Are hospital admissions out of control?

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January 2010

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Introduction

The chancellor’s pre-Budget report has promised a real-term increase in funding for 2010-11 on 95 per cent of NHS spending. However, this only applies to the cash element of the NHS allocation and there is a gap between this and total funding of £8.6bn which has yet to be confirmed.

This means that although PCT allocations remain at 5.5 per cent for 2010-11, the NHS is facing a funding squeeze in subsequent years. In addition, PCTs and SHAs have been tasked with reducing their management costs by 30 per cent over the next four years but the Department of Health wants half of this cost cutting to take place in the 12 months from April this year.

One area where PCTs will have to focus their attention is inpatient activity. This has been rising and with it the amount that commissioners have to pay their providers. The increase in acute care costs has been restricting the funds available for investment in other priority areas. It runs the risk of taking all growth monies in future years, and quite likely exceeding them, which will put the local health economy into deficit.

The introduction of a capped or ‘marginal’ tariff for next year will stop all the additional money going to hospitals who will see less income next year, but as the difference has to be paid to the SHA it does not reduce costs for the commissioner. Sir David Nicholson has said that this tariff change was an attempt to force people into ‘discussion’ about the risk sharing around unplanned admissions. In short, the pressure is on PCTs to find ways to reduce inpatient activity. This latest research from CHKS highlights those PCTs that have most to do in getting to grips with acute trust activity.

Analysis and results

National level

The analysis focussed on the amount of growth from 2007/08 to 2008/09 and used the national Hospital Episode Statistics (HES). Analysis was carried out on both elective and non-elective admissions, both separately and combined. The overall combined headline figure was an average growth of 6.0% across England. This compares to an average of 4.6% across the preceding three years. The table below compares these headline figures
with those for Wales and Northern Ireland and shows that England has been and continues to be the fastest growing service.

Looking at emergency and elective admissions separately, emergencies show England with an appreciably larger growth, both for 2008/09 on 2007/08 and for the preceding three year rate, than in either Wales or Northern Ireland. Given there are no obvious differences in the morbidity of the population it would imply that some of the systemic differences between the countries are driving this increase. Previous analysis has shown that England has shown a large rise in the number of emergency patients discharged on the same day whereas the other two countries have not. A different piece of research currently being undertaken by CHKS implies that the majority of the growth is likely to be in this area. This will be examined in a future report.

Elective admissions show a different picture with Wales suddenly showing the largest increase, from a very low growth rate. Wales has recently started to focus on achieving waiting time targets, as has England over a longer period. Additional activity to bring down waiting times would therefore seem a reasonable explanation for much of this growth, and if this is the case, it should no longer be required in England allowing the potential for a flat forward trajectory.

Early signs of the average trend for England are emergencies growing at 5.0 to 5.5% and electives at about 3-4%.

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<th>% growth 08/9 on 07/8</th>
<th>Average annual growth in preceding 3 years</th>
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<tr>
<td><strong>Combined</strong></td>
<td></td>
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<tr>
<td>England</td>
<td>6.0%</td>
<td>4.6%</td>
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<tr>
<td>Wales</td>
<td>5.4%</td>
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<tr>
<td>N.Ireland</td>
<td>3.7%</td>
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<tr>
<td><strong>Emergencies</strong></td>
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<tr>
<td>England</td>
<td>5.0%</td>
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<tr>
<td>Wales</td>
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<td>N.Ireland</td>
<td>3.5%</td>
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<td><strong>Electives</strong></td>
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<tr>
<td>England</td>
<td>6.7%</td>
<td>6.0%</td>
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<tr>
<td>Wales</td>
<td>9.1%</td>
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A key part of the analysis was to try to identify areas in the country that have been making progress at managing the demand for hospital admissions. The analysis was taken down to PCT level over a five year period and is shown both on interactive maps (for the last year’s growth) and in the workbook (which shows all five years with electives and emergencies separately and combined).

A small number of areas have shown reductions in their total admissions and these are clearly important if good reasons can be identified for these changes. CHKS is not in the position of detailing all the work undertaken in these areas but is aware for example, that Cornwall & the Isles of Scilly won an HSJ Award in 2007 for its partnership work on chronic disease management. The researchers also noted that some of the relative positions are affected by being a simple, single year on year analysis. For example, Sefton appear to have a good reduction in 2008/09 in comparison to 2007/08 – but this is in large part because 2007/08 was unusually high.

Another key issue for commissioners is to understand the variation between the various elements of service that lead to referrals into hospital (not just GPs but also out-of-hours services, NHS Direct, accessibility of GPs, use of A&E etc).

Methodology

The research used HES data for England looked at hospital admissions over five financial years from April 2004. The main focus was on the growth from 2007/08 to 2008/09.

Emergency admissions were defined as all admission methods starting with the code "2" (i.e. 21 - A&E; 22 - GP; 23 - bed bureau; 24 - consultant OP clinic; 27 - NHS Direct; 28 - other means). Elective admissions were all elective inpatients, day cases and regular attenders. Total admissions were the sum of these two.

There are a few cells highlighted in the first two tabs of the workbook, these have been adjusted based upon a data quality report which was run to check for unusual drops or increases in the HES data. The adjustment was an estimate of the scale of the data glitch.
This was only done for the two most recent years as they were the focus of the analysis. No responsibility is taken for errors and omissions in this attempt to “clean” HES.

**Technical appendices**

Excel workbook containing separate worksheets for:
- Total admissions by PCT for 5 years from 04/05 to 08/09 inclusive
- Emergency admissions by PCT for 5 years from 04/05 to 08/09 inclusive
- Elective admissions by PCT for 5 years from 04/05 to 08/09 inclusive

Maps of England showing relative change 08/09 on 07/08 for:
- Total admissions
- Emergency admissions
- Elective admissions