

31<sup>st</sup> May 2010

## **Beyond efficiency savings**

The scale of the financial challenge facing the healthcare system in Wales is unprecedented.

Some predictions estimate that over the three years from April 2011, there could be a reduction in funding for Welsh public services of around £1.5 billion. Even if the Welsh Assembly Government is able to increase spending on the NHS to a modest degree over the next few years, health inflation, caused by the rising costs of energy, drugs and equipment means that there will be a budget shortfall in real terms.

So how will the NHS in Wales respond to this challenge? In previous times of financial challenge the NHS has undertaken a process of “salami slicing”, making multiple small reductions in spending, sometimes with unintended consequences and often in an unsustainable way.

The scale of the public sector financial challenge this time around, however, means that bolder and more innovative approaches to reducing cost must be considered.

There are two obvious ways to meet the shortfall: to provide services in a radically different and more efficient way, at lower cost or, more controversially, to restrict access to services. Clearly, the former strategy is the more appealing but becoming more efficient will be only part of the solution as it is unlikely that efficiency savings alone will bridge the funding gap.

So what else can be done?

Greater and more systematic integration of services between the NHS and social care and the third sector could enable the delivery of more citizen centered services and release savings by reducing duplication.

The NHS in Wales is already doing a great deal of work with its partners in this area to ensure that patients can move through the system without organisational barriers being put in their way.

Encouraging people to keep fit and well to prevent illness is also crucial as is managing patients with chronic conditions pro actively to try to ensure that they don't reach a crisis point and need specialist hospital treatment.

Better ways of supporting frail and elderly people to stay well and able to remain in their own homes is also essential and is an obvious area for closer collaborative working between the NHS, Local Government and the Voluntary Sector.

But what will be absolutely essential, however, will be for the NHS in Wales to work in new and radically different ways, to develop new and innovative methods of delivering services, and in doing so to provide higher quality and more efficient services at a lower cost.

In developing this new approach, the NHS in Wales has a clear strategic objective – to develop a service model that is community based, with less dependence on the hospital as the first port of call. For too long we have relied on our hospitals to provide a very wide range of services but we know now that many services can be equally well provided in a community setting, often closer to patient’s homes.

The NHS is making it a priority now to develop detailed plans that will see many more services provided in a community setting, harnessing and developing the existing strengths of the local primary care teams and working more closely with citizens and partners in voluntary and local government organizations to agree priorities and then re-design and re-align services to focus them around what the citizen really needs and wants.

There is no doubt that the refocus of NHS services from a hospital to a community based service will be very challenging. The Wanless review of the NHS in Wales, first suggested in 2003 that a change towards a more centralised delivery of complicated specialized care was needed.

In the years since the pace of this change has been sluggish. Why is this?

One of the reasons may be that making a significant shift from hospital to a community setting cannot be achieved without also critically examining the continued role of our hospitals and considering how their services should be changed to provide the highest and safest standards of care for those patients with the very serious health conditions who continue to need to be treated in hospital.

In the main, such attempts to reconfigure hospital services have hit the buffers of public and political opposition.

While such opposition may be entirely understandable, in the current climate, it is essential that a mature discussion takes place locally, and across Wales as a whole, so that the new patterns of NHS provision in the community can be properly matched to a network of highly efficient and appropriately located hospitals offering the highest standards of specialist care.

Because such specialist care cannot, realistically, be provided in every local community, changing the role and function of some hospitals will be essential to enable the NHS to provide the very highest quality of healthcare to the people of Wales.

There are some very tough choices ahead – but what is very clear is that the status quo is no longer an option that is available to us.