

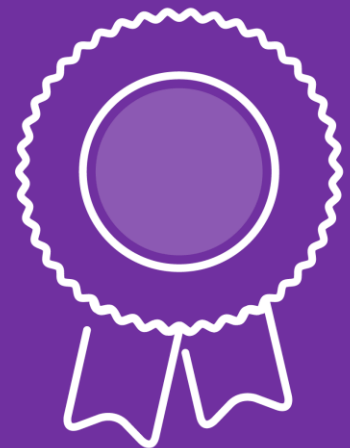
High utilisation patients in Derbyshire STP

MBA healthcare consultancy project 2019/20

MBA in healthcare finance

The first intake of learners have now completed their MBAs in healthcare finance. As part of their final assessments learners are required to complete a consultancy project on an aspect of healthcare finance. These projects have provided valuable research on a range of topics, which may be of interest to others.

BPP University developed the MBA in healthcare finance in response to the scale of the financial and operational changes in the NHS. Financial acumen alone is no longer enough. There is now an increasing need for professionals who understand the need for quality of service and people management in addition to financial information. Graduates of the HFMA advanced higher diploma in healthcare business and finance are eligible for entry onto the programme. Further information on the range of HFMA qualifications in healthcare business and finance can be found on the [HFMA website](#).



The healthcare consultancy project is one of three modules completed in the final year. The HFMA provided non-academic support to learners, supplementing that provided by BPP. Some learners received a bursary from Future-Focused Finance.

Projects covered a range of topics such as: the role of the finance in integrated care; the impact of culture on the delivery of financial savings; organisational mergers; and high utilisation patients. Six projects were successfully completed in January 2020. Over the next few weeks we will publish a summary of a sample of these projects, alongside a link to the full healthcare consultancy project.

This summary, along with the full project, sets out research that may be useful to other NHS finance professionals. It does not represent the views of the HFMA.

In the final of our series of 2019/20 projects, Steven Heppinstall, Associate Director of Finance at Derbyshire Support and Facilities Services Limited, examined how healthcare resource is consumed in Derbyshire Sustainability and Transformation Partnership (STP) and how costs might be reduced.

High utilisation patients (HUP) in Derbyshire STP – an analysis of how healthcare resource is consumed and critical evaluation of how costs can be reduced

Aim

This project reviews high utilisation patients (HUP) in the Derbyshire STP and assesses the extent to which their healthcare requirements can be managed in a way that benefits outcomes and costs. This involves the consideration of three research objectives:

- how do these patients currently consume resources?
- how can we measure value in healthcare?
- how can value be improved for these patients?

Background

The NHS long term plan lays out ambitious plans to transform healthcare including a focus on prevention, improvements in integration and concentrating on population health. This along with the growing consumption of healthcare in many countries as a percentage of Gross Domestic Product (GDP), the financial challenges within Derbyshire STP and the challenge of continuing to find small scale efficiencies all highlight the importance of this research.

Value-based healthcare has become a prominent topic in global healthcare and underpins the *NHS long term plan*. With healthcare costs growing at a significant rate due to an ageing population and lifestyle related illness we must look at different ways of working to ensure sustainability. This challenge is particularly evident within Derbyshire with a financial gap in 2019 of over £200m.

Several models have been proposed for how to measure value in healthcare with a common theme of improving patient outcomes. Focusing on a small cohort of patients who consume a large proportion of resources, this project analyses how taking a value-based approach could help to improve the financial performance within Derbyshire while improving patient outcomes.

In order to address the research questions, it is necessary to understand the current consumption of healthcare resources. The first task is to define HUP and review the literature around resource consumption for this cohort. It is generally accepted that a small number of patients account for a large proportion of healthcare spending in any given health community, it therefore makes sense that in order to improve value, focusing on this patient group is likely to derive the greatest benefit.

Further research was facilitated through interviews with senior leaders within Derbyshire STP. Participants were asked questions to determine the STP workstream approach and whether value concepts are used, test whether outcomes and clinical variation are considered and whether the approach varied for high utilisation patients. This was supplemented by reviewing existing analytics on high utilisation patients in Derbyshire and reviewing the Derbyshire STP long term plan.

Key findings

The research analysis and discussion was grouped into three broad themes: clear definition and measurement of value; drivers of costs of HUP; and allocative efficiency, governance and organisational behaviours.

There are several theories that tackle the issue of how to improve value in healthcare and this report has demonstrated how resources are consumed in healthcare and provided several definitions of how value can be measured and applied in a healthcare setting. Where the real opportunity exists is around focusing on improving outcomes and reducing variation in outcomes. The fact that a small cohort of patients consume a large proportion of resources supports the fact that if the aim is to improve value then concentrating on this patient group is likely to derive the greatest benefit in terms of improving value. The findings clearly demonstrated that Derbyshire STP does not have a common definition or way of measuring value. One of the more comprehensive ways of measuring value in healthcare is the Gray (2017) 'triple value' model, adopting this approach could effectively support the plans of the STP moving forward and ensure a comprehensive focus on what matters most to patients.

This study has found that Derbyshire is over reliant on acute hospital care in relation to HUP, with a review of the patient utilisation data analysis work commissioned in Derbyshire showing that complex patients consume almost half of the acute bed days in Derbyshire provider organisations. The research has also identified the need for an improved understanding of HUP, the costs of treating them and where their care is fragmented. The fact that these patients are poorly defined and with a focus on managing them in an acute setting highlights the importance of better data.

The fact that all participants described a patient centred approach was encouraging and this is clearly the intention of the work of the STP, although the research shows that the actions of organisations within the system do not always support this, particularly from a contracting perspective which is in part cultural, partly due to regulatory oversight but also due to the separate legal entity status of organisation.

This research has shown that Derbyshire is operating with sub optimal allocative efficiency. This is evident in some of the isolated service cuts such as the frailty service, implemented without a robust assessment of the impact on overall cost or value for the population. The inequalities across Derbyshire with variable health outcomes by region and the over-reliance on secondary care support the requirement for a robust way of assessing and monitoring allocative value in order to improve it.

In addressing the research hypothesis that HUP within Derbyshire STP can be managed in a way that improves outcomes and reduces the amount of healthcare resource consumed, this study found that there are opportunities to achieve this. The two most significant being the adoption of a comprehensive method for measuring value and improving allocative efficiency including specifically reviewing contract arrangements.

Recommendations

The research resulted in the following recommendations:

- The Gray (2017) 'triple value' model should be used to frame the STP plans
- Implement changes to contracting to an aligned incentive approach in the short term to allow development of a bundled payment system
- Develop a clear definition and suitable way of segmenting high utilisation patients.

[Read the full research project here.](#)

About the HFMA

The Healthcare Financial Management Association (HFMA) is the professional body for finance staff in healthcare. For nearly 70 years, it has provided independent and objective advice to its members and the wider healthcare community. It is a charitable organisation that promotes best practice and innovation in financial management and governance across the UK health economy through its local and national networks.

The association also analyses and responds to national policy and aims to exert influence in shaping the wider healthcare agenda. It has particular interest in promoting the highest professional standards in financial management and governance and is keen to work with other organisations to promote approaches that really are 'fit for purpose' and effective.

The HFMA offers a range of qualifications in healthcare business and finance at undergraduate and postgraduate level and can provide a route to an MBA in healthcare finance. The qualifications are delivered through HFMA's Academy which was launched in 2017 and has already established strong learner and alumni networks.

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