



ONLINE AUCTION

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PROCUREMENT

THE BEST PRICES

Online auctions, where suppliers bid to provide a group of trusts with a standardised product, can result in huge savings. By Daloni Carlisle

Anyone who has sold anything on eBay will know the frisson of an online auction, watching the last minute bids coming in and the price rising.

How much more exciting, then, was the e-auction held this year to provide examination gloves to seven NHS trusts? It was, say all involved, unexpectedly thrilling to watch the prices tumble and see £400,000 slashed by asking suppliers to compete against each to offer the lowest price for a given quality.

The e-auction was a collaboration between NHS Supply Chain and the Working Together programme, which comprises seven NHS acute trusts in South Yorkshire, Mid Yorkshire and North Derbyshire that aim to:

- act together to improve quality, safety and the patient experience;
- deliver safe and sustainable local services; and
- make collective efficiencies.

But to start with the e-auction is perhaps putting the cart before the horse. As Mike Pinkerton, chair of Working Together and chief executive of Doncaster and Bassetlaw Hospitals Foundation Trust, points out, the auction was the end of a story, not the beginning.

Working Together is about making things better and, in any NHS trust, procurement and rationalising the range of products bought and used is a must do. In June, Lord Carter's interim review of operational productivity suggested £1bn a year could be saved if trusts used best practice in procurement.

But as anyone who has tried to rationalise the product range or club together with other organisations to deliver efficiencies will know, this is easier said than done.

That is where Working Together is

different. Yes, it has the backing at chief executive level, but perhaps even more importantly it has executive medical buy-in and a robust, transparent process for reaching consensus about a product among frontline clinicians. It is a process that is delivering results.

Des Breen, medical director of Working Together and associate medical director of Sheffield Teaching Hospitals FT, explains: "The seven medical directors of the trusts have developed a clinical reference group and are committed to working together. We have developed a decision flow diagram that takes a product through a series of questions to decide how contentious it is, how it affects patients, and who are the stakeholders.

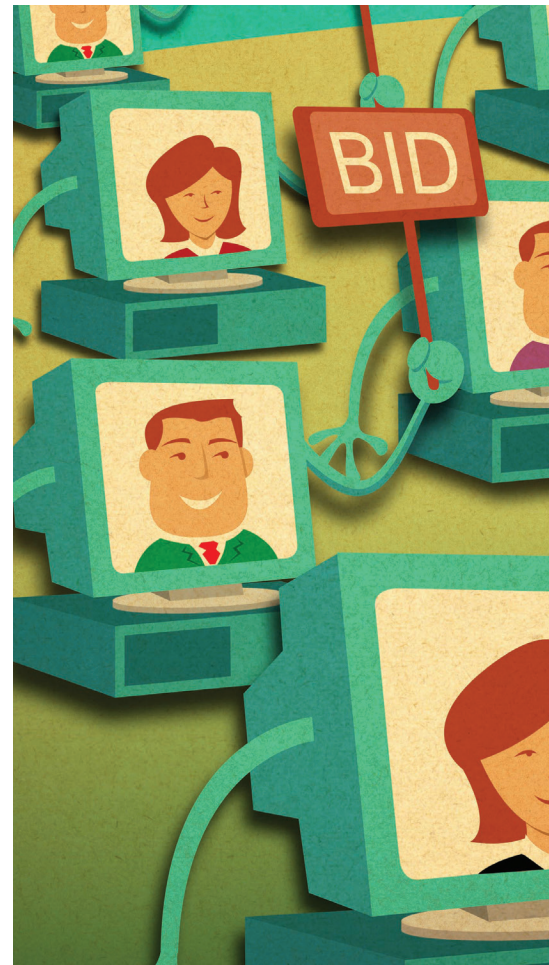
"That then helps us decide which products to tackle, identifies any patient safety and quality issues and tells us who and how we need to consult."

This process allows the collaborative to select a high quality product that can be evaluated in one of the trusts, with all seven agreeing to take up the end recommendation. This agreement delivers buying power and with it the ability to achieve a good price.

Exam gloves was the first product line to go through the process. "They are relatively uncontentious," says Dr Breen. "We were

WORKING TOGETHER: THE PARTICIPATING TRUSTS

- Barnsley Hospital Foundation Trust
- Chesterfield Royal Hospital FT
- Doncaster and Bassetlaw Hospitals FT
- Mid Yorkshire Hospitals Trust
- Rotherham FT
- Sheffield Children's FT
- Sheffield Teaching Hospitals FT



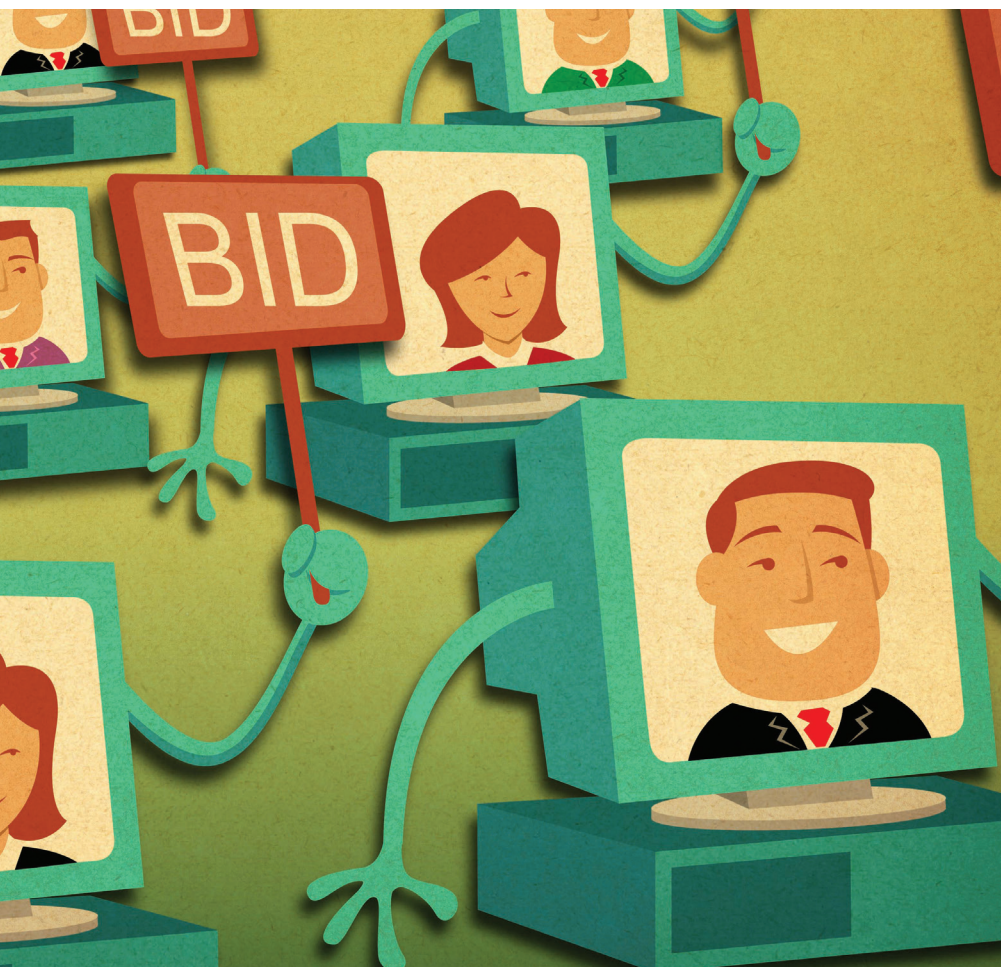
able to reach a consensus around them fairly quickly." The process took three months, end to end.

That consensus was for a high quality, sensitive and strong glove, with trusts retaining the right to source alternatives if levels of allergic reactions were unacceptably high.

With the spec in place, the trusts went to auction, facilitated by NHS Supply Chain. On offer was a 12 month contract to supply all seven trusts with a single type of examination glove. It was winner take all, with price as the only factor.

"We complemented each other really well," says David Pierpoint, managing director for customer engagement for NHS Supply Chain. "Working Together standardised their requirements for examination gloves across the region and brought to us their committed demand. We were able to get the best prices from the market through our e-auction tool."

Bringing the suppliers on board was fundamental to the success of the project, says Mr Pierpoint. "Involving suppliers right from the outset, combined with a united front from clinicians, gave the suppliers more confidence in the process, which enabled us to create more commercial tension in the market."



'Large scale standardisation is feasible but you need to start with the needs of the patient'

he says. "The fact that we were able to give suppliers a commitment about the volume – that was new. I think this is an important point for other regions. How many trusts can you actually corral into a deal like this? If you are looking across a region of 30-40 trusts, most of them will fall away before a deal is struck.

"The scale we are operating at – seven trusts – is less than 4 per cent of the market. It is big enough to have some muscle but small enough to have some cohesion."

Dr Breen says clinical engagement is also crucial to success. "You need the most senior clinical buy-in possible and you need to use pre-determined decision making mechanisms to decide who and how to consult. You cannot have one group because the stakeholders for every product are different."

For example, disinfectant wipes must involve infection control nurses but the same nurses will not have an interest in bedpans.

The items tested so far are high volume, low contention. Is there scope to start work on the lower volume, higher contention end of the spectrum? Prosthetics, maybe, or heart valves? Quite possibly, says Dr Breen, although maybe not in this collaborative.

"When we look at the profile of the seven participating trusts then there is not a common spend at the high end," he says.

"The high cost, low volume spend tends to be centred around the teaching hospital. So for this we are collaborating with the Shelford Group of Hospitals – for example, across the Shelford Group, orthopaedics represents a worthwhile combined spend."

Mr Pierpoint sums up. "Working Together has proved that large scale standardisation is feasible if approached in the right way, but you need to start with the needs of the patient and not procurement.

"The Carter review has raised a number of challenges for procurement in the NHS and it has highlighted the need to standardise and rationalise the amount of products used in hospitals.

"What's clear to us is that the challenge is not just a procurement one but one of winning hearts and minds by involving nurses and clinicians from the outset. However, this must be supported by strong leadership from hospital boards if the efficiency goals are to be achieved." ●

Tony White, procurement director of Sheffield Teaching Hospitals and procurement lead for Working Together, says: "The e-auction itself took less than a day but there was quite an intense period of preparation beforehand."

Suppliers had seen the spec, prepared their offers based on the quality criteria and volume, and on the day came in with their offers. Each could see the others' bids and they could then set about undercutting to offer the lowest price. It was, says Mr White and Mr Pinkerton who watched the bidding unfold, unexpectedly exciting.

At the start, the seven trusts were spending £2.1m annually with eight suppliers, with 78 per cent of the spend in two trusts. Today, all seven organisation are committed to a single product from one supplier, who was able to deliver a saving of £400,000 – or 24 per cent – as a result.

As Mr Pinkerton says: "Working Together is already in the vanguard of implementing key aspects of the Carter reforms and we have absolute concrete evidence of savings flowing through from our processes."

So what next? The programme's procurement stream has five product lines either going through the process or out the other end. In June, medical pulp products (bed pans and the like) delivered a 15 per

cent saving of £100,000 across the seven trusts. Next up are medical wipes (a £1m spend), sterile gloves and selected dressings.

Collaborative procurement

"We have a forward production line stretching out into the future," says Mr Pinkerton. "We will be using a variety of methods and processes that Dr Breen and others have developed to make sure we get high quality products at the absolute best price."

Delivering these kinds of savings based on the kinds of processes developed by Working Together in partnership with NHS Supply Chain does require a high degree of trust and a high degree of leadership, both managerial and medical.

"We have here a group of trusts and clinicians who have a set of tools that means they can trust each other's decision making," says Mr Pinkerton. "This is not a procurement exercise. It is about trust."

Dr Breen adds: "There is the failsafe of an appeals process."

Mr White is clear that Working Together is indeed working together in a way that he has rarely seen in other collaborative procurement exercises.

"The e-auction technique has been used in the NHS before, although it is underused,"



“ With the extensive cuts and transformations taking place throughout the health service, NHS trusts face the uphill task of reducing delivery costs while providing high quality care to the growing number of patients with complex needs.

Over the past few months there has been much debate over the future of the NHS, with the *NHS Five Year Forward View* highlighting the continued push for cost improvement programmes in the hope of bridging the funding gap of £30bn by 2020.

Due to the increased need to reduce costs, trusts are looking at a variety of methods, starting with the analysis of department performance to identify areas for additional resource savings.

Some trusts are even sharing services with local authorities and community services in order to keep the costs down.

At Winscribe, we are supporting over 90 NHS trusts by facilitating cost improvements schemes and helping them achieve lasting benefits and continuous savings via proven software solutions. Leeds Teaching Hospitals Trust, which is saving £1.2m annually through the implementation of our Outpatient Workflow and Speech Recognition solution, is an example of this work.

For the NHS to achieve the saving objective and better patient care at the same time, trusts

‘The time has come to unburden trusts from the inefficiencies of paper heavy processes’

need to realise that a dependency on manual and paper based processes reduces efficiency and compromises patient safety.

The time has come to unburden trusts from the inefficiencies of paper heavy processes with systems that can use speech to create documents. Removing typing backlogs and streamlining the documentation process for clinicians enables clinical staff to have more patient time.

In order to prepare for a successful future, trusts not only need to look at the current challenges but think about the times ahead by embracing technology and innovation.

By using speech to text technology, along with dictation and document workflow, patient communications are completed faster and more efficiently. In addition, supporting remote and mobile staff allows clinical staff to access relevant documentation on the move. These are just some of the efficiency areas trusts need to consider when working in partnership with a technology provider – with that provider acting as an extended team of the trust.

Chris Rodwell is sales manager for Winscribe.

www.winscribe.co.uk



TECHNOLOGY

A NEW TAKE ON LETTERS

Hospital letters to GPs still take too long to arrive. Dictation and document management technology can reduce the paper burden and improve services for patients, writes Jennifer Trueland

As the NHS continues on its journey towards digital, it can be easy to forget that paper free does not mean letter free.

Correspondence to GPs and other referrers will still be a significant workload and cost burden to providers, even if the service reaches a stage where all communication is done electronically.

The GP letter has long been seen as the poor relation of the patient discharge summary. While there is a target to get the latter out on time, there are currently no national targets for sending GP letters in a timely fashion.

According to Michael Dixon, a GP and chair of the NHS Alliance, the situation is improving but there is still much to do. “I think it’s time to look again at national standards,” he says. “It’s not as big a problem as it was a few years ago when sometimes we would get letters that were up to three months late. Things have improved in the same way that orthopaedic waiting times have improved so that you don’t have to wait for years for an operation.

“But that’s not to say that there isn’t a lot more that could be done.”

Transformation consultant Steve Gasking believes that savvy providers should be looking towards technology to help them release efficiency savings and streamline workload.

He has been working with Royal Orthopaedic Hospital Foundation Trust in Birmingham to help it move away from an analogue, paper heavy system to a modern solution for its clinical correspondence, using the Winscribe digital dictation solution.

The new system went live on 6 July and is going well so far, he says.

“This is a single specialty trust with 45 medical secretaries and around 120 clinical authors [people dictating letters]. But there

was a massive variation in the way that clinical correspondence was handled, and cost per letter varied considerably.”

“The trust produced about 80,000 letters per year, including letters to GPs and to other referrers – that’s a significant workload. The aim was to standardise workflows and improve on turnaround time, but the overall goal was to improve the patient experience.”

Consistency across the clinicians and medical secretaries was an important element of the project. “Some were turning round letters really quickly, while for others it could be six weeks,” says Mr Gasking. “It was decided to go to digital dictation, and the Winscribe solution was chosen for several reasons, partly because it was on the [procurement] framework, but also because it was being used at University Hospitals Birmingham [FT], where some of the clinicians also work, so they were already accustomed to using it.”

Move to electronic records

While standardising practice was an immediate priority, the longer term goal is to align the solution with a move to an electronic patient record, so it was also important to choose a system that would easily work in that context, he adds.

The resulting system has meant a real change for working practices, says Mr Gasking. “Dictation happens in the clinic, then the clinician will touch a button and it will instantly appear on the desktop of the medical secretary. In some cases, he/she can type up the letter and it will be back with the clinician to be read and approved even before the clinic ends.”

Other advantages are that the digital version of the letter is stored against the patient’s name, which means that if there is a query before the letter is sent to the GP,



then it is easy to check without going through an entire tape, as would have been the case in the past.

Getting the system implemented involved hard work and overcoming some suspicions, particularly among medical secretarial staff. Indeed, Mr Gasking says that successful implementation is a hearts and minds operation.

“At first, the medical secretary pool were against it,” he says. “They feared that the plan was to reduce the number of medical secretaries. That wasn’t the plan – although the aim was to reduce the bill for bank and agency secretarial staff.

“Rather than cutting the workforce, the idea was to get them doing more value added work to improve the patient experience. That’s what really sold them on the idea because they could see the value in that.”

The implementation involved training the medical secretary pool, with the idea that they would then “train” the clinical author in using the system. It also entailed getting as many people as possible to take part in

‘The idea was to get medical secretaries doing more value added work to improve patient experience’

consultation and workshops ahead of the go live date. “It involved a lot of listening, a lot of talking to people, and getting a lot of people involved in the system testing,” Mr Gasking says.

Simon Shanks, senior project manager for Winscribe, believes digital dictation has a role to play in helping the NHS bridge the current funding gap. Still, that is not the only reason to do it. “It’s in patients’ interests that everyone involved in their care has the most thorough information as quickly as possible. From the patient’s point of view, it means that care is more connected and safer. Furthermore, from a management perspective, if you put the business case to

them, they’ll jump at it. After all, it’s a way of saving money while improving quality.”

So are we nearing the tipping point for digital dictation? Interviewed on this issue by *HSJ* two years ago, Dr Dixon said that he hoped the introduction of clinical commissioning groups would be an important lever, because GPs would be getting around the table with secondary care providers, ideally driving change. Has this happened?

Not yet, he concedes, but watch this space. “I think most CCGs have had different priorities, but I would hope that would change in the next year or two and that they would start to look at stricter limits [in the time that GP letters take],” he says.

“Some are doing good things in this area but, for most, there’s still a paper trail; and it all takes time; and there are inevitable delays. Then, of course, when the letter eventually comes to the GP practice we have to scan it and that takes even more time. I think the fault can be at both ends but I don’t see why we shouldn’t be cutting the time to a week or 10 days.” ●



NHS Supply Chain

