"But that's not in my Job Description...” Teaching Hospital Doctors about Finance

The all too familiar get-out clause of "but that's not in my job description" could soon be a thing of the past in the NHS. This common phrase can be heard in any given workplace and the hospital sector is no different. We are talking specifically about hospital doctors and their role in financial matters. For many doctors it is very simple- it is their duty to deal with patients, to save lives, while it is the managers who deal with budgets and resources. This however, may be about to change with the publication of "A Guide to Finance for Hospital Doctors". It is an initiative to educate hospital doctors about how finance works in the NHS in a bid to reduce costs, improve cost-effectiveness and at the same time increase efficiency and the quality of care.

The guide, entitled “A Guide to Finance for Hospital Doctors” has been jointly prepared by the Academy of Medical Royal Colleges and the Audit Commission. Aimed at medical students and doctors in the early stages of their careers, it is a practical manual on how finance in the NHS works, and at 56 pages, it is a hefty read!

The guide stems from a joint statement, “Clinicians and Finance: Improving Patient Care” made in Feb 2009 by the Academy of Medical Royal Colleges, the Audit Commission, the Department of Health, the Royal College of Nursing, NHS Institute for Improvement and Innovation and the Healthcare Financial Management Association.

The statement emphasises each organisation’s commitment to supporting clinical engagement in the business processes of their organisations, how this should be achieved and how they are supporting it. The statement highlights that the "purpose of the NHS is to serve patients and the public by whom it is funded" but that the best care can only be provided if the money available to the NHS is used effectively. A way to ensure this is by involving clinicians in the business processes of their organisations. The guide to finance for hospital doctors is just one initiative.

These organisations have also stated that they will produce practical guidance for finance staff on how to encourage this clinician engagement, as well as support the “Enhancing Engagement in Medical Leadership” project and the development of financial management competencies for nursing staff. They will also promote events to raise nurses’ involvement, provide ward sisters with an introductory guide to financial matters, produce e-learning packages for non-finance staff and hold national and regional events to promote greater engagement and to stimulate local action.

The release of the guide comes at a very fitting time. It is well accepted that the healthcare sector has, and will we affected by the recession. Healthcare budgets are suffering, resources are strained and although in certain European countries such as France and Germany the tide is already beginning to change, many countries are still in crisis.

Everywhere across the world businesses and organisations are thinking of ways to combat the recession. The leading article of this issue of (E)Hospital and its strategies to weather the recession confirms that hospitals have also had to tighten their belts, rethink processes and come up with innovative ways of saving money and improving cost effectiveness. The lessons learned and new strategies implemented during a recession will not cease to be useful when the situation changes for the better. In a similar vein many initiatives across Europe designed to improve cost-effectiveness have become increasingly important during this period of economic downturn. The guide is one of these initiatives.

Better Value and Better Care

According to the thinking behind the guide the general formula for success is: More clinician engagement in finances equals better value for money and better care for patients. The more senior the doctor the more important understanding finance and business becomes. Clinicians should be equipped with the understanding, tools and the ability to manage resources effectively and in turn use these skills for the benefit of the patient. A greater understanding of financial issues has the potential to empower clinicians to be advocates for change and improve the state of NHS services. The ultimate goal is the better care of the patient.

As well as the objective of empowering clinicians, the guide emphasises the benefits of partnership and teamwork. It is not about turning doctors into accountants but about building a mutual partnership and understanding of financial issues. In many hospitals finance is left to the finance department with little cooperation between financial officers/managers and clinicians. Both departments must support each other due to the complicated financial situation of today.
How money flows round the NHS, in particular how their organisation receives income when patients are treated;
The financial rules that exist in their organisation and the role of the finance department;
How budgets are set and managed, and
How to make the best use of the money available.

The five topics make up the chapters of the guide and comprehensively explain how exactly finance in the NHS works.

The "Three E’s": Economy, Efficiency and Effectiveness and their relevance to the healthcare sector are explained as are other key theories and processes. A glossary at the back "dejargonises" financial terms. The guide also features Q&A boxes with responses to likely questions, and objections of clinicians concerning their involvement and understanding of finance. These questions tackle issues such as why doctors should become involved, possible friction evolving from having to listen to less qualified junior finance staff, mistrust of service-level reporting and how hospital finance and value for money compares to the everyday financial decisions doctors are faced with in their personal lives (buying a car for example).

Conclusion

The Guide to Finance for Hospital Doctors seems to be a step in the right direction for the financial future of the NHS, providing clinicians with the information they need to make more informed decisions and a fostering a better understanding of the financial implications of their actions. Surely educating a new generation of hospital doctors on finance can only have a positive effect on the quality of care. A greater understanding of finance is also of particular importance during these times of economic uncertainty and budget cuts which will certainly occur again.