



HEALTHCARE
COSTING
FOR VALUE
INSTITUTE



HFMA HEALTHCARE COSTING FOR VALUE INSTITUTE JANUARY 2017 NEWSLETTER

Dear colleague,

Happy New Year and welcome to our January members newsletter from the Healthcare Costing for Value Institute.

Looking back over the last few months we've seen a lot of activity, including the Technical costing update, opening of registrations for the Annual Costing Conference 2017 and our third regional meeting in the South West. Let's also not forget the International symposium that took place in October which brought together speakers from over seven different countries. Recordings of the event are now available on the website.

As we advance into the New Year, the programme will focus on supporting our mental health trusts at the Costing Forum in February, closely followed by our next Value Masterclass aimed at all finance and clinical colleagues. The Institute has also been working on a number of case studies highlighting the innovative work being done by our members. The first two are now available to view with more to be published soon!

From myself and everyone at the Institute Council and the team at HFMA, we look forward to working with you and welcoming in 2017.



John Graham
Healthcare Costing for Value Institute Council Chair
Deputy Chief Executive & Executive Director of Finance
The Royal Liverpool & Broadgreen University Hospitals NHS Trust

Member news

Technical costing update
Care Contact App
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Save the date

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Value masterclass
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Annual costing conference

Value in focus

"Clash of Worlds"
Sally Lewis, Aneurin Bevan UHB

Technical bulletin

Catherine Mitchell
Emma Knowles

In other news

MEMBER NEWS

Technical costing update | London, 10 November 2016

On 10 November we hosted our second Technical costing update, focusing on helping delegates prepare for the CTP. NHS Improvement's [slide](#) on how they have mapped a single patient's care pathway over a year across four trusts, using the road map partners PLICS data, was an early indication of the power of the new collection process.

"Very useful to keep up to date with CTP and what other trusts are doing with their PLICS programme. The opportunity to meet up with other costing practitioners is invaluable. Always learn something new that might help"

"Gained so much on so many levels! - obviously the issues re the CTP but also the information from NHS RightCare - who I had not come across before - and indeed the debates in the workshops help one to assess how your organisation is progressing."

You can view all of the slides from the day by [clicking here](#).

Using technology to improve efficiency and patient care

On 30 November the Institute held a webinar to demonstrate the new 'Care Contact App' being developed by **University Hospitals Coventry & Warwickshire NHS Trust**.

We heard from Judith Smith, Lead Nurse for Quality & Safety and Karl O'Sullivan-Smith Lead Architect Applications on the development of the app, its functionality and the improvement they have already seen in patient care as a consequence.

[To view the webinar on demand, please click here.](#)

To catch up on previous webinars you may have missed, please see the links below:

[A tricky road to value – answering the 'so what'](#)

Dr Sally Lewis, Assistant Medical Director (Value-based care) and Mark Bowling, Business Partner Accountant, Aneurin Bevan Health Board

[Mental health MAQs – getting on the baseline](#)

Chris Badminton, Costing and Projects Accountant, Dorset HealthCare University NHS FT and Gareth Smith, Financial Accountant, 2gether NHS Foundation Trust



Check out the footage from October's International symposium

Finance, clinicians and managers attending the International symposium in October agreed on the importance of good data and a common language as the core foundations for value-based decision making.

We will be tackling these issues at the next **Value Masterclass** taking place in London on Tuesday 28th February 2017. To register for the Value Masterclass please click [here](#).

"I feel I gained quite a lot from the event. Having just started out in finance, as an apprentice, I have very minimal understanding of NHS Costing. I feel this has provided me with a basic understanding."

"Interesting to hear from the Reference Cost Team and NHS Improvement. Plus, it was interesting to hear from a trust who is actually using patient-level costing."

Taken from "Introduction to NHS costing" (South, 19 January 2017)

Introduction to NHS costing | Taunton, 19 January 2017

In our third quarterly regional event in Taunton, we were supporting all HC4V Institute member organisations to improve their groundwork understanding of costing and to discuss the benefits of using cost data intelligently.

If you missed the event, our final date will be on Thursday 9th March 2017 in Leeds. More information can be found on our website [here](#).

The programme is designed for a less experienced costing audience, however those in a more senior role or those working in financial accounting and management with a role or interest in costing are also welcome to attend.

Recent Case Studies

The Institute has started writing up a number of case studies to share some exciting and innovative practice taking place in the areas of costing and value. Please see the links below to view the first two case studies published this month.



[Becoming a data driven organisation: engaging clinicians in reviewing and using data and information](#) from *Southern Health NHS Foundation Trust*

This case study describes the work done at Southern Health NHS Foundation Trust to provide clinical teams with better information about the delivery and performance of their services. It explains how the trust supports clinical teams to improve data quality and use the information to improve services.



[Tackling unwarranted variation and maximising value in healthcare using the NHS RightCare approach](#) from *NHS Southampton CCG & NHS RightCare*

This case study describes the NHS RightCare programme and the journey Southampton City CCG has been on since January 2016, to explore and address the variation in healthcare identified by the NHS RightCare Commissioning for Value data packs.



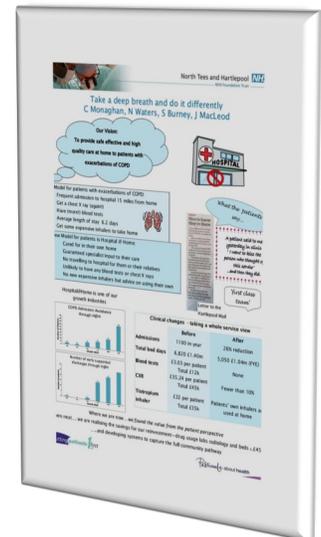
Call for posters!

Annual costing conference 2017 | 6 April 2017, London

In this year's costing conference, there will be an increased focus on helping **costing practitioners** adapt to the rapidly changing landscape of NHS costing and the growing demands on their role. This event also provides a crucial opportunity to **raise the profile of costing** within your organisations and health economies.

We are offering delegates the chance to submit [posters](#) to align with our aim of sharing best practice. If you have a case study or on going work that you are keen to share, this may provide an ideal opportunity.

[Click here for more information.](#)



HC4V Institute Members Survey 2017/18

As a member of the Healthcare Costing for Value Institute we are looking to you to help us shape the membership benefits. We would therefore like to get your input on the plans for the 2017/18 programme and ask for some more feedback on the current 16/17 programme.

[Please click here to complete the survey](#)

Please email Jonathan.Richards@hfma.org.uk if you have any queries.



SAVE THE DATE

Mental health costing forum

7 February 2017, London—[Register here](#)

Value masterclass

Value in progress

28 February 2017, London—[Register here](#)

Introduction to NHS costing

Regional networking & training event

9 March 2017, Leeds—[Register here](#)

Annual costing conference

Forward together

6 April 2017, London—[Register here](#)

Hear from the trusts taking part in the Value challenge pilot

With the NHS's requirement to find £22 billion savings by 2020, much has been written and discussed about the concept of 'value'. What has become apparent is the world-wide struggle to take the theory of value-based based healthcare and turn it into practical application.

You will hear from **three NHS trusts** on their findings, the limitations and most importantly what comes next.



VALUE IN FOCUS



Dr Sally Lewis
Assistant Medical Director
Aneurin Bevan University Health Board

"A clash of worlds? No, a meeting of minds!"

A blog written Dr Sally Lewis following her attendance at the International symposium on October 12. Sally talks about the relationship between the finance and clinical colleagues within the NHS and why it's more important than ever in the current healthcare environment.

As central government seeks to exert greater and greater control to rein in expenditure on health, financial managers will find themselves caught between meeting the bottom line and addressing the needs of patients as articulated by local clinicians. However, if we are to do the best with what we have for our patients it is essential that we work together closely, marrying cost and outcome data to achieve maximum value and ethical allocation of resource across the system for our population. [Click here to read more...](#)

[Click here](#) to hear what Dr Lewis took from the International symposium on 12 October 2016



TECHNICAL BULLETIN

Mental Health

This month NHS Improvement publishes its first set of draft costing standards for mental health, which is a welcome move towards improving the quality and consistency of mental health costs. We know from our members that many mental health trusts are only at the beginning of their PLICS journey. A key area of concern is the availability and accuracy of the all-important activity data required to support service user-level costing. Our [case study on Southern Health](#) showcases how one mental health trust is working on improving the quality of data, as well as encouraging operational teams and clinicians to use the data to improve patient care.

Further advice on improving data quality can be found in the HFMA publication [Improving the quality of source information for costing](#).

We are currently working on developing a mental health PLICS toolkit for members, which we hope will help sell the benefits of PLICS, as well support members turn the data generated by PLICS into powerful intelligence.

I hope you have signed up to the [Mental Health Costing Forum](#) on 7 February 2017 in London – see you there!



Catherine Mitchell
Head of Costing & Value
hfma

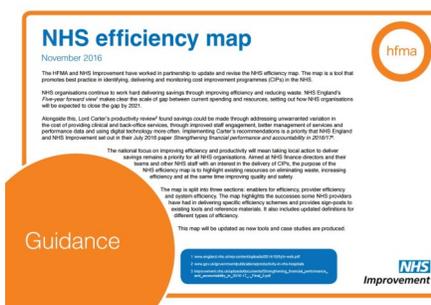
NHS Efficiency Map

The HFMA and NHS Improvement have worked in partnership to update and revise the NHS efficiency map. The map is a tool that promotes best practice in identifying, delivering and monitoring cost improvement programmes (CIPs) in the NHS. The map contains links to a range of tools and guidance to help NHS bodies improve their efficiency.

The map is split into three sections: enablers for efficiency, provider efficiency and system efficiency. The map highlights the successes some NHS providers have had in delivering specific efficiency schemes and provides signposts to existing tools and reference materials. It also includes updated definitions for different types of efficiency.



Emma Knowles
Policy & Technical Team
hfma



Download your PDF copy of the NHS Efficiency Map by clicking on the image.

IN OTHER NEWS



Future Focused Finance—Best Possible Value recommended by NHS England and NHS Improvement for STPs

We want NHS finance business partners to lead the way in putting best possible value for service users and taxpayers at the heart of everything the NHS does. To help do this, we've provided a common definition of healthcare value and developed an evidence-based framework that supports healthcare organisations in making effective decisions from a best value perspective.

Improving value in the NHS is at the heart of the Five Year Forward View. The 2017-19 Operational Planning and Contracting Guidance places an expectation on all Sustainability and Transformation Plans (STPs) to have adopted value-based decision making processes based on the BPV toolkit, embedded from April 2017. Over the course of this year NHS England has used the BPV method to make investment decisions for year two of vanguard funding and for transformation funding for mental health, cancer and learning disabilities and diabetes.

If you'd like to discuss gaining more support in using the BPV toolkit in your organisation or as part of your STP then it's not too late! Please get in touch with: Jo Parris, BPV Programme Manager: Joanna.Parris@nhs.net

Our revamped microsite provides details of the Best Possible Value (BPV) toolkit and is also a repository of value tools, data sources and case studies. Please click [here](#) to view.



Transforming costing: Update on mental health costing standards

Over the last year, NHS Improvement has engaged with providers and other partner organisations to develop the first version of the Healthcare costing standards for England – mental health focus. These draft costing standards will be released as part of approved costing guidance at the end of January 2017.

The standards aim to provide prescriptive guidance on the following three areas.

- ⇒ Information requirements: aim to set up minimum information requirements for carrying out costing effectively and they also provide guidance to assess the availability of information.
- ⇒ Costing process: provides guidance on the costing process starting from the general ledger through to the final patient unit cost and reconciliation to audited accounts.
- ⇒ Costing methodologies: provide guidance on areas that have been chosen by costing practitioners based on the criteria of being high volume, accounting for a material proportion of costs and being complex enough to require specific standards.

Over the next few months NHS Improvement will support three mental health roadmap partner providers to implement the costing standards at their organisations followed by patient level cost collection later in September 2017. Findings from the implementation process will feed into the next development version of mental costing standards.

If you would like to learn how you could start implementing costing standards at your organisation earlier or would like to be involved in development process this year, then please get in touch with us: NHSI.costing@nhs.net

A MESSAGE FROM OUR COMMERCIAL PARTNERS



Happy New Year and best wishes for 2017 from all at Bellis-Jones Hill

We hope you had an enjoyable break and are looking forward to a successful 2017.

Our client **North Staffordshire Combined Healthcare NHS Trust** finished 2016 on a high by winning the coveted **HFMA Annual Costing Award** and **Yorkshire Ambulance Service NHS Trust** was also shortlisted. Our congratulations go to the costing teams at these Trusts that have used our PLICS solution to such good effect.

Costing Transformation Programme - Acute Trust Early Adopters – Following the success of Royal Free London NHS Foundation Trust in the recent CTP Road Map Partner programme, most of our acute Trust clients have now volunteered to participate in the Early Adopter Programme over the next few months and we look forward to supporting them through this process to a successful submission like Royal Free.

We're also looking forward to the **HFMA Annual Costing Conference on 6th April** and are delighted that our client **Yorkshire Ambulance Service NHS Trust** has been invited by HFMA to present a plenary session on the ground-breaking approach that integrates costing with related operational data. We look forward to seeing you at what is always a fascinating event.

And finally...we're recruiting! Bellis-Jones Hill is growing and we are keen to hear from PLICS implementation specialists **interested in working** with the leading NHS costing solution. For more information, please contact Sharon Clark on 0207 084 7183 or sharon.clark@bellisjoneshill.com.



There are immediate patient safety, cash releasing and productivity benefits from implementing point of care traceability and inventory optimisation in all NHS trusts. In January 2017, these topics were the subject of press coverage by the BBC, Sky and other national publications. [Click here to read more.](#)

Genesis are featured in these videos at Salisbury NHS trust and are the market leading technology provider of both Scan4Safety and GS1 sites across the NHS. These solutions generate a compelling ROI at the same time as delivering improved patient safety. It is essential that trusts invest in these solutions for:

1. **Patient Safety** / [Scan4Safety](#), [National Safety Standards for Interventional Procedures \(NatSSIPs\)](#) and [GS1 initiatives](#) all emphasise the immediate need to improve patient safety by tracking medical products, expiry and recalls at a patient level.
2. **Cost Improvement** / Inventory optimisation demonstrably improves the cash position of trusts both in recurring and cash releasing savings, as well as liquidity ([See Lord Carters Report here](#)). Traceability is also foundational to the analysis and reduction of clinical variation recently highlighted in the [GIRFT report](#).
3. **Costing Standards** / High variability in costing accuracy across the NHS is undermining control of procedure cost and variance. Accurate, real-time, tracking of; staff, item and overhead costs will be key to ensuring best practice and claiming associated cost and income improvement.
4. **Value Based Healthcare** / Internationally, it has been recognised that to enable Value Based Healthcare, an essential prerequisite is to enable patient level cost and outcome tracking.

A MESSAGE FROM OUR COMMERCIAL PARTNERS



South West London drives savings through Pathology re-design

Pathology services are facing increasing pressures. With financial constraints caused by the economic downturn, alongside a growing, aging population pathology services are being asked to do more with less.

The UK drive to force productivity gains has led to a recommendation for NHS laboratories unable to bring down costs ~ 1.6% of hospital operating expenditure, to agree plans for consolidation or outsourcing in January 2017.

South West London Pathology (SWLP) is one of the UK's fastest ever pathology service redesigns. This brings together St George's University Hospitals NHS FT, Croydon Health Services NHS Trust and Kingston Hospital NHS FT to provide a single, integrated pathology service to care for 3.5 million London residents.

Successful projects such as the SWLP are vital for providing consolidation insight. The challenge is to ensure cost savings and services improvements to enhance patient care.

"Up to 70% of all diagnoses depend on pathology; we perform 17 million+ tests/year. Our integrated system, underpinned by an adaptable, flexible IT system, has improved efficiency, safety, quality and cost, it can also adapt to the growing demand," advises, Dr Aodhan Breathnach, Clinical Director SWLP.

Paul Skingley, Director, Roche Diagnostics added:

"No relationship between Roche and customer is identical; so much depends on the specific situation/challenges faced. We pride ourselves on bringing high quality, market leading diagnostic solutions tailored to our customers' needs and work closely to truly understand their vision, aims and potential barriers."

SWLP will benefit from our Optimal Managed Service partnership approach. This involves continuous monitoring to assess; supply chain, financial management, organisational and service development. By doing this Roche is able to provide business support to help deliver progressive future-proof services.'



Welcome to 2017 from the whole team at QuintilesIMS, with the current financial pressures the NHS is facing, cost management is going to be more important than ever.

We will continue to work closely with the HFMA Institute to share thinking and support trusts who are using PLICS outputs to make improvements, benchmark costs and link patient outcomes. We are delighted to see a number of trusts who we support participating in the Value Challenge again this year, we wish them well in maximising the opportunity to make a difference in how detailed PLICS data can drive innovation and identify efficiencies in the way trusts deliver healthcare.

QuintilesIMS is delighted to see an increase in the number of our costing client base as Institute members, with the most recent being Milton Keynes. To help the NHS deliver the CTP roadmap, over 20 of the trusts we support are now participating as early implementers of the CTP this year.

Building on PLICS, we're happy to be progressing our toolkit approach to delivering PLICS 2.0, with clinical engagement key to this.

We look forward to catching up with you at the next HFMA event and we hope you have a successful 2017.

A MESSAGE FROM OUR COMMERCIAL PARTNERS

CIVICA

Transforming the way you work

Civica CostMaster sites forging ahead with CTP early implementation

Civica has made good progress with the Costing Transformation Programme (CTP) and we are currently engaged with our 24 early implementers going through the pre-installation readiness assessment process. This is now gathering pace in January. We continue to also work closely with our roadmap partner as we develop CostMaster CTP further. Our latest update on the software is that we are on track for an updated release in early February, this includes changes as a result of the standards consultation that NHSI has been running throughout November and December.

For our Trusts who are early implementers or a roadmap partner I hope you have booked onto one of our two CTP workshops in Bristol and Leeds in February, if not we encourage you to do so. Please be aware that these events are only open to early implementers or roadmap partners however we have our usual CostMaster user groups in March.

Further detail about the March user groups will be coming out in the near future.

With thanks to our commercial partners



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