Improving services for patients through pathology networks

Dr Ian Fry MBE FRCPath
Director of Berkshire and Surrey Pathology services
Broadly the current aim

- NHSI have proposed 29 pathology networks in England
- A ‘hub and spoke’ network model whereby high volume, non-urgent work is transferred to a central laboratory or laboratories to maximise benefits through delivery at scale, with essential service laboratories providing low volume urgent testing close to the patient
- Operating through a defined legal entity, to enable UKAS pathology accreditation
- This facilitates a new operating model that delivers savings and improved quality
Context: The drive to deliver savings and quality improvements.

- Carter reports 2006, 2008 and 2016
- Five Year Forward View 2014: the integration agenda
- Dalton Review 2014: organisational form for providers
- NHS Improvement pathology networks initiative 2017
- The past – little progress has been made in the reorganisation of pathology services since 2006
- The future - Can you save the money and improve quality?
Recognition of Complexity

• **Stakeholders capability to calculate the size of the prize and the risks of collaboration.** Valuing stakeholders inputs and current costs is challenging. Specifically relative productivity of each laboratory service, value of revenue sources, current contracts and addressing potential TUPE and procurement liabilities.

• **Pathology organisational form** can create difficulties for effective integration within NHS clinical and quality governance structures.

• **Key decisions on operational reconfiguration and organizational design** will involve operational teams where vested interests and professional boundaries hinder achieving optimal networks.

• **Stakeholder, clinician and staff engagement** need embedding within the planning processes or support will be lost over the multi years change required.
Recognition of Complexity

• **Investment cases need to capture the complete range and scale of economic benefit** and not focus narrowly on such things as managed service contracts for equipment and the VAT advantages.

• **Planning and implementation approach** needs to focus on both ‘top down’ issues such as governance, shareholding and finance as well as ‘bottom up’ issues such as operational reconfiguration, improved clinical pathways to get successful outcomes. Clear business case with transition plan and strong programme management is key.

• **Sustainability** of any network solution requires long term commitment from the stakeholders, the network and their teams with an understanding across the stakeholder organisations of how to retain organizational memory and commitment. Benefits will continue to accrue with this approach.

• **Future - Technology and virtual or e pathology** future proof - vision and strategy
Recognition of complexity

In order to delivery reconfiguration the following will be required:

• **Staff consultation** and redesign of the workforce
• Establishing an **integrated IT system** across the network
• Establishing an **integrated transport network** to support the changes
• **Engagement** with staff and clinicians to deliver the change and maintain BAU
• Need to **maintain full accreditation** of the laboratory during the change
• **Maintain financial control** during the change
• **Deliver** main operational **targets** and the **business case**
Commercial structure (some examples)

- Contractual JV with a single management team
- Hosted NHS model (arm’s length organisation)
- Corporate joint venture
- Outsourcing
Factors to consider for the commercial structure

• What kind of organisation do you want?
• What involvement do you want?
• Ease of establishment
• Ability to allow:
  o Access to Capital
  o Sharing of risk and benefit
  o Autonomy / shared decision-making
• Procurement law
• Competition law
• Workforce retention and recruitment
• Service delivery and development
• VAT
How best to share benefits and risks? Independent of commercial form, operational configuration and organisational design. **Equality or equity?**

• An ‘equal’ share in the new venture implies that stakeholders will share the benefits, costs, risk and opportunities associated *equally* (obviously!)

• An ‘equitable’ share would be based on an *equitable* distribution of the value or amount of (for example):
  • input assets, including current productivity of the laboratories
  • relative liabilities of each service
  • ‘kit’ and space contributed (and released for other purposes)
  • the value of current contracts (supply *and* purchase)
    • relative longevity of demand (length of contracts)
    • relative price (and therefore margin) of contracts compared to current cost
Pathology Networking, can you reduce cost and improve quality?  
YES  
Can it be delivered?  
YES
Why do I believe that?

Delivered and maintained 4 successful NHS consolidations of pathology over 20 years.
Experience of consolidations with and without local champions- friendly versus hostile.
Experience of working with 18 different CEOs and FDs during my period as a pathology Director whilst still expanding a network.

Director of a private pathology laboratory for 2 years.

Worked independently with KMPG chairing a consolidation of four trusts that did not progress.

Wrote report for SHA on reconfiguration of pathology service in Kent Surrey and Sussex.

Experienced manager at Director level and experienced clinical manager in pathology with 42 years experience.

Experience of a network partner hospital going into turnaround and the challenges that can bring.
Why are you here?

A guess - that **pathology is on the to do list.**

**Everything you decide** about how you do this and what your input will be will determine not only the success or failure of the network but also the type of pathology service your patients receive and **will impact on the performance of all other services.** E.g. ED, acute medicine, cancer agenda.

- Are you interested in the pathology weeds?
- Does it impact on your agenda?
- Do you feel competent to know?
- Where do you go for trusted advice?
- Can you collaborate, see the greater good and your stakeholder benefit?
- What are the board/CEO development needs if any?
Strategic Partners

- Partnership understanding of each other's expectation, developing service.
- Reputation enhanced
- Core values and purpose complimentary
- Mutual benefit based on complimentary strategy and business development.
Modernising Strategy

- Managed pathology networks providing a wider strategic context for planning pathology services.
- Modernisation strategies to support service development in stakeholder organisations.
- Involving pathology into wider service developments and re-organisations such as ACOs.
- Making effective use of IT and new technologies – robotics, POCT, Digitalisation, genomics, AI.
- Improving information management.
Commissioner view collaboration?

- **Achievement of optimum value for money** - striking a balance between efficacy of the services and cost.

- **Development of a whole system approach to the provision of healthcare** - ensure provision of services to patients is integrated to provide high standards and affordable cost.

- **Partnership approach** - whereby commissioners and providers share aims, visions and risks to achieve the best level of affordable service for users and patients.

- **Continuous development** - where the commissioners and the providers continually review the service to assist commissioners to achieve their service objectives through the deployment of optimal solutions.
Innovation

- **Focus on user requirements** of the pathology service
- **Focus on differentiators of cost and quality** that you can provide
- Ability to **identify new services** required by users
- **Service orientated approach for the user** – strengthening ties with key clinicians and managers
- **Integrate the commercial with the NHS strengths** – quality of governance, integration with patient pathways, staff opportunities
Strategic development
Integrated
Local history

• 1988 – Formation of Partnership Pathology Services, joint venture between Royal Surrey County Hospital and Frimley Park Hospital

• 2012 – Surrey Pathology Services, joint venture between Royal Surrey County Hospital, Frimley Park Hospital and Ashford & St. Peter’s Hospital

• 2014 – Following the acquisition of Heatherwood & Wexham Park Hospital by Frimley Park Hospital, Heatherwood & Wexham joined the Surrey Pathology Services group

• 2016/17 – Royal Berkshire Hospital joined as a new partner

Overall current workload 35 million tests per annum serving a population of approximately 3.2 million. Fifth largest of the 29 networks proposed.

Cash releasing savings of between 10 to 20% of operating cost per consolidation. Total staff reduction across all consolidations combined 250 WTE.
BSPS Region
Reasons for forming BSPS

To improve quality, efficiency and effectiveness of the service leading to better patient care.

This can be achieved through:

• Better training and development opportunities for all staff and improved recruitment and retention in a reducing labour market

• Improve quality standards to produce Centres of Excellence for pathology, with an increased pool of consultant expertise across sites

• Economies of scale to reduce unit costs and allow income to be maximised whilst retaining defined laboratory services on acute sites

• More efficient and effective utilisation of facilities and equipment and innovating in a rapidly changing technological environment

• Increased volume and range of specialist services locally, taking advantage of economies of scale
What do we stand for?

Berkshire & Surrey Pathology Services is an NHS provider with a commercial approach. This means:

• We are owned and run by the NHS
• We have NHS quality and governance standards
• We provide a ‘complete’ pathology service
• We are user/customer focused in attitude and service
• We take responsibility for our financial viability and sustainability
• We value and develop our staff resource
Overall structure

• Joint ownership by the Trusts with a Pathology Board (contractual JV)
• Single integrated management structure and budget
• Radical redesign of service and workforce between sites
• Single integrated governance structure
• Single clinical leadership and accountability
• Integrated IM&T
• Integrated transport
• Significant cash released saving – mainly staffing
• Investment in pathology from within the business case.
## Service Configuration

<table>
<thead>
<tr>
<th>Future</th>
<th>Future Response Laboratory</th>
<th>Histology</th>
<th>Cytology</th>
<th>Immunology</th>
<th>Virology</th>
<th>Blood Sciences</th>
<th>Microbiology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frimley Park Hospital</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Royal Berkshire Hospital</td>
<td>✓</td>
<td>✓*</td>
<td>✓ (NG)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Royal Surrey County Hospital</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>St Peter’s Hospital</td>
<td>✓</td>
<td>X</td>
<td>✓ (NG &amp; Gynae)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>Wexham Park Hospital</td>
<td>✓</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
Outputs of consolidation

**Pros**

- Achieved full UKAS/CPA accreditation throughout
- Safer, improved and sustainable services for patients
- Increased level of clinical expertise and leadership
- Patient pathway improvements
- Workforce redesign to meet future need of service and provide development opportunity.
- Viable self funding business case
- Savings targets achieved within 2 years for each consolidation and reduced cost per test
- Investment in technology to improve efficiency and quality
- Investment and improvement in estate and IM and T
- Logistics part of pathology – improved transport and integrated IM and T

**Cons**

- Initially perceived loss of control by stakeholder organisations
- Sense of ‘loss’ on local sites by clinical, managerial and staff teams
- Disruption and service risks in transition
- Cross organisation cultural challenges
- More complex business model
- Complex logistics
- Pace of change required to minimise disruption.
- Requirement to standardise clinical practice and pathways, and equipment
- All the same challenges as before but on a bigger scale e.g. BC and DR
- Complex communication challenges relationship management
Learning

• **What do CEOs need to do** – agree and support the strategy and the business plan ensuring commitment in their organisations at all levels in particular from their executive team. Show commitment to the project to staff in the laboratory. Help clear obstructions. Stay engaged. Networks are a pain for trusts and executive leads CEOs need to support the bigger picture. It’s going to be hard, difficult and disruptive for at least two years and the network team need full support.

• **Pace of change** timelines needs to be all major changes and savings released with 2 years of management change. Year 1 is planning, engagement, business case approval. Year 2 and 3 delivery of main operational changes and savings with new management team. Any longer and it is unlikely to happen any less and it will be stretch capacity.

• **Transition** shadow pathology board and pathology executive needs to work through together the planning stage, business case, transition and then on to the full ownership.

• Timelines to new organisation having full accountability needs to allow for local input with previously existing teams so local relationships and governance are not lost.

• Need good **links to trust governance, clinical and management teams** – this is a tough one.
Learning

• **Business model** needs **transparency, simplicity** and the **flexibility** to allow growth in the business

• Early **engagement with clinical teams and laboratory staff** to ensure ownership of solutions

• Local champions clinical, managerial and staff representatives are essential. Recognise different organisational cultures

• **Credibility and trust of network** confidence takes time to establish

• Thorough **due diligence of the previous operational model** on all sites often the organisations are not aware of all the details

• **Integrated IT and transport is critical**

• **Metrics and performance data** are crucial before and after the change to address any concerns. Need a **bench to board** view

• **Main implementation costs** IT, project management, estate, potential redundancy but not a major reality

• **Look to the future when planning** gaining continual financial and quality benefits
Don’t get tangled in the weeds but understand the risks and opportunities
Governance structure (interim and final)
Future of pathology – patient-centred
Using Technology to Improve and Develop Service and the Workforce

- Robotics
- Automation
- Digitalisation
- Centralisation

- Specialised Tests

- Social Media
- PRM
- Apps

- Digitalisation
- Decentralisation

- IT

- AI
- Information Knowledge

- Clinical need
- Patient need
Approach to keeping your head above water

Key Steps:

• Understanding the Market
• Engagement
• Vision/Strategy
• Stakeholder Commitment
• Viable Business Plan/Model
• Ability to Deliver the Plan
• Sustainability
Key Elements of the programme

- Leadership and Programme management
- Stakeholder/staff engagement/organisational cultural differences
- Vision/strategy
- Operational model and design
- Commercial/financial/estates
- Clinical Governance and quality
- Logistics - IT and transport
- Workforce redesign and development
- Business development, future opportunities
Achievable Change
Breakout session 2

- Safe morning discharge of patients at Western Sussex (London Wall)
- Moving to Good and beyond: London Ambulance Service’s 2-year journey (Bishopsgate 2)
- Treating staff fairly and consistently when care doesn’t go to plan (Bishopsgate 1)
- Failure and success – a game of two halves (Broadgate 2)
- Building and sustaining effective collaborative networks in your local system (Broadgate 1)