



## DISCUSSION PAPER

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| <b>From</b>    | Alice Macleod Nurse Advisor National Procurement<br>Paul Hornby Head of Strategic Sourcing & Commercial National Procurement |
| <b>To</b>      | Noreen Kent Nurse Director NHS National Services   |
| <b>Date</b>    | 23.03.17   |
| <b>Subject</b> | A National Programme to Optimise the use of Non Medical Clinical Products  |

### SITUATION

1. This paper identifies the current NHS Scotland community expenditure of key high demand clinical products identified in **table 1** and proposes a national model that would aim to optimise demand, reduce unwarranted variation and deliver **clinical, financial and operational improvement** identified in **table 2**.
2. The demand and variation for these products within the community is growing with a total commodity expenditure of **£73 million per annum across NHS Scotland**.
3. There is an opportunity for nursing to develop a national coordinated and consistent approach, to reduce unwarranted variation and waste within clinical product commodities.
4. National review projects, supported by Nurse Directors would focus on product optimisation and support quality, efficiency and equitable practice across NHS Scotland. A key enabler is leadership to maximise clinical engagement and direction.
5. One option is for these nursing projects to sit within the newly developed **Procurement Transformation Programme** that has been approved by Chief Executives and aims to support Health Board reform and deliver cost savings and efficiency.
6. **This paper would seek debate and feedback from SEND to consider this approach and consider nomination of Associate Director of Nursing to the transformation programme to lead on taking this forward with the ADNS group.**

### BACKGROUND

1. It is recognised that there is considerable variation in Healthcare which can impact on quality and outcomes. Such variation can be linked to demographics, deprivation and patient –preference; however ‘unwarranted variation’ refers to the over-use or under use of different aspects of healthcare products and services.
2. Unwarranted variation refers to the differences that cannot be explained by medical need or the dictates of evidenced based practice. This can have a clinical impact affecting patient outcomes and a financial impact associated with waste and over use of resources .Reducing variation and waste is therefore an overarching theme from recent key NHS policy documents across the UK. The Carter Review identified savings of £5 billion by reducing unwarranted variation across NHS England in products and services (5).
3. In NHS England, Nurse Directors have developed a Clinical Reference Board to focus on optimal product selection and development of core product lists to enable efficiencies and reduce waste in response to the Carter Review (1).
4. Within Scotland, the Healthcare Quality Strategy Framework for Scotland and more recently the Clinical Strategy and the Chief Medical Officer’s report on Realistic Medicine (2-4) has set the strategic context for efficiency and productivity with key themes of reducing unwarranted variation, consistent realistic approach to clinical care and evaluation of patient outcomes.
5. Demand optimisation is a term used within NHS policy documents as an approach to maximise clinical and financial value. Reducing unwarranted variation to deliver consistent, equitable care and generate savings is aligned to current NHS Clinical Transformation (2-6).

6. In NHS Scotland, strategies to manage and reduce demand have focussed on health care delivery and medicine management with established national groups that aim to reduce clinical demand and deliver cost effective care within a consistent ‘Once for Scotland approach (2-4)..
7. There is limited national focus of clinical product optimisation across NHS Scotland. Although Health Board prescribing Advisor teams focus on cost efficiencies and waste reduction, there is no national co-ordination of this work with evidence of continued variation in practice.
8. The financial burden of increasing use of product use is predominantly **within community** due to a number of reasons;
  - a. Patients spend more of their time within the community
  - b. Influence of industry to promote products
  - c. Unwarranted variation with over prescribing and patient ‘stock piling’ products they do not use
  - d. Variation of how these key product areas are monitored
  - e. Product price difference in community due to drug tariff prices which are higher than acute national framework product pricing.
  - f. With exception of silver dressings, there is no prescribing indicators developed for these key product areas identified in **table 1**.

## ASSESSMENT

**Table 1** identifies the top 5 non medical product areas with significant expenditure.

1. There is a paucity of a robust evidence and outcome data that supports the efficacy and scale of product use across NHS Scotland (1-8).
2. In addition, the products identified in **table 1** do not fall within the well developed governance structures that are in place for medicines which supports the need to develop a national approach to optimise product use that would support **quality, efficiency and equitable practice** across NHS Scotland.
3. In comparison:  
 the **annual spend of stoma products circa £31 million across NHS Scotland is greater than;**
  - a. **The annual combined expenditure of orthopaedic hip and Knee replacement, circa £26 million**
  - b. **The annual agency nurse expenditure circa £25 million.**
4. **Both orthopaedics and agency nurse expenditure have a national group that co ordinate, lead and deliver various activities to facilitate reduction in expenditure and optimise care delivery**

Table 1

| Product      | NHSS Spend p.a      | Category / Product Grp  |
|--------------|---------------------|---|
| 1            | £31,000,000         | Ostomy appliances & accessories(+prescription charges & cutting service ) |
| 2            | £14,000,000         | Continence pads   |
| 3            | £ 8,000,000         | Urology ( catheter / sheath/ bag)   |
| 4            | £14,000,000         | Wound Care  |
| 5            | £ 6,000,000         | Dressings   |
| <b>TOTAL</b> | <b>£ 73,000,000</b> |   |

## OPPORTUNITIES

1. In the absence of national demand optimisation for these identified areas, there is an opportunity for Nurse Directors to collaborate with the Procurement Transformation Programme and develop a clinical sub-group focussing on demand optimisation. Procurement has been identified within NHS Scotland Value and Efficiency policy documents as an enabler to identify and target areas of spend most likely to generate savings and deliver value.
2. The Procurement Transformation Programme (PTP) is aligned to the Scottish Government Sustainability and Value work stream.
3. This would align to the 'Once for Scotland' approach embedding consistent, equitable, evidenced based practice, building on current activity to deliver significant clinical and financial benefit within a national approach.
4. There is an opportunity to explore and develop effective commercial partnership with industry suppliers who are influential in product marketing and embed this with product optimisation and redesign activity, incorporating clear governance structures.
5. **Table 2** describes the key category areas and projected financial opportunities with a targeted demand reduction of 10% and 20 % in each category implementing service redesign.
6. The methodology to capture projected benefit of 10% and 20% demand reduction is modelled on published ostomy transformation projects in NHS England. Some of these examples involved removing community prescribing to improve effective product use and monitoring (7).
7. Excessive use of ostomy core products and accessories across NHS Scotland has been identified using patient specific data which has been benchmarked against national prescribing guidance incorporated into the NHS Scotland Stoma Care in the Community Report (2015), reporting feasibility of 10% reduction with targeted patient review (6).
8. Across NHS England, several CCG'S have implemented demand management with service re-design to achieve **20 – 25 %** reduction in ostomy product use. This approach has improved the quality of care with effective patient review and reduction in demand which have not adversely impacted on patient safety and satisfaction and could be used in other category areas (7)
9. There is potential to link and improve product data intelligence across Health Boards and explore opportunities to combine demand data with clinical outcomes

**Table 2**

| Product      | NHSS Spend p.a     | Category / Product Group                       | Financial Opportunity<br><b>10% demand reduction</b> | Financial Opportunity<br><b>20% demand reduction</b> |
|--------------|--------------------|--|--|--|
| 1            | £31,000,000        | Ostomy appliances , accessories + prescription | £3,100,000   | £6,200,000   |
| 2            | £14,000,000        | Continence pads                                | £1,400,000   | £2,800,000   |
| 3            | £ 8,000,000        | Urology ( catheter / sheath/ bag)              | £800,000   | £1,600,000   |
| 4            | £14,000,000        | Wound Care                                     | £1,400,000   | £2,800,000   |
| 5            | £ 6,000,000        | Dressings                                      | £600,000   | £1,200,000   |
| <b>TOTAL</b> | <b>£73,000,000</b> |  | <b>£7,300,000</b>                                    | <b>£14,600,000</b>                                   |

## KEY CHALLENGES

1. National clinical review and co-ordination within the identified category areas will require strong leadership and governance.
2. There are challenges with engagement of NHS Scotland National Nursing Groups (such as stoma). Currently these groups have no clear governance framework, reporting structure or strategic objectives that would support these groups to lead a national re-design project.
3. Product optimisation will have a commercial impact with the potential to reduce marketing that can influence product expenditure and will require Procurement expertise to manage industry discord.

## RECOMMENDATIONS

1. SEND to endorse this paper and feedback on the proposed approach of partnership with National Procurement Transformation Programme.
2. SEND to consider nomination of Associate Director of Nursing to the programme to provide clinical leadership for national projects and support wider clinical engagement.
3. In collaboration with National Procurement Transformation programme, SEND representation to endorse the opportunity to develop demand optimisation strategy of contractual areas, with the focus of 1 **key area** for transformation in an annual workplan. This will deliver quality outcome measures and monitoring aligned to evidence-based product use
4. In collaboration with National Procurement Transformation programme, SEND to support this approach to ;
  - a. Accelerate the pace of change
  - b. Remove barriers
  - c. Support national spread
5. NSS to support SEND with nurse advisor support and add this to the workplan, identifying the need to develop a business case for identified commodity review and redesign within the transformation programme.
6. The projected financial impact of developing this transformation model for **ostomy** as the initial target area would yield **£6.2 million efficiency national saving with a target 20% demand reduction**

## References

1. [https://www.slideshare.net/GS1\\_UK/nhs-clinical-reference-board-and-nhs-clinical-evaluation-team](https://www.slideshare.net/GS1_UK/nhs-clinical-reference-board-and-nhs-clinical-evaluation-team)
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4. Chief Medical Officer for Scotland Report: Realistic Medicine Around Scotland (2016)
5. Operational Productivity and Performance in English NHS Acute Hospitals. Unwarranted Variations. Lord Carter of Coles. Department of Health (2016)
6. Stoma Appliance Service in Community: Stoma Care Quality and Cost Effectiveness Review Scottish Government (2016)
7. Continence and Stoma PresQIPP Efficiency Programme NHS England (2014)
8. National Therapeutic Indicators Scotland. Therapeutics Branch Scottish Government (2016)