

Media Release

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English hospitals can improve their performance

NHS hospitals have substantial scope to improve their efficiency by adopting best practice, according to research published today by Professor Andrew Street and colleagues at the Centre for Health Economics (CHE) at the University of York.

With the NHS facing severe funding constraints, it has been suggested that the greatest potential savings may come from increasing efficiencies and by reducing variations in clinical practices. When comparing hospitals, variations in practice of any form are often cited as evidence of inefficiency or poor performance and that the overall efficiency of the health system would improve if all hospitals were able to meet the standards of the best.

The CHE researchers assessed whether or not the higher cost or length of stay is due to the type of patients that hospitals treat.

For ten conditions, the researchers examined the cost and length of stay for every patient admitted to English hospitals during 2007/8. They looked at three medical conditions (acute myocardial infarction; childbirth; stroke) and seven surgical treatments (appendectomy; breast cancer (mastectomy); coronary artery bypass graft; cholecystectomy; inguinal hernia repair; hip replacement; and knee replacement).

Even after taking account of age, disease severity and other characteristics, patients in some hospitals still had substantially higher costs or longer length of stay than others. This pattern was evident in all ten clinical areas. Furthermore, these variations could not be explained by hospital characteristics such as size, teaching status, and how specialised the hospital was.

Andrew Street commented: "Our findings demonstrate that most hospitals have scope to make efficiency savings in at least one of the clinical areas considered by this study. Inexplicable higher costs or lengths of stay suggest room for improvement. Unless hospitals improve their use of resources, they could struggle financially."

ENDS

Notes to Editors:

1. Centre for Health Economics. *English hospitals can improve their use of resources: analysis of costs and length of stay for ten treatments*. CHE Research Paper 78, York: University of York. Available at: <http://www.york.ac.uk/che/publications/in-house/>
2. The authors of this report are James Gaughan, Anne Mason, Andrew Street and Padraic Ward from the Centre for Health Economics at the University of York.
3. This work forms part of the research project 'EuroDRG – Diagnosis Related Europe: towards efficiency and quality' which was funded by the European Commission under the Seventh Framework Programme. Research area: HEALTH-2007-3.2-system of Diagnosis-related groups, Project reference: 223300.

4. Papers published in the CHE Research Paper (RP) series are intended as a contribution to current research. Work and ideas reported in RPs may not always represent a final position and as such may sometimes need to be treated as work in progress. The views expressed in RPs are solely those of the authors and should not be interpreted as representing the collective views of CHE research staff or their research funders.
5. The Centre for Health Economics is a department of the University of York. The Centre's aim is to undertake high quality research that is capable of influencing health policy decisions. The Centre is one of the largest health economics research units in the world and its research aims to influence the way decision makers think about the determinants of health and wellbeing, and the organisation and delivery of health and social care.
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