

Commissioning and outcomes

“Are we investing in health, or just paying for healthcare?”

October 2010

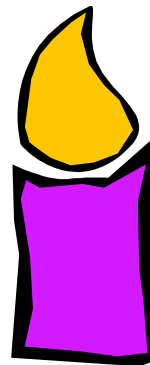
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Co-mission-ing!

Questions we can ask

- How much do we spend on the main health programmes?
- What good does that investment do?
- How do we compare with other places?
- What are our objectives for each programme?
- What can we do improve things, this year and next?

“It is better to
light a candle
than curse the
darkness”



*Programme budgeting and
marginal analysis can help*

“Programme budgeting and marginal analysis”

Programme Budgeting: looking at where resources are deployed in “health programmes”, with a view to setting objectives and influencing future spending in those programmes.

Marginal Analysis: an appraisal of incremental costs and benefits when resources in programmes are increased, decreased or deployed in new ways.

PBMA can start small ...

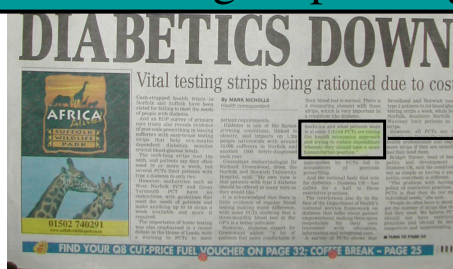
... for example, within the diabetes programme, could we use the programme’s resources to better effect?

How about test strips in people with stable type 2 diabetes?



"The inch-long strips cost 14p each, and patients say they often need 10 or more per week, but several PCTs limit patients with type 2 diabetes to only two."

Vital testing strips being rationed due to cost



Diabetes consultant

"I think PCTs are taking the health economics approach and trying to reduce expenditure whereas they should take a more humanitarian position"

13 April 2004



"... There will never be enough money in the NHS to meet every need, let alone demand, but there is enough ... to provide a decent service for everyone ..."

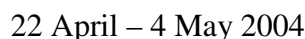
... Health economics is not about making economies or holding back money. It is about being clear where the money goes and what good it does.

... We are simply trying to get the best health outcomes from the money ...

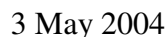
... it is best to be open and honest with our NHS partners and the public about tough choices. That is the humanitarian position.

What do your readers think?"

16 April 2004



... excellent advice is available from Novo Nordisk Pharmaceuticals (call 0845 6005055 or www.novonordisk.co.uk)



Norwich PCT has the highest rate of antidepressant prescribing in the region ... is this really “getting the best health outcomes for the money?”

**Test strips cost
£2,272,000**

DR PETER BRAMBLEY,
Director of Public Health,
Norwich Primary Care Trust,
St Andrew's Business Park,
Northside,
Norwich.

With reference to the rationing of diabetes tests, there is much in Dr Richard Greenwood's letter (May 3) with which I agree: our indebtedness to charitable funds and volunteers (and not just in diabetes); the low priority given to chronic diseases; the need for patient education; the perverse incentives of some government targets; and the over-prescription of some medicines.

As regards "getting the best health outcomes for money" from high rates of antidepressant prescribing, this was discussed by the Norwich Primary Care Trust board on April 6.

I would remind Dr Greenwood that the prevalence of depression is even higher than that of diabetes and that Norwich has the highest rates of self-harm and suicide in East Anglia.

Expenditure on diabetes test strips is not a "relatively small sum". Last year, the bill for Norfolk and Waveney was more than £2,272,000.

I have argued elsewhere that if we could reduce that sum to about £2m - by a better match between what is needed, what is requested and what is provided - we could spend the remaining £272,000 on several new diabetes nurses to support patient education, empowerment and confidence.

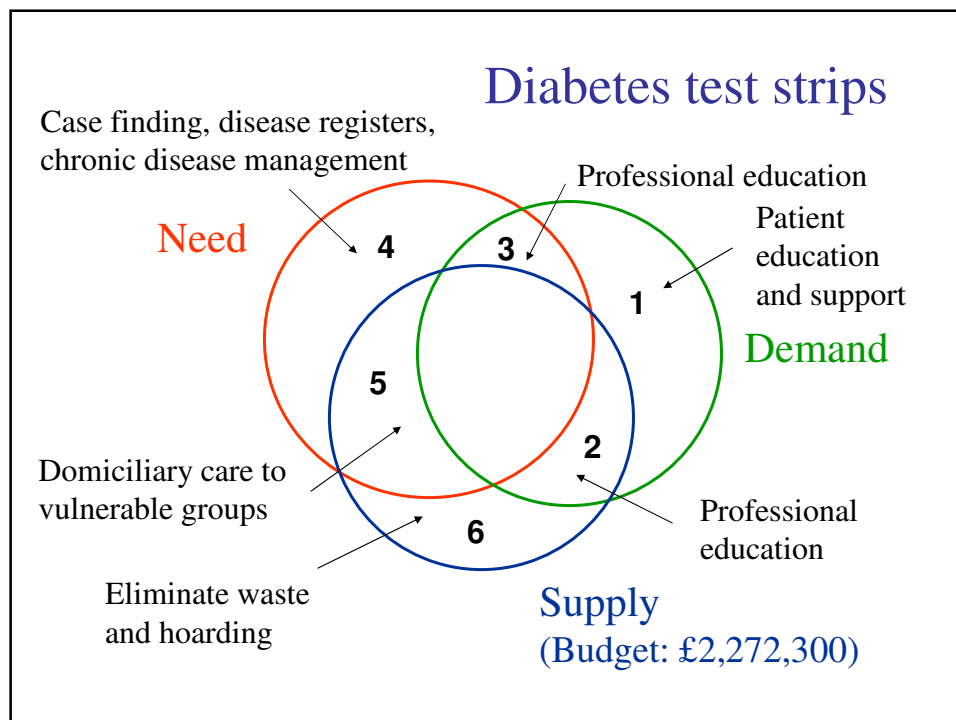
In both type 2 diabetes and depression there is a lot more we could do to prevent the conditions in the first place, and then use more non-medical solutions when they do arise.

Please let me reassure Dean Bailey from Australia (Letter, May 4) that there is no question of restricting test strips in type 1 diabetes, or for that matter in unstable type 2 diabetes or anyone newly diagnosed.

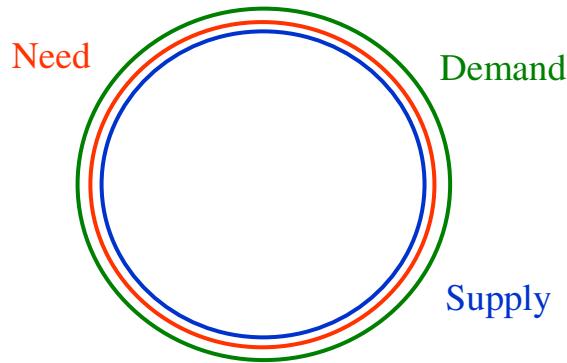
6 May 2004

**Test strips cost
£2,272,000 ...**

... if we could reduce that sum to about £2m - by a better match between what is needed, what is requested and what is provided - we could spend the remaining £272,000 on several new diabetes nurses to support patient education, empowerment and confidence...



Where do we want to be?



Letter from diabetes consultant, received 19 October 2006

- “The main reason for writing is that in the programme budget you mention ambulance costs of £56,000, and we have been doing some work with the Ambulance Trust.
- They are treating 2,100 blue light ambulance call-outs with diabetic hypoglycaemic emergencies, which was a tremendous shock to us as we thought there were no hypoglycaemic being admitted.

Websites and evidence base

Websites

- Programme budgeting project – tools and data
 - www.dh.gov.uk/programmebudgeting
- Worked examples in practice
 - www.healthknowledge.org.uk/interactivelearning/index_margins.asp
- Public health commissioning network
 - www.phcn.nhs.uk
- “Right care” initiative
 - www.rightcare.nhs.uk/

BMJ 18 October 2008

Moving forward on rationing: an economic view

“If we are to explicitly manage scarce resources, we need to operationalise the economic principles of opportunity cost and the margin. Programme budgeting and marginal analysis is a process for doing this and has been used in over 70 jurisdictions worldwide”

*Donaldson C, Bate A, Brambleby P, Waldron H.
BMJ 2008;337:a1872*

Editorial, BMJ 18 October 2008

Where are we in the rationing debate?

“Donaldsdon and colleagues argue convincingly that explicit attention to comparative costs and relative values, using methods like programme budgeting and marginal analysis, can allow genuine reallocations”.

Goold SG, Baum NM, BMJ 2008;337:a2047

Another example of PBMA in action:





Mental health programme in Norwich PCT (and Norfolk PCT)

- A relatively high-spending programme, but largely unrecognised as such until recently
- Expenditure spread across GP prescribing, secondary care services, tertiary referrals and voluntary sector, but no sense of a common mental health programme
- No clear statement of commissioning objectives for mental health
- A powerful medical-pharmacological model of care, but also an organised user group eager for change
- An ideal candidate for a PBMA approach.

“Health of Norwich 2004”

- *“ Last year’s report showed that GPs in Norwich prescribed £1.3 million in antidepressant medication in 2003 ... that figure has gone up to £1.4 million in 2004. We need to look in more detail at the components of this expenditure and explore where effective (and cost-effective) alternatives may exist.*
- *There may be savings to be made in this programme overall that could be allocated elsewhere, but only if the case is proven that that there would be greater health gain by doing so.”*

Who were Norfolk PCT's major providers of health services in 2005/06?

• Norfolk & Norwich University Hospital NHS Trust	£232,319,000
• General medical, pharmaceutical and ophthalmic services	£115,749,000
• General practitioner medicines prescribing budget	£110,468,000
• Norfolk PCT community services (not learning difficulty)	£ 69,503,000
• Queen Elizabeth Hospital	£ 60,326,000
• Norfolk & Waveney Mental Health Partnership	£ 49,214,000
• Other acute and specialist	£ 43,998,000
• Learning Difficulty (Central pool)	£ 27,292,000
• Other Mental Health and specialist	£ 24,723,000
• etc	
• Total	£843,773,000

What were the top eight programme budgets in Norfolk PCT in 2005/06?

Programme	Norfolk PCT (£)
Mental health	109,873,000 (13%)
Circulatory diseases	89,520,000
Cancers	65,755,000
Gastrointestinal	51,468,000
Trauma and injury	49,540,000
Musculoskeletal (non-trauma)	46,023,000
Respiratory	44,598,000
Learning disability	42,325,000
 (23 programmes in all)	 843,773,000

Source: DH Programme budget returns for 2005/06

Mental health programme 2004/05

(£ per 100,000 weighted population)

- Norwich PCT £ 20,637,000
- “Cluster” average £ 16,872,000
- National average £ 14,533,000

Considerable press interest (and support from the mental health user group) for decreasing GP prescribing

**British Academy
Festival of Science**
Norwich
September 2006

**“Seminar looks
at benefits of
prescribing
drama for
people with
chronic
diseases”**



Programme aims in mental health

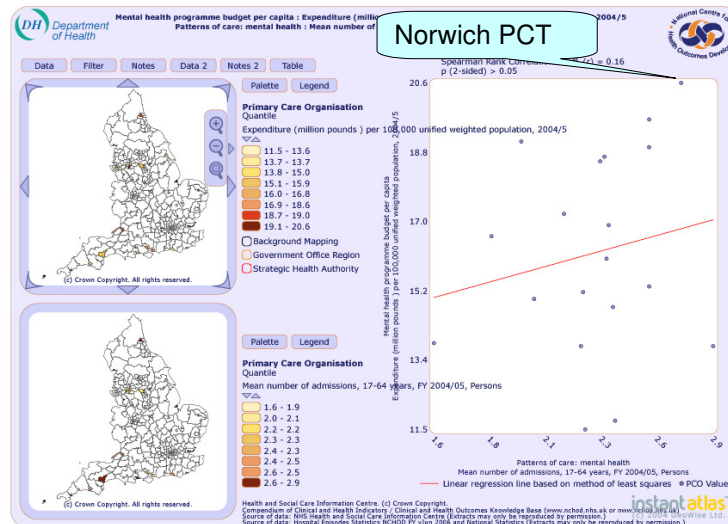
- Promote positive mental health and prevent relapse
- Alleviate symptoms when mental illness does occur
- For those with chronic or intractable conditions, promote maximum function and integration in society
- Relieve pressure on carers

Programme objectives (summary)

- Reduce self harm and suicide rates
- Reduce high levels of antidepressant prescribing
- Increase non-medication therapy (eg arts, exercise, talking therapies, group activity)
- Reduce expensive out-of-NHS placements if equally good outcome available locally.

... not only prescribing, but
bed usage was high too ...

Mental health: expenditure versus adult admission rates, Norwich PCT and peer PCTs, 2004/05



E-mail from Medical Director of a mental health trust, 5 Jan 2007.

- "...I've been constructing hypotheses and then looking at the data particularly using the correlation site.
- On the basis of my observations the PCT has every right to be asking questions about how its investment in mental health is being spent.
- I'm very interested in getting our Lead Clinicians to be thinking about productivity. I think that the data available will provide us with a basis on which to move our thinking forward."

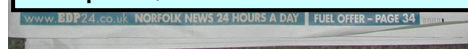
... and exploration of value for money in specialist referrals to a private sector provider raised serious concerns ...



Eastern Daily Press
November 15th 2006

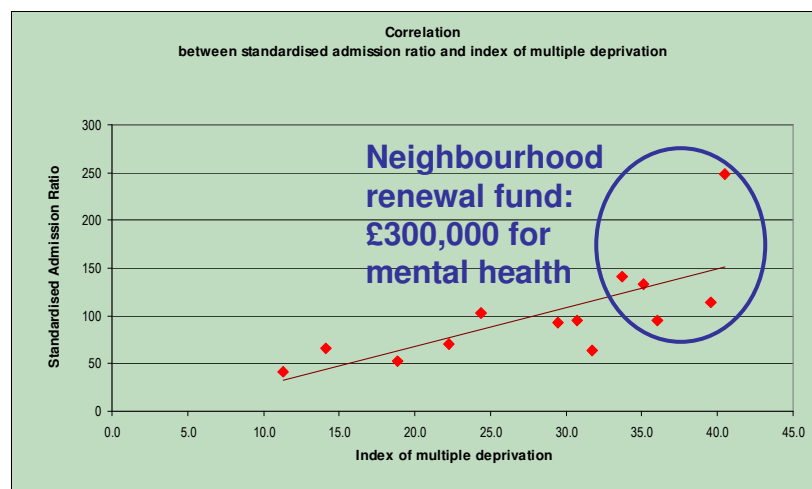
A major fraud investigation was under way last night after a series of properties were raided by police ...

... the investigation centres on alleged financial irregularities at the independent psychiatric hospital, Cawston Park.



... and inequalities were stark

Mental health: admissions to hospital by
electoral ward in Norwich, and deprivation, in
2005





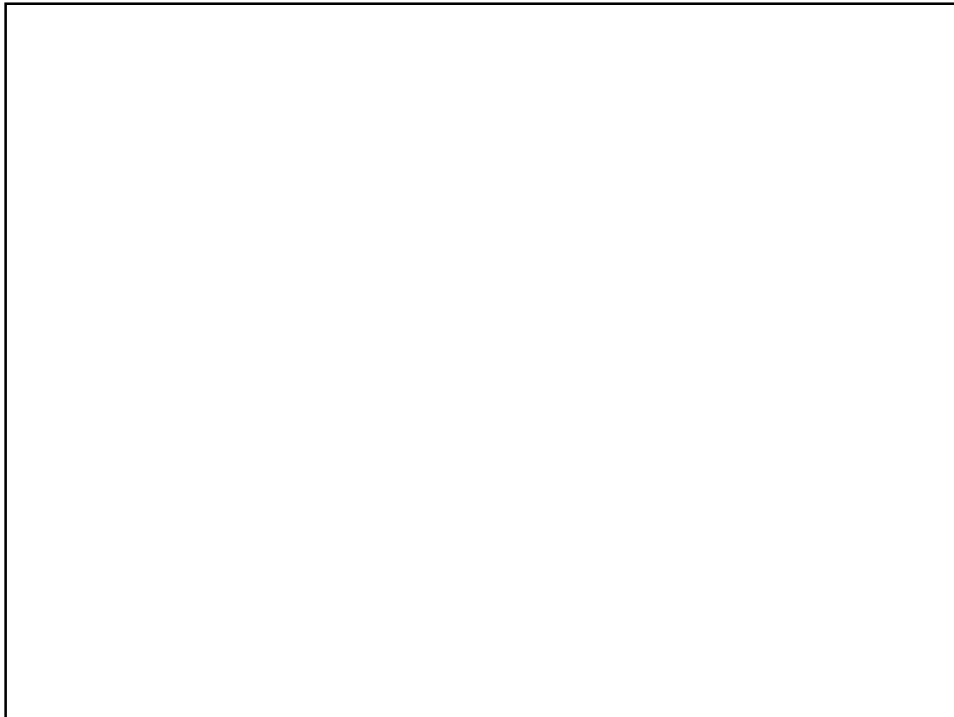
Did anything change?

Yes!

- Sustained investment in arts, activity and partnership
- Antidepressant prescribing costs fell by 30% in 2 years
- Mental health trust agreed to £2 million cut in budget – and achieved Foundation Trust status
- Specialist provider: two resignations and two dismissals from management team
- Patient satisfaction scores went up

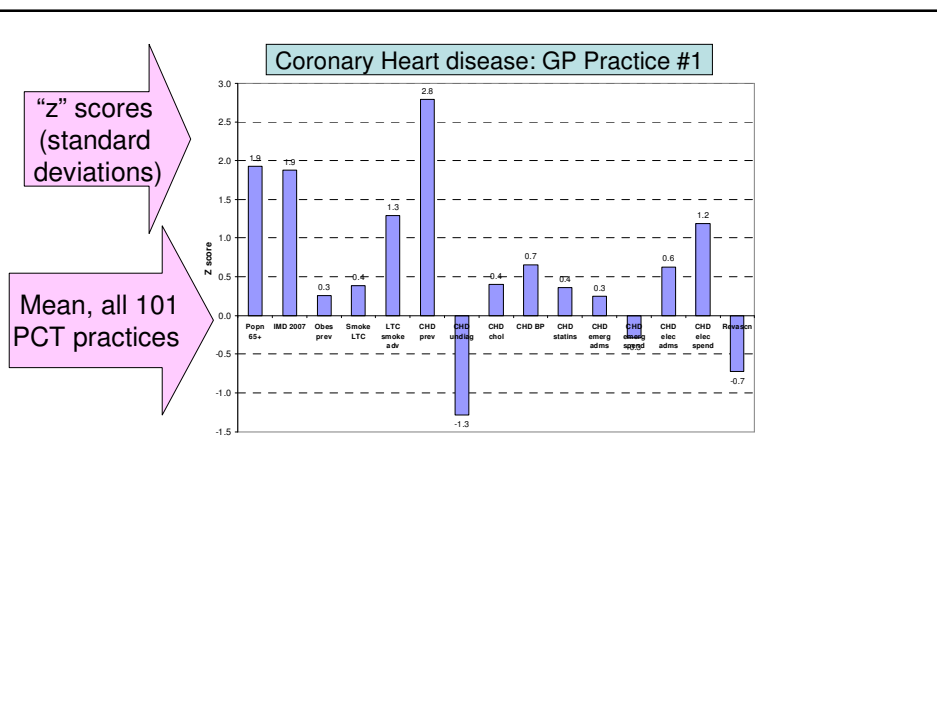
Marginal analysis study

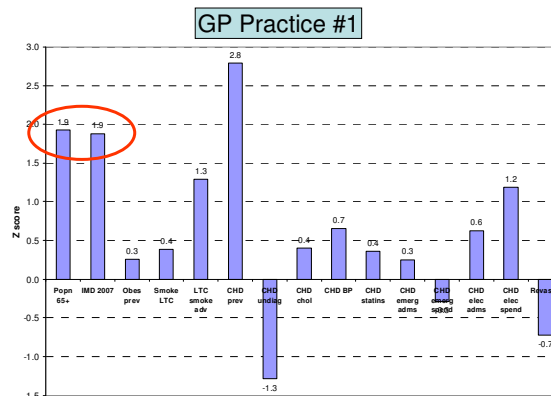
- Funded by NHS Institute for Innovation and Improvement (£30,000)
- Ball H, Kemp L, Fordham R. *Road testing programme budgeting and marginal analysis.: Norfolk Mental Health Project.* Psych Bulletin 33(4), April 2009, 141-4
- Recommended £3.7 million redeployment within programme budget of £80 million



Regular, meaningful feedback for clinicians, managers and public

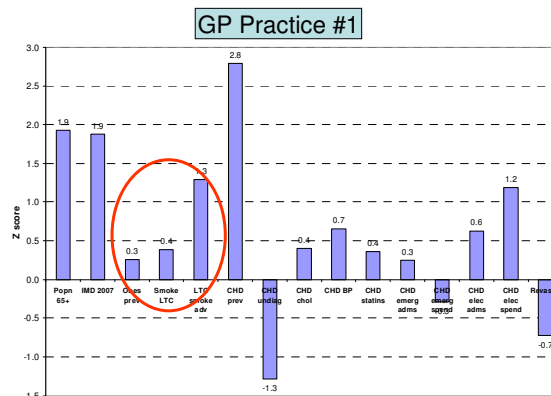
- Tell coherent stories, by health programme
- For example ... coronary heart disease feedback to GPs





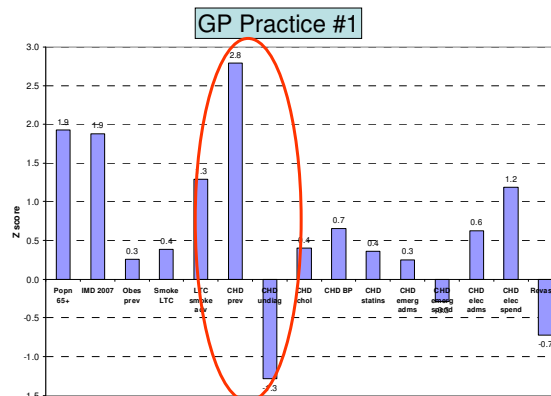
Population profile:

- Above average over-65 population
- Above average “index of multiple deprivation”



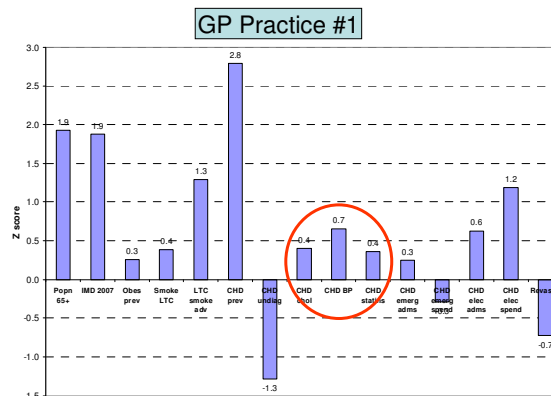
Good risk factor management:

- Slightly above average registration rate for obese patients, and patients with chronic conditions who smoke
- Above average smoking advice to patients with chronic conditions



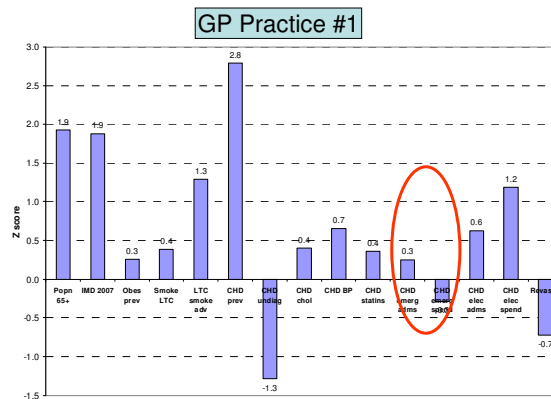
Alert to need:

- Very high reported prevalence (crude rate) of CHD
- Lower than average “missed” cases (from modelled prevalence)



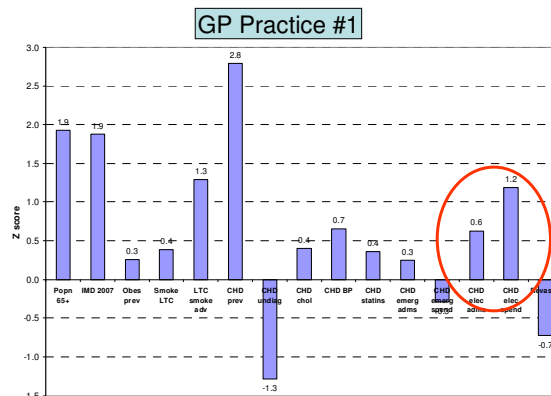
Better than average control of cholesterol and blood pressure in CHD patients

Better than average statins prescribing in CHD patients



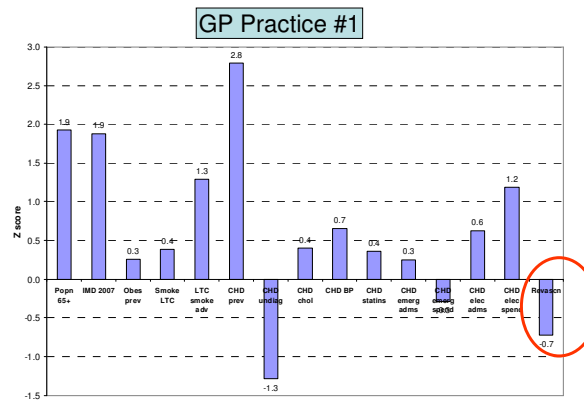
Near average emergency admissions for CHD (age-standardised)

Near average expenditure on emergency admissions



Higher than average elective admission rate (age-standardised), including planned diagnostics

Higher expenditure on elective admissions



But ... low revascularisation rate (age-standardised)

A good place to start a conversation?