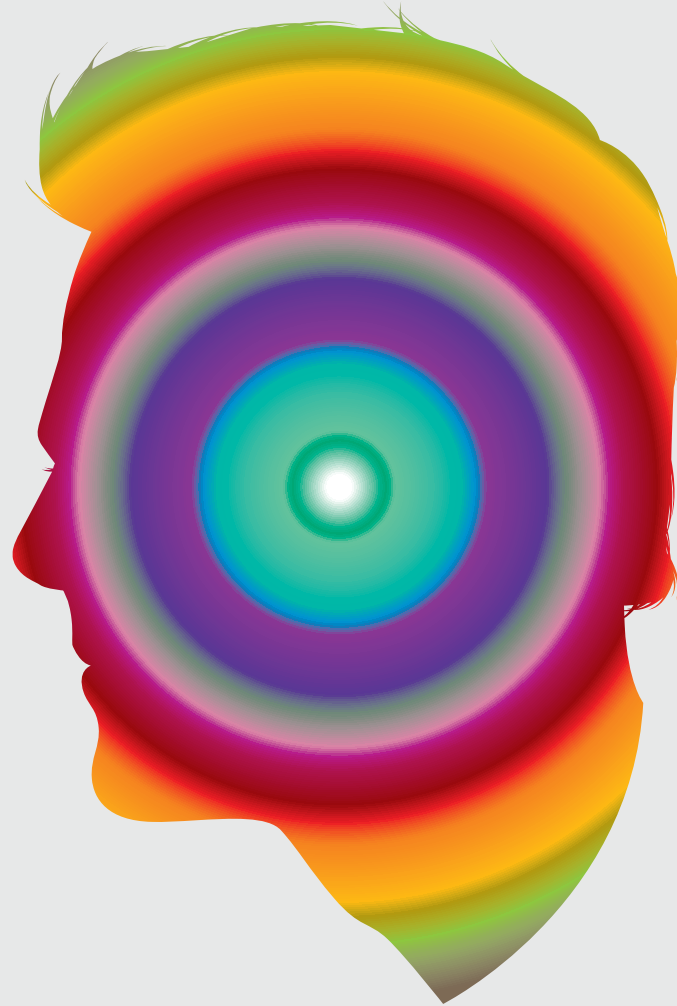


Delivering Healthy Ambitions Better for Less



Overview.

A single managed network of pathology laboratories can reduce cost & variability, improving quality, productivity and efficiency.

Lord Carter's Independent Review of Pathology Services (2008) identifies a cash releasing potential of up to £50m per SHA within pathology services. This equates to £3.5m per PCT in Yorkshire and the Humber.

Path Links

Chief Executives across Lincolnshire recognised the need to improve sustainability, quality and cost effectiveness of pathology services. This led to a single pathology service, serving 5 hospital Trusts.

Path Links was formed as a single service provider for pathology services across all healthcare providers within Lincolnshire in 2001. Operating as a Clinical Division of Northern Lincolnshire & Goole Hospital NHS Foundation Trust (NLAG), services are provided from 5 hospital based laboratory sites across the region.

Considerable variability existed across the previously 5 independent pathology services in terms of quality, access and affordability. Crucially, a number of services, particularly Histopathology, were operating on the edge of viability. This resulted in higher costs and lower quality services with limited scope for improvement.

Whilst realising significant quality improvements and reducing cost variability through consolidation, economies of scale and standardisation, Path Links has progressed further through the application of LEAN principles and working practices across the organisation.

Evidence

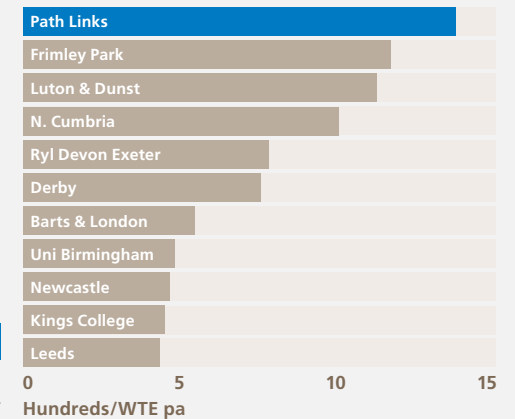
Path Links provides evidence on the benefits of a single service provider and can be seen as best practice for other health economies.

Taking Histopathology as an example, consolidation of services onto a single laboratory site delivered cost, quality and productivity benefits. Benchmarking data from the Healthcare Commission, Acute Hospital Portfolio, provided an illustration of the progress made. Of 186 NHS Trust pathology services in England, Path Links demonstrated exemplary performance against all measured criteria and notably:

Histopathology Service Criteria	Ranking
Workload (total number of requests)	2/186
Productivity (total requests per staff)	1/186
Cost per request (non pay)	3/186

These findings were similarly demonstrated from the Carter pilot site benchmarking data 2007.

**Total requests per staff – Histopath. (Hundreds)
Path Links vs Carter Pilot**



Further Improvement

The challenge for Path Links, from a position of being the most productive NHS Histopathology service in England with below lower quartile costs, was to continue delivering even higher standards of quality and productivity whilst simultaneously reducing costs.

This is being achieved by embedding LEAN philosophy into all aspects of working practices of the department and service. Significant additional quality, productivity, efficiency and cost reduction gains are demonstrated:

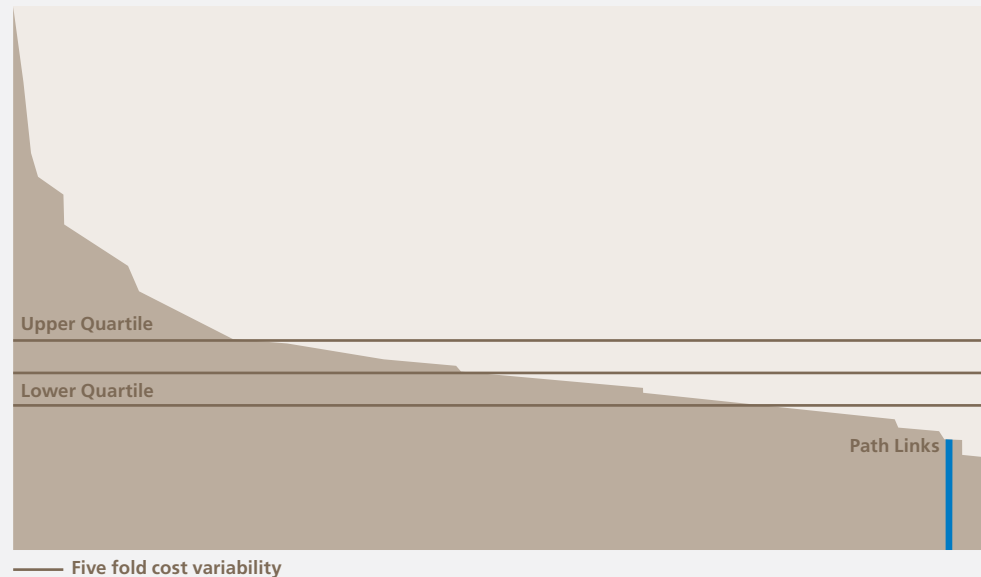
Path Links – Impact of LEAN in Histopathology 2008 – 2010

Reduced Turnaround Time (Total TAT)	45%
Increased Productivity (reduction in processing time)	60%
Increased Efficiency (reduction in process steps)	53%
Improved Quality (reduction in labelling errors)	98%
Improved Space Utilisation (reduction in space)	15%
Shortened Working Day	15%
Reduced Staff Costs	8%

How could we provide better care for less?

Significant cash releasing savings could be achieved from a targeted approach aimed towards reducing the significant cost variability between pathology services, bringing current high cost services down towards median or lower quartile cost levels.

Total Cost per Request – Histopathology



Reducing costs, and cost variability, is achievable from the consolidation of pathology services through the development of single managed networks. Beyond Histopathology, major reconfiguration and consolidation of services has been achieved in all other pathology disciplines across Path Links. Examples include:

- Microbiology, whereby services are provided from two centres (previously five)
- Blood Sciences (Haematology & Clinical Chemistry), with the development of a single high capacity laboratory enabling the diversion of primary care activity thereby eliminating the requirement to expand capacity on other sites in response to rising demands
- Immunology; consolidation of three services into one led to significant financial and quality benefits including the establishment of a robust clinical immunology service previously unavailable in Lincolnshire

Path Links has also achieved full standardisation of equipment and procedures, underpinned by a single IT infrastructure, across all areas of operations. Whilst the standardisation of analytical platforms and processes across multiple single sites poses significant cultural and clinical leadership challenges for those considering pathology network development, the Path Links project has clearly demonstrated that this is not only feasible, but will also enhance the quality and cost effectiveness of services provided.

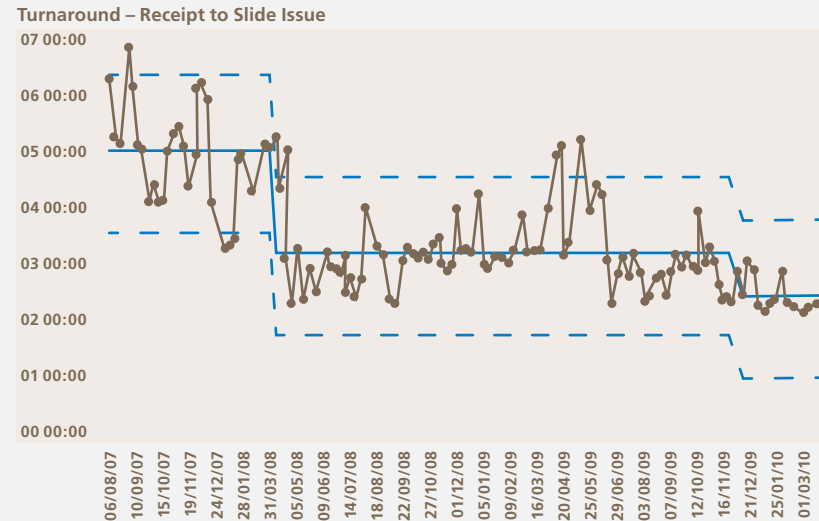
Patient benefits

Access to specialist care, including:

- The development of a Consultant led Clinical Immunology Service with specialist care for patients with immunological conditions than was previously available
- Consolidation of histopathology services created a critical mass of consultant staff to enable sub-specialisation, specialist peer review, MDT support and staff recruitment

Faster turnaround times, e.g.

- A cytology screening target of 'next day' reporting is being pursued through implementation of LEAN working practices, delivering a considerable improvement on the current national 2 week target.
- Histopathology LEAN implementation has delivered 50% reduction in laboratory turnaround times (see graph)



Quality benefits

- Reduced errors in sample testing and reporting; implementation of LEAN 'single piece flow' has led to a slide labelling 98% error reduction in histopathology
- Service continuity from multi skilled staff
- Standardisation of practice and implementation of LEAN methodology

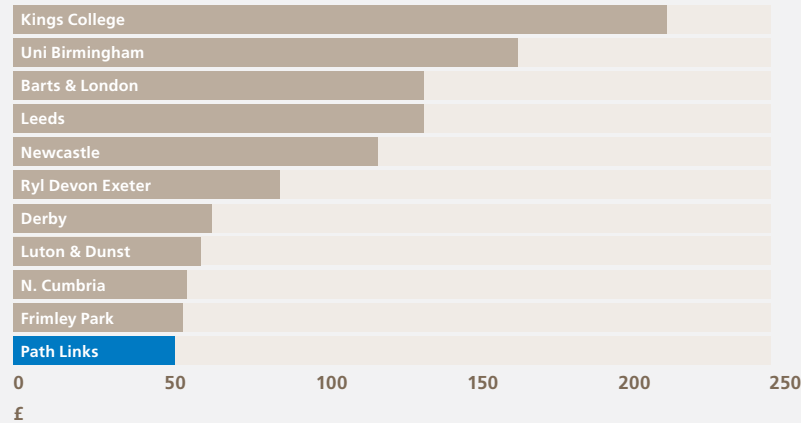
Efficiency benefits

- Improved recruitment, elimination of locum expenditure and consequent improved standards of clinical care
- Reduced carve out and seamless continuity of service from multi skilled staff

Financial benefits

- High cost effectiveness with Path Links operating well below lower quartile costs and productivity levels above the upper quartile
- Consistent full delivery of annual CIP

Total costs per request – Histopath.
Path Links vs Carter Pilot



What needs to happen next?

The approach taken by Path Links could be adopted for pathology services in other areas across the SHA with the aim of delivering world class services across the whole of the region.

Chief Executive engagement is essential to enable the development of pathology networks and to ensure LEAN becomes embedded into defining future services of all laboratories. Service reconfiguration, with quality embedded from a culture of continuous improvement, will enable delivery of high level goals on quality, value and productivity.

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