



The Prodacapo Service Line Management System

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Introduction

Patient Level Costing is a powerful application of activity based costing principles.

It recognises that the ultimate profit centre is the patient episode and that patients and how their treatment episodes are managed have many influencing factors that drive cost in a hospital. The extent to which treatment service lines generate sufficient income to cover direct and indirect costs is determined by those factors.

To fully understand Patient Level Costing, there is a need to understand:

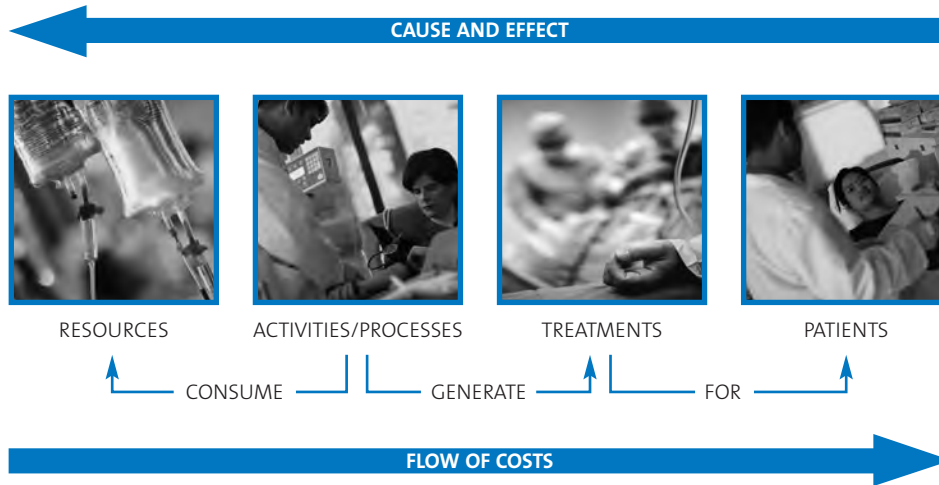
- the cost base of the hospital and what drives the need for it
- the profitability – or otherwise – of service lines and patients
- the patient care pathways within the hospital and the scope for improvement
- activities carried out by staff and other resources
- the impact of changes in demand on the hospital and its cost and income streams
- how performance is measured *and* managed

For Patient Level Costing to be credible and actionable however, it must make sense to both clinicians and managers.

To create such a comprehensive and credible view of the hospital and its activities, we need to understand cause and effect. This explains the cost dynamics of a hospital and its service lines and *why* a procedure, patient or service line costs what it does.



Patient Level Costing – Methodology



Understanding how costs behave + understanding cause and effect
 = A reflection of reality and credibility, leading to action!

Patient Level Costing provides a firm foundation for analysing costs and the profitability of service lines and patients.

Ultimately, it provides the bedrock of the credible information required to enable:

- efficient resource allocation
- informed investment decision making
- greater control for clinicians and management enabling them to focus more on patient requirements

The Prodocapo Service Line Management System delivers true “joined up thinking” that takes account of cause and effect. This enables hospitals to understand their business model, anticipate the future and take control.

The Prodacapo Service Line Management System

Bellis-Jones Hill's Healthcare Management Solutions practice supports Trusts in their pursuit of improved performance and greater profitability.

The Prodacapo Service Line Management System enables Trusts to understand what is really driving performance at a strategic and an operational level.

Prodacapo is unique in its functionality and methodologies, allowing an easy transition from rapid prototyping of potential solutions through to large scale implementations.

As a Performance Management software suite, the elements within it are also fully integrated to a degree unmatched by others.

Clients really value the ability to address their initial requirement and move easily into other related performance areas without having to go back to square one and involve other business applications.

By analysing profitability, quantifying cost drivers and understanding activities carried out by staff, we can help Trusts to optimise performance, control costs, anticipate and quantify the effects of change and measure performance in a pro-active, systematic and actionable way on a Trust-wide basis.



System components

1 Service Line and Patient Level Profitability

Delivers an integrated view of resources, cost and income to generate profitability insights by Service Line, HRC, procedure, consultant, patient etc.

2 Service Line Performance

Shows actual performance against plan for both operational and financial management information.

3 Service Line Planning

Facilitates participative strategic and operational planning, effective “what if?” analysis and rolling forecast capability.

4 Patient Care Pathway – Process Improvement

Facilitates process mapping, costing, benchmarking and performance improvement by connecting activities with outcomes, measures and initiatives.

5 Service Line Reporting

Delivers a fully integrated, role-based analysis and reporting capability that creates a fact-based decision-making environment tailored to the needs of each clinician and manager.

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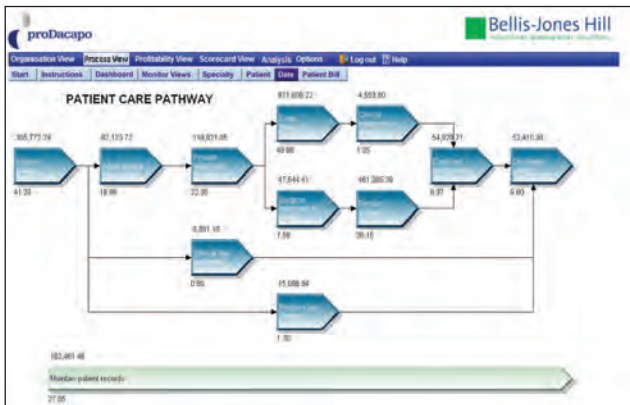
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Key features and benefits

The Prodacapo Service Line Management System is a robust, well proven management information system that facilitates all aspects of Service Line Reporting

Its key features and benefits include:

- Multi-dimensional Service Line insights – e.g. by Service Line, HRG, procedure, consultant, patient, etc.
- Transparency of cost behaviour – linking Patient Care Pathways with Service Line Reporting
- The ability to “slice & dice” operational, cost and income information from Service Line level down to the individual patient episode
- Credible, actionable information for both clinicians and managers
- Integrates easily with existing data sources and is adaptable to the quality of the underlying data.



Prodacapo

Prodacapo has been at the leading edge of Performance Management software for over 15 years and is established as a market leader in Performance Management solutions. Prodacapo is a very well-proven, well-established and mature software based on industry standards (such as Oracle & SQL) and uniquely recognises the pivotal role of resources in Service Line Reporting.

Prodacapo is distributed in the UK & Ireland, Netherlands, Germany, France, Spain, Australia & SE Asia, North America, South Africa and across Scandinavia. With more than 500 customer references in over 50 countries including many in the healthcare sector, Prodacapo can justifiably be termed the best of breed with an enviable record of global customer retention.

Healthcare organisations supported by Prodacapo include:

- Capio Medocular Eye Clinics
- County Durham & Darlington NHS Foundation Trust
- East Lancashire Hospitals NHS Trust
- Erasmus Medical Centre
- GGZ Delfland
- Great Ormond Street Hospital for Children NHS Trust
- Healthcare Commission
- Liverpool Heart and Chest Hospital NHS Trust
- Salford Royal NHS Foundation Trust
- Stockport NHS Foundation Trust
- The Royal Surrey County Hospital NHS Trust
- The Walton Centre for Neurology and Neurosurgery NHS Trust
- West Hertfordshire Hospitals NHS Trust

Healthcare case studies

CASE STUDY: Salford Royal NHS Foundation Trust

Salford Royal NHS Foundation Trust is a large teaching hospital employing over 4000 employees and caring for around 350,000 people a year. It provides a range of general hospital services to the people of Salford and the Greater Manchester area. On an average day, the hospital cares for over 800 inpatients, sees 1,000 outpatients and treats around 200 patients in Accident and Emergency.

Management and staff at Salford Royal are passionate about quality and patient safety and recognised the need for greater transparency of what is really driving performance and costs across the Trust. To obtain more reliable and credible management information that could provide a better understanding of both the income and cost of patients' treatments, Salford Royal appointed Bellis-Jones Hill in March 2007 to support their implementation of Service Line Reporting and Patient Level Costing using the Prodacapo Service Line Management System.

The system produces Service Line Reporting and Patient Level Costing information for both management and clinicians to help obtain real insight into performance and profitability and provides an objective basis for identifying opportunities for improvement. It allows Salford Royal to deep-dive into its own performance and provides



“We chose the Prodacapo system because it makes it easy to communicate complex information. It is simple to use and its broad range of analysis and reporting options make the job of understanding Service Line Reporting and Patient Level Costing far more transparent.”

*Tony Whitfield,
Finance Director and Deputy
Chief Executive*

patient episode level costs that help better understand the factors that influence patient outcomes, performance and profitability by specialty, consultant and point of delivery.

The implementation at Salford Royal has also included Prodacapo Service Line Performance Management, a Balanced Scorecard that measures performance against targets and plans across the Trust and at all levels from Board level down to ward level. Tony Whitfield comments “As a key part of our overall Quality Strategy, we now have a comprehensive system that provides the degree of information accuracy required for our management team and clinicians to take important strategic and operational decisions with real confidence”.

The Service Line Reports are now updated quarterly to coincide with Board reporting and there are sixty clinicians and managers across the Trust with direct access to this information for analysis and decision making.

Regular Service Line Reporting and Patient Level Costing information has had a significant impact on Salford Royal’s Cost Improvement Programme, helping it to set differential targets based upon Service Line Reporting Information and is helping managers understand where cost improvements can be achieved.



“Being in more control of our cost information has enabled the Trust to become more commercially aware and has contributed to the improved quality of our business cases.”

*Stephen Kennedy,
Deputy Director of Finance*

CASE STUDY: Erasmus Medical Centre

Erasmus Medical Centre (EMC) is the largest university medical centre in the Netherlands, with over 10,000 employees, a budget in excess of 700 million Euros and over 500,000 patients per year.

Since early 2005 EMC has had to negotiate with healthcare insurers about the price of different forms and combinations of treatment.

In late 2005 the Prodacapo system was chosen after a thorough evaluation process. According to Paul Steinbusch from the EMC Costing Project Team, the main reasons why it was selected were “it’s straightforward, easy to use and includes extensive analysis and reporting options with highly graphical user interfaces that make it easy to communicate complex information”.

EMC and its departments are now able to cost products and services more accurately, identify which products are profitable or not and set prices.

By allocating central overheads in a sophisticated and transparent way, EMC can also set more accurate internal transfer pricing and identify efficiency improvement opportunities.



“Having used the software for over a year now, the more I am convinced that we have made the correct choice. Less than a year after having bought Prodacapo software we were fully self-supporting. The software is so intuitive and user friendly that we are fully in control.”

*Niek Bossché,
Costing Project Leader*

Bellis-Jones Hill

Bellis-Jones Hill is the exclusive distributor of Prodacapo software in the UK and Ireland with close links to distributors worldwide.

Well established as a leading authority on performance management, we have an unrivalled implementation track record in the UK stretching back over 20 years.

Our consultants are among the most experienced practitioners available with close involvement in the worldwide development and evolution of Costing and Performance Management applications.

With extensive knowledge of the UK operating environment, extensive experience in healthcare and related sectors, strong working partnerships with major consulting firms and a focus on delivering quantifiable results from the application of performance management software solutions, our Healthcare Management Solutions practice is well placed to provide software and support to the UK healthcare sector.

Strategy and change are often about making big decisions and we believe that the ability to make such decisions should be based on the confidence provided by credible, actionable management information.

Our role is to work in partnership with our clients to develop a well informed basis for change and, crucially, the methods and systems by which to effect it.

Judge us by your results.



Bellis-Jones Hill is pleased to be a corporate partner with the Healthcare Financial Management Association (HFMA)

Our Clients

Healthcare Management Solutions Clients:

- Aintree University Hospital NHS Foundation Trust
- Cambridge University Hospital NHS Foundation Trust
- Camden and Islington NHS Foundation Trust
- Chelsea and Westminster Hospital NHS Foundation Trust
- Cheshire & Wirral Partnership NHS Foundation Trust
- County Durham & Darlington NHS Foundation Trust
- Ealing Hospital NHS Trust
- East Lancashire Hospitals NHS Trust
- Great Ormond Street Hospital for Children NHS Trust
- Imperial College Healthcare NHS Trust
- Liverpool Heart and Chest Hospital NHS Trust

- Liverpool Women's Hospital NHS Foundation Trust
- Oldham Primary Care Trust
- The Royal Surrey County Hospital NHS Trust
- Salford Royal NHS Foundation Trust
- Shrewsbury and Telford Hospital NHS Trust
- Stockport NHS Foundation Trust
- University Hospital of South Manchester NHS Foundation Trust
- The Walton Centre for Neurology and Neurosurgery NHS Trust
- West Hertfordshire Hospitals NHS Trust
- West Middlesex University Hospital NHS Trust
- Wrightington, Wigan and Leigh Hospitals NHS Foundation Trust

Performance Management Clients include:

- Barclays
- Environment Agency
- Experian
- Friends Provident
- Homeloan Management
- Resolution
- Reuters
- Skandia

“It is a very versatile system which will facilitate service developments & the Clinicians will like it!”

ELAINE GRIFFITHS, CONSULTANT CARDIOTHORACIC SURGEON, LIVERPOOL HEART AND CHEST HOSPITAL NHS TRUST

“We looked at six software suppliers and only the Prodacapo Service Line Management System offered a fully-formed, off-the-shelf, proven solution to our Service Line Reporting and Patient Level Costing needs.”

MARK GREATREX, DEPUTY DIRECTOR OF FINANCE, WALTON CENTRE FOR NEUROLOGY AND NEUROSURGERY NHS TRUST

“Having conducted a thorough competitive tendering process, we selected the Prodacapo Service Line Management System from Bellis-Jones Hill as it offered the most appropriate technical solution to our needs and good value for money.”

PAUL BIDDLE, DIRECTOR OF FINANCE, ROYAL SURREY COUNTY HOSPITAL NHS TRUST

 **JUDGE US BY YOUR RESULTS**



Bellis-Jones Hill

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