

Challenges in modern healthcare A "whole systems" approach experience from the NHS in England

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Health Reform and Population Based Resource Allocation

Introduction: the National Health Service



56 million
population



£113 billion
expenditure



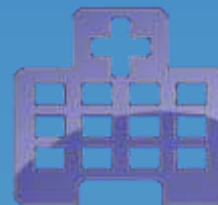
1 million
people treated
every 36 hours



1.4 million staff
(5th biggest
employer in the
world)

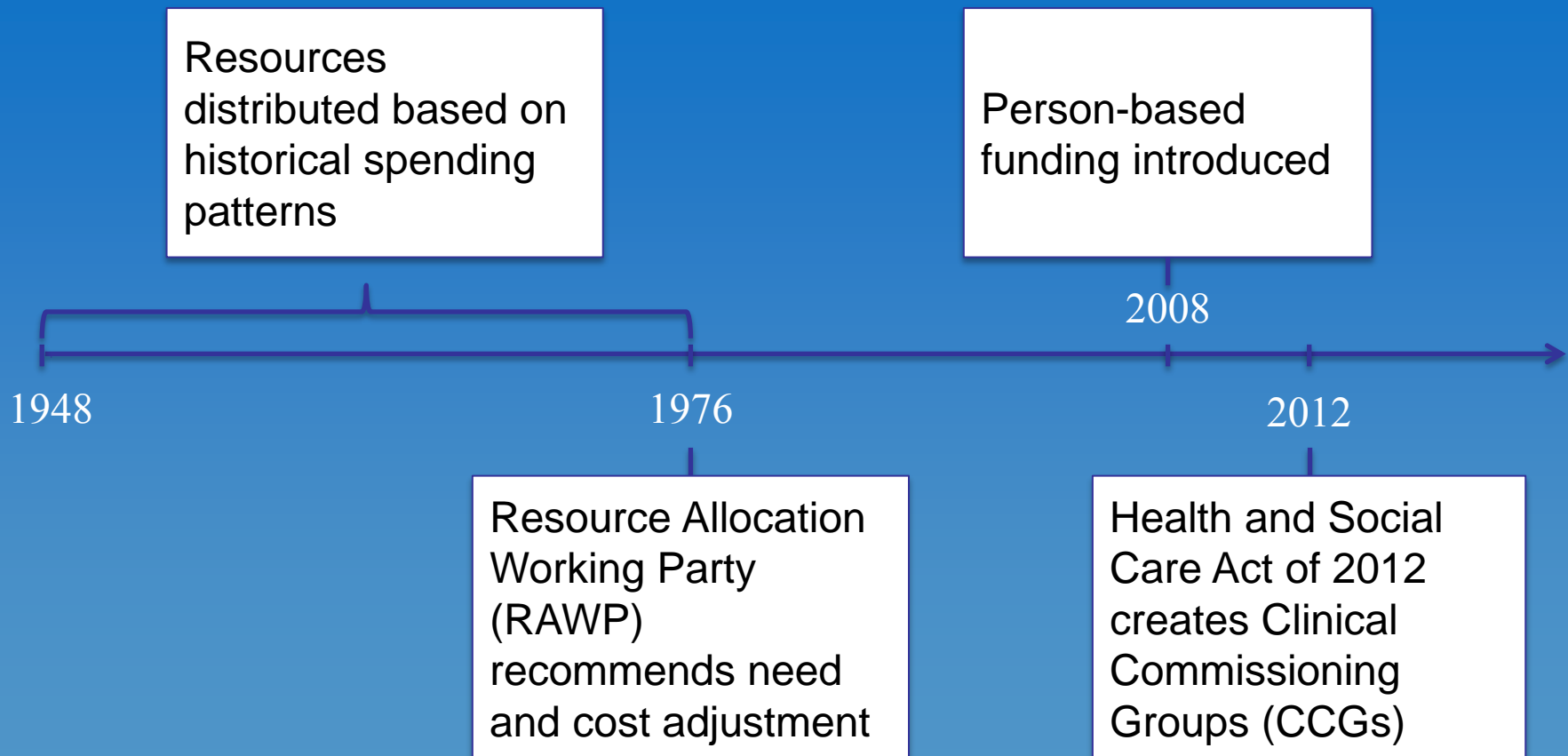


8,000 GP
practices

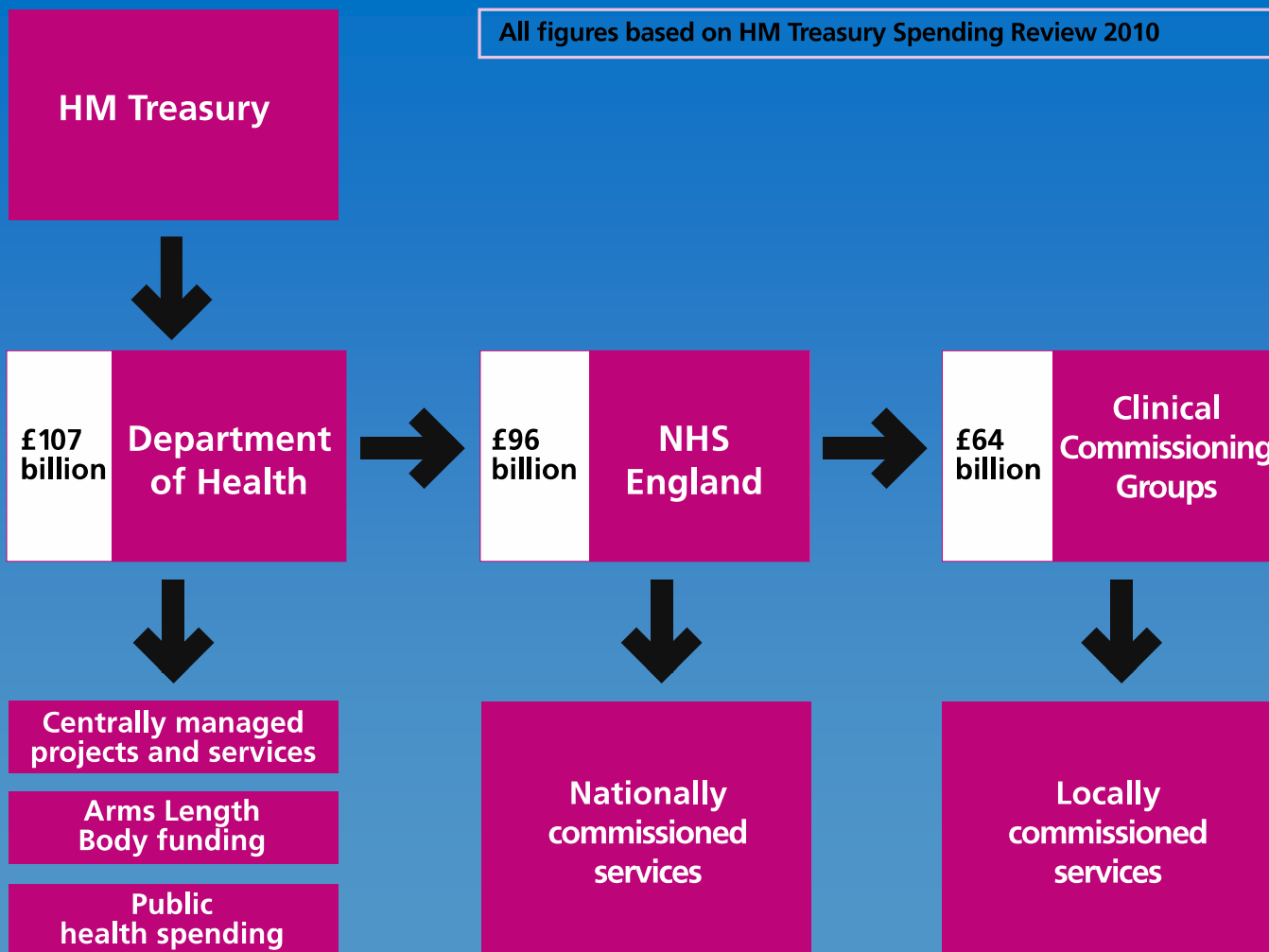


156 acute trusts
136,000 beds

History of resource allocation in the UK



Commissioning in England after the Health and Social Care Act of 2012



Objectives of new CCG allocation formula



Ensure that funding accurately matches the needs of local populations



More accurately reflect population changes



Include a specific deprivation measure aimed at tackling health inequalities

4 steps for allocating resources

1

- Determine target allocations based on relative need

2

- Establish baselines (the previous year's allocations)

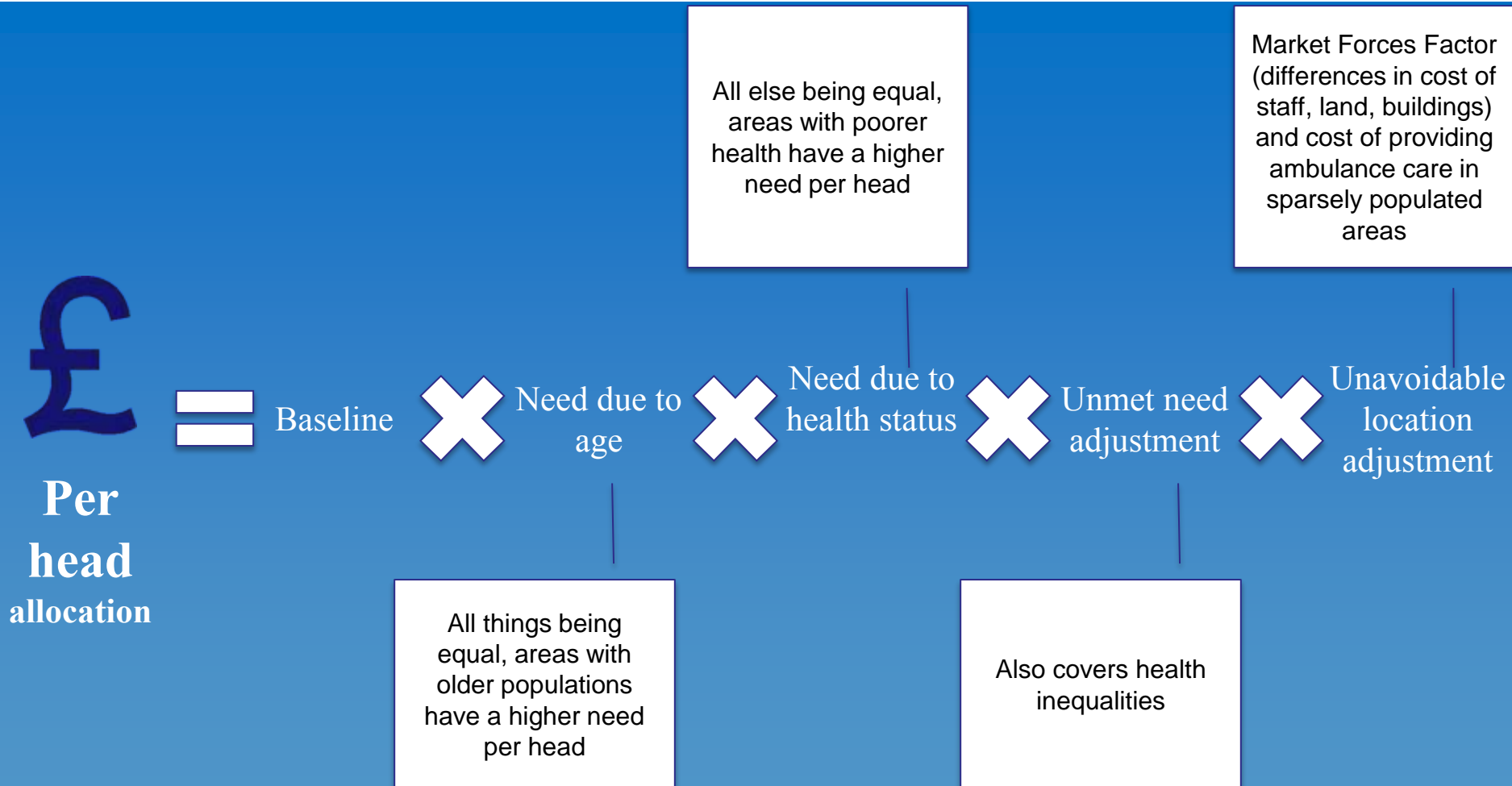
3

- Calculate opening distances from target (baseline minus target)

4

- Determine pace of change policy: how far to move closer to target allocation within the year through differential growth.

1. Determining target allocation (CCG formula)



4. Determining pace of change



FASTER: Moving immediately to target can create several risks

- Undermines local services and planning
- Leads to inefficient deployment of extra resource
- Creates unrealistic volatility
 - Models are imperfect
 - Data and aims change



SLOWER: moving too slowly is inefficient

- Historic funding above or below the fair shares level persists



Key lessons

- A. There is no end to the level of detail for the formula, but returns are decreasing once we go beyond current granularity
- B. Calculations need to be based on good data, otherwise the exercise becomes very dangerous
- C. The governance and the organisation of the health system need to be aligned to the the allocation approach
- D. There is a trade-off in the transition to the allocation target between speed and stability of the health system
- E. The process needs to be transparent, as the implications of the allocation and interest in it will be huge
- F. You will never make everyone happy

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