



## Case Study: Outpatient Department / Increased Slot Utilisation, Optimisation of Clinic Capacity and Increased Revenue



### BACKGROUND

The Meridian study and implementation took place during a period of extreme financial constraint for the Foundation Trust. Financial deficits had led to intervention by Monitor and all expenditure was under intense scrutiny. The study showed that while action had been taken to cease additional spend on 'extra' outpatient capacity, there was no system in place which assessed the impact of these types of decision.

Similarly, there was no means of quantifying or reviewing the utilisation of the resource in place and therefore no sense of whether the department was achieving its full potential in terms of income to the Trust. A study was undertaken at Meridian's expense to quantify the opportunity in the department, as well as gain an understanding of the lost revenue in unused clinic slots. A subsequent improvement programme was undertaken with the Trust which significantly improved the utilisation of the clinic slots, as well as aligning (and subsequently increasing) the

capacity of the department. Increased revenue through the utilisation of clinic slots (at no additional cost) equated to a financial improvement of £2,532,055 to the Trust, a return on investment (ROI) of 15.9:1

### STUDY FINDINGS

To identify if there was capacity present to provide the Trust with more revenue at no more cost, Meridian Productivity carried out a full and comprehensive review of the outpatients operation within the Trust. This 3-week study focused mainly on the capacity of outpatient clinics and the utilisation of the planned appointment slots. However, analysis was also undertaken in:

Alignment of resource through the planning systems in place – namely:

- Consultant Job Plans
- Planned Outpatient Sessions
- Clinic Templates
- Support Staffing

The capacity (supply) of the department and its ability to accommodate the number of patients using the department (demand)

The management control systems in place and the effectiveness of their use

The behaviours, culture and attitude of the team members in the department

### SUB-HEADING

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

An in-depth review of the use of planned outpatient slots was undertaken to assess the potential revenue there to be 'cashed' by the Trust. As well as quantifying this 'latent' financial figure, investigation was also made into the reasons that such gains were

## Case Study: Outpatient Department

being allowed to pass by unattended, and the management and staff behaviours that contributed to this inefficient practice.

Meridian expended 42 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 68% against the actual planned templates. This was seen as a combination of both unused slots (due to poor booking practice) and inappropriate appointment durations (due to inappropriate clinic template setup).

Analysis of the management systems showed that the booking practice in place focused heavily on the long-term. That is, full effort was made to book patients into clinics at several weeks out, resulting in a lack of focus on the short-term and the filling of slots only a matter of days away. This practice had the consequence of slots becoming empty close to the date of clinic, but not being refilled. Since outpatient clinic slots are 'perishable', the potential income from these unfilled slots was passing unrealised.

Due to financial constraints, the Trust had recently ceased the running of any additional clinics (at extra cost) commonly used to meet variable demand. However, there were insufficient management controls to quantify the impact that this decision had made. Similarly, there were no processes in place by which the utilisation of the department was monitored either in terms of planned work or actual out-turn.

### 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:

- Install a management control system which would enable all outpatient clinic slots to be PLANNED to be filled
- Develop a detailed Capacity Plan to quantify the impact of misaligned resources across all services
- Engage with clinicians regarding realigning clinic sessions and templates to optimise capacity
- Create a clear and comprehensive reporting mechanism to allow both planned and actual clinic utilisation to be reviewed
- Increase actual patient attendances by 12.5% across the department.

In financial terms, this equated to:

Increasing the annual number of patient attendances through the outpatient department by 12.5% at an average tariff per patient of £120, resulting in increased income to the Trust of £2,433,625.

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.

# Case Study: Outpatient Department

## PROJECT RESULTS

The programme succeeded in putting in place a clear set of management controls which generated transparency across the Outpatient Department. For the first time, all stakeholders (including the Executive Team) had immediate access to the 'true' utilisation of the department.

As well as giving all important management information, the program also had many successes in quality, behaviour change and improved system utilisation. These deliverables were as follows:

- Quality

Consultants were provided the forum to input to the planned configuration of the clinic templates. This allowed never-had discussions between management and clinicians to take place.

Many clinic templates which had existed historically were identified to provide a poor patient experience. These were highlighted and issues resolved.

Reduced patient waiting lists through better use of capacity and a resultant quicker time to be seen for the patient. Clear management control provided booking staff with the confidence to know that they were working effectively. This removed the often misappropriated negative focus from senior management to be redirected into the true causes of lost utilisation.

- System

Development of a bespoke electronic empty slot viewer. This was designed through engagement with the booking clerks and transposed readily available booked slot information into a dynamic tool which allowed unused capacity to be seen and used quickly and effectively.

Detailed compilation of Consultant job plan information against planned clinic sessions and templates to produce a fully comprehensive department capacity plan.

Agreement on clear and defined metrics of utilisation and productivity for the department.

Installation of a robust management control to ensure that any empty clinic slots were not only identified, but filled. A solid action process was also implemented to ensure that where clinic slots could not be filled, escalation to an appropriate level occurred so that senior decision could be taken.

Implementation of a suite of KPI reports and formal review meetings allowing variances to the plan to be immediately acknowledged and acted upon. These reports were developed internally by working closely with the Trusts own IT teams.

- Financial

The development of complete authorisation process to control the sanctioning of any extra capacity (at additional cost).

An increase in the average number of patients being seen per outpatient clinic from a base of 6.87 to 7.33. Against the number of clinics held multiplied by a tariff of £125.74 per patient this equated to a total increased revenue of £393,000 during the course of the 16-week project.

The increase in average patients per clinic equated to a total annualised income of £1,210,465. Incorporating identified savings this annualised figure rose to £2,535,055. At the end of the project, the management control system in place was allowing Trust management to set out focused actions to realise these identified savings.

## Case Study: Outpatient Department

In fiscal terms, this total improvement figure of £2,532,055 across all disciplines within the outpatient department, at a project cost of £158,982, represented a 15.9:1 return on investment to the client.

In addition to the Outpatient programme, work was also undertaken simultaneously in the Radiology and Emergency Departments. The outcomes of the work in these areas allowed cross-departmental reference to occur. Further analysis and improvement work has since been commenced in the Pharmacy Manufacturing Units and Therapy Departments within the Trust.

### PROJECT RISKS

Throughout the project, there were several identified risks which had to be effectively managed. These risks, along with the steps taken to mitigate them, were as follows:

1. Risk – During the programme, certain key members of the management team and booking functions proved to be obstructive to the process of implementation. This was due to an incorrect perception that all slots that could be booked were indeed being booked. This created difficulty in motivating the rest of the team to proceed with the implementation of the new systems.

Resolution – Through the design and development of a simple management tool, it was possible to quantify lost capacity clearly and concisely. By engaging the management team and booking clerks at all steps in this development process, as well as hosting

series of feedback and training sessions, it became impossible for perception to rule, being replaced with simple understanding and acceptance. This allowed the true realisation of lost capacity to become the focus for change.

2. Risk – Through engagement with the Consultant body, many issues were identified in terms of 'what was good for the clinician' as opposed to 'what was good for the patient'. This raised many contentious issues which had up until then went un-discussed.

Resolution – Through a series of open and frank meetings incorporating all Consultants, their clinical managers and the relevant operational managers, it was possible to create a specific forum based on fact in which agreement could be reached. From these meetings there came many amendments to the clinic templates to better optimise capacity and provide a better patient experience.



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