



## Section 1 Executive Summary

A Pathology Modernisation programme was launched by Department of Health (DH) in 1999. The policy direction was to develop better pathology services to support clinical services in meeting key priorities and targets. A consultation paper Pathology -The Essential Service in 2002 promoted the development of Pathology Networks.

An independent Review of Pathology Services (2005), chaired by Lord Carter of Coles, was asked to determine the feasibility of and benefits from wide scale service reconfiguration. Two reports were produced (August 2006 and December 2008) with 20 specific recommendations focussing on three main themes: improving quality and patient safety; improving efficiency; identifying the mechanisms for change. The review identified potential savings of between £250 million and £500 million through efficiency gains and by consolidating pathology services.

Greater Manchester Pathology Network was formed in 2006. It has clear accountability to Acute and Primary Care Trusts who retain executive decision making and is jointly chaired by two CEOs. Its Board is made up of key stakeholders across the 10 PCT areas of Greater Manchester including clinical directors, healthcare scientists, managers and the Health Protection Agency and RCPATH. (See appendix A)

In May 2009 the Chief Executive community (Commissioner and Provider) set the Network the challenge of undertaking a professionally led feasibility study for the future of Pathology Services in Greater Manchester.

The objectives were:

- ✓ ***The achievement of efficiency savings of 20%***
- ✓ ***Measurement and improvement of quality by 20%***
- ✓ ***Sustaining on-site presence of necessary personnel and services at each Trust***
- ✓ ***Ensuring sustainability of future pathology services in Greater Manchester***

The Network was keen to ensure the feasibility study used the established discipline specific Network Advisory Groups (NAGs) and cross-discipline Priority Action Groups (PAGs). For some meetings independent facilitation was used and over 250 members and stakeholders were consulted over the study. There was an e-room discussion forum and two newsletters were produced describing progress and opportunities to contribute. We also undertook a listening event with primary care to ensure all priorities were identified. A mini-benchmarking exercise was undertaken across Greater Manchester to give headline staffing, finance and workload figures. We have also initiated work streams on enabling issues, for example, the development of a strategic outline case for a single laboratory information system for GM.

As the implications of the recession develop and pressure builds on NHS finances, the Treasury are keen to realise the £500 million savings outlined by Lord Carter. NHS Northwest has been challenged with realising a share of this figure in productivity gains from 2011 onwards and the share for Greater Manchester would be £20-£25m. It is estimated that current expenditure on pathology services across Greater Manchester is approximately £120 million.

Pathology is now identified as a national priority QIPP work stream and the NHS Northwest is keen to ensure transformation through a 'whole systems approach'. Greater Manchester is one of the seven sub regional health economy (footprint) groupings identified in the North West. The DH expectations are that SHAs will have robust transformation plans by June 2010. Greater Manchester is recognised nationally and regionally to be 'ahead of the game' in developing the emerging vision.

**Three options for future service re-design have emerged.**

**Option A - Collaborative Model**

Continue to collaborate across Greater Manchester improving the harmonisation and effectiveness of services. Services would effectively function as individual laboratories providing pathology services, operating as distinct services managed by individual Acute Provider Trusts. Suggestions have been made that greater accountability could be vested in Network arrangements to improve and centralise the governance and procurement of enabling functions, for example, IM&T, transport, capital estate and equipment.

**Option B - Consolidated Model**

Consolidate services, ensuring that each acute hospital has essential pathology services on site in an Essential Services Laboratory (ESL), with appropriate 24/7 cover to support acute clinical activity. All remaining activity would be processed in Centralised Services Laboratories (CSLs). All CSLs will also provide ESL functions for the local acute site.

**Option C - Centralised Primary Care Model**

Consolidate primary care pathology services to a single provider on either single or multiple sites. This leaves responsibility for secondary care provision with each Provider Trust.

Through an appraisal process the 3 models were scored by the Strategy Group for their relative ability to deliver a number of benefits which represented the four key objectives set, including key stakeholder benefits.

<b>Challenge Model</b>	<b>Improve Quality</b>	<b>Reduce Cost</b>	<b>Sustain presence</b>	<b>Sustaining future</b>	<b>Total</b>
<b>Option A</b>	<b>17.3</b>	<b>14.5</b>	<b>13.3</b>	<b>13.4</b>	<b>58.4</b>
<b>Option B</b>	<b>20.8</b>	<b>20.1</b>	<b>21.5</b>	<b>25.2</b>	<b>87.5</b>
<b>Option C</b>	<b>12.5</b>	<b>11.9</b>	<b>11.3</b>	<b>13.8</b>	<b>49.4</b>

### **Preferred Option**

The Strategy Group scored **Option B – Consolidated Model** - significantly higher than the other options. The Strategy Group felt Option A – would not meet the challenge and neither would Option C as it could destabilise on-site hospital pathology services. Option B is in line with Lord Carter’s recommendation *“consolidation enhances quality by creating critical mass and by delivering better value for money through economies of scale”*.

In the North East of Greater Manchester, Pennine Acute Trust consolidated services across 4 laboratories some two years ago and evidenced a number of quality and cost improvements. Pennine’s current expenditure on laboratory services suggests this reconfiguration made significant financial savings.

Greater Manchester, based on current demand and in line with national indicators, may lend itself to considering consolidation of services around more than one CSL in inter-dependent clusters. However, all consolidated models are predicated on the need for a delivery or implementation model that gives greater operational and organisational governance ceded to one organisation which would lead on behalf of all key stakeholders.

We have through the study concentrated on describing the function required from the services rather than the form however, for illustrative purposes, the following arrangements could be considered.

#### **Option B1 – One Cluster**

In this model, Greater Manchester would operate with 1 CSL and 15 ESLs. Capital investment would be required to develop a CSL capable of delivering services for all work not required to turnaround in less than 4 hours.

#### **Option B2 – Two Clusters**

In this model, services would be consolidated in two sectors. This could mean the development of 2 CSLs and 14 ESLs. Sector arrangements could be North and South.

- **North** – Bolton, Salford, Wigan (inc Leigh and Wrightington), Pennine and Tameside
- **South** – Stockport, South Manchester, Central Manchester (inc Children's), Trafford and Christie.

### **Option B3 – Three Clusters**

In this model services would be consolidated in three sectors. This would be broadly in line with current clinical reconfiguration considerations of 3 clusters in Greater Manchester. This could lead to development of 3 CSLs and 13 supporting ESLs.

- **North West** – Bolton, Salford and Wigan (inc. Leigh and Wrightington)
- **North East** – Pennine (inc. Oldham, North Manchester, Rochdale and Bury) and Tameside
- **Central and South** – Stockport, Central Manchester (inc. Children's), South Manchester, Christie and Trafford.

### **Option B4 – Four Clusters**

In this model services would be consolidated in four sectors. This could lead to development of 4 CSLs and 12 supporting ESLs.

- **North West** – Bolton, Salford and Wigan (inc. Leigh and Wrightington)
- **North East** – Pennine (inc. Oldham, North Manchester, Rochdale and Bury).
- **South East** – CMFT (inc. Children's), Tameside and Stockport
- **South West** - South Manchester, Christie and Trafford.

The above options are for discussion and are not mutually exclusive in that they can be considered to be steps or phases in the consolidation of pathology services.

During implementation phase the best configuration for each individual pathology discipline and sub-discipline would be determined based on needs for Greater Manchester services and guided by the professional advice of the Network Advisory Groups (NAGs). Within any cluster we would also need to consider the appropriate distribution of work by discipline or sub-discipline.

## Conclusions

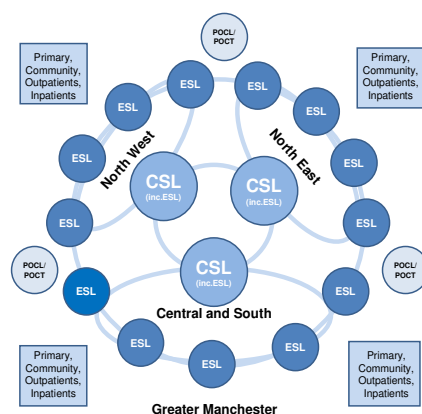
This professionally led feasibility study on the emerging vision for future pathology services concluded that consolidation of services across Greater Manchester is the only realistic option to meet all four objectives set by CEOs.

We believe from the study:

1. 20% quality gain can be achieved (e.g. through standardisation, harmonisation, appropriate and timely testing and reporting, and critical mass of expertise).
2. 20% saving can be achieved (this is the suggested level of saving from Pennine's expenditure data and Carter Review).
3. Protection of essential on-site services can be achieved (e.g. responsive on-site clinical services appropriate to need).
4. Sustainability of GM pathology services can be achieved (e.g. planned and managed change, appropriate skill mix, job redesign, adjustment of the working day and risk management).
5. But all of these can **ONLY** be achieved through reconfiguration to a consolidated pathology service for Greater Manchester.

## Recommendations

1. The Network recommends the consolidated model as the best way forward for pathology services in Greater Manchester.
2. CEOs are asked to endorse conclusion points 1 to 5 and to agree a second phase of work which is to produce economic and capacity modelling, governance proposals and an implementation plan. This work will need to be resourced.



Meeting the quality and productivity challenge

