The King's Fund Ideas that change health care

Developing accountable care systems

Lessons from Canterbury, New Zealand

Overview

- The health system in Canterbury, New Zealand, has undertaken a significant programme of transformation over the past decade. As a result of the changes, the health system is supporting more people in their homes and communities and has moderated demand for hospital care, particularly among older people.
- Change was achieved through developing a number of new delivery models, which involve better integration of care across organisational and service boundaries, increased investment in community-based services, and strengthening primary care.
- The experience in Canterbury offers useful lessons for the NHS in terms of how to redesign care in this way. Key approaches include the development of a clear, unifying vision of 'one system, one budget'; sustained investment in giving staff skills to support them to innovate and giving them permission to do so; and developing new models of integrated working and new forms of contracting to support this.
- The transformation has taken more than a decade and has required investment, highlighting the challenge of the tight timescales and limited funding attached to current plans for transformation of NHS services.

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What changes did the Canterbury health system make?

Canterbury District Health Board (DHB) is responsible for planning, organising, purchasing and providing health and care services for the largest and most highly populated region of New Zealand's South Island. Like other health systems around the world, Canterbury has faced growing demand for hospital care, and a review in 2007 highlighted unaffordable projections for future hospital demand, poor performance in emergency and elective care, and financial deficits. To address these pressures, Canterbury DHB set out to transform the health system, fundamentally redesigning ways of working.

Three key approaches were central to delivering the transformation in Canterbury:

- the development of a clear, unifying vision of 'one system, one budget'
- sustained investment in giving staff skills to support them to innovate and giving them permission to do so
- developing new models of integrated working and new forms of contracting to support this.

Canterbury's programme of transformation focused on keeping people (particularly older people) well and healthy in their homes and communities.

A number of new programmes and ways of working have been developed. Common themes running through these programmes are integrating care across organisational and service boundaries; increasing investment in community-based services; and strengthening primary care.

Models implemented in Canterbury include:

- HealthPathways – primary care management and referral pathways developed in partnership between GPs and hospital doctors
- the acute demand management system – people with acute health needs receive urgent care in their homes or communities from GPs supported by rapid-response community nursing, community observation beds, hospital-based specialist advice and rapid diagnostic tests
- the electronic shared care record view – a secure online summary care record, combining an individual's GP records, hospital records, community pharmacy records and laboratory and imaging results. Clinicians across hospital, community and primary care services can view the record, improving information sharing between different parts of the system.

Canterbury's overall transformation has not been the result of one 'big bang' change, but an aggregation of many simultaneous changes to the way that care is organised and delivered, all working towards an overarching strategic vision. The 2011 earthquake accelerated changes that were already under way in the health system, meaning that Canterbury provides an example of a health system that rapidly transformed the way it delivers care.

What was the impact of these changes?

As a result of the changes, Canterbury's health system is supporting more people in their homes and communities and has moderated demand for hospital care, particularly among older people. Compared with the rest of New Zealand, Canterbury has lower acute medical admission rates; lower acute readmission rates; shorter average length of stay; lower emergency department attendances; higher spending on community-based services; and lower spending on emergency hospital care. Improving the interface between primary and secondary care has led to better-quality referrals, reductions in waiting times and reduced spending on pathology and imaging tests.

It is difficult to measure the impact of specific changes, as multiple changes occurred simultaneously. However, there is strong evidence that their combined impact has significantly modified demand for health care and reduced pressure on acute hospitals. Although hospital capacity has not been reduced, without the changes it is likely that more hospital capacity and greater capital investment would have been required to meet demand both now and in the future.

What can the NHS learn from the experience in Canterbury?

There are clear parallels between pressures the Canterbury health system was facing at the start of its programme of transformation and current pressures on the NHS – including financial deficits, rising demand and declining performance in emergency and elective care. Given the positive impact that the changes in Canterbury have had, it is worth considering the lessons that the NHS can learn as it embarks on its own journey of transformation. Canterbury's progress in moderating demand for acute hospital services is particularly worthy of closer study, as this is one of the biggest challenges facing the NHS and has recently been set as a key focus and marker of success for sustainability and transformation partnerships and new models of care.

The interventions and delivery models used in Canterbury offer practical lessons for other health systems, as does its approach to change, which includes a strong

emphasis on system working, staff engagement, co-design and continuous quality improvement. Technology has been key to Canterbury's success, and local investment and innovation have been central to this. Developing solutions in partnership with clinical users has been key to their successful design and uptake. Other enablers include the development of a clear and shared strategic vision, continuity of senior leadership, and the development of alliance contracting – where organisations formally agree to work together to balance the best interests of the local population with what is best for the sustainability of the Canterbury health system, and share risks and gains across organisational boundaries. The networked organisation of general practice in Canterbury has also been key to many of the developments.

The experience in Canterbury clearly demonstrates that transformation of this kind takes time, with progress still under way a decade into the journey. This highlights the challenge of the extremely tight timescales attached to the transformation agenda in the NHS.

Many of the changes in Canterbury required investment, and although the changes have moderated demand for acute care, they have not cut beds or taken resources from hospitals. This raises questions over the feasibility of ambitions around NHS transformation. Vanguards and sustainability and transformation partnerships are being asked to make significant service changes with little or no additional funding, and services are already under immense financial strain; it is hard to see how the kind of progress made in Canterbury can be achieved in this austere context. Canterbury's experience also casts doubt over expectations that new models of care will enable disinvestment in acute hospitals in the NHS. A more realistic goal would be to bend the demand curve, slowing – but not reversing – growth.

To read the full report *Developing accountable care systems: lessons from Canterbury, New Zealand* please visit www.kingsfund.org.uk/publications/developing-accountable-care-systems.