



# Commissioning for Outcomes

Developing KPIs and metrics

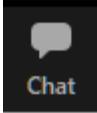
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BAILEY & MOORE

# Housekeeping

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- The presentation usually lasts 60 minutes, plus about 15 minutes for questions
- But we are happy to stay online as long as you want us to 😊
- Ask questions as we go, using  at the bottom centre of the Zoom screen
- All slides are on our web site – link at the end
- If you're using someone else's invite, send us your email address if you would like a copy of the slides or to be sent details of further courses

# What we will cover...

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- What do we need to measure? Separating out inputs, activities, outputs, outcomes & impacts
- Why commission for outcomes?
- Starting from the top – the national NHS Outcomes Framework domains & indicators
- What are KPIs designed to do?
- Designing effective KPIs – some dos and don'ts

Before you  
get started...

a few  
reminders



# What do patients want?

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- to see someone they trust
- who knows what they are doing and can come up with a plan to help them – as quickly as possible
- to have things explained clearly
- to know what will happen to them
- or help them to understand their options

They don't care about pathways, allocations, organisational boundaries – they want to know will this get better or not!

# What do clinicians want?

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- to give their patients what they need
- clarity about what outcomes should be delivered and how
- respect for their clinical judgment
- to manage patient expectations within the service - and to have a plan for any over heating

They don't care about allocations and organisational boundaries – they want to do the best for their patients!

# What does the ICS need?

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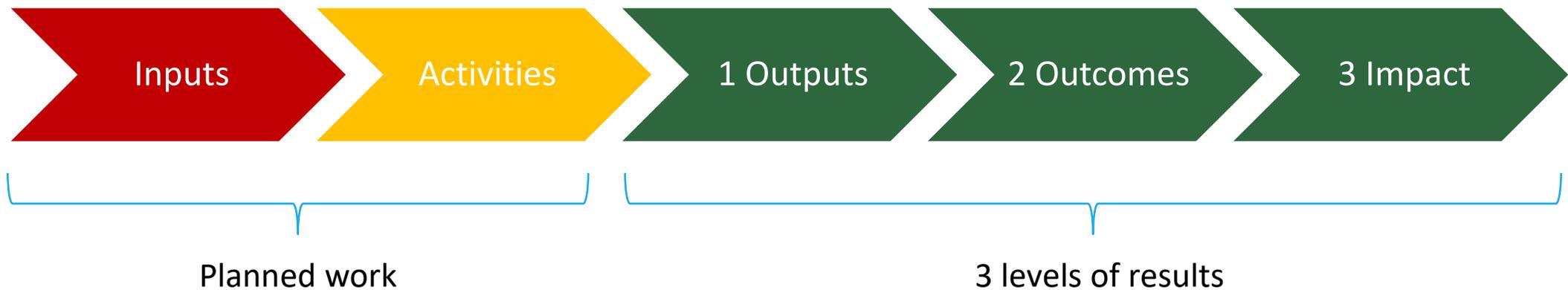
- clarity around the services that should be provided within the system...
- and what won't be provided...
- and to understand where it is necessary to state this explicitly
- to shift the system focus towards **key outcomes** for patients, rather than activity volumes and inputs
- assurance that clinicians/patients are content with the service model
- to leave operational issues for the provider to manage

What do we  
need to  
measure?



# 5 things we could measure...

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# In more detail...

Inputs	What is used to deliver the service, e.g. funding, staff, equipment. Often confused with activities. Inputs ensure it is possible to deliver the intended service. <i>e.g. 3 WTE Smoking Cessation advisors</i>
Activities	Actions associated with delivering the service. In other words, what staff do in order to achieve the aims of the service. <i>e.g. organise support group meetings</i>
Outputs	First level of results – what the project has achieved in the short term. Outputs quantify the project activities that have a <i>direct link</i> on the desired outcomes and impact. <i>e.g. 50% patients attending meetings have quit smoking for &gt;6 months</i>
Outcomes	Second level of results – what we wish to achieve. An outcome is an effect the service produces on the people or issues you need to address. <i>e.g. reduce mortality rate from respiratory and cardiovascular disease by 10% by 2024</i>
Impact	Third level of results – long-term consequence of a programme <i>e.g. NHSOF Domain 1: preventing people from dying prematurely</i>

# More about...



- Short-term results – actions or products that were created or delivered, the number of people served, and the activities or services provided.
- Usually describe outputs with numbers... *after attending the course 50% of smokers were still smoke free after 6 months*
- Outputs are measurable and readily determined – tempting to stop with outputs because they are easy to produce... you just count. *How many people had quit smoking? How many Outpatient attendances were delivered?*

**BUT need to assess achievement of the next level... outcomes and impact**

# More about...



- Outcomes refer to the medium-term consequences and is the effect the service produces on the people or issues you wish to address
- What do we want to achieve? Socially meaningful health changes for the cohort of patients for which the service is intended, generally defined in terms of expected improvement in condition, behaviour or health status
- Outcomes should be measured as they link directly to the efforts of the ICS and serve as a basis for joint accountability

# Outputs vs outcomes: choosing a hamburger...

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*McDonald's sells approximately 33 million hamburgers a day*

*Five Guys sells approximately 350,000 burgers a day*

- Based on this information, who makes the better burger?
- Counting hamburger sales is obvious but does this prove effectiveness or impact?
- Whereas an outcome is the performance or achievement that occurred because of the activities and outputs – i.e. was the process successful against the objectives required by the service spec?
- Depending on what objectives the spec set out, outcomes here might be **which burger tasted the best** or **which burger had the highest nutritional value?**

# More about...



- Long-term consequence of a service/programme – what we ultimately hope to achieve in the great scheme of things
- The result of all outcomes of all services – difficult to ascertain exclusive impact of a services since other projects/services can contribute to same impact
- Impacts are hard to measure since they may or may not happen
- For instance, graduating from a training program may eventually lead to a better quality of life for the individual. But how do you know? What are the indicators of a better quality of life? How long will it take to see the impact?

# To summarise

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Using the smoking cessation service example:

**Input** Successfully recruited 3 WTE smoking cessation advisers



**Activity** Organise support group meetings 5 times per week

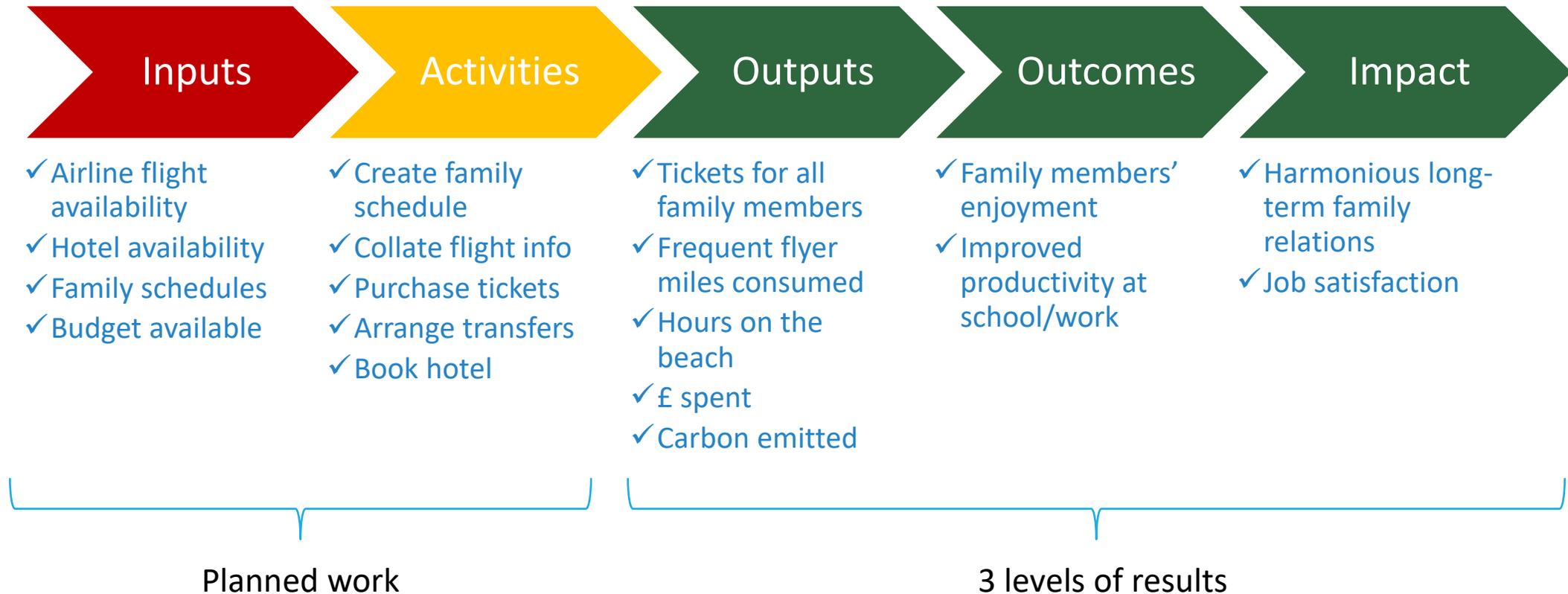


**Output** Increase the number of patients successfully quitting smoking by 15% compared to last year

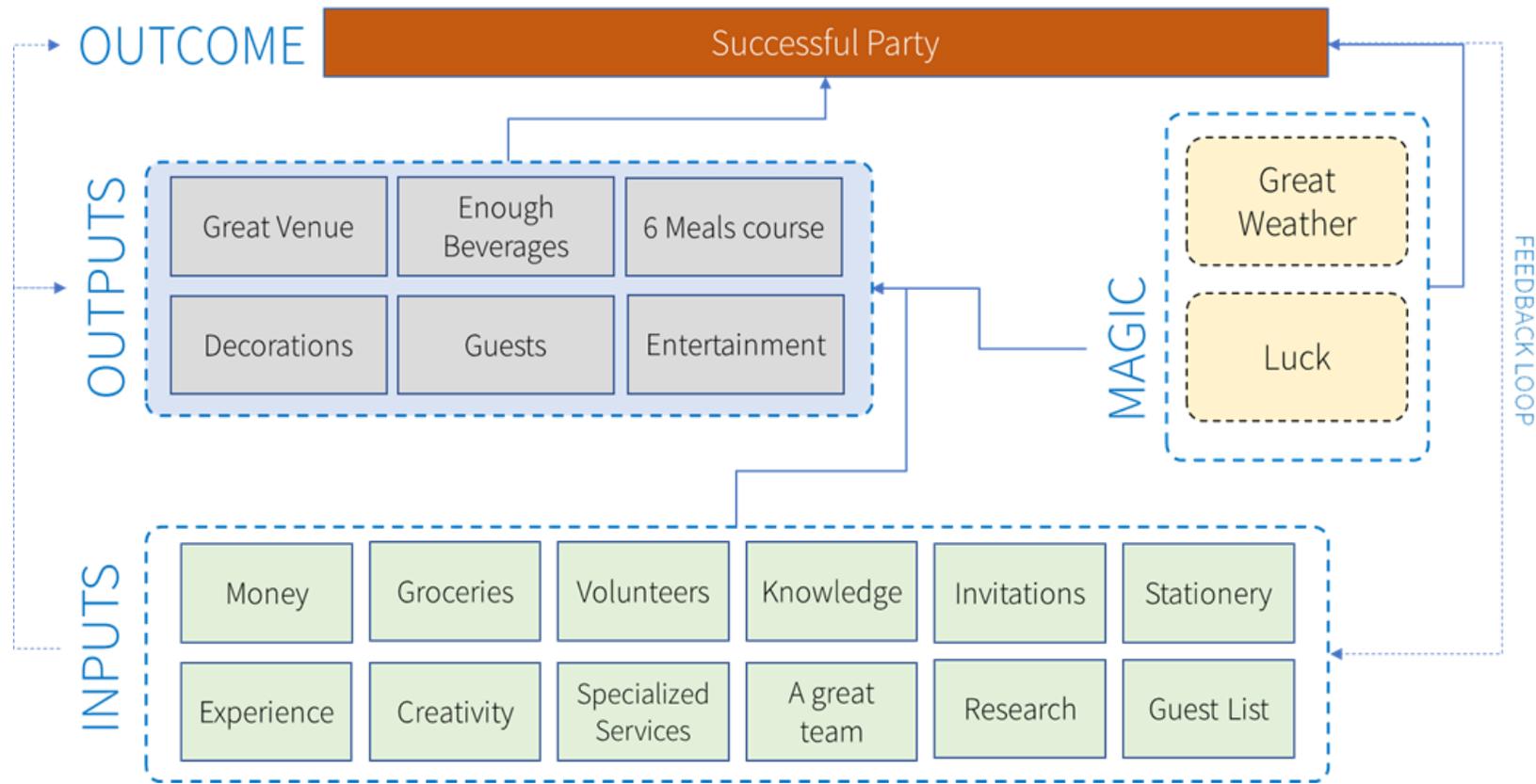
**Outcome** Reduce the county's mortality rate from respiratory and cardiovascular disease to below the average for England

**Impact** NHSOF Domain 1: Prevent People From Dying Prematurely

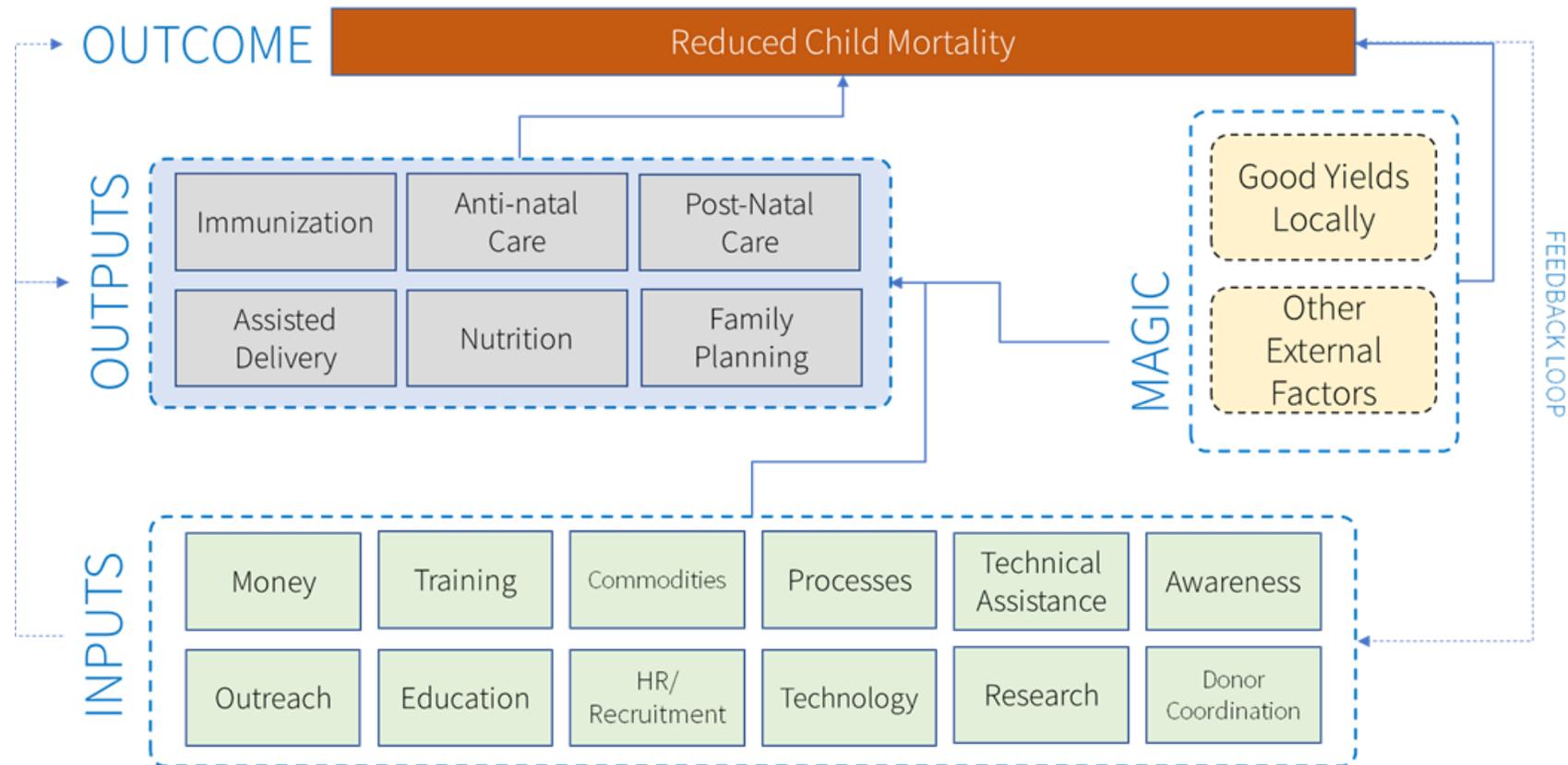
# Another example: planning a family holiday



# Example process map: organising a party



# Using a similar process map: organising maternity services



# Why commission for outcomes?

Understanding commissioning for outcomes in 10 seconds...

## Do outcomes matter?

Brilliant surgery!  
Well done!  
Shame the patient died.



The key principle behind commissioning for outcomes is a clear focus on the actual results being achieved for the individual and for populations and putting in place commissioning models and/or pathways of care to achieve those results

# Why commission for outcomes?

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- Huge opportunity to get different parts of local health systems working together, to deliver patient benefit
  - Understand how resources are used, what health gain outcomes are delivered and how these can be measured
  - Redesign the application of resources to maximise health gains delivered
  - To expand the skills capabilities and expertise across the system so this approach becomes “business as usual”
  - Inputs, activities & outputs still matter – but we want better patient outcomes...
- AND btw... commissioning for outcomes is NOT a savings programme...

# How to commission for outcomes

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- Unlikely that any single provider of care can deliver any given outcome in isolation from other providers
- Only possible if appropriate contracting mechanisms are in place
- Existing contracting models require modification to encourage/reinforce shared accountability – strengthening existing arrangements won't work in the long run
- Need to agree outcomes across provider organisations and the full pathway
- Rather than working against each other through 'arm's length' contractual negotiations

# Joint accountability for outcomes/costs

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In the current internal market system:

- No one provider is accountable for/has visibility of whole cycle of care
- Results in a lack of ownership of the overall/continuing health of the patient
- Focus tends to be on reactive treatment, rather than proactive intervention and preventative action
- Clashing organisational objectives as each provider delivers care for their part of the patient pathway...

# Joint accountability for outcomes/costs

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In a more integrated system:

- Recognised that different providers are needed to deliver the specified outcomes across the full care pathway for a group of people with similar needs
- Key objective should be... how to best deliver this outcome together
- System incentivises collaboration towards delivering those outcomes
- Where waste or 'inefficient cost' is identified, this is a system issue not an organisational issue

# Specifying the outcomes

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- Start from the top (National Domains & Indicators) and expand on these
- If outcomes aren't linked to the 5 national domains, check... is this really a priority?
- Add any relevant additional local indicators if necessary
- What do you actually want/need to happen? Probably the same as the service users...

# NHS Outcomes Framework Domains & Indicators

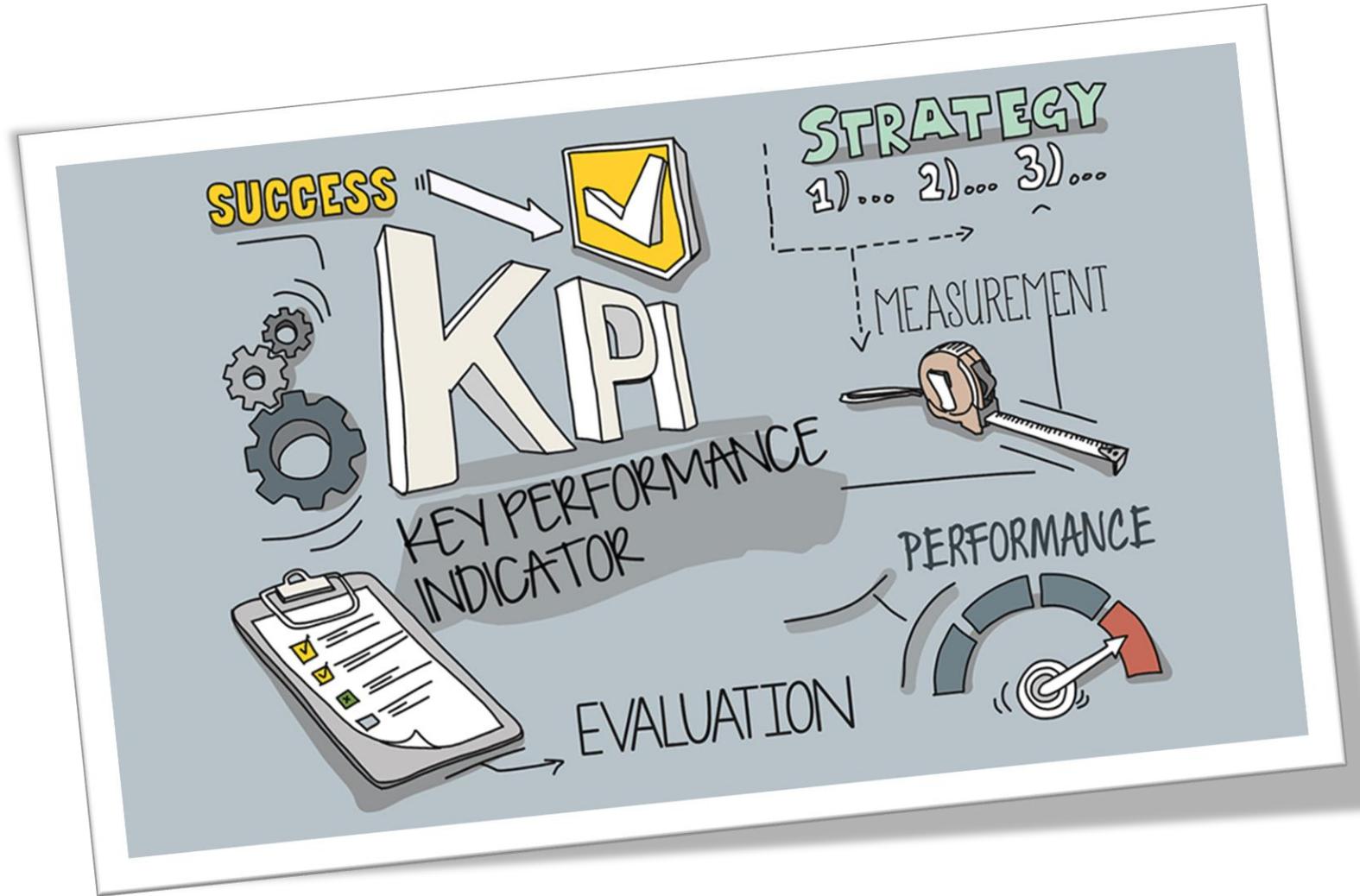
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Sets out high-level national key outcomes:

<b>Domain 1</b>	Preventing people from dying prematurely
<b>Domain 2</b>	Enhancing quality of life for people with long-term conditions
<b>Domain 3</b>	Helping people to recover from episodes of ill-health or following injury
<b>Domain 4</b>	Ensuring people have a positive experience of care
<b>Domain 5</b>	Treating and caring for people in safe environment and protecting them from avoidable harm

<https://digital.nhs.uk/data-and-information/publications/statistical/nhs-outcomes-framework>

What are KPIs designed to do?



# What are KPIs designed to do?

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- Show objective evidence of progress towards achieving a desired result
- Provide most important performance information that enables systems to understand whether or not they are on track toward stated objectives
- Track performance change over time
- Reduce the complex nature of organisational performance to a small, manageable number of key indicators
- Help inform better decision making
- Ultimately, help improve performance!

# KPIs to measure outcomes

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Important to define measurable outcomes as precisely as possible

- *some* is not a number
- *soon* is not a time

***Improve life expectancy?***

OR

***Reduce premature mortality by 3 years by 2024?***

# KPIs to measure outputs

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Use KPIs for inputs rarely, outcomes always and outputs occasionally...

For example:

- Outcomes can also be secured by ensuring key pathway steps are followed:  
*e.g. ED: % of patients streamed within 15 minutes, and seen by senior decision-maker within one hour*
- What are the key KPIs/metrics that show the service is being delivered as agreed so that the outcomes are as required?  
*e.g. AEC – 90% of patients with suspected DVT to be treated as non-admitted care*

# Selecting the right KPIs

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- Decision makers need information on the key measurements of performance
- For example, instead of measuring random things, a doctor would focus on key health measures – blood pressure, cholesterol levels, heart rate and BMI, as key indicators of health
- KPIs relate to joint system objectives and provide clarity on the important issues for the local health system
- Less is more... before you add a KPI, check do you really need this information?

# How to Develop Effective KPIs

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- Start with ICS objectives in the service spec
- Define the **key** questions you need answers to
- Identify what supporting data you need to answer the questions
- Evaluate all existing data to see how it can be made available
- Determine the best measurement, methodology and frequency
- Allocate responsibility for delivery of the KPIs
- Ensure KPIs are understood by those who will be using them
- Regularly review KPIs to ensure they support improved performance

# Measuring KPIs...

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# Ensuring KPIs get measured...

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- Make sure they are justifiable – should relate to a desired outcome in spec
- Ensure reporting requirements (contract schedule 6A) supports collection of source data – and sets out the consequence if not
- Is data readily available? Don't create unnecessary burden on provider
- Data Quality Improvement Plan is also available in contract to allow for longer-term reporting requirements, e.g. if IT system upgrade needed
- Consider whether element of payment should be linked to outcomes... use blended payments or local price incentives

# Example of outcomes with KPIs: Adult Cystic Fibrosis (national spec)

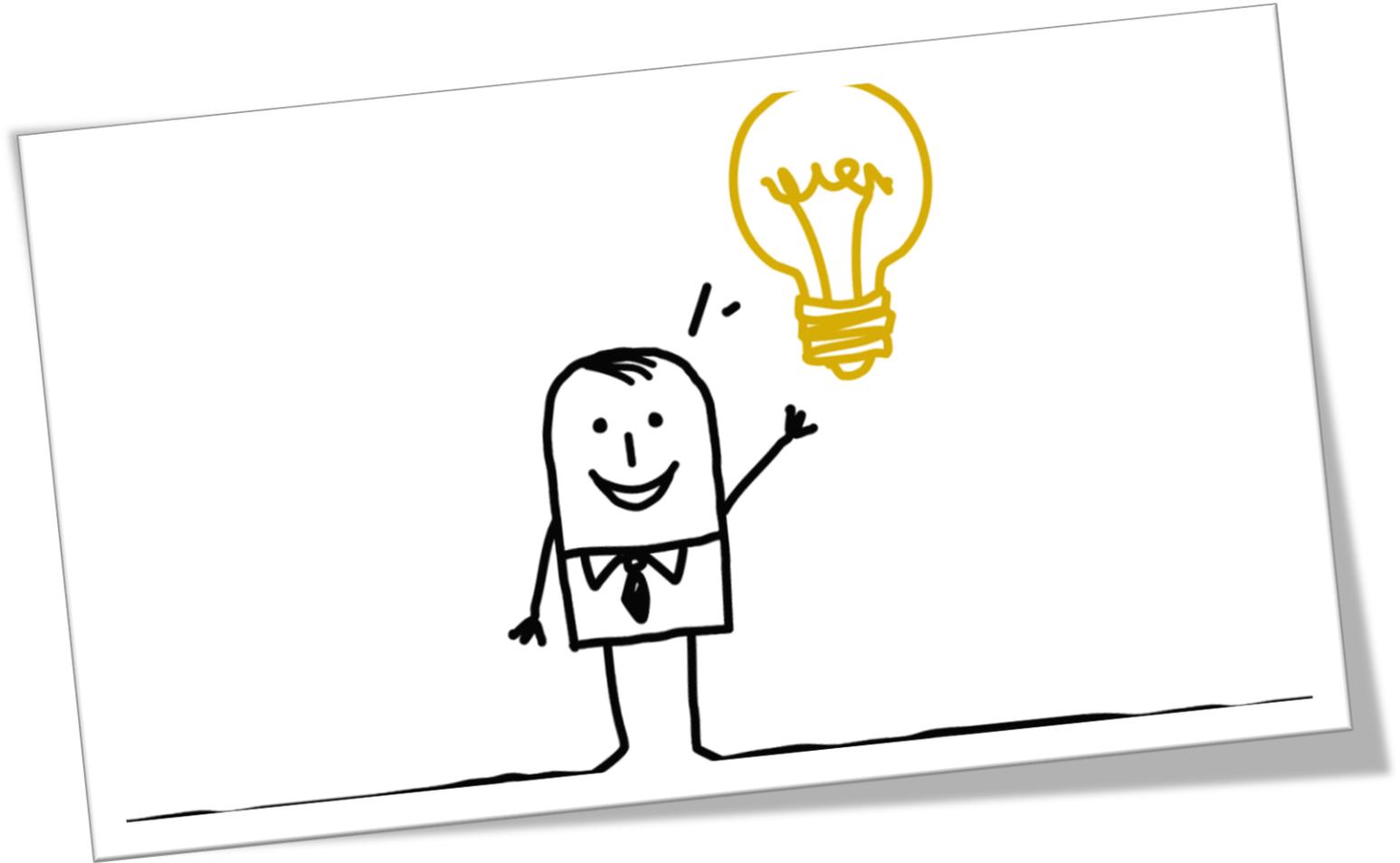
<b>Domain 1</b>	<b>Preventing people from dying prematurely</b>
Forced Expiratory Volume in 1 second (FEV1)	Number of patients and % with FEV1 >65% by age group and sex
BMI	Median BMI of centre cohort
Median Survival of National population	UK CF registry data
<b>Domain 2</b>	<b>Enhancing quality of life for people with long-term conditions</b>
Annual review and feedback	Number and % of patients who have had a post-annual review management plan with discussion
Accessibility of psychological support	Number and % of patients who have seen a psychologist within the past 12 months
<b>Domain 3</b>	<b>Helping people to recover from episodes of ill-health or following injury</b>
Timely initiation of treatment for exacerbation	% patients breaching standards of care for timing of admission.
Mucociliary clearance therapies	Number and % of adults receiving mucociliary clearance therapies
<b>Domain 4</b>	<b>Ensuring people have a positive experience of care</b>
Admission to specialist unit/ward	% of patients admitted to a ward with specialist CF staff
Systematically measure patient experience and satisfaction at a frequency driven by patient need	Systematic engagement and feedback on actions taken
<b>Domain 5</b>	<b>Treating and caring for people in safe environment and protecting them from avoidable harm</b>
Chronic Pseudomonas Aeruginosa infection (3+ isolates between two annual data sets)	% adults with chronic pseudomonas infection
Pseudomonas (PA) Chronic PA is 3+ isolates between two annual data sets	Number and % of patients with Chronic PA infection on inhaled antibiotics
Data	Number of complete annual data sets taken from verified data set expressed as a % of actual patient numbers

# Example of outcomes with KPIs: Cardiac rehabilitation nursing service

Domain 1: Preventing people from dying prematurely						
Outcome	Ref	Quality Requirement/KPI	Threshold	Method of Measurement	Consequence of breach	Timing of measurement
National Indicator/improvement area						
Reducing premature mortality rate from cardiovascular disease	1.1	Under 75 mortality rate from cardiovascular disease	70.8 per 100,000 (national av)	NHSOF annual indicator	GC9 process followed	Annually
Local outcomes & indicators						
Reduced Admissions – reduction in readmissions for another cardiac event	L1.1	Readmission rate	10% reduction	SUS monthly extracts	GC9 process followed	Quarterly

Tips for  
selecting  
effective  
KPIs...

some “dos  
and don’ts”



# Tips... some “dos and don’ts”

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- **Have a limited number of robust metrics** – a few well-targeted metrics will tell you more than a long list that no-one looks at. Don’t throw in every KPI you can think of – less is more!

Avoid:

- Measuring everything that is easy to measure – just because you **can** measure it, doesn’t mean you **should**
- Measuring everything that moves – **too much** information is as bad as **too little**

# Tips... some “dos and don’ts”

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- **Copy-cat KPIs** – don’t include KPIs just because someone else includes them or you have seen them in an article  
Is it relevant? Is it key? If not, move on...
- **Make sure you can see the “wood for the trees”** – don’t bury the key measures in pages of information. Separate vital KPIs from other data
- **Use it or lose it** – only collect and publish data that will actually be used... use the KPIs to gain insight by relevant and useful presentation, deciphering what the results mean for the system objectives

# Tips... some “dos and don’ts”

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- **“We always do it this way”**... avoid publishing KPIs as a “tick box” exercise – it should be a timely measure that supports the delivery of better outcomes
- **Link KPIs to the ICS objectives** – they are only useful if they inform strategic decision making and link back to agreed service specs
- **Use KPIs as a compass, not a target** – KPIs should be used to evaluate the achievement of goals, not penalise part of the system. A focus on financial incentives may lead to data manipulation – use payment mechanisms judiciously

# Tips... some “dos and don’ts”

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- **Design KPIs by multi-disciplinary approach** – avoid a lack of ownership so everyone understands the connection with system objectives, KPIs and what KPIs will be used to measure
- **Keep up to date** – When strategies and objectives change, review/update the KPIs

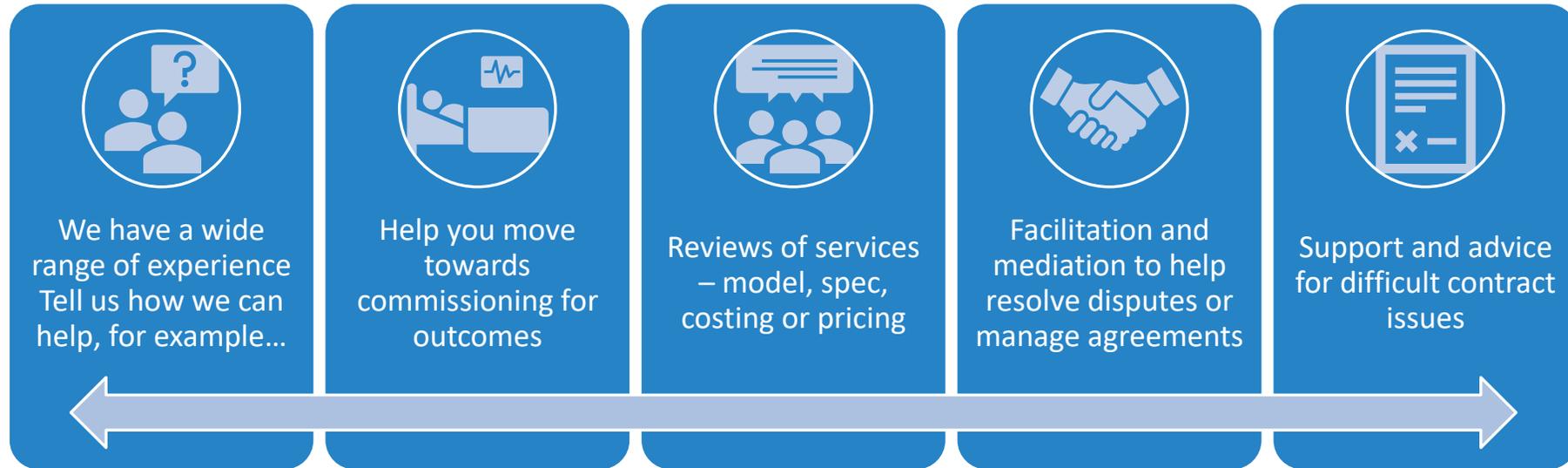
# In summary...

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- Commissioning for outcomes encourages the health system to collaborate to maximise patient gain within the resources available
- Distinguish outcomes from inputs, activities and outputs
- Start with the national NHSOF domains and indicators – everything should be derived from these
- Properly designed KPIs provide objective evidence of progress towards achieving your ICS objectives... use them sparingly and wisely

# Can we help? We offer retainer services...

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We have almost 30 years' experience at senior level within the NHS  
and can provide practical support across a wide range of issues

Email us at [info@baileyandmoore.com](mailto:info@baileyandmoore.com) to discuss how we could help

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# Other courses we offer include

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- *Step by step guide to writing a service specification*
- *A 'how to' guide – local pricing and costing reviews*
- *The future of ICS – moving to aligned incentives*

If you are interested in these or other topics, email us at [training@baileyandmoore.com](mailto:training@baileyandmoore.com) and we can discuss your requirements

# Thanks for listening!

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