

PROJECTING THE ECONOMIC BENEFITS OF THE ELECTIVE RECOVERY PLAN IN ENGLAND



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Summary

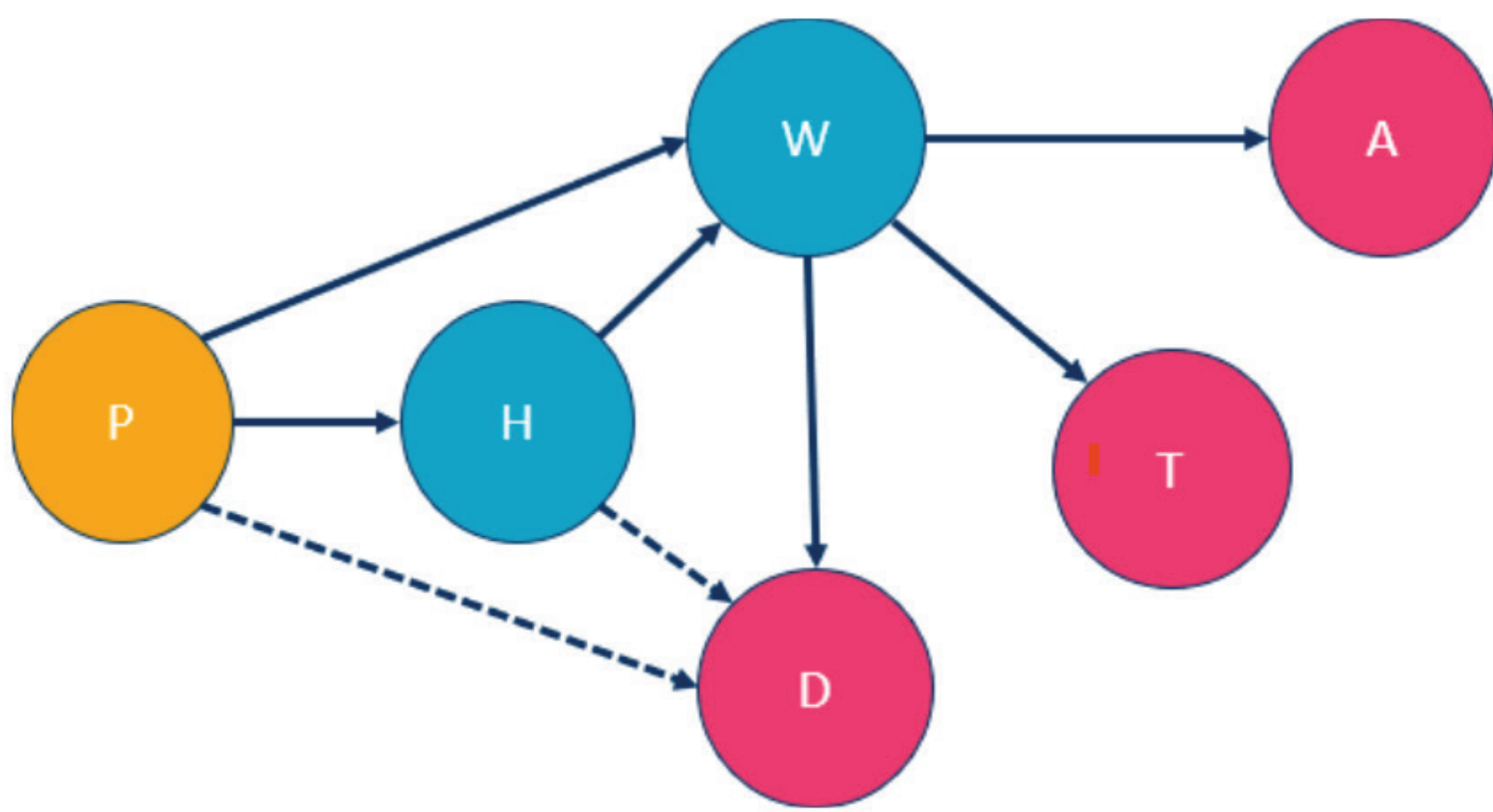
- Over 7 million patients were on the waiting list for elective care in England in September 2022, alongside an estimated 3-4 million who did not seek care during the pandemic but still required treatment (“hidden need”).
- To tackle this backlog, the NHS launched its Elective Recovery Plan in February 2022, which aimed to deliver around 30% more elective activity by 2024/25 than before the pandemic.
- If this plan is successfully implemented, we estimate that over 2022-27:
 - 16.8 million years of waiting time would be saved;
 - Paid and unpaid production would increase by £73bn; and
 - £14bn could be saved on formal and informal health care costs.

Background

- The NHS waiting list for elective care in England increased by 60% between February 2020 (4.4 million) and September 2022 (7.1 million).
- To tackle the backlog, the NHS’s Elective Recovery Plan (ERP) aims to increase treatment capacity by 30% by 2024/25.
- Waiting time reduction is expected to bring not only direct health benefits to patients themselves but a wider societal benefit as they return to previous activities of daily living and increase their paid and unpaid economic activity.

Methods

- We developed a Markov model to project the size of the NHS waiting list to 2027 under three “intervention” scenarios where treatment capacity increases and a “counterfactual” scenario without any increase.



- Legend**
- P: General population (not needing treatment)
 - H: Hidden need (needing treatment but not referred)
 - W: Waiting list
 - A: Admitted for inpatient treatment
 - T: Treated as an outpatient treatment but not referred
 - D: Discharged without NHS treatment
- Transitions impacting waiting list
--- Other transitions

- For each intervention scenario, we estimated the total reduction in patient-time spent waiting for treatment relative to the counterfactual scenario.
- We estimated quality of life (QoL) scores before and after treatment for each condition on the waiting list.
- These were fed into the Wider Societal Benefits model developed by the Department of Health for NICE treatment appraisals to estimate the overall increase in net economic production.

Results

- If the 30% increase in treatment capacity is achieved, we estimate a reduction of 16.8 million years of patient waiting time over 5 years.
- Taking a patient off the waiting list is estimated to contribute an average of £4,920 in increased net production per year (£13.48 per day).
- The greatest gains over 2022-27 are estimated to be for middle-aged adults (55-74 years) (£33bn in total, or £6,000 per patient-year).

Average QoL before treatment 0.67 → 0.80 Average QoL after treatment

£73bn increase in production
+
£14bn savings on care costs
-
£5bn increase in consumption
=
£83bn overall economic benefit

Figures may not sum due to rounding.

Scenario	Reduction in waiting times (patient-years)	Gain in net production (2022 prices)
Conservative (10%)	5.7m	£28bn
Moderate (20%)	11.3m	£56bn
NHS Elective Recovery Plan (30%)	16.8m	£83bn

Reduction in unmet patient needs under different scenarios

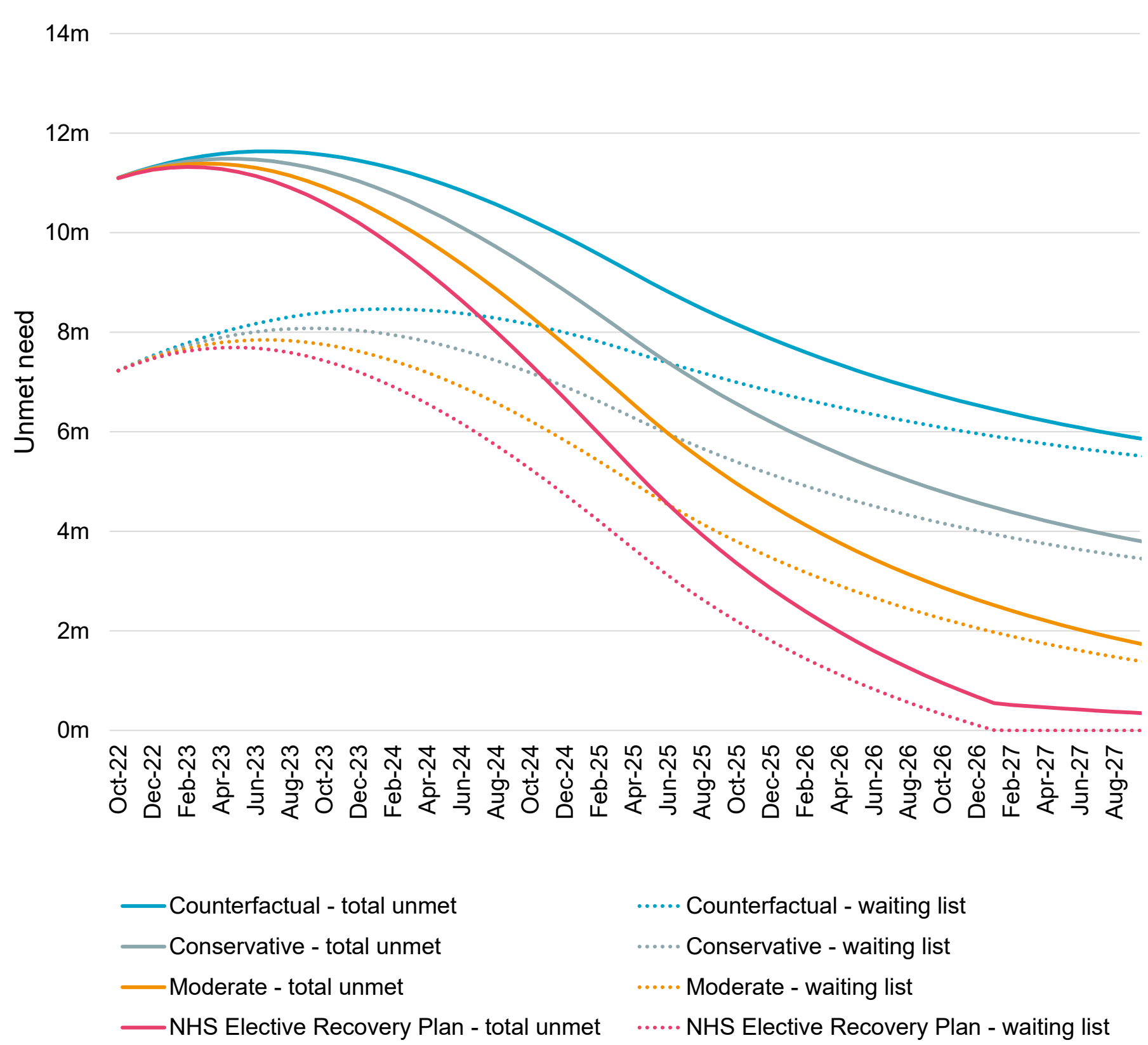


Figure 1. Projection of total unmet need (waiting list plus hidden need) between October 2022 and September 2027

£73bn gain in production if a 30% capacity uplift is achieved

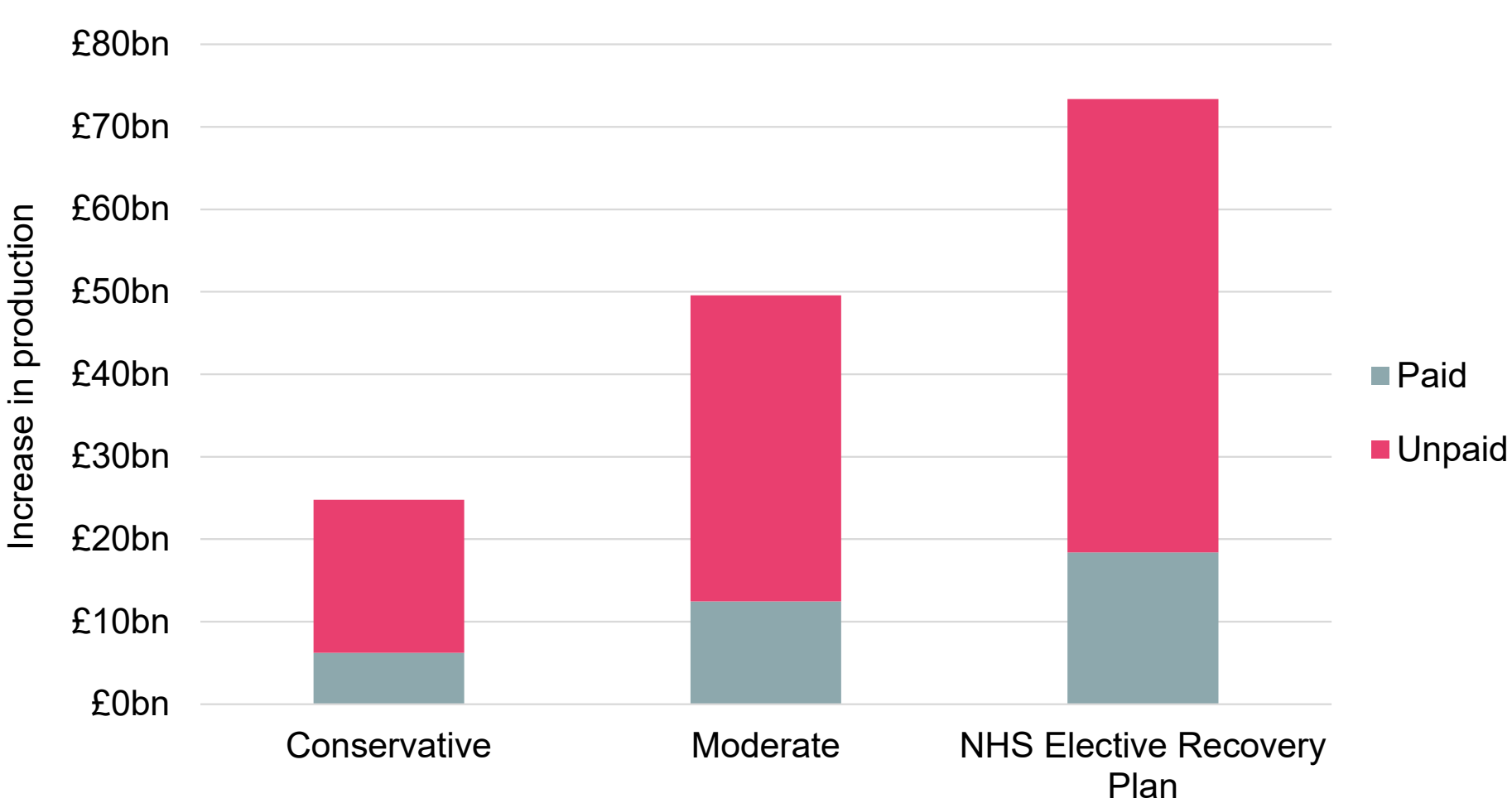


Figure 2. Increase in economic production due to reduced waiting times, by scenario

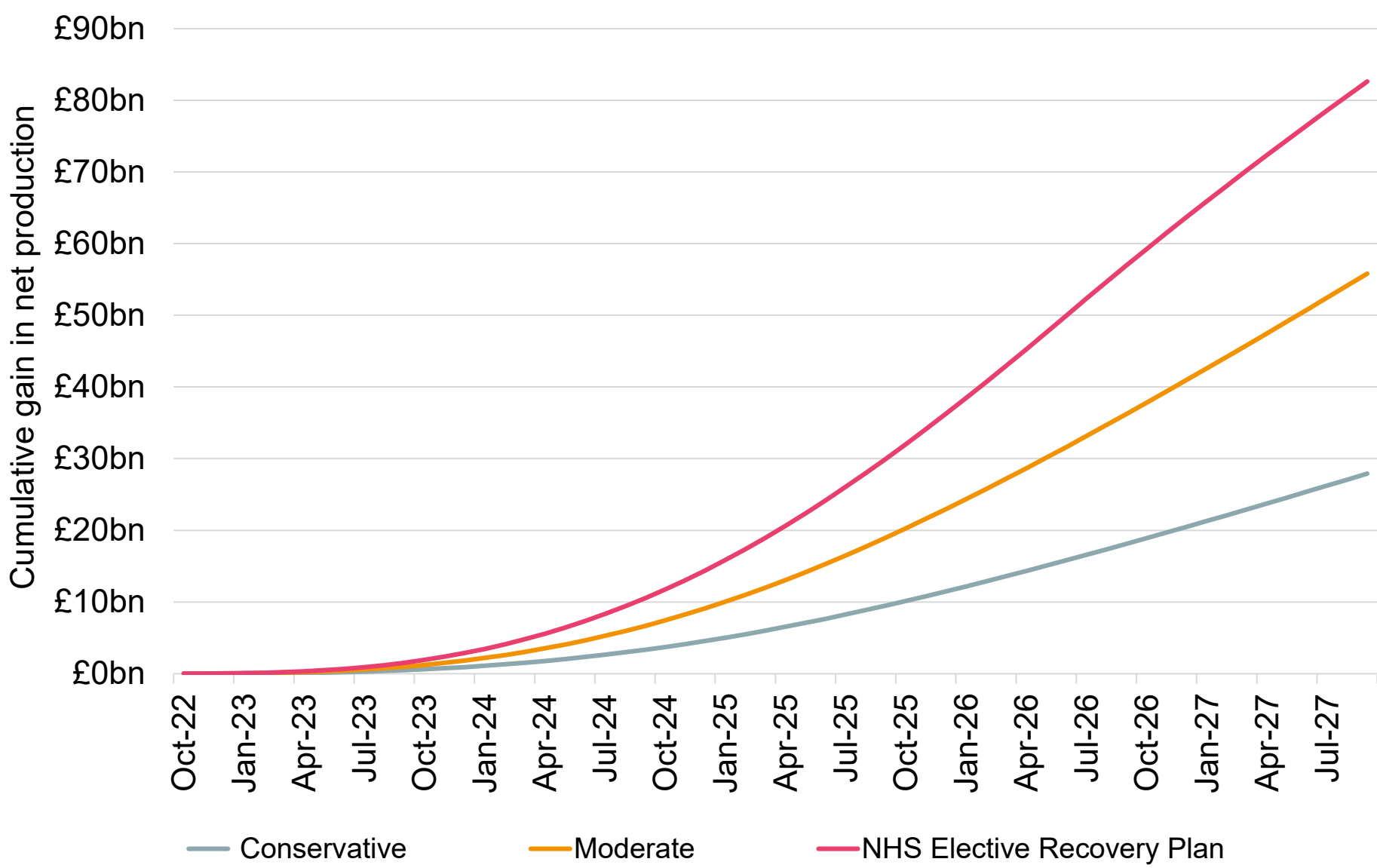


Figure 3. Emergence of gains in net production (production minus consumption) over time, by scenario

Conclusions

- The estimated indirect economic benefits of successfully implementing the ERP (£83bn) substantially exceed the NHS’s estimate of its cost (£16.6bn).
- These benefits are an underestimate as they do not include direct benefits to patients themselves.
- Even partial success could provide an overall resource saving: a 10% uplift in capacity is expected to provide a wider societal benefit of £28bn.
- Successful implementation is expected to free up available resources elsewhere in the health and care sector.
- We estimate that the NHS is currently on course for a capacity uplift of around 20% by 2025. To achieve the targeted 30% uplift, we recommend further funding for staff, technology and infrastructure.

Further reading:

- Full IPPR report on the economic benefits of the Elective Recovery Plan: <https://www.ippr.org/research/publications/waiting-for-prosperity>
- Associated LCP technical report: <https://www.ippr.org/files/2023-03/economic-benefits-of-the-nhs-elective-recovery-plan-updated-31-jan-23.pdf>
- Separate LCP report on NHS waiting lists: <https://www.lcp.com/media/1150430/going-swimmingly-or-treading-water-is-the-elective-recovery-plan-bringing-down-nhs-waiting-lists.pdf>

- LCP waiting list tracker: <https://waitinglist.health.lcp.com/>
- The NHS Elective Recovery Plan: <https://www.england.nhs.uk/coronavirus/delivering-plan-for-tackling-the-covid-19-backlog-of-elective-care>
- Department of Health Wider Societal Benefits Model: <https://www.nice.org.uk/Media/Default/About/what-we-do/NICE-guidance/NICE-technology-appraisals/DH-Documentation-for-Wider-Societal-Benefits.pdf>



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