

# Yorkshire and the Humber Strategic Health Authority

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## Reform of the Yorkshire and Humber Health System

1. This paper sets out:
  - the background to the current set of reforms to the health system
  - a programme of work – involving all directorates within the SHA - to accelerate and embed the process of reform in support of our overarching objectives of improving health and health services.

### Background to reform

#### Why?

2. There are two main reasons why the system of health care needs to change.
3. Firstly we are committed to a National Health Service, available to all, free at the point of use. Changing patterns of disease and demographics make the current pattern of expenditure increasingly unsustainable in the medium-term, and we know that there is scope for delivering better value for the taxpayer.

For example,

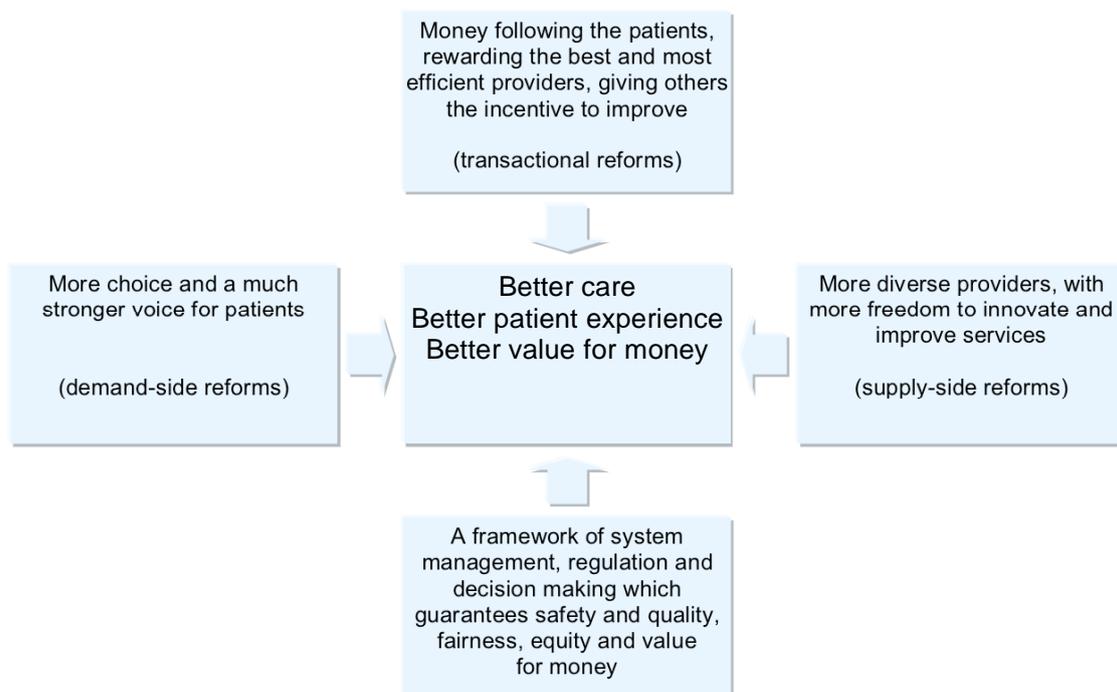
- Across Yorkshire and the Humber, it is anticipated that the number of people over 80 will increase by around 65% between now and 2025. The cost of care currently for people over 80 is around four times the cost of an “average” patient.
  - The Better Care Better Value indicators (which we use as part of our performance monitoring data) provide a concrete illustration of how we can both improve the quality of care on offer and reduce costs. For patients undergoing a procedure in Yorkshire and the Humber, pre-operative bed days account for around 25% of all bed days, and yet there is little evidence to support the need to bring the majority of patients into hospital early.
4. Reports over the years, such as the Wanless Report, show that we can meet the demographic challenges and remain true to the founding principles of the NHS – but only if we both improve health and levels of self-care, and drive wasteful and inefficient practices out of the system.
  5. Secondly, we have seen significant improvements in the provision of care over the past decade. Maximum inpatient waiting times have fallen from 15 months in 2002 to 6 months today, (with total treatment times falling to 18 weeks by the end of 2008) and survival rates from heart disease and cancer have improved significantly. In the main this has been driven through the use

of nationally set performance targets, underpinned by robust performance management arrangements. However, there is still much more to do to improve the responsiveness, efficiency and quality of care that local services offer to individual patients.

### What is system reform?

6. The Department of Health published “Health Reform in England: Update and next steps” in December 2005. This sets out the policy framework for the system as a whole; - many aspects are well into the process of implementation. The key aim of reform is to create incentives to improve service quality and efficiency and to create a system dynamic which drives continual improvement.
7. Figure 1 summarises the key aspects of the reform programme

**Figure 1**



The key elements of these reforms and more importantly, the ways in which they have been designed to support improved health and healthcare, are described detail below:

- *Demand-side reforms:* Changes to ensure that patients are put in control of the care they receive, and that services are designed around their needs. It includes the introduction and spread of choice; mechanisms to ensure that patients’ voices can be heard; and a new system of stronger commissioning for services, including practice based commissioning.

- *Supply-side reforms*: Changes to facilitate a more diverse provider market, with more freedom and greater incentives to innovate and improve services. It includes the continuing Foundation Trust programme; more private and voluntary sector providers; and workforce reform.
- *Transactional reforms*: Changes to underpinning systems, for example to allow money to follow patients, so that the best and most efficient providers are rewarded, and so there are incentives for all to improve. It includes Payment by Results and the National Programme for IT.
- *System Management and Regulation*: Changes to ensure that the management of the system, regulation and decision making delivers safety and quality, fairness, equity and value for money. It includes the new approach to regulation; the future performance regime; and the approach to competition.

### **The Yorkshire and Humber approach to reform**

8. The board have discussed how we should approach the acceleration and implementation of reform. This paper builds on those discussions. A key principle underpinning our approach is that we should aim to use the reform mechanisms in a way that helps us to solve long-standing issues facing Yorkshire and the Humber both now and for the future. Reform should not be seen as an end in itself. It is a means to an end – to improve health and health services. In addition, we want to look at how we can use reform to tackle health inequalities.

9. We have divided up the work into several strands

#### **(a) Building up insight and commitment**

- presentation and discussions at key leadership meetings (Chairs, 7 June; PCT CE time out 10/11 June; other functional director groups – July to October)
- building up evidence on the impact of reform, as a way of engaging with people at a practical level – each month we will collect specific examples of the effectiveness of reform to support our work with local health economies, taking reform mechanisms one by one (July – December)

#### **(b) Creating a shared vision for service development**

- developing a strategic framework to guide the future development of health services in Yorkshire and the Humber and a programme of work to support organisations in taking this forward (for launch in September).

- championing innovation and improvement across the health service in the region, drawing on international best practice and with the intention of building a self improving system which takes full advantage of reform mechanisms – this will be the subject of a board paper in September.

**(c) Organisational development**

- Fitness For Purpose (FFP) development programme – following the FFP review process, PCTs are now required to produce a customised Development Plan (as set out in the document ‘Operating Framework for the English NHS’ 2007-08). Development plans comprise of a set of clear and specific initiatives to strengthen a PCT’s organisational capabilities to deliver key commissioning functions in line with its strategy, working to a 18-24 month planning horizon.
- Offer to chairs to support their board development – on the back of the chairs event of 7 June, I have offered to support all chairs on engaging with their boards on the reform agenda.
- Scenario planning (July to December) – this is a major piece of work, based on world-leading practice. It begins with interviews across the leadership community from July to September about the future for health and health care. This is enhanced by technical papers gathering evidence about what we know about the present and future. These will cover demographics and patterns of disease, future technologies, workforce demographics, public perception and aspiration, and economic climate. All this material will then be brought together to generate a number of different future scenarios for local health economies to work through. It will culminate in a final Y&H wide event towards the end of the year. The purpose is to help the leadership community and the SHA understand the potential opportunities and challenges of the future, and identify the action we need to take so that we are well placed to meet them.

**(d) Delivering on key implementation milestones**

- project management and support for all NHS Trusts to Foundation Trust status (this is subject to separate Board reporting)
- support for the implementation of Choice, and the Choose and book programmes
- National Programme for Information Technology – this will be the subject of a separate board paper in September
- the delivery of 18 weeks as a maximum waiting time for treatment by supporting system transformation in communities.

**(e) Monitoring the implementation and impact of reform**

- we are working with DH on developing an approach to monitoring the impact that the reform is having on organisations and patients – the Impact Assessment Framework (by September)
- we are developing a tool to provide timely intelligence on how reform is being deployed across the patch (by December)
- we are testing the extent to which reforms are helping to build a self improving system - through mid year reviews with PCTs and a range other mechanisms such as measures of public and patient perceptions and measures of health outcomes e.g. the NHS Choices website and PROMS
- there are three Health Reform Demonstration Systems in Y&H – Barnsley, Doncaster and Leeds. These are at an early stage, but we would expect by the end of the year to be able to use these to showcase how reform mechanisms can be deployed to support our overall objectives.

**(f) Shaping national policy and future SHA role**

- This will define the SHA's future role around system management, as we move We are leading for the ten SHAs on the development of a framework for marketplace management to a more diverse system of provision, and our relationships with local commissioning and providing organisations change.
- participation by senior staff in a number of national reference groups

**Conclusion**

Reform is not an end. It is a means to improve health and healthcare. Whilst we aim to understand and measure the impact of specific reform measures, our key outputs are improvements in health, and improvements in the quality and responsiveness of services. With this in mind, the focus of our effort is in explaining and illustrating how reform can be deployed intelligently to make a real difference for patients, and then supporting and holding the system to account for delivery.

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