

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

<table>
<thead>
<tr>
<th>Areas</th>
<th>Tools</th>
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</table>
| 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  
<p>|                | - New doctor contracts       |</p>
<table>
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<th>Tools</th>
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</table>
| 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
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
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

Measurement + Accountability

Measurement

Unmeasured Performance

AHCPR: Soumerai et al. JAMA 1997;277(2):115-21
IMPROVEMENTS IN THE FUTURE

A. Measures

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