



## CASE STUDY: ACUTE HOSPITAL: OUTPATIENT DEPARTMENT IMPROVEMENT

### BACKGROUND

The Trust was in a severely constrained financial position, compounded with significant additional spend to the tune of £1.2m on extra capacity to simply meet the demand on the department. There was no process in place to measure actual utilisation of core capacity. In addition, the impact to patient waiting times was significant leading to an obvious culture of ‘waiting’, low staff morale and poor quality of service.

A study was undertaken at Meridian’s expense to quantify the opportunity in the department. This scoping exercise both identified and quantified the gaps in efficiency, demonstrating for the first time the true capacity and capability of the department to meet its own targets. A subsequent improvement programme was undertaken with the Trust which both significantly improved the capacity (and subsequent revenue) of the department through better planning systems, but also considerably reduced the additional spend on unneeded

extra capacity. Increased revenue through the releasing of extra capacity at no additional cost equated to a financial improvement of £1,171,842 to the Trust, a return on investment (ROI) of 7.9:1.

### STUDY FINDINGS

To establish the root causes of the financial struggles faced by the Trust, Meridian Productivity carried out a full and comprehensive review of the outpatients operation within the Trust with the sole focus of identifying and quantifying the improvement potential, wherever it lay and in whatever form it took. The 3-week study encompassed all facets of the department including (but not limited to):

- Utilisation of clinic capacity through booking of pre-planned appointment slots
- The hidden opportunities in unused capacity through misaligned Consultant job plans

- The appropriateness of the current template configurations to deal with the demand on the department
- Unnecessary costs attributed to flawed or incomplete management control
- The robustness of the management control system in place and its associated strengths/weaknesses
- The behaviours, culture and attitude of the team members in the department

The study incorporated several methods of investigation, including observational studies, statistical analysis, financial examination and face to face behavioural interviews with team members.

This scoping exercise provided 3 key benefits to the client:

1. A completely fresh and objective view of their operation.

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2. Identification of the failures in key management control points disempowering their own management from responding to change.
3. An exhaustive scrutiny of the failure to get everything that was being paid for.

Meridian expended 48 resource days on this scoping phase; observing clinics in their entirety, monitoring patient journeys, staff performance, usage of available appointments and other ancillary tasks associated with the running of the department. During our observations we noted:

- The utilisation of time in these clinics, across all observed disciplines to be 63% against the actual planned templates.
- The time utilisation to be 53% against the full equivalent Consultant PA (or paid) time.
  - This was a consequence of poor planning and alignment of start & end times of the clinics.

- Furthermore, it was identified that nursing support staff were rostered on a fixed basis, where shifts did not reflect the duration of the planned templates.

The Trust had no clear and defined mechanism for monitoring the utilisation of the clinics, nor was there any formal review process in place to identify areas of potential improvement.

With clinics not being fully utilised, almost 10,000 patients per year were being seen in additional 'ad-hoc' clinics at an extra cost to the Trust of over £1.2m. Not only was this impacting severely on the Trust's bottom line, the clearly observed under-utilisation of the service combined with considerable extra payments to Clinicians was also creating a feeling of unhappiness and general resentment amongst the staff. A full capacity planning and demand assessment was undertaken .

## OBJECTIVES

Through the extensive analysis work carried out, Meridian concluded that there was sufficient opportunity to warrant the Trust taking action to realise this potential improvement. On this basis, Meridian entered into an improvement programme with the Trust with the following key goals:

- Maximise capacity in the department by realigning the various constraints
- Review booking processes and re-engineer to achieve a target slot utilisation of 85%
- Review and change clinic templates to ensure best use of consultant time
- Introduce management tools and processes to review & address clinic performance
- Develop a Master Schedule allowing the future plan to be visible and transparent
- Link resourcing to the actual plan to optimise staffing spend
- Develop a means of comparing demand with the true capacity

In financial terms, this equated to:

- Reducing spend on additional capacity through the improved utilisation of core capacity to the value of £600,221.
- Further reduction in core capacity to bring in line with actual demand to the value of £999,942.
- Driving productivity in existing clinics by seeing more patients and maximizing revenue.

This was reinforced with a series of workshops and training sessions based on management techniques, behaviour change and productivity concepts. These workshops were held with General Managers, Divisional managers and also the Executive Team. These had the effect of facilitating a change within the behaviour of the different tiers of management to underpin the system changes being implemented.

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## RESULTS

The program resulted in many successes across the department in quality, behaviour change and improved system utilisation. These deliverables were as follows:

### QUALITY

- Better quality of patient service achieved through reduction in waiting time in clinic.
- Clinic templates and slots realigned to accommodate actual clinical appropriateness.
- Improved staff moral and confidence in the overall ability of the department to meet the needs placed upon it (or self-assurance in where action had to be taken where it could not).

### SYSTEM

Generation of an OPD capacity plan in line with the demand on the service.

- Extensive process mapping and critique with the users of the booking process to identify failures in the current methods/systems.
- Agreement on clear and defined metrics of utilisation and productivity for the department.
- The identification of a method of discerning between core and 'ad-hoc' sessions within the IT systems, considered a great success of the programme. This was achieved through cross-referencing information across various departments.
- Implementation of a consistent Clinic Code naming convention.
- Development of a clean, simple and useful user-focused tool to allow spare capacity to be seen and booked to, quickly and efficiently.
- Implementation of a suite of KPI reports and formal review meetings allowing variances immediately acted upon.
- Demand analysis was undertaken to compare 'Order Book', historic activity and actual available capacity

## FINANCIAL

- The development of complete authorisation process to control the sanctioning of any extra capacity (at additional cost).
- An increase in outpatient clinic capacity at no additional cost to the Trust. This equated to a reduction of core clinics due to there being no demand to the tune of 2,330 clinics per year.
- An increase in activity through improved booking processes and utilisation of previously unused slots.
- Reduction in 'ad-hoc' clinics (1,272 annually).

1. £717,408 saving in additional 'ad-hoc' Spend
  2. An additional £454,435 reduction in sessions based on capacity no longer required.
- Total £1,171,842 across all outpatient s. This equated to a 7.9:1 return on investment to the client.



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