Value challenge 2.0

How patient-level costing (PLICS) can support the implementation of Getting it Right First Time

Briefing

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Summary

The concept of 'value' in healthcare – maximising the outcomes which matter to people at the lowest possible cost – is increasingly seen as a key lever for supporting the delivery of high-quality sustainable care. The challenge is how to do this in practice. What is clear is that clinicians and finance staff need to work closely together to support improvements in value.

One major 'value' initiative being rolled out currently across England is the Getting it Right First Time (GIRFT) programme. This national programme is designed to improve the quality of care within the NHS by reducing unwarranted variations.

The Institute fully supports the principles underpinning GIRFT and views it as a valuable tool to improve clinical quality, while at the same time increasing efficiency. We believe that this clinically-driven initiative can improve outcomes for patients and reduce the cost per patient treated.

The Institute's value challenge 2.0 considered the extent to which patient-level costing (PLICS) data is used by acute trusts to support the implementation of GIRFT.

PLICS brings together healthcare activity information with financial information in one place. It provides detailed information about how resources are used at patient-level, for example, staff, drugs and diagnostic tests. This granular information allows clinical teams to review how resources are used, and consider how they might use them differently to deliver high quality care.

Our findings indicate that PLICS data is not widely used by acute trusts as part of GIRFT reviews.

Those who do use PLICS data to better understand the variation highlighted by GIRFT find that it yields significant benefits. By bringing in more up-to-date local information to a GIRFT review, it ensures that the review focuses on current practice. It can also help secure local buy-in to GIRFT recommendations, by providing additional evidence to support GIRFT findings, or in some cases provide the evidence to explain why a service is validly an outlier.

Using PLICS data as part of GIRFT reviews can help ensure that action plans are robust, leading to reductions in unwarranted variation and improvements in the quality of care. The Institute's value challenge 2.0 calls for a wider use of PLICS to support the implementation of the GIRFT programme within trusts.

'GIRFT agrees that PLICS data could be used more in GIRFT reviews. This will become easier with the mandation of PLICS for acute trusts from 2018. We are also aware that the quality of PLICS data needs to improve at some trusts.

PLICS data can usefully be used to reinforce clinical stories in GIRFT's work. It can bring issues to life and can be used to explain why GIRFT is making certain recommendations. A good example was our work on tariff where we knew a procedure was complicated from the coding. It really helped to show what that meant in practice: clinician costs were high (two surgeons were required), surgery lasted twice as long, the patients were on average sicker and the length of stay was twice as long.

PLICS data can also be used to inform analysis to address specific problems identified during GIRFT reviews.

We have plans to apply the GIRFT coding groupings to the HES data which is linked to PLICS data by the PLICS team. This would allow the NHS England and NHS Improvement costing team to illustrate GIRFT procedure and diagnosis categories within their web visualisation front-end application, and would allow us to use PLICS categories specific to our diagnostic and procedure groups in the GIRFT data packs, national reports, Model Hospital and National Clinical Improvement Programme.'

GIRFT national programme

Introduction

The Institute has a growing reputation for bringing together senior finance and clinicians to explore what value means for the NHS. Institute members have the opportunity to hear from those at the cutting edge – both nationally and internationally – and take back practical ideas for their own health systems. The Institute value challenge projects support members to put the theory of value into practice. The first **value challenge project** explored linking costs and outcomes at a patient level, with a focus on fractured neck of femur and inpatients with diabetes.

The Institute Council recommended that the Institute should work alongside GIRFT to support the ambition of improving value in the NHS. Value challenge 2.0 is one way that the Institute is supporting this recommendation.

Discussions with the Institute Costing Group indicated that patient-level cost data (PLICS) could provide a rich information source to support local GIRFT implementation but that the involvement of costing practitioners and the use of PLICS in local GIRFT reviews was possibly not widespread across England.

The Institute undertook a survey of NHS costing practitioners working in the acute sector, alongside a range of interviews with clinical and finance staff, to identify the level of use of PLICS in local GIRFT reviews and understand the potential benefits of such an approach.

Patient-level information and costing systems (PLICS)

NHS costing in England is going through a significant transformation, moving from costing based on averages to costing the actual care individual patients receive. The NHS has increasingly detailed information – on both activities and costs – about how its resources are used at patient level.

All acute trusts are required by NHS England and NHS Improvement[1] to calculate their costs at patient level, using activity information, and over the next couple of years the same will be true for mental health, community and ambulance services. Reference costs, which are the average costs of a particular treatment, are gradually being replaced by PLICS, and from 2019 the national cost collection for acute trusts will be PLICS rather than reference costs.

PLICS provides data for the effective management and improvement of health services, for example quality improvement projects, service redesign, pathway reviews, and business cases. Combined with other data sources, PLICS provides trusts with a rich source of information to help them understand their patients and services. Linking patient-level costs with outcomes allows the NHS to promote value for the patient, ensuring that resources are used in the most effective way possible to provide high quality care.

The Institute has published a number of case studies and PLICS toolkits, providing examples of how trusts are using PLICS data to improve value in their organisations.[2]

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[1] https://improvement.nhs.uk/resources/approved-costing-guidance-2019/

[2] https://www.hfma.org.uk/our-networks/healthcare-costing-for-value-institute/case-studies-and-plics-toolkits

Case study: Using PLICS data to support changes in clinical practice

At Nottingham University Hospitals NHS Trust, finance staff work collaboratively with senior clinicians to use PLICS data to support changes in clinical practice. One example is in plastic surgery.

Changing practice after understanding the costs of plastic surgery

How PLICS helped:

- the information highlighted that certain procedures were profitable as day case, but loss making as elective inpatients
- the Burns Unit, with a higher staff to patient ratio, was being used for relatively simple elective procedures

What the trust did:

- improved systems and redesigned rotas
- changed service model from elective to day case for some procedures
- increased focus on the best use of limited resources
- regular monitoring of PLICS intelligence which is reported to the consultant group

The results:

- elective surgery moved towards day surgery unless case of need, saving £750k each year.
- consultant on-call weekly rota is now aimed at reducing length of stay and providing a rapid response to trauma and emergency department (ED) patients
- use of telemedicine for burns patients in ED, with diagnosis by the on-call consultant in the Burns Unit
- pre-op assessment for all patients to reduce the numbers of cancelled operations

Getting it Right First Time

The GIRFT website[3] describes the national programme as follows:

'GIRFT is designed to improve the quality of care within the NHS by reducing unwarranted variations.

By tackling variations in the way services are delivered across the NHS, and by sharing best practice between trusts, GIRFT identifies changes that will help improve care and patient outcomes, as well as delivering efficiencies such as the reduction of unnecessary procedures and cost savings.

Importantly, GIRFT is led by frontline clinicians who are expert in the areas they are reviewing. This means the data that underpins the GIRFT methodology is being reviewed by people who understand those disciplines and manage those services on a daily basis. The GIRFT team visit every trust carrying out the specialties they are reviewing, investigating the data with their peers and discussing the individual challenges they face.'

[3] https://gettingitrightfirsttime.co.uk/

For each GIRFT specialty, a data and insight report is produced which incorporates publicly available information, including Hospital Episode Statistics (HES) and other relevant registry or professional body data. A questionnaire is sent to all the trusts included in the specialty review to collect a range of data to be used for benchmarking; this includes activity and outcome data, as well as financial information from nationally collected data sets. The finance data is taken from:

- audited annual accounts, which is used to set the context for the review and will include workforce and non-pay costs.
- reference costs for the specialty, with the number and unit cost for the 10 to 20 top healthcare resource groups (HRGs) by volume, adjusted by the market forces factor and trust case mix.

Findings

Our findings are based on:

- the results of a survey sent to costing practitioners in those acute trusts who are members of the Institute. 18 responses were received from trusts of all sizes and covering a wide geographical spread. All trusts had implemented PLICS.
- interviews with clinical and finance staff
- discussions at Institute Costing Group meetings during 2018 and 2019.

To what extent is PLICS data used to support local GIRFT implementation?

The survey results showed that the intelligence held in PLICS systems and the skills of costing staff are used to a limited extent in the GIRFT reviews at the acute trusts.

Just four of the 18 costing practitioners had attended GIRFT review meetings with their clinical colleagues. These meetings are where the national GIRFT team works with the local trust to identify variations in clinical practice and develop an improvement plan. Three of those four people who had attended GIRFT meetings said they had worked directly with the clinical service to provide PLICS data to support the GIRFT review.

Of those that had not attended the review meetings, three people said they were aware that another member of the finance team attended the meetings, but this was not necessarily someone with knowledge of the costs of delivering care in that specialty.

More people reported some degree of costing staff involvement in their trust’s internal meetings about GIRFT; nine people said they sometimes attended or provided some financial information. However, five respondents said they had never had any involvement.

Survey respondents, as well as those interviewed and members of the Institute Costing Group, offered explanations as to why PLICS was not more widely used during or after GIRFT reviews at their trusts. They are set out below.

Lack of awareness of the information PLICS can provide

There can be a lack of awareness, both from the GIRFT teams and clinical or operational colleagues in trusts, that PLICS information and costing expertise would be beneficial. As the reviews are clinically led, there may not yet be a recognition that PLICS can provide information that will drive clinical improvements and not just financial efficiency.

‘How involved finance get depends on what the review says and what the lead clinician wants to focus on.’

‘GIRFT nationally is clinically led, clinically focused and clinically driven. It appears that finance is viewed as an afterthought.’

Robustness of PLICS data

PLICS is still very much in an implementation stage at some trusts and so may not yet be robust enough to use to validate or challenge less detailed benchmarking information.

‘Our current focus is on developing and embedding out cost information, following the 2018/19 national cost collection submission we will look to develop quarterly information and begin to use outputs to support decision making.’

‘We have engagement, but we need to maintain engagement by improving the data quality and accuracy of the outputs from costing.’

Limited costing staff capacity

As we reported in the Institute briefing, *Costing skills in the NHS*[4], small costing teams cannot single handedly support the use of PLICS across the whole organisation. Finance business partners working with clinical services need to understand how to use PLICS to explore variation and drive improvement.

‘Capacity and resourcing of costing team are both limiting factors.’

‘Costing staff are the experts in where clinical variation provides an opportunity, financial management makes that opportunity happen.’

How can PLICS support GIRFT reviews?

Costing practitioners and other finance staff who have used PLICS data to support the GIRFT reviews within their trusts have described a number of benefits.

More up-to-date information

Local trust PLICS data can provide more up-to-date information than reference costs, which may be up to two years out-of-date by the time it is used in a GIRFT review. Some trusts produce PLICS data on a monthly basis, others on a quarterly basis. Both will reflect more recent clinical and operational practices.

PLICS can be used to track changes that have already been instigated between the last set of reference costs and the review, therefore ensuring that the review focuses on current practice.

Using PLICS can secure local buy-in to GIRFT recommendations

Our survey and interviews indicated that sometimes clinicians have concerns about the quality of the data included within the GIRFT data packs. PLICS can provide additional evidence to support GIRFT findings to encourage acceptance from local clinicians, or in some cases provide the evidence to challenge the GIRFT findings, where there are valid reasons for that service to be an outlier from national averages.

[4] https://www.hfma.org.uk/docs/default-source/publications/Briefings/costing-skills-in-the-nhs

Other benefits

In addition, there are some more generic benefits of involving costing practitioners in GIRFT reviews. A focus on procedure level within a specialty can lead to improvements in coding quality, providing a more accurate record of patient need. In addition, the use of detailed costing information within one specialty can highlight opportunities for cost improvement initiatives that can be applied across a wider set of services.

Good practice example – East Sussex Healthcare NHS Trust

Using PLICS data to understand variations highlighted by GIRFT

'At East Sussex Healthcare NHS Trust we are focused on improving the quality of care that we provide to the people of East Sussex. Getting it Right First Time (GIRFT) is an important part of this as it helps us to reduce unwarranted variations in the care we provide and learn from best practice.

The data we get from the GIRFT team is the first step in the process. As soon as the GIRFT data pack is received by our trust, we review all of the metrics that are included. If we can, we then refresh the data using both internal and external data sources. At the GIRFT review meeting with the national clinical lead we make sure that we have the most up-to-date data so that our conversation can be more focused, helping us make the best use of the time and the expert advice provided.

We know that the quality of discussions at the GIRFT visit is enhanced by inviting a broad range of staff both within and associated with the specialty. It is important for us to have our clinical management teams, executive directors and operational managers engaging in the process. We also extend the invitation to the director of finance, or representatives from finance, in addition to the head of coding.

During the review meeting, the GIRFT clinical lead refers to the finance data in the data pack. This includes reference cost data, and pay and non-pay information which is derived from the completion of a GIRFT pre-visit questionnaire.

Typically there are two to three pages in the GIRFT data pack that include reference cost information, at both reference cost index (RCI) and healthcare resource group (HRG) level. Where cost outliers are reported, the GIRFT clinical lead will ask the attendees if they are aware, what the cause is, and how they plan to address the position.

To help us answer those questions, before the GIRFT visit we review the reference cost data, investigating any outliers. We make sure that we understand what the cost drivers are, using a patient-level cost benchmarking software tool. We also consider the impact of any costing methodology changes. We are then able to respond to any questions raised by the GIRFT clinical lead during the visit.

Whilst working out where we can improve is a crucial part of the GIRFT process, it is equally important that we recognise success, so we highlight where performance has improved, or is exceptionally good. This is included within the GIRFT observation notes. Where performance is below the expected target or standard, recommendations are made.

The clinical management team and GIRFT team then work together with a wide range of people, including the finance business partner and costing accountant to address the recommendations set out in the GIRFT observation notes.'

Jo Brandt, GIRFT and Model Hospital Programme Lead

‘GIRFT provides the opportunity for us to understand better the correlation between patient-level costs and patient outcomes. As a consultant, it is helpful for me to be able to review my own patient-level data. Both the GIRFT programme and patient- level costing have secured greater clinical engagement within the trust amongst my consultant colleagues.

We use the GIRFT data to highlight any variations in the way that different services are delivered, identifying the changes that we need to make to improve the quality of care that we provide and patient outcomes. By improving the quality of care in this way – for example by reducing the number of unnecessary procedures – we can also increase the financial sustainability of the service.’

Dr David Walker, medical director

Conclusion and next steps

Our review has shown that there is not widespread use of PLICS by acute trusts to support the implementation of the GIRFT programme. Those who do use PLICS data to better understand the variation highlighted by GIRFT find that it does bring significant benefits in ensuring that GIRFT action plans are robust, thereby providing a greater assurance that action plans will be translated into change.

The lack of use of PLICS data in GIRFT reflects a wider challenge that PLICS is generally not extensively recognised or used as a rich information data set to support clinical services to understand their patients and services.

PLICS is not solely about cost information. It brings together information about the resources consumed by individual patients on a daily basis and combines this with the cost of this resource. This type of blended financial information is new for many organisations and is incredibly powerful. When PLICS data is analysed alongside other performance and quality information, it becomes even more powerful in understanding the delivery and performance of services.

PLICS also facilitates much more meaningful and constructive discussions between finance professionals and clinical/operational teams. It allows discussions to centre on individual patients and also provides financial information that better reflects how services operate, which makes it easier for clinical and managerial staff to interact with it, and to better assess the impact that making changes will have. This is vital in obtaining trust and confidence in the data and in allowing it to support services to provide the best possible care to each patient.

Next steps

PLICS data does not belong to the finance department, but rather is a dataset that specialties, together with their finance business partners, should be actively using to support improvements in patient care.

We suggest that the national GIRFT programme and its regional hubs have a role to play in encouraging trusts to use their local PLICS data to support the action plans arising out of GIRFT reviews.

Medical and finance directors in trusts also have a role to play in ensuring that the information packs provided by GIRFT in advance of the visits are fully understood, and that there is a partnership approach in place between the relevant finance and clinical disciplines, as well as coding and informatics, to ensure that information used in the review is validated. This will ensure that the ensuing recommendations for improvement are based on robust evidence.

The HFMA and the Institute will continue to promote the benefits of GIRFT as a tool to improve value in the NHS. They are also involved in two projects which support clinicians and finance to work more effectively together.

The Institute, in partnership with Future Focused Finance (FFF), has developed the EVO[5] framework to support increased engagement at specialty level in the understanding and use of PLICS, and its relationship to value.

The HFMA, FFF and the Association of Chartered Certified Accountants are working together to produce some guidance on the role of the NHS finance business partner. The finance business partner plays a key role in supporting the delivery of safe, effective and financially sustainable clinical services. They also have a critical role in supporting the decision-making of the clinicians and operational managers with whom they work.

[5] https://www.hfma.org.uk/our-networks/healthcare-costing-for-value-institute/institute-frameworks/evo

The Institute programme is built around four themes:

Confident costing

Supporting improvements in costing

Costing is high on the NHS agenda with NHS Improvement's mandation of new costing standards. The Institute provides a support network where members have the opportunity to discuss costing challenges with their peers, as well as share learning. Our wide range of Confident costing events and publications ensure we support both those new to costing as well as more experienced costing staff.

Translating data

Making the most of patient-level cost data

Providers of NHS services have increasingly large amounts of data about their patients, with the roll-out of patient-level costing (PLICS) across the NHS. The challenge is how to make the most of patient-level cost data to support improvements in patient care and deliver efficiencies. The Institute has a series of toolkits to support members turn the data generated by PLICS into powerful intelligence. The Institute's support network allows members to share examples of how they have embedded PLICS within their organisation and encouraged clinicians to use PLICS data to support service redesign.

Driving value

Improving patient outcomes at lowest possible cost

The concept of 'value' in healthcare – maximising the outcomes which matter to people at the lowest possible cost – is increasingly seen as a key lever for supporting the delivery of high quality sustainable healthcare. The challenge is how to do this in practice. What is clear is that clinicians and finance staff need to work more closely together to support improvements in value. The Institute has a growing reputation for bringing together senior finance and clinicians to explore what value means for the NHS. Institute members have the opportunity to hear from those at the cutting edge – both nationally and internationally – and take back practical ideas for their own organisations. Our value challenge projects work with members to put the theory of value into practice.

Innovation

Pushing costing and value boundaries

The Institute continues to push forward and promote costing and value-based healthcare. This is supported by Institute-led projects which aim to challenge current practices and the existing culture. The Institute works with its Members, Partners and Associates to learn from and share good practice in the UK and internationally. We are always looking for new ideas and opportunities to ensure that we are at the cutting edge of costing and value.

About the Healthcare Costing for Value Institute

HFMA's Institute champions the importance of value-based healthcare for supporting the delivery of high-quality financially sustainable healthcare. Through its member network, it supports the NHS to improve costing and make the most of patient-level cost data to drive improvements in patient care and deliver efficiencies. By bringing together senior finance and clinicians to explore what value means, the Institute helps the NHS to turn the theory of value into practice and make value-based healthcare a reality.

hfma.to/costingforvalue

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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