THE NEW ECONOMICS OF THE NHS

Yorkshire Socialist Health Association

Occasional Paper 20/1

THE PATHOLOGY OF CONTROL (and why we must understand organisations)

Organisations: Like it or not we are all living in organisations. The family is the one that has the most impact on us until we get to working age, and then for some it becomes the university or college, while others go straight into that form called "work" that will dominate the rest of their lives. So it's about time we really began to understand these organisms that so affect our lives.

There are about 25 million people at work in organisations in the UK and many find work quite oppressive. Some, like doctors and nurses, manage around this because theirs is vocational work, which means that the nature of what they do is intrinsically fulfilling and stimulating. Others, like those working in Amazon warehouses or Sports Direct are just trapped in what Dr Deming, that wise management consultant, called "the prison designed by management".

He also said that this management system is a relatively new thing, indicating that it is a product of the worst aspects of capitalism, largely through the medium of Business Schools, which produced thousands of "managers" trained to do the wrong things. These wrong things include, especially, targets. They also extolled the virtues of competition – and this suited politicians of every stripe, because today they are obsessed by the need for **control**, and the principles of competition and the free market give them the perfect excuse.

Impact on the NHS: First of all, it has cost the taxpayer billions because of the waste incurred. Secondly, it has demoralised the workforce by feeling that they are not trusted – and they are right. They are not trusted; otherwise why all the compliance structures and tickbox exercises that actually get in the way of effective patient care?And, of course, it has damaged patient care systems and killed people – rather like the DWP with its catastrophic Universal Credit.

Reorganisation: Thirdly, it has made the NHS much less efficient than it could be, not least because of all the major reorganising that goes on, which destabilises the patient care system. This is illustrated by looking at the data on one of the key performance indicators of Hunt's Mandate called **DTOC**, the Delayed Transfer of Care. This is a measure arising from the failure to transfer a patient who no longer requires hospital care back into their community. The patients involved are unkindly called the resulting bed losses "bedblockers" by certain newspapers and ignorant politicians. <u>There are 31 bed losses for each DTOC, so multiply each DTOC by that number and see how huge the problem is.</u>

Figure 1 below illustrates.

Here is a run chart of monthly totals of DTOCs from 2010 to 2018, where the hospitals are considered primarily the cause for the delay. It starts at about 2000 bed losses, rising to 3500 in 2016 (+75%).

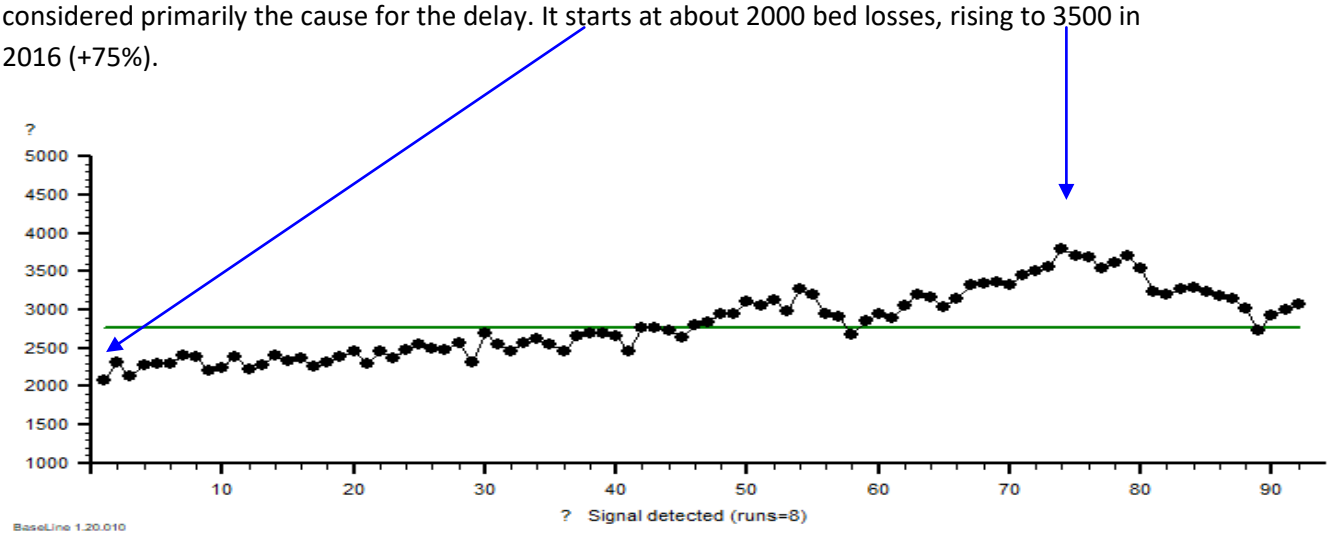

Figure 1 Run chart monthly totals of all DTOCs – Delayed Transfers of Care

However a run chart does not really tell you anything that is statistically significant, apart from the average (2800). Importantly, it does not indicate if the system of discharges is in control, that is, whether these are natural variations – in which case they are predictable and manageable, so we turn the run chart into a control chart which then shows the upper and lower control limits (UCL and LCL) of the variation. Any event that happens within these limits is a natural and expected event whether it is high or low, and thus requires no adjustment - tampering.

Anything occurring outside these limits is a "special" cause and needs immediate investigation, whether it is a single event or a trend that indicates a change out of the ordinary. Here is an example: At 8.15am I leave for my office in the city centre. I can comfortably predict that I will get there between 8.45 and 9.00. So, if the traffic is a bit bad and it looks like I will get there in 45 minutes instead of 30 I am not worried. This is normal variation.

Then for two weeks, I find myself getting to the office early at between 8.30 and 8.40. This is a trend that indicates an unusual occurrence, i.e. a special cause requiring investigation. So, at the weekend, I tell my wife that I now get to work early enough to have a second cup of coffee. "Yes", she says, "the schools are on holiday". The system had become "unstable" in a good way.

Statistical significance of the bed delay trends via Control Chart NHS Delayed Transfer of Care

This is where the above run chart has been turned into a control chart (Figure 2) which shows the system limits, or the capability of the system that delivers the transfers of care. In the figures below, the red flags (data points in red on the chart) are the indications of instability or predicted change. These originate from events outside of the process itself. You can see it is impossible to predict what will happen after point 40 – years 2013/2014. **So how on earth can you plan and manage?**

Note: the average (green line) went from 2350 until 2013, and then climbed to 3250 in mid 2015. What "special cause" happened around 2012/2013 when the situation was actually quite stable?

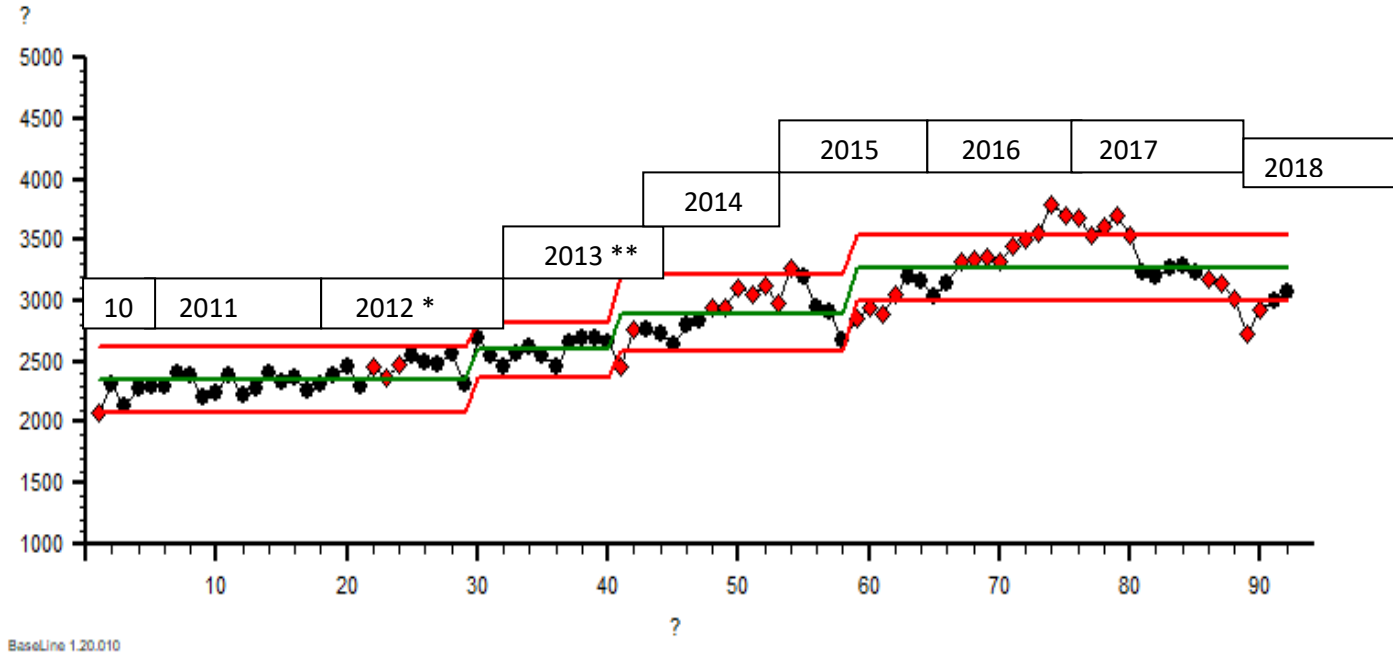

Figure 2 The Control Chart showing the DTOC system out of control

Causes:

First is the usual top management tool: **CUTS,** especially the 2013 Nicholson £20 billion savings folly**.

"Responding to a freedom of information request, the DH disclosed that 4,620 frontline staff were made compulsorily redundant between 2010-11 and 2012-13, and a further 2,430 voluntarily redundant." (The Guardian 31 Dec 2013). An "arbitrary" straitjacket on the NHS's budget by Whitehall is leading to job losses, recruitment freezes and inadequate care for patients, the leader of the country's doctors warns on Tuesday.

Dr Mark Porter, chairman of the British Medical Association, said forcing the NHS in England to make £20bn of "efficiency gains" by 2015 at a time of rising demand for healthcare was wrong and damaging. The Secretary of State never listened and David Nicholson received a knighthood.

Second is a classic **REORGANISATION** syndrome

* Health and Social Care Act 2012 NHS Mandate. **Public Health moved into Local Authorities**. Establishment of Clinical Commissioning Groups and the NHS Commissioning Board

** Strategic Health Authorities and Primary Care Trusts abolished. NHS England, NHS Trust Development Authority, Healthwatch and Public Health England established.

And, 2014 was the year that Stevens' infamous *Five Year Forward Plan* was published. Chapter one was headed *Why does the NHS need to change?,* meaning "Why the NHS does need to change.",

hence the USA-derived Accountable Care Organisations. Looking further back, to what extent the Foundation Trust campaign caused management to take their eye off patient care and focus on costs. (York University CHE, 2011).

This has brought about a catastrophic re-organisation that more than matches that of the PFI in terms of damage to the NHS system. Add to this the swingeing cuts to Social Services, and you have a recipe for a perfect storm of bed losses, as happened in the winter of 2017/18 -utterly predictable and totally ignored by the DHSC. Sadly, this was accepted by the directors of the hospital Trusts who have allowed the "boiling frog" syndrome to flourish in their organisations. Just what is their fiduciary responsibility?!

The good news: When the hospitals can get on with improvements themselves without DHSC tampering great things happen, see the Control Chart below, (Figure 3). The chart is drawn up to show one of the reasons for delays, i.e. *Awaiting of Completion of Assessment* generated by Acute Care (as opposed to by Social Care). The Control Chart has translated the DTOC points into Delayed Days, i.e. multiplied by 31, which is the demand the NHS has to handle.

The average went from 8212 up to 11000 by 2014 – point 50. Then the medic took matters into their own hands by flowcharting and SPC in 2016 when it had settled at an unacceptably high level. The quality improvement was hugely successful, so much so that trends indicated it could drop to below the 2010 levels, which it has! No outside interference, just continual improvement by staff. Of the 10 reasons for bed losses this is the only one that is **independent of NHSE -** no outside tampering. Nevertheless, see points 20-30 where the rot began!

Control Chart - Delayed Days caused by Awaiting of Completion of Assessment <u>in the NHS.</u>

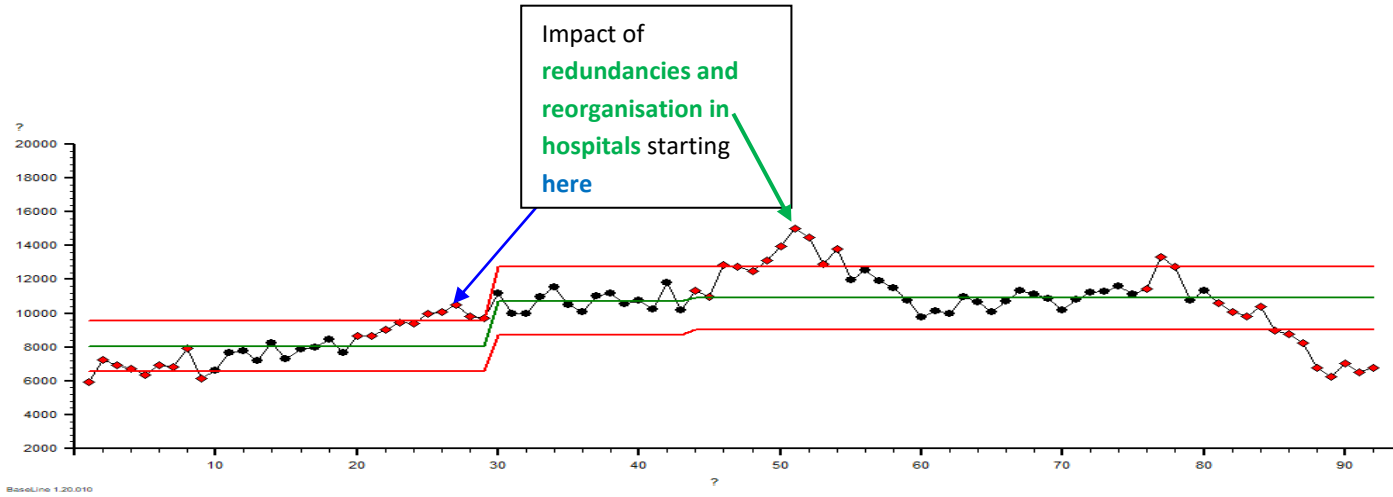

Figure 3 Control chart showing Acute Care <u>can</u> manage its own DTOC levels

The great iniquity is that government policy ensures that the NHS has also to manage the problems caused in Social Care (DTOCs), over which it has no control, translated into Delayed Days (DTOCx31), which comprise over half of the reasons for bed delayed days.

Main source of the problem – government policies: "Hi, I'm Jeremy Hunt, Secretary of State for Health and I was in charge of the NHS until I handed accountability to my colleague Simon Stevens here."

SUMMARY

The NHS system, when in control, provides the best care in the world at the lowest cost per patient **until** the government introduces new policies and re-structuring. If we assume that their intentions are good then they had better develop sufficient humility to understand that they are unconsciously utterly incompetent at leading organisations. If this is not the case then the assumption must be that they are deliberately destroying the NHS as we know and love it. Either way, we must challenge their policy changes and the system they are designing at every level, using these statistics and economic arguments.

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Chair, Yorkshire Socialist Health Association **January 2019/2**

References

York University Centre for Health Economics (2011), "Do Hospitals Respond to Greater Autonomy? Evidence from the English NHS", *CHE Research Paper 64,* July 2011