

Unit Costs of Health and Social Care

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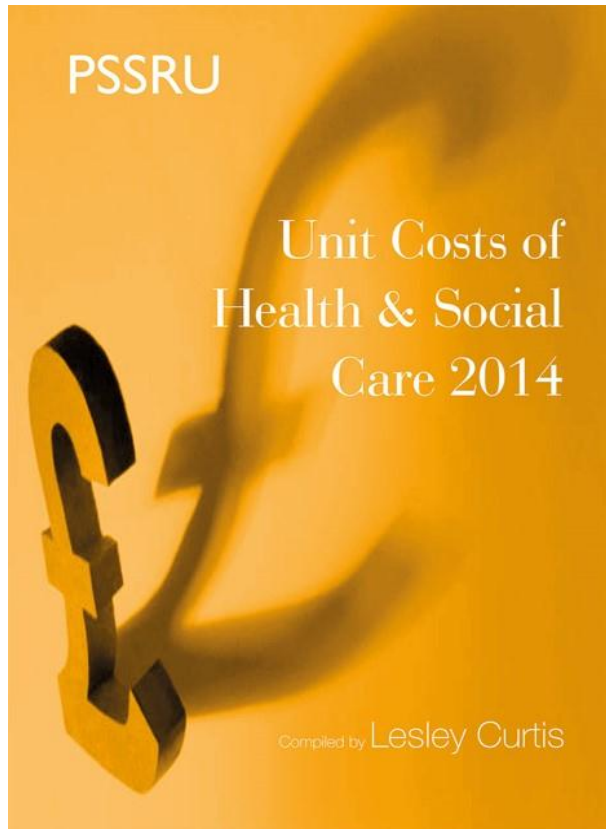
**State of the Art in Costing Methods
Edmonton, Canada (21st and 22nd January)**

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Personal Social Services Research Unit



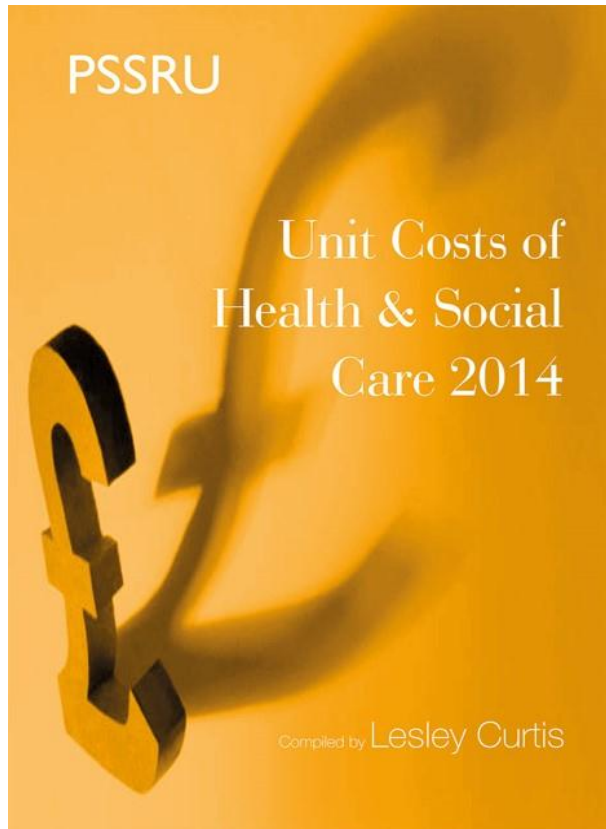
1. Aims
2. What is included?
3. Methods
 - a. Examples of:
 - i) Multi-sources
 - ii) Care-packages
 - iii) Reference costs
 - b. Back-office
4. How are the costs used?
5. Future work

Aims

- Commissioned since 1992 by DH to provide unit costs that are nationally-applicable (England only). Provides weighting (where possible) for London.
- To use 'long run marginal opportunity cost' approach.
- To produce bottom-up costs where possible which the user can substitute to suit their own circumstances.
- Sources of information are fully referenced.
- Carry out primary research where no information publicly available.

The publication includes:

- a) Guest editorial/articles
- b) Section 1 – costs of facilities, client level, hospital costs, care packages
- c) Sections 2 to 4 – costs of professionals/teams which can be used across all client groups
- d) Miscellaneous



Example 1: multi-source data

- Sections 2-4 of our report provide costs for professionals/teams of professionals used in all client groups.
- Includes salaries, oncosts (employers contribution to superannuation and national insurance), overheads (direct and indirect) plus capital (building and land costs).
- We always provide a unit cost per working hour. When possible we provide cost per patient related hour.

Multi-source data - community nurse

Costs and unit of estimation	2013/2014 value	Notes
Wages/salary	£31,943 per year	Based on the mean FTE basic salary for Agenda for Change Band 6
Salary on-costs	£7,818 per year	Employer's NI plus 14% of salary for employer's superannuation contrib.
Overheads: management, administration & estates staff	£7,677 per year	Using NHS (England) Summarised Accounts: 19.31% direct care salary costs
Overheads: Non-staff	£16,688 per year	Using NHS (England) Summarised Accounts: 41.97% direct care salary costs
Overheads: Capital	£3,687 per year	New-build and land for community health facilities, annuitised over 60 years at a discount rate of 3.5%. Add on 'extra' costs (fees, charges, searches etc.).

Multi-source data - community nurse: identify activities/unit

Costs and unit of estimation	2013/2014 value	Notes
Working time	42 weeks per year 37.5 hrs per week	Unit costs are based on 1,575 hours per year: 210 working days minus sickness absence and training/study days as reported for all NHS staff groups.
Ratio of direct to indirect time: Patient-related work (incl. direct care, care planning etc, travelling)	1:0.33	Community nurses spend 43% of their time on direct care. Then: 18% on care planning, assessment and coordination; 19% on administrative tasks; 5% on management; 14% travelling; and 1% on other duties.

Unit Costs 2013/2014 £43 per working hour, £57 per hour of patient-related work

Example 2: care packages

Mrs E was an 82 year old woman who was married and lived with her husband and another relative in her own home. Mrs E suffered from dementia and needed help with nine activities of daily living.

Services	Average weekly costs	Level of service	Description
Social care			
Home care	£1,111	30 hrs per week	Local authority-organised home care. (UCR).
Health care			
Community nurse	£19	20 mins	One community nurse visit a week.(UCR)
GP	£11	11.7 mins	Visits estimated at once every four weeks (UCR)
Other costs			
Accommodation	£86		The national average weekly gross rent (two-bedroom house/social housing sector). (RENTRIGHT).
Living expenses	£213		Living expenses (Family Expenditure Survey)
Total Cost	£1,440		

Example 3: NHS Reference Costs – single source routinely collected data

- Costs of treatments and procedures delivered to NHS patients from NHS resources. Includes all costs per bed-day; outpatient attendance; session etc.).
- Some Trusts use a “top down” approach to allocate costs to clinically similar groups of patients.
- More and more Trusts are now using patient level costing (PLICS).
- Data used to inform the national tariff.

Reference Costs

We often provide an average weighted cost per speciality group. See <https://www.gov.uk/government/publications/nhs-reference-costs-2012-to-2013/> for full list of reference costs available.

	National average	Lower quartile	Upper quartile
Elective/non elective stays, average weighted cost per episode			
Elective inpatient stays	£3,403	£2,568	£4,013
Non-elective inpatient stays (long stays)	£2,716	£2,029	£3,197
Non-elective inpatient stays (short stays)	£611	£408	£726
Day cases (finished consultant episodes)			
Weighted average of all stays	£701	£503	£835
Day care facilities (average cost per patient day)			
Stroke patients	£208	£153	£268
Elderly patients	£157	£76	£208
Other patients	£157	£94	£214
Outpatient procedures			
Weighted average of all outpatient attendances	£109	NA	NA

Back-office methods

- Staffing
- External validation from a working group
- Keeping work up to date - review literature/feedback from users/secondary sources/specialist departments eg. Centre for Child and Family Research
- Costs updated using inflators if no recent sources available
- Stored on multi-linked spreadsheet/info. transferred to workbooks for printing. Looking at new ways of presenting data.

How are the costs used?

Many uses – full report (2013) downloaded 19,000 times and individual sections 32,000 times.

Used:

- To inform policy/impact assessments/spending reviews.
- Benchmark prices when purchasing services/fixing personal budgets.
- For economic evaluations - cost effectiveness studies. (Cited in 68% of English economic evaluations).
- When researching disease profiles – identifying costly patients for public health interventions and most cost effective treatment.

Future work

- Other costs which we hope to include in the future are:
 - Environmental costs such as carbon and other greenhouse gas emissions
 - Indirect costs to patients – travel/loss of productivity
 - Informal care costs
 - Time use survey ongoing

Further information

For the 2014 report, please visit: <http://www.pssru.ac.uk/project-pages/unit-costs/2014/>

Past reports: <http://www.pssru.ac.uk/project-pages/unit-costs/>

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