HSJ LOCAL briefing

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LEICESTER CHANGES AND CHALLENGES FOR HEALTH ECONOMY

HSJ Local Briefing is our new in-depth analysis of the key issues facing the NHS's major health economies

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In brief

Issue The Leicester health economy suffers from an imbalance between acute services provided at Leicester's hospitals and those delivered in primary care and the community. The over-provision of hospital services in the context of funding constraints, rising demands and future pressures has driven commissioners and trust leaders to draw up plans to move activity out of the acute sector. University of Leicester Hospitals Trust has a £200m five-year strategic plan to reconfigure services and improve patient outcomes to secure its financial and clinical stability.

Context The trust expected to end 2012-13 with a 4.2 per cent year-on-year rise in demand in accident and emergency, growing pressure on its medium to long-term finances after failing to deliver on Quality, Innovation, Productivity and Prevention (QIPP) savings, and amid yearly cuts to the tariff. Acute services are spread across three hospitals: Leicester Royal Infirmary, Leicester General Hospital and Glenfield Hospital. The current arrangement has developed over a number of years and is considered to be no longer a fit for purpose in the long term, however, in order to implement the strategic plan, the trust needs to find resources.

Outcome Leicester General Hospital will see the majority of reductions in acute care with services centralised to the Royal Infirmary and Glenfield Hospitals. The trust will move to a new configuration – with two large hospitals and one minor one – over the next three years. The trust could go further in the long term with a move out of the Leicester General Hospital site altogether. The Leicester Royal Infirmary will become the main hub for emergency and urgent care, with elective and outpatient activity shifting to Leicester General or into the community. Glenfield Hospital will be further developed as a specialist centre, with increased services moving there from the other hospitals.

National and local context

The NHS is attempting to address, on a national level, a perceived over-reliance on acute services, which developed during the past two decades and, in particular, between 2000 and 2008 when NHS funding increased. It is now facing much lower funding growth, soaring demand and increasing specialisation, which is driving many regions to look at major changes to services. The health economy in Leicestershire is gearing up to address these challenges and has ambitious plans both to improve the scope of community provision and the organisation of acute services at the University Hospitals of Leicester Trust.

University of Leicester Hospitals Trust is one of the largest teaching hospitals in the country with a turnover in 2011-12 of circa £720m and 10,000 staff. It is a major regional centre providing services to more than one million residents across Leicester, Leicestershire and Rutland. It also offers specialist heart, cancer and renal services, and has extensive research links and takes part in numerous international clinical trials.

Commissioners have recognised that across the region the system is "overspending" on its acute sector. They estimated that in 2010-11, an excess of approximately £9m was spent on acute services. This represented 40 per cent of the healthcare budget, contrasting to the 25 per cent spent in the primary care sector. This "imbalance", as it has been described, is now widely accepted by commissioners and the trust to be no longer sustainable and not in the best interests of patients.

Challenges for University of Leicester Hospitals Trust

In common with the vast majority of providers, the trust faces continuing reductions in the national tariff and soaring emergency attendances. This is coupled with growing medical specialisation and evidence in favour of the centralisation of some services.

In relation to financial savings targets, the trust is facing the same struggle as many providers and needs to ensure it delivers. In 2011-12 it had a cost improvement programme target of £38m but delivered only 66 per cent of this, with £21.1m in recurrent savings and £4.1m non-recurrent savings.

The trust is aiming to achieve foundation trust status by April 2014. A strong strategic plan to achieve financial and clinical sustainability is needed to it satisfy the foundation trust regulator Monitor.

Emergency pressures

Throughout the winter, emergency demand meant the trust missed the target of seeing 95 per cent of patients within four hours. Leicester's A&E services are perceived to be struggling to cope. In a board report on performance up to February, the trust revealed it had met the target in just 85 per cent of cases; it was ranked as one of the worst performers in the country, coming 142 out of 144 trusts.

This poor performance has largely been attributed to an extra 500 patients turning up at accident and emergency, compared with the same period last year. By the end of March the trust was anticipating that 168,000 patients would have been through the A&E – a 4.2 per cent rise on 2011-12. The trust has also accepted the size and design of its A&E is no longer capable of meeting the requirements.

It has been planning to create a new emergency floor at the Royal Infirmary site and HSJ has been told that, due to the severity of the pressures that are faced, the plans are being fast-tracked with work set to begin within months. The creation of the emergency floor includes a number of services being moved from the Royal Infirmary site and into the community. These include diabetes and dermatology, which could be moved this year. The floor will initially have 19.8 whole-time equivalent consultants and the trust's plan is to increase staffing to enable a 24-hour onsite consultant presence over the next two years.

The new-look department will provide a full diagnostic and assessment service for emergency patients; it is hoped the changes will improve the speed of decision making as well the patient's experience.

Emerging plans for the future

Across the Leicestershire and Rutland region, the NHS – under a commissioner-led project called Better Care Together – is examining ways of shifting away from acute hospital care with a greater focus on community care, particularly among vulnerable groups and older people. A budget of £3.7m has been set aside for Better Care Together, which will run alongside plans from University of Leicester Hospitals Trust that have been unveiled as part of its £200m five-year strategic plan. Under this plan, the trust will become a smaller organisation dealing with more specialised services and an increased amount of non-urgent care will be delivered in the community.

These plans will bring about major service changes at its three acute

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hospital sites and are being seen as crucial to the trust maintaining its financial and clinical sustainability, while also improving the quality of care.

As part of the proposals, Leicester General Hospital will be the centre for elective care, including a large amount of outpatient activity. A new day case treatment centre will deliver this care in a dedicated setting. Under the plans to shift services from the Leicester General site, the number of critical care beds would be increased at the Leicester Royal Infirmary and Glenfield sites in a phased approach over the five years, removing them completely from Leicester General Hospital.

Leicester Royal Infirmary with its new emergency department will become the non-elective heart of the trust, with the possibility of there being a separate dedicated children's hospital. Some activity, such as outpatient services, are expected to be moved away from the trust's Royal Infirmary site and delivered in the community where possible.

The Glenfield Hospital will continue its work as a centre for cardiac and respiratory services, with renal and transplant inpatient services moving to the site by 2017.

The trust claims the separation of elective and non-elective admissions will reduce delays and the number of cancelled operations. A number of work streams have been developed between the trust and commissioners to design new pathways and services that could prevent people being admitted to hospital. One proposal is to develop, with clinical commissioning groups, community clinics to help manage chronic conditions such as diabetes and chronic obstructive pulmonary disease. Others include dermatology appointments being delivered in the community and a plan to have high-street optometrists carry out glaucoma testing, which could eliminate around 1,200 hospital appointments each year.

Similar aspirations have been made before in other health economies and the NHS has repeatedly failed to achieve the real shift to community care. HSJ has been told delivery will be "easier said than done". One source close to the plans said: "These are not new challenges for Leicestershire or for anywhere else. If you look at any other health economy in the country, you'll find they are facing up to the same problems and having the same conversations. We all know what needs to be done; we now need to actually deliver it – which is always easier said than done."

Consideration of service quality

The trust's strategy is not only about the location and type of services but is also focused on improving quality and safety in a number of areas. It is aiming to be in the best performing 10 per cent of trusts for mortality indicators, waiting times and patient satisfaction. Plans include new care standards and a team to work with wards that are receiving below-average feedback.

Other aspirations include year-on-year reductions in the number of patient falls and, after reducing avoidable pressure ulcers in recent years, the trust will look to eliminate them completely along with catheter-acquired urinary tract infections.

Potential difficulties

The existing make-up of the hospitals in Leicester is a result of incremental and disjointed development over many years. A number of services are delivered across more than one site, presenting potential risks and increasing financial costs. An example is maternity services, delivered both at the Royal Infirmary and Leicester General Hospital sites – designed for approximately 8,500 births a year, the service is currently seeing around 11,000 births a year. Previous efforts to address the problem have collapsed but a new £2.9m project to provide extra capacity is set to begin construction within weeks; this will provide more delivery rooms, extra high dependency space and dedicated assessment centres.

However, the project is seen as a medium-term sticking plaster over a problem that will need to be tackled in the long term. Finding the money for the transformation and service re-design, however, has delayed plans for changing maternity services and could again scupper attempts to turn the five-year strategy into reality. HSJ has been told the total cost of implementing the strategic plan will be approximately £200m over the next five years. The trust's transformation programme, as part of commissioners' Better Care Together project, could release £100m over three years, which the trust would seek to reinvest to help deliver its plans.

Trust chief executive John Adler, who joined the trust in September, has worked on similar ambitious changes at Sandwell and West Birmingham Trust, but he accepted Leicester faced a particularly significant challenge. He told HSJ the trust accepted services needed to be delivered differently. "Shifting the balance [between acute and community services] is something we don't have any problem with as long as it's done in a clear cost effective way," he said.

But finding the resource to fund the strategic plan could be a major hurdle for the trust and Mr Adler accepted the pace of change would be dependent on the money made available. He added: "There is no new money going to be made available that we are aware of. But as a trust we generate a lot of resources and we will have to move forward with the plan as fast as the resources allow. We see it as incremental progress as funding becomes available."

Likely outcomes

HSJ understands a key long-term aim of the trust within the next three years is to begin the reconfiguration of the Leicester General Hospital site. Consolidating services onto its two hospitals at Leicester Royal Infirmary and Glenfield Hospital are the most likely options, with Leicester General being reduced to provide elective care through a new dedicated centre helping to move activity away from the Royal Infirmary.

Initially this would see the trust adopt a configuration of two major hospital sites and one minor site, but this may be only the first of a series of downgrades for Leicester General. Adler told HSJ its mix of acute services would be reduced, but he added: "The actual volume of patients seen could increase if we develop the ambulatory care centre on the site as many more patients could be seen there."

One source close to the decision process told HSJ the city had a number of health centres and 10 community hospitals, as well as a growing provision of community services, which could ultimately allow the trust to reduce further to just two sites. The source said: "That is the general direction of the trust at the moment but work is still ongoing to look at the feasibility of how far those plans can go and whether they will deliver the savings needed.

"The plans are not set in stone and things could change, but any reductions on sites means the trust would have to have difficult discussions with the [public]. As with all reconfigurations, there will always be some level of opposition and that

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can be a risk to successful implementation. It's something the system will need to be aware of going forward."

If successful, the plans will result in Leicester's health economy having services delivered closer to where most people live, in a manner that saves the system money. The trust will have smaller, specialist hospitals dealing with the patients who are most ill; this will require significant leadership and drive – as well as access to funds – to ensure the region achieves its goals.