Should clinicians have a role in financial decision making in the NHS?

The NHS faces its greatest financial challenge over the next decade which will ultimately determine its future as a world-class health service, free at the point of use. While spending has increased by approximately 4% annually in real terms since its inception, the NHS budget has remained relatively fixed and is expected to remain stagnant for years to come (Roberts et al, 2012). This divergent trend in spending and funding has been exacerbated by a growing ageing population with complex multimorbidities coupled with greater patient expectations and higher treatment costs. As it currently stands, the NHS is faced with a sizeable funding gap with estimations of a £30 billion deficit by 2020 (Roberts et al, 2012). Given the scale of the financial challenge, it is imperative that resources are used effectively and all avenues explored to contain costs.

Can efficiency savings be made?

The Carter review was commissioned to scrutinize productivity and efficiency across the NHS (Lord Carter of Coles, 2015). The high-profile report claims that £5 billion could be saved annually through greater efficiency, highlighting the need to address variation in spend that exists in some parts of the NHS. Lord Carter specifically earmarked an estimated £500 million to £1 billion that could be made in savings from procurement practice, which costs over £9 billion a year (Lord Carter of Coles, 2015).

Increasing efficiency, reducing waste and achieving high value care is a role that has not been limited to policymakers but also is the responsibility of frontline staff, as highlighted by the Academy of Royal Medical Colleges (2014) report *Protecting resources, promoting value*.

The role of clinicians

Good procurement practice is of interest to frontline staff as it encompasses non-workforce or estates spend that is under clinicians' stewardship. Of the £9 billion spent every year on procurement, daily consumables such as dressings and syringes cost around £2 billion and high-value medical devices such as hip prostheses cost around £3 billion (Lord Carter of Coles, 2015). The Carter review revealed that the NHS catalogue consists of as many as 500 000 products with a price variance of over 35% (Lord Carter of Coles, 2015). This is in stark comparison to the stated global best practice of 6000–9000 products with a price variance of 1–2% (Lord Carter of Coles, 2015).

There is an immediate need to improve our procurement processes and clinicians must be at the forefront of efforts to do so. The *Getting It Right First Time* report analysed the cost of the Stanmore total hip replacement, a commonly used cemented implant, which costs around £650 compared to an uncemented implant that can cost £1650 or more (Briggs, 2012). Figures from the National Joint Registry demonstrated 'more evidence for the long-term survival of the cheaper cemented prostheses than uncemented', but despite this, uncemented total hip replacements continued to account for 40% of the implanted prostheses in the National Joint Registry (Briggs, 2012). By replacing uncemented total hip replacements with cemented prostheses in 70% of operations, the report concluded that the NHS could save £14 million each year (Briggs, 2012).

The place of technology

In recent years, technology has been cited as a potential 'saviour for the NHS' (Hudson, 2016) and in the context of procurement it can play a pivotal role. First, it can help optimize processes and cut costs; cloud-based solutions will allow automation of payment processes, invoice processing and monitoring suppliers (Ernst and Young, 2016). Carter's vision of consolidating spend through creation of a single central electronic catalogue is an exciting prospect if big data capabilities can be incorporated (Lord Carter of Coles, 2015). This is an opportunity for clinicians, managers and data scientists to work together to make better-informed decisions on spending.

Analytical digital technology can assess real time spending in the NHS and cloud-based solutions could help the NHS overcome the difficulties in supply chain management of multiple organizations scattered across the country. Artificial intelligence will take this further, with predictive capabilities allowing health-care providers to pre-emptively order required goods from suppliers 'just in time', reducing wastage (Ernst and Young, 2016). Application of big data to supply chain management will also allow the performance of suppliers to be tracked and compliance with contracts to be monitored (Ernst and Young, 2016). Data gathered would be useful for clinical and research trials evaluating the performance of medical devices. It will also allow the NHS to ensure best value by comparing pricing for goods and services across the NHS landscape. Harnessing digital technology in the NHS supply chain will lend itself to data-driven decision making in planning future health-care services to meet areas of increased demand.

Lessons from other countries

International health systems are already using data analytics to improve efficiency and aid clinical decision making. In 2014, Intermountain in the USA launched 'ProComp', designed to cut costs by monitoring its 50 highest-volume procedures

Dr Faheem Ahmed, National Clinical Entrepreneur Fellow, NHS England, London SE1 6LH

Dr Naeem Ahmed, Radiology Specialist Registrar, St George's University Hospitals, London

Professor Robert Lechler, Vice-Principal (Health) and Executive Director of King's Health Partners, King's Health Partners London

Professor Tim RW Briggs, Consultant Orthopaedic Surgeon, Royal National Orthopaedic Hospital NHS Trust, London

Correspondence to: Dr F Ahmed (faheem.ahmed@doctors.org.uk)

and immediately relaying information on supply options directly to its surgeons (Fitzgerald, 2015). For example, some cardiac surgeons at Intermountain were using sutures that cost $750 while other cardiac surgeons in the same institution used $250 sutures, with analytics revealing 'no appreciable difference in patient outcomes' (Fitzgerald, 2015). Mark Ott, Chief of Surgery at Intermountain, stated that most surgeons stopped using the more expensive sutures when they were faced with the data. In its first year, ProComp cut $25 million from operating costs in its Surgical Services Clinical Programme and by 2018, the project aims to reduce costs by $400 million (Lord Carter of Coles, 2016).

High profile reviews have highlighted the contribution that frontline staff can make in ensuring sustainability of the NHS (Briggs, 2012; Academy of Royal Medical Colleges, 2014; Lord Carter of Coles, 2015, 2016). Procurement is often seen as the domain of managers and low priority for clinicians. However, McKinsey consulting group reports that collaboration between physicians and procurement teams on a wide range of issues including pharmaceuticals and imaging enabled a $4 billion non-profit health system in the USA to lower sourcing costs by 12% (Lichtenberger et al, 2016). The report also recommends clinical engagement as an integral part of 'sourcing excellence' with a procurement rotation potentially becoming a part of a clinical leadership programme.

Conclusions

Many will argue that frontline staff do not have the capacity for additional responsibilities alongside their primary role of delivering care, but managing resources effectively remains part of good medical practice (General Medical Council, 2012). At a time of austerity, clinical leadership is required to ensure procurement processes best serve patients and to ensure that waste is minimal. The current emergence of big data initiatives, digital technology accelerators and clinical leadership programmes should be confluent with improving procurement processes as an aim, and therefore help in ensuring sustainability of the NHS. **BJHM**

KEY POINTS

- Given the size of the projected NHS funding gap, it is imperative that resources are used effectively and all avenues explored to contain costs.
- Clinical leadership is required to reduce variation in care and to improve procurement practice.
- Better use of technology and learning from international best practice will help the NHS reduce wastage.

Academy of Medical Royal Colleges (2014) Protecting resources, promoting value: a doctor's guide to cutting waste in clinical care. www.aomrc.org.uk/wp-content/uploads/2016/05/Protecting_Resources_Promoting_Value_1114.pdf (accessed 17 January 2017)

Briggs TWR (2012) Getting it right first time. https://www.researchgate.net/publication/259390150_Getting_it_Right_First_Time (accessed 3 July 2017)

Ernst and Young (2016) Empowered by analytics: procurement in 2025. www.ey.com/Publication/vwLUAssets/ey-empowered-by-analytics-procurement-in-2025/$FILE/ey-empowered-by-analytics-procurement-in-2025.pdf (accessed 17 January 2017)

Fitzgerald M (2015) When healthcare gets a healthy dose of data. http://sloanreview.mit.edu/case-study/when-healthcare-gets-a-healthy-dose-of-data/ (accessed 17 January 2017)

General Medical Council (2012) Planning, using and managing resources. www.gmc-uk.org/guidance/ethical_guidance/11831.asp (accessed 17 January 2017)

Hudson B (2016) Can a digital revolution save the NHS? www.theguardian.com/healthcare-network/2016/oct/03/can-digital-revolution-save-nhs (accessed 17 January 2017)

Lichtenberger S, Neal E, Ungerman D (2016) How sourcing excellence can lower hospital costs. McKinsey Healthcare. http://healthcare.mckinsey.com/sites/default/files/779148_How_Sourcing_Excellence_Can_Lower_Hospital_Costs_Health_International_10.pdf (accessed 17 January 2017)

Lord Carter of Coles (2015) Review of operational productivity in NHS providers. www.gov.uk/government/uploads/system/uploads/attachment_data/file/434202/carter-interim-report.pdf (accessed 17 January 2017)

Lord Carter of Coles (2016) Operational productivity and performance in English NHS acute hospitals: Unwarranted variations. www.gov.uk/government/uploads/system/uploads/attachment_data/file/499229/Operational_productivity_A.pdf (accessed 17 January 2017)

Roberts A, Marshall L, Charlesworth A (2012) A decade of austerity? The funding pressures facing the NHS from 2010/11 to 2021/22. www.nuffieldtrust.org.uk/files/2017-01/decade-of-austerity-full-web-final.pdf (accessed 3 July 2017)