Health Reform Evaluation Programme

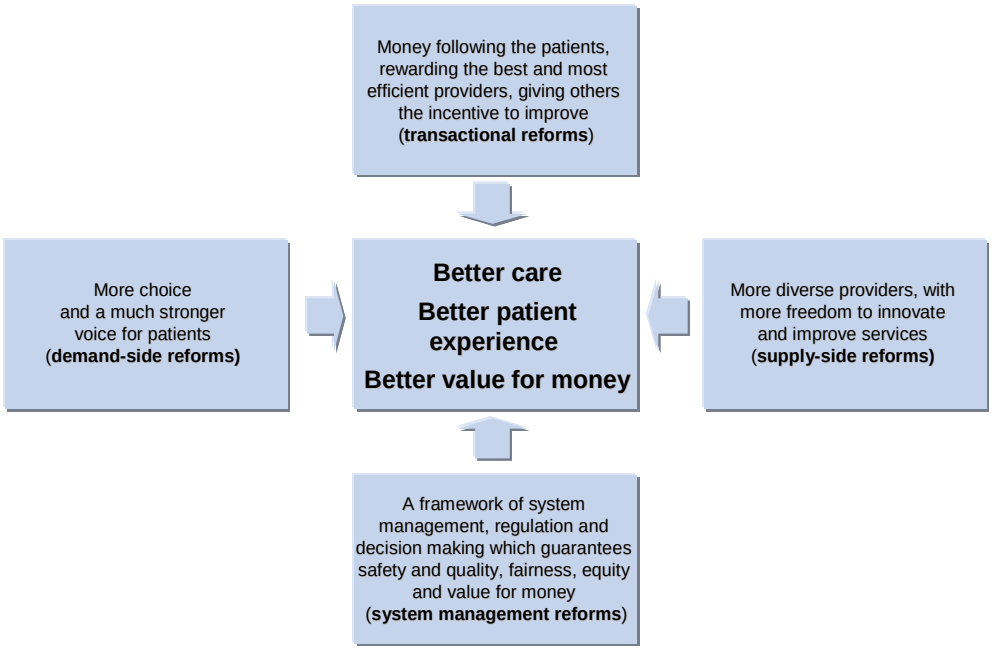
October 2008

N E W S L E T T E R

HREP News
October 2008

The Health Reform Evaluation Programme (HREP) is a coordinated and integrated programme of research devoted to understanding the impact of the radical set of changes to the English National Health Service (NHS) set out in *Delivering the NHS Plan: next steps on investment, next steps on reform* (April 2002).

The 2002 changes had four main elements, as set out in the diagram below:



The market-related mechanisms gradually implemented since 2002 include:

- *patient choice of provider* at the point of referral for non-urgent care;
- so called *'payment by results'* which is a system for paying hospitals on the basis of their workload using national prices;
- *practice-based commissioning* in which groups of general practices contribute to shaping the service commissioning plans of Primary Care Trusts which are charged with securing NHS services for local populations; and
- greater *provider diversity*.

All are intended to have major implications for health system behaviour now and into the future. Hence, the Government initiated the current programme of evaluation in 2006. The Programme is funded until 2010 through the Department of Health's Policy Research Programme.

The aim of the programme is to provide independent scientific evaluation of reform policies in order to inform their effective implementation and subsequent development.

All the projects funded under the programme are committed to:

1. provide policy-makers and practitioners with timely, formative feedback on good practice in implementation; and
2. actively disseminate findings within policy, managerial and academic communities.

Projects were commissioned through peer reviewed competition in two waves. The first wave started in September 2007. The second wave started in September 2008.

HREP News
October 2008

The Health Reform Evaluation Programme is coordinated on behalf of the Department of Health by Professor Nicholas Mays from the Department of Public Health and Policy at the London School of Hygiene and Tropical Medicine. The coordinator's role is to ensure that the projects in the Programme are collectively coherent, scientifically robust, mutually informative and respond to the needs of policy 'leads' in the Department of Health and in the wider NHS for an understanding of how the reforms are progressing and how they can be improved.

The programme is supported by an advisory panel of leading UK and international health service researchers and policy makers which meets periodically to ensure that the research is informed by the experience of health system reform in other countries and uses state of the art methods.

The NHS Next Stage Review

We recognise that three years is a long time in health policy making and the programme is sufficiently flexible to keep pace with developments. A key recent development is Lord Darzi's Next Stage Review (*High Quality Health Care for All: NHS Next Stage Review Final Report)* published on 30 June this year. The Review builds on earlier reforms, emphasing quality, patient empowerment and engaged staff. As the Review sets the context for continuing health reform, so it will set the context for the Health Reform Evaluation Programme over the next two years. A number of initiatives are now underway following the Review which will need to be evaluated. We are working with the Department of Health to see how evaluation of all the reforms, including those inspired by the Next Stage Review, can be brought together in one programme.

The Health Reform Evaluation Projects

There are currently seven inter-related projects underway within the Programme – some start from one of the reform mechanisms and work outwards to investigate its effect on the wider NHS (e.g. how commissioning changes services and then outcomes) – others attempt to assess the combined effect at a system level of the interaction of the reform mechanisms (e.g. local case studies of system change). In this way, the Health Reform Evaluation Programme aims to make sense of the complexity of health system change. Towards the end of the Programme, a series of systematic reviews will be published that link the findings from the current projects to the wider evidence available on the impact of the 2002 health reforms.

How patients choose and how providers respond

Lead: Anna Dixon, the Kings Fund (a.dixon@kingsfund.org.uk)

Patients are able to make more choices about where they receive NHS health care services.

This project aims to find out:

- what factors patients take into account when choosing a hospital;
- what support and advice different patients are given to exercise their choice and how this affects the choices they make; and
- how providers respond when patients are free to chose to go to other providers, there is publicly available information about their services and they lose money if patients choose to go elsewhere.

There are three main components to the research which will take place in four different locations in England:

Firstly, the study will gather information

on which hospitals patients chose, which options they chose, what they took into account, and which factors were more and less important when making their decisions.

Secondly, the research will ask patients about their experience of being offered a choice, and what sort of information and advice they received, from whom and how much notice they took of it. It will also ask GPs about their experience of offering choice to patients.

Thirdly, the research will interview senior managers in hospitals to find out what difference patient choice makes to how they run the hospital and what impact it has had on their business plans, contracts, quality standards and activities.

Provider diversity in the NHS: impact on quality and innovation

Lead: Will Bartlett, University of Bristol (will.bartlett@bristol.ac.uk)

The aim of the research is to assess the impact of new types of provider organisation on quality and innovation in service delivery in the English NHS, distinguishing those that are the most likely to contribute effectively to health system objectives in the future.

The specific research objectives are:

- to identify differences in performance between non-profit, 'third sector' organisations, for-profit private enterprises and public sector institutions as providers of health and social care services, and the factors that determine or hinder their entry to the market and their growth.
- to investigate the conditions under which new and diverse types of provider organisations may contribute to better care and outcomes; and
- to examine the extent to which independent provider organisations from both the private and voluntary sectors, including social enterprises, which serve the needs of minority and disadvantaged groups, can contribute to innovation and improved quality of services.

The research is being carried out in four contrasting Primary Care Trust areas.

HREP News
October 2008

Two projects on commissioning

To date much of the change initiated under the banner of 'health reforms' has been supply side orientated, with little attention given to demand side changes including Primary Care Trust (PCT) commissioning and contracting, and practice based commissioning (PbC). More recently, however, initiatives such as World Class Commissioning and the Framework for procuring External Support for Commissioners (FESC), have been announced to strengthen commissioning. Yet, greater knowledge is required about how PCT commissioning and PbC currently function and thus, what will be the real or perceived impact of these initiatives on policy objectives, outcomes, and on the local health care system.

Identifying which commissioning processes produce successful outcomes

Lead: Alicia O'Cathain, University of Sheffield (a.ocathain@sheffield.ac.uk)

This study aims to assess whether the commissioning initiatives established as part of the health reforms are producing their expected outcomes.

The study is focusing on identifying the key factors that lead to effective commissioning for three conditions: diabetes; chronic obstructive pulmonary disease; and coronary heart disease.

It will identify the commissioning initiatives undertaken in all 152 PCTs in England for these three conditions and study whether they have resulted in changes over time in health, health inequalities, and service utilisation (e.g. rate of hospital admissions) compared with PCTs that have not undertaken intiatives in these three conditions. The research will also assess the short term cost-effectiveness of commissioning initiatives.

Competencies for "World Class Commissioning": the readiness of PCTs & PBCs

Lead: Cam Donaldson, University of Newcastle (cam.donaldson@newcastle.ac.uk)

The objectives of this project are to:

- develop a model of the commissioning structures and processes, and the key relationships between commissioning entities within the NHS and involving other agencies, notably local authorities;
- examine commissioning performance against the standards embodied in commissioning guidance (such as the 'World Class Commissioning' competencies), and assess the use of frameworks and tools that have been developed to aid commissioning;
- identify barriers and challenges to 'World Class Commissioning' and introduce change through participatory action research (PAR) to develop commissioning in line with the requisite competencies; and
- evaluate and assess how other aspects of the health care reforms affect commissioning effectiveness and vice versa.

The research will be conducted in three phases to understand, develop, and evaluate commissioning practice.

Phase I will use surveys and interviews to build a model of PCT commissioning practice, showing the key relationships involved in commissioning, the structures and processes that are used (including any specific tools), and assessing how well PCTs meet the competencies outlined in commissioning guidance.

Phase II will use participatory action research, observing and working alongside the PCT to identify challenges to commissioning, and devise, implement, and review potential improvements. Phase III will repeat the surveys and interviews to evaluate how commissioning has changed over the time of the research.

HREP News
October 2008

Investigation of the effect of competition under fixed prices

Lead: Carol Propper, University of Bristol (carol.propper@bristol.ac.uk)

This project is examining how the competition between providers of NHS hospital services, generated through 'payment by results' (PbR) and individual patient choice of provider, is affecting patient care across the whole of England.

Specifically, the study is:

- analysing the conditions determining the extent of competition before the introduction of the reforms and how they changed over time (including service entry, exit and mergers);
- analysing the differences in the extent of competition between local areas and services since the reforms, examining how and why differences occur;
- examining the robustness of the system to anti-competitive behaviour and simulating the impact of mergers and other anti-competitive behaviour on the extent of competition; and
- developing tools that allow assessment of the impact of regulatory interventions (e.g. changes in the regulated price, establishment of additional hospital facilities, centralisation of services).

The project is using geographical information systems (GIS) to analyse routinely available data and to present results in a simple-to-understand way that can inform policy.

Effects of the health reforms on health care inequalities

Lead: Richard Cookson, University of York (rc503@york.ac.uk)

There is considerable debate about whether the 2002 reforms will exacerbate inequalities in access to NHS care. The aim of the reforms is to reduce inequality by giving everyone choices that were previously available only to the better off. However, some commentators argue that the reforms will increase inequality, as disadvantaged people will be less able to exercise the choices open to them. However, the precise mechanisms through which the reforms are likely to influence inequalities are poorly understood.

By bringing together national data from a wide range of different sources on small area variations between different parts of the country, this study aims to provide a comprehensive picture of national trends in inequality in the use of hospital services. This new dataset allows an analysis of the mechanisms through which health reform appears to influence health care inequalities.

Comparative case studies on the impact of the health reforms

Lead: Martin Powell, University of Birmingham (m.powell@bham.ac.uk)

The health reforms that have been implemented since 2002 are intended to be 'mutually reinforcing' in improving the quality and responsiveness of NHS services, though there is potential for conflict between some of the objectives and levers of change (e.g. unless carefully handled, the 'payment by results' system risks encouraging an inappropriate dependence on hospital care).

In order to provide an understanding of how the reform mechanisms interconnect, and so provide key lessons in the future development of the reform programme, this project is:

- exploring how the reform mechanisms taken together are being implemented in a range of local health economies and their observed effects (outcomes); and
- identifying the extent to which the reform mechanisms are effective in addressing specific local issues in a range of conditions and services, including an assessment of their impact on the interactions and dynamics within organizations as well as between them.

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HREP News
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If you would like more information on any aspect of the Programme or the individual projects please contact:

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