DYDDIAD Y CYFARFOD: **DATE OF MEETING:**	22 October 2020
TEITL YR ADRODDIAD: **TITLE OF REPORT:**	Locality Expenditure Analysis
CYFARWYDDWR ARWEINIOL: **LEAD DIRECTOR:**	Huw Thomas, Director of Finance
SWYDDOG ADRODD: **REPORTING OFFICER:**	Huw Thomas, Director of Finance

Pwrpas yr Adroddiad (dewiswch fel yn addas) **Purpose of the Report** (select as appropriate)
Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA
SBAR REPORT

Sefyllfa / Situation

The Health Board (HB) has undertaken a significant amount of work to analyse its expenditure at GP cluster population level. By doing so it is anticipated that variations in expenditure between the HB clusters will help identify potentially unwarranted variation, highlighting allocative inefficiency and promoting discussion around how best to move resources across the whole health system

Previously, Finance Committee has received reports that outlined the key conclusions drawn from this work on the underlying deficit and the impact which relatively high volumes of care (in comparison to other Health Boards) has on the HB's costs. In analysing these costs to cluster level, the Finance Value team has created a data visualisation and analysis tool for locality based expenditure. This tool allows a 'self-service' approach to analysing both the cost and volume of care at particular 'points of delivery' across the HB.

Cefndir / Background

Since its establishment, Hywel Dda University Health Board (HDdUHB) has faced challenges in providing care within the financial resources available. In order to understand why spend exceeds allocated funding (and also why HDdUHB spends more than comparable HBs), the Director of Finance commissioned the Finance Value team to undertake detailed investigations. The results of part of that work have previously been reported to Finance Committee in late 2019 and early 2020. The work of the team has continued, with further in-depth investigations into variation of cost at cluster population level.

This has identified significant variation between the HB's clusters, particularly in respect of the volume of care provided. This is especially marked in relation to acute care and emergency medicine. Further investigations are ongoing into understanding in detail what variation in specialties, illnesses and treatments exists between GP clusters and individual GP practices.

The data has now been expanded to include Primary and Community Services cost data, Swansea Bay University Health Board cost and activity data, etc. In order to simplify this

reporting, the Finance Value team has constructed a data visualisation tool on Microsoft PowerBI to help illustrate the activities and associated costs for each cluster population.

Asesiad / Assessment

The tool is intended to be published across the HB in order that managers and clinicians can undertake their own investigations into differences in cost and activity. The attached screenshots show examples of the sort of analysis that this tool allows. By clicking on various aspects of the tool, the analysis automatically changes to reflect finer levels of detail. For example, clicking on a particular county provides an analysis of that county's GP clusters only. Clicking on 'Inpatient Costs' reveals which specialties and services were used by that cluster population, with activity illustrated. Conversely, clicking on 'Specialty' shows which costs are attributable to which cluster, where those services were performed, etc.

Members may wish to note that a live demonstration of the system will be provided at the Finance Committee meeting.

Members of the Committee are asked to note that this is the start of a process to refine the tool over time. By building more data into the model, further refining existing data and incorporating requested enhancements, it is hoped that the tool will illustrate differences in the level and cost of care between GP clusters and county areas. It is anticipated that the tool will be more regularly updated with in-year information on cost and activity in order that differences may be tracked over time.

Argymhelliad / Recommendation

The Committee is invited to comment on the issues raised in the Locality Expenditure Analysis report.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	5.5 The Finance Committee will provide assurance, raising appropriate concerns and make recommendations to the Board as a consequence of the Committee's role in relation to short term focus, medium term focus and improving financial management
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	All Health & Care Standards Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners.

Amcanion Llesiant BIP: UHB Well-being Objectives: [Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019](#)	10. Not Applicable

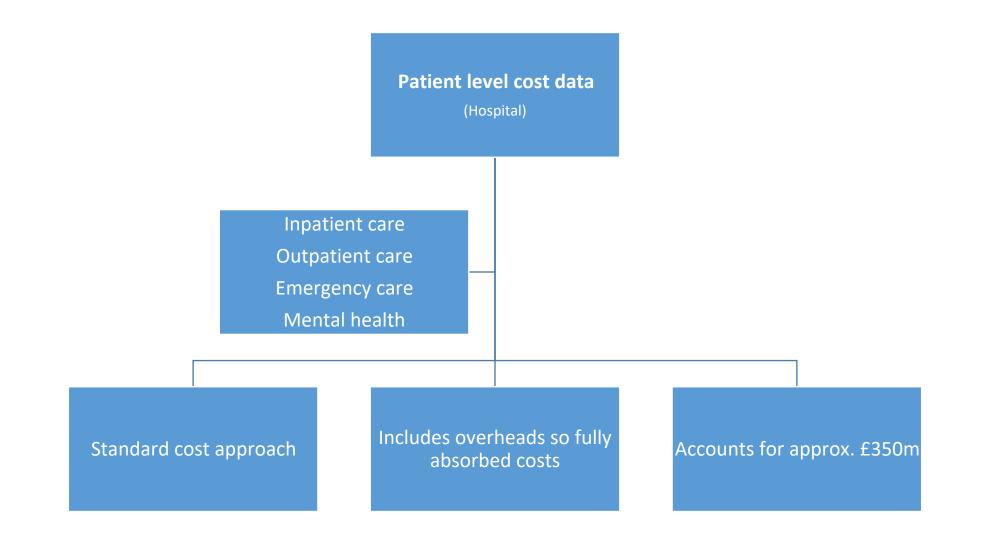| Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Various sources as noted in the main text above
Rhestr Termau: Glossary of Terms:	An explanation of terms is included in the body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee:	N/A

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: **Financial / Service:**	No direct financial consequences, although the work noted aims to improve value for money of the services we deliver
Ansawdd / Gofal Claf: **Quality / Patient Care:**	Not directly impacted
Gweithlu: **Workforce:**	Not directly impacted
Risg: **Risk:**	Not directly impacted
Cyfreithiol: **Legal:**	Not directly impacted
Enw Da: **Reputational:**	There is a risk that non-delivery or inadequate delivery of savings and sustainability opportunities will adversely impact both WG and public perceptions of the Health Board. There is mitigation noted in the main text of the report.
Gyfrinachedd: **Privacy:**	Not directly impacted
Cydraddoldeb: **Equality:**	Not directly impacted

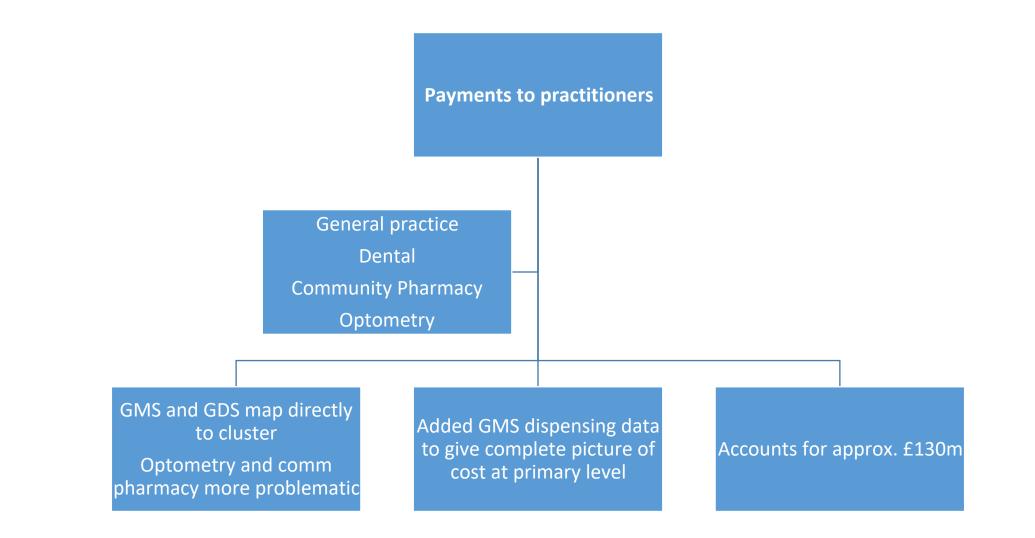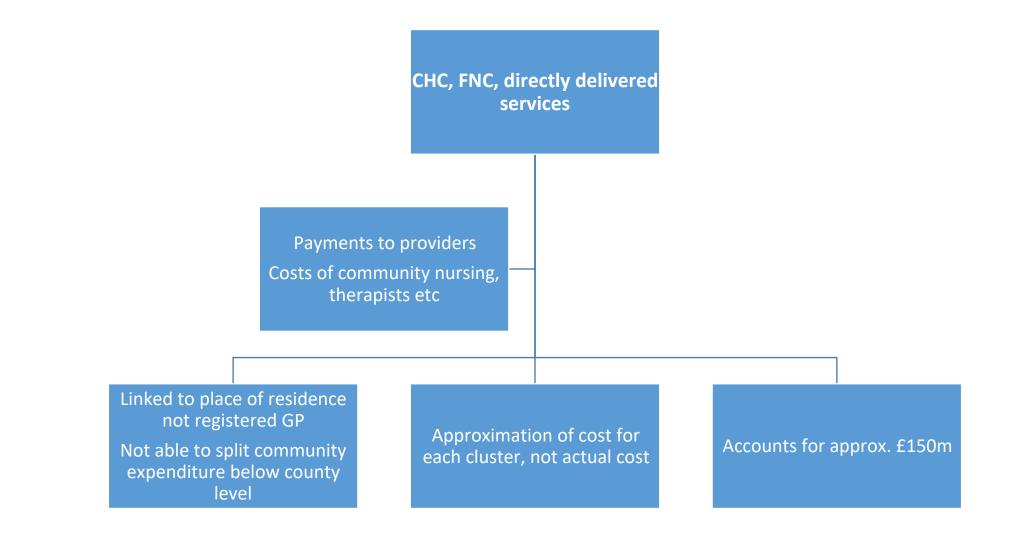# An Analysis of Expenditure by GP Cluster
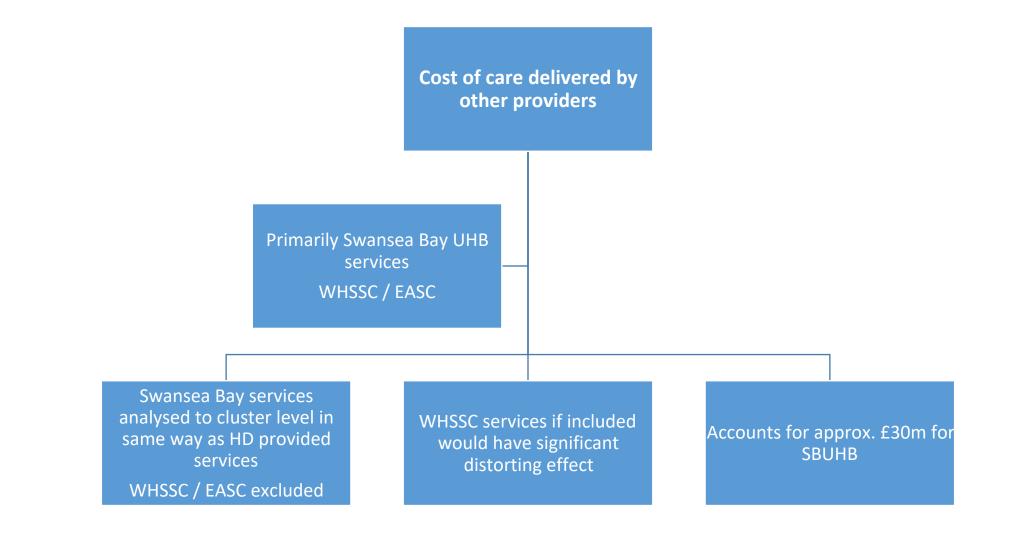
Chris Williams

Senior Value Business Partner

Iwan Williams-Evans

Value Business Partner

- The Finance Value team continues to analyse where the health board consumes financial and other resources

- This is being undertaken in more detail than the traditional "ledger" based approach

- Significant amounts of data – bringing together:
  - All admitted patient care
  - All outpatient care
  - All emergency department
  - Primary care including dispensed drugs
  - Continuing care / funded nursing
  - Mental health
  - Contracted care
  - etc

- A considerable amount of analysis has been undertaken to aggregate cost at 7 cluster level

Payments to practitioners

General practice

Dental

Community Pharmacy

Optometry

GMS and GDS map directly to cluster

Optometry and comm pharmacy more problematic

Added GMS dispensing data to give complete picture of cost at primary level

Accounts for approx. £130m

- Allocation of costs to raw cluster population
  - Takes no account of relative needs of each cluster population

  - Costs are largely beyond the control of each cluster (eg if Bronglais has higher cost per episode due to poor economy of scale, will distort North Ceredigion costs)

- Conversion to activity per head of population
  - Population converted to weighted population using GMS weighting formula

  - Not perfect, but better than alternatives

- Our clusters are not homogenous

- Our practice populations within clusters are not homogenous

- Public Health Wales Observatory data used to rank clusters based on socio-economic factors that affect healthcare demand

- In addition, GMS data on weighting (age, sex, prevalence of chronic illness, etc) help to standardise – but all not fully explanatory

- Data fed into Microsoft PowerBI

- Able to slice data in different ways depending on what area of interest

- Live demonstration of the tool's abilities