



Modernising NHS pathology

Lessons and observations of a public-private joint venture

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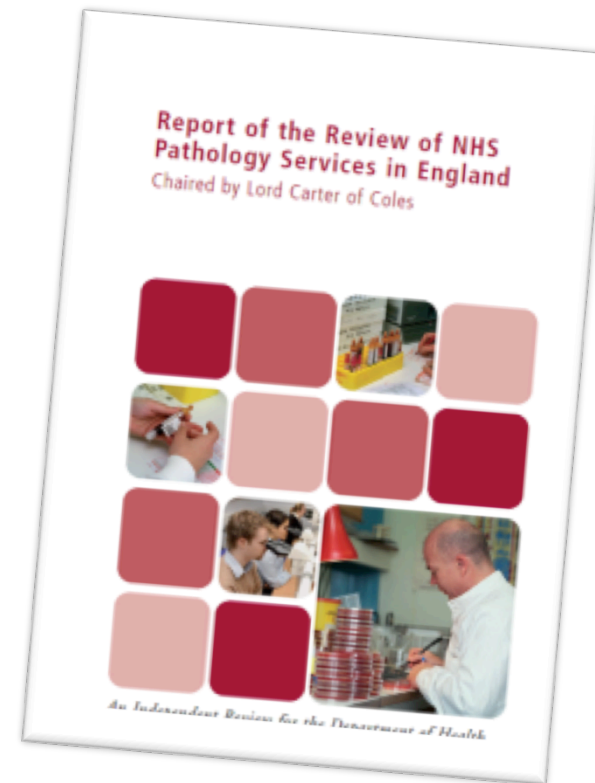
Five Year Forward View

- Sets out a bold plan for NHS reform
- Challenge to the electorate and political leaders
- Praise for the NHS for work to deliver efficiencies for taxpayers and improved outcomes for patients
- But make clear that reform and extra real term funding is still required



Carter's assessment of NHS pathology – *not much change?*

- Excess of 70% of NHS interactions with patients depend on the outcome of a pathology test
- NHS pathology has fallen behind globally
- NHS pathology remains the captive of individual hospitals
- Service is sub-scale and lacks managerial focus to effectively invest in and deliver transformation



Carter's prescription

- Pathology providers should consolidate into managed networks
- NHS commissioners should provide a contracting framework to incentivise transformation
- The DH and NHS Operating Framework should set out a national specification or plan for pathology and the regulation of the market

Why little progress has been made?

- Carter was a casualty of the Lansley NHS reorganisation
- Carter was seized upon by some in the cash-strapped NHS as an opportunity to deliver 20% cost savings
- The failure of the transformation process itself to be controlled and driven by the clinical and scientific leaders in pathology

In conclusion, pathology modernisation is still valid but its implementation needs to be driven by the patient benefits of innovation in diagnostics

Background to Viapath

- Viapath was conceived by one of the UK's foremost Academic Health Sciences Centres
- Viapath creation was in part stimulated by the Carter Reports
- Majority owned by two leading NHS Foundation Trusts – Guys & St Thomas' and Kings College Hospital
- Minority ownership brings investment and commercial capability
- Leverage innovation in pathology for the benefit of NHS customers and their patients



Lessons learnt from Viapath

Benefits and opportunities for the future

- **There are substantial benefits from investment in innovation**
 - Unlocking quality improvements, efficiency gains and winning new customers
 - Investment in the automation of routine laboratory services
 - Investment in specialist laboratory services such as 100K Genome Project



Case Study – Improving Diagnostic Accuracy in Leukaemia

“Improving the consistency and accuracy is probably the single most important aspect of improving outcomes in haematological cancers”

(NICE IOG Manual 2003)

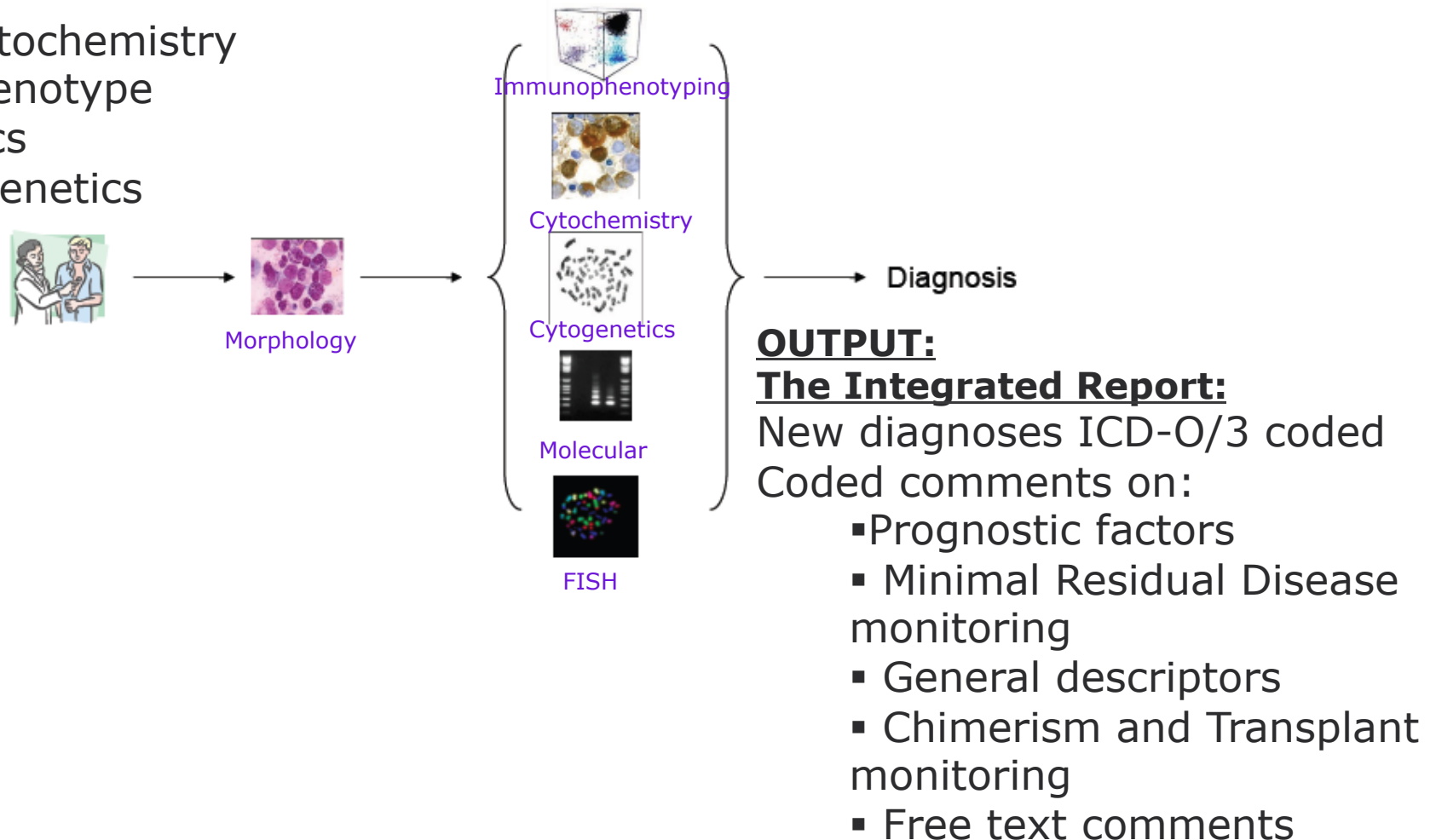
- The original rationale for the NICE guidance was the recognition that the error rate in the diagnosis of haematological malignancies was unacceptably high and had clinical consequences.
- Research evidence suggests insufficient progress has been made – sometimes slow results with a 10 – 25% error rate.
- Viapath/King’s approach – **King’s integrated diagnostic process**
 - NICE compliant Integrated Diagnostics and Reporting since October 2007
 - Diagnose ~250 new acute leukaemias/year
 - Specialist staff and molecular technology
 - Adult Population ~5.3m
 - ~12,000 referrals and ~22,000 tests

Accurate Diagnosis Depends on the Integration of Multiple Diagnostic Modalities

A systematic approach is essential

•INPUTS: WHO

- Clinical Features
- Morphology
- Immunohistochemistry
- Immunophenotype
- Cytogenetics
- Molecular genetics



Lessons learnt

Benefits and opportunities for the future

- **There is significant scope for efficiency savings**
 - Year on year tariff reductions
 - Generated operating surplus
 - Investment in modernising laboratories and capabilities of the workforce
 - In 2014 Viapath invested £7M, which is set to rise next year

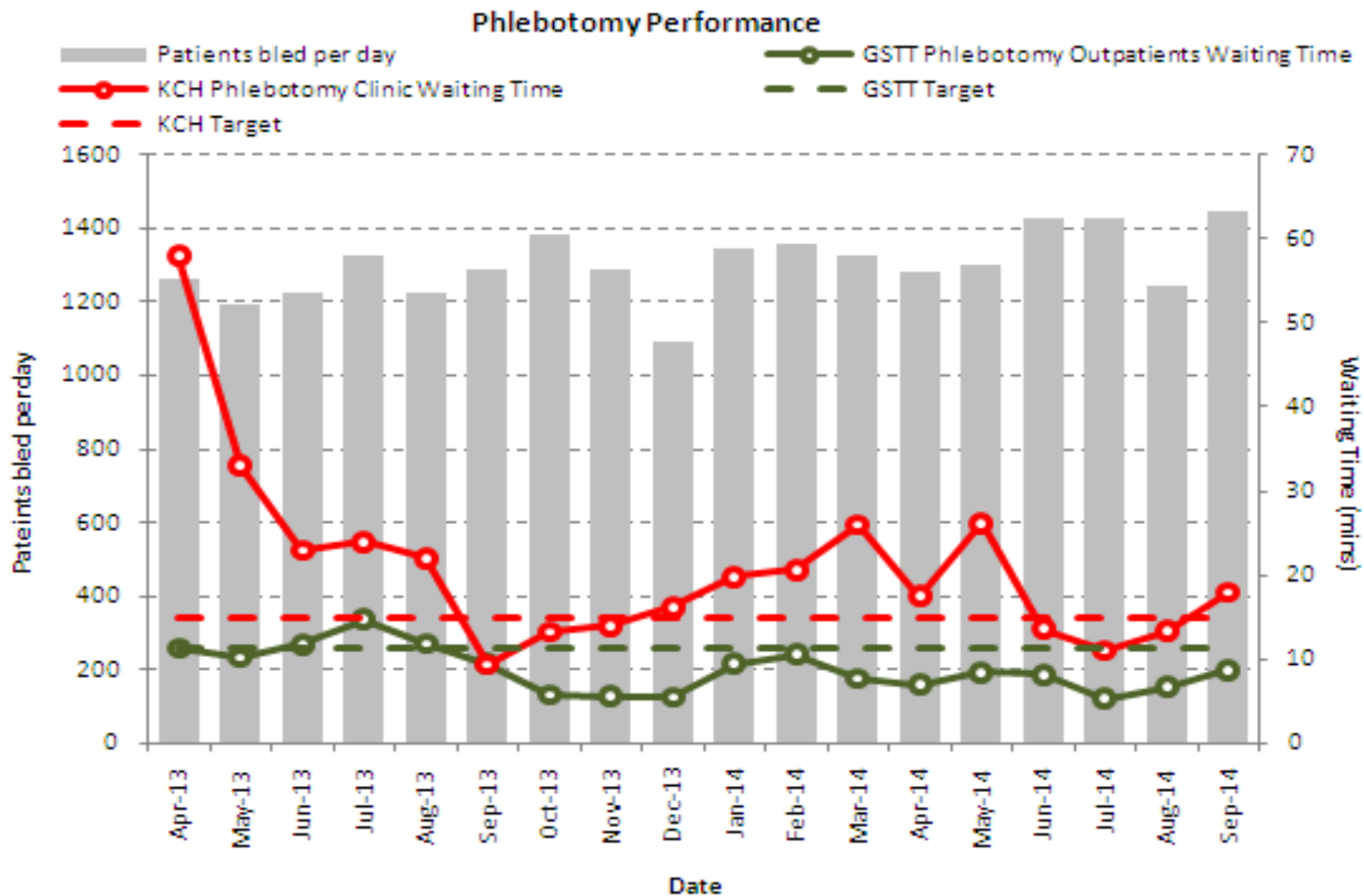
Lessons learnt

Benefits and opportunities for the future

- **Efficiency gains go hand in hand with quality and service improvement**
 - Quality Accounts indicates widespread improvements in quality
 - Savings more than £10M in the last 2 years
 - Labour productivity and automation
 - Substantial savings can be made through better procurement and stock management



Phlebotomy Performance at Viapath



Lessons learnt

Benefits and opportunities for the future

- **Change management challenge in pathology modernisation is substantial**
 - Human and organisational challenge is more daunting than the technical challenge
 - Compelling employee proposition
 - Build loyalty and customer service across Viapath network



Lessons learnt

Benefits and opportunities for the future

- **Market mechanisms to enable the formation of pathology networks are still in their infancy**
 - Growth through contract wins are slower and more challenging
 - Large scale procurement opportunities have been rare/ aborted
 - CCG's and NHSE's have not established formula for commissioning pathology services
 - Highlight - NHSE focus and 100K Genome Procurement demonstrates focus and energy



Lessons learnt

Benefits and opportunities for the future

- **Reaffirming the case for change and the role of a mixed economy.**
 - Opportunities and benefits from NHS pathology modernisation are more valid than ever
 - Partnership working
 - The case for change needs to be recast in terms of patient benefit
 - Focus should be on patient benefit rather than economics alone
 - NHS clinicians and scientists need to be at the centre of the transformation of NHS pathology

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