OPTUM®

Case study

NHS England Benchmarking

Background

In January 2014, Optum® supported Greater East Midlands Commissioning Support Unit (GEMCSU), KPMG and NHS England to benchmark spend across a number of key services on behalf of all 10 NHS local area teams (LATs). The primary aim of the work was to identify where potential quality, innovation, prevention and productivity (QIPP) opportunities could be realised within prescribed specialised services commissioning.

Key elements of the work included:

- A review of SLAM (service level agreement monitoring) datasets in order to allow local price benchmarks by provider/commissioner to inform 2014–2015 contract negotiations
- Reviewing LAT adoption of the Prescribed Services Identification Rules

Our approach

SLAM data contains all activity data and is the primary source for detailed information regarding LATs' total financial exposure. This project aimed to review submitted SLAM datasets, compare prices where possible, and identify any gaps that could hinder commissioning intelligence and knowledge.

SLAM submissions were requested for each LAT, representing an unprecedented collation of national monitoring data. Initial data trawls, however, revealed a lack of consistency across the received data sets with huge variations in the quality of data. In some instances, it was insufficient for commissioning purposes due to low activity volumes, inconsistent terminology and inconsistent use of mandated currencies. Optum devised a template as a means to capture the bare minimum data required to inform commissioning decisions.

The team undertook a data cleanse exercise and then conducted a series of reviews to build a picture of each local service price, identifying any national variations. Due to the general poor quality of the SLAM data, a series of focused reviews on a number of high-spend service areas was undertaken. Data from all area teams was then amalgamated, compared to national and provider reference costs, pivoted and circulated to the LATs.

Results/outcomes

The review produced benchmarked information for critical care, high-cost drugs (HCDs), implantable cardioverter defibrillator (ICDs), and neurology and neurosurgery outpatients. Limited analysis was also undertaken on bloods, transcatheter aortic valve implantations (TAVI) and cochlear implants.

The outputs highlighted the costs of the selected services in all Trusts and illustrated prices which were significant outliers from either within local geographies, against peer providers' prices or national prices. For example, the cost of one organ supported tariff in critical care varied from the low £100s at certain providers to more than £3,000 at another. All outputs were supplied to LATs for use in 2014–2015 contract negotiations.

More than £820k was negotiated out of contract due to the available benchmarked information.

Conclusions

Without high-quality, suitably granular information, contract performance management is exceptionally limited. Within certain services it is apparent that commissioners are accepting poor, inconsistent information that cannot be validated or reconciled, and yet are still authorising payment to providers.

Standardised SLAM templates embedded in information schedules within all contracts are crucial for providing consistent and useable data. The adherence to the template should be monitored with sanctions imposed for non-provision of information required for high-quality performance management. A robust approach to data provision and understanding will enhance QIPP delivery and also enable transformational service change.

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