

# Approaches to better value in the NHS

## Improving quality and cost

### Overview

- The NHS is increasingly focusing on how it can improve the value of its services, to deliver the highest quality health outcomes for patients at the lowest possible cost.
- This report shares learning and insight from three NHS hospital trusts that have developed organisation-wide strategies for value improvement. It draws on interviews, roundtables and site visits with senior leaders in the NHS who are committed to developing better value services.
- Our report suggests a wide variety of approaches are being taken to improve value in the NHS. These include top-down programmes that focus on a wide range of clinical services from their inception, to value improvement strategies that are more organically grown from a few individual services until they cover a wider breath of hospital-based care.
- While there are differences in how organisations are approaching value improvement, there are also several common conditions for success. These include fidelity to a clearly defined strategy that brings the various strands of value improvement work together; recognition that value improvement is a long-term commitment that will require considerable staff time and resources; and a new leadership approach that requires continuous engagement with frontline clinicians and managers.

## Why look at better value services?

The NHS has been under significant financial pressure for much of the past decade. Funding rises have not kept pace with increasing demand, workforce shortages are commonplace, and several providers of NHS care have been put into regulatory special measures for failures of care quality. In this environment, it is understandable that considerable focus has been given to reducing the costs of delivering NHS care, and improving (or at least maintaining) the quality of care provided.

All too often this focus has led to separate initiatives to reduce costs or improve quality. But over recent years there has been increasing interest in bringing these two separate elements of cost and quality together to come to a more coherent consideration of the **value** of NHS services. This report considers whether health care systems are doing the right thing (eg, investing enough in preventative medicine and reducing unnecessary interventions) as well as doing things right (eg, delivering technically excellent clinical interventions).

The value agenda in the NHS is still at a relatively early stage. For this reason we have chosen to review how three different NHS hospital trusts are taking their early steps towards improving the value of their services, to share this learning and insight for organisations that wish to develop their own value improvement strategies.

## Our research

The majority of our research is based on telephone interviews with staff from three NHS acute hospital trusts – the Royal Free NHS Foundation Trust, Bolton NHS Foundation Trust and Bradford Teaching Hospitals NHS Foundation Trust – and site visits to these hospitals. We carried out the interviews between December 2017 and April 2018 with board members, senior clinical and managerial leaders.

We chose the hospitals based on a review of their hospital performance against quality and financial performance measures – and personal knowledge of the hospitals' value improvement work. We selected them to represent different parts of the country and different types of hospital – including district general hospitals and a large multi-site tertiary teaching hospital.

We have brought these organisations' stories together in this report to highlight the opportunities and challenges that they have encountered as they attempt to coherently bring together measures to improve the quality and efficiency of services, and to share this learning for other organisations wishing to develop their own strategy for value improvement.

## Findings from the case studies

The organisations we reviewed all provided acute hospital services, but were all of varying sizes, with varying services, in different geographies and with different histories. There were also differences in how these three organisations were approaching the value agenda. These approaches can be broadly summarised as:

- **Developing shared clinical pathways across different hospitals.** The recent formation of the Royal Free London Group of hospitals has catalysed the development of new clinical pathways that aim to deliver the best possible outcomes for patients at the lowest cost possible. Services are being redesigned across sites through clinical practice groups (CPGs), which bring together medical and finance staff to develop the best models of care across a clinical pathway, such as community-acquired pneumonia.
- **Using quality improvement methodologies and making them more value based.** Following a long history of using quality improvement methodologies at Bolton NHS Foundation Trust, and given the continued financial pressures facing the Royal Bolton Hospital, the hospital has developed a focus on activities to reduce costs, while maintaining or improving the quality of care delivered to patients. The hospital has a central programme management office (PMO) that co-ordinates these activities.
- **Codifying and systemising a ‘virtual ward’ approach to cover as wide a range of hospital services as possible.** Bradford Teaching Hospitals NHS Foundation Trust has brought together separate ‘virtual ward’ approaches (which allow patients to receive consultant-led care in their own homes) and developed these into its value improvement strategy.

When we looked across these organisations’ different approaches to value improvement, we found some common principles in how the organisations were trying to think of the balance between quality and cost. These include:

- having a clear strategy that sets out how better value will be delivered, and how the day-to-day activities of each part of the organisation fit into achieving that aim. The strategies reviewed explicitly recognised that value improvement was a long-term ambition and not a ‘quick fix’ for the current operational challenges facing many NHS organisations.
- developing a new (less top-down) approach to leadership, which includes having board-level sponsorship and support of the value improvement programme, but also a recognition that large-scale transformational change of this type means frontline clinical and managerial teams need to be given sufficient autonomy and authority to suggest and implement changes to how services are delivered.

- allocating adequate time and resources to the value improvement work, including investing in central programme management offices to coordinate value improvement work, bringing in specialist expertise from other health systems or providers who are further along in their value improvement work, and dedicating sufficient staff time to redesigning services and making clear that this work is a valued part of the 'day job' of staff.
- increasing staff engagement in the value improvement programme, including asking staff to input into the development of the strategy so the improvement work feels like something done 'with' staff rather than 'to' staff. This also requires understanding that staff engagement in such large-scale change is an unending task, which can be complex, and cannot necessarily be rushed.
- using data and analysis to support value improvement strategies, including developing leading indicators so that the success of the programme can be monitored, and developing sufficient analytical capacity to collect, analyse and disseminate information on the outcomes of the value improvement programme.

### Lessons for organisations interested in value improvement

Improving the value of NHS services is an important goal. From our research it was clear that placing value at the heart of an organisation can be a powerful force to bring strategic coherence to the activities of an organisation, and engender staff engagement and support for redesigning how services are delivered. It was equally clear that there was a wide variety in the approaches these three organisations took to improving the value of their services. We hope trusts who are interested in developing their own value strategies can learn from the early experiences of the three case study sites we have reviewed.

To read the full report please visit [www.kingsfund.org/publications/approaches-better-value](http://www.kingsfund.org/publications/approaches-better-value)

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