



New World after NPfIT

— an informed market view of healthcare IT ahead of HC2008

With healthcare modernisation still high amongst priorities for action by European governments, IT expenditure in healthcare is set to hit record levels in the next few years. In England, the focus is now on implementing an urgent 'get well' strategy for the NHS National Programme for IT (NPfIT), including the 're-setting' of large Local Service Provider (LSP) contracts with major commercial suppliers in line with more modest objectives. But how well do new Local Programmes for IT now compare with original expectations? Last year's publication of a follow-up to the original Wanless Report (sponsored this time by the King's Fund and therefore relatively independent of political influence) focuses attention once again on the inherent risks of large-scale centrally driven ICT projects.

Mixed views on lasting impact of NPfIT

The National Programme for IT has stimulated rapid growth in a limited number of specific areas of healthcare ICT — while other areas have been disappointing, particularly for specialist suppliers. Although there are potential winners amongst the suppliers involved in large-scale NPfIT contracts, many other businesses, large and small, have not yet become directly engaged with the National Programme. This situation is changing with the advent of GPSoC (GP Systems of Choice) and ASCC (Additional Supply of Capability and Capacity) initiatives now opening up more normal market conditions in primary care and the hospital sector.

Richard Granger has now finally moved on from the NHS, and the programme he led has been in meltdown phase for the past 12 months. After five years of grandiose aspirations for the NHS National Programme for IT in England, how will history now judge its lasting contribution to NHS modernisation? For better or worse, NPfIT will probably have a more profound impact on the European Healthcare IT market than many people realise. As more normal market conditions return, now is the ideal time to take stock of NPfIT experience and concentrate our attention on the future potential for ICT sales to the NHS.

Moving from central to local ownership

With two versions of the National Audit Office Report (official and unexpurgated) already in the public domain, plus well-documented commentaries from Intellect, the BCS and other professional bodies, there is now plenty of chapter and verse about measurable achievements over the past five years. But there is now growing evidence that NPfIT has become a serious political embarrassment for the Government. The NAO has given notice of its intent to come back again for another bite, so the pressure is now on to remove NPfIT from the potential critical list and park it in the political long grass.



NLOP (the NPfIT Local Ownership Programme) signalled the beginning of this change at the end of 2006, and momentum for centralised ICT solutions has waned steadily over the succeeding 12 months. Strategic direction, together with associated support resources, has progressively shifted away from Connecting for Health (CfH), the central body responsible for NPfIT, towards the operating units of the NHS. Management of the English National Programme has now effectively been downscaled to a central infrastructure-support function plus national applications, which will run in parallel with three Local IT Programmes: for London; for the South and the North; and for the Midlands and East. Although things have progressed remarkably well in primary care, progress in the hospital sector has been painfully slow, and the much-vaunted NHS Care Records Service is still suffering from a lack of clear strategic direction.

The current national review of NHS IT is due to complete by the end of April, so we can expect more changes over the coming months. No doubt Matthew Swindells will shed some light on future direction when he addresses the HC2008 Conference next month. The outcome of all these changes will be of great importance to the UK healthcare IT market, both within and outside NPfIT, and presents suppliers with important strategic choices. Now is an ideal time to take stock of the current situation, in the UK and global markets, and assess how things are likely to progress for the NHS and Europe over the coming years.

Increasing impact of technology in healthcare

If anyone really doubts the scale of change currently under way in healthcare ICT, just think about some of the major technology announcements of the past few years. Integrating the Health Environment (IHE) and the Continua Health Alliance plus major healthcare initiatives from Cisco, HP, IBM, InterSystems, Oracle and Sun are just a few examples from the technology and diagnostics sectors of the underlying impetus for innovation. Most recently, Microsoft and Google have both laid down important markers of their intent to become serious contenders in providing end-user healthcare solutions — and the Semantic Web now offers the promise of a whole new generation of intelligent healthcare applications.

The impact of change on traditional healthcare-application vendors has been mixed, to say the least. Some have sold out and cashed in their chips, some have given up and gone away — but some of the really smart operators have spotted the opportunities and are not prepared to let all of these go, without a fight, to new market entrants. Mergers and acquisitions are still continuing apace, despite the impact of the sub-prime lending crisis, and investors still view healthcare as a major opportunity market for the coming years. Increased interest in new application areas is not restricted to the NHS in England, but also evident in all four of the other UK and Ireland markets independent from NPfIT.

From the outset of the NHS National Programme, CfH senior management were openly dismissive of established UK healthcare-ICT suppliers. The rhetoric was all about ruthless programme management, smart procurement, large-scale deployment — and lessons to be learned from the petrochemical industry. As it turned out, most of the lessons that needed to be learned were on the part of large-scale service suppliers, who rushed headlong into impossible commitments, spurred on by the



seductive promise of unprecedented rewards. Some of these suppliers have paid dearly for learning the first basic lesson — that healthcare is not as easy a market as they were originally led to believe.

Return to more normal IT market conditions

As more normal market conditions are established once again in NHS IM&T, there is a growing realisation that even the biggest of IT professional services organisations still needs the help of experienced specialist healthcare system suppliers. Delivery of a new generation of clinical systems in "two years and nine months" was never going to be a realistic proposition. A new era of electronic health-and-care records has just started and may be many more years in the gestation phase. Sadly, NPfIT has had a marked negative impact on the indigenous UK healthcare IT market, and there is a real risk that suppliers from other markets may be the real beneficiaries of a regenerated UK market after NPfIT.

In the meantime, new technology kids on the block still have to face the reality of co-existing with established healthcare-sector specialists for the foreseeable future. Healthcare IT users can look forward to no magic solutions — just lots of unremitting hard work on the ground to deploy local systems in order to meet local business needs. Government will continue to insist on 'feeding the beast' of central reporting, in return for which (thanks in part to NPfIT) they can now offer world-class infrastructure-support applications, albeit not quite on the scale originally envisaged.

UK and European showcase at HC2008

Apart from his gratuitous condemnation of 'legacy' system suppliers in the NHS IM&T market, one of Richard Granger's less endearing efforts was his ongoing vendetta against the annual Healthcare Computing Conference and Exhibition. The first 'HC' took place in Birmingham back in 1984. Over the succeeding 25 years, HC has progressively built a reputation as one of the premier healthcare IT events in Europe, widely regarded by UK and foreign visitors alike as a focus for innovative healthcare IT developments in Europe.

Since its inception, HC has always loyally supported successive IM&T strategies, working closely with the NHS and Department of Health. The BCS and BJHC have striven consistently to provide an effective showcase for healthcare IT vendors and leading NHS IM&T professionals. In recent years, however, this working relationship has been destabilised, to the detriment of NHS users and suppliers alike. But 2008 heralds the start of an exciting new era in healthcare computing, offering enormous potential for suppliers and users in global markets. Hopefully, this has not gone unnoticed in the NHS and Department of Health.

Today, the international market is looking on, somewhat bemused, as some of our wilder NPfIT aspirations begin to evaporate into thin air. If the NHS wishes to avoid losing international credibility, now is the time to demonstrate that we really have learned valuable lessons from the NPfIT experience — and that we are happy to share these with the rest of the world. There is no longer any need to be coy about admitting that we have re-appraised our strategic options and that we are now set firmly on a new and more appropriate course towards providing 21st Century IT



support for the NHS. HC2008 is the right time and the right place to begin spreading this important message — and this is already being reflected in pre-registration figures.

So, what can we expect to see on offer at HC2008? Happily, CfH has now moved on from what David Nicholson referred to as the “bunker mentality”, and maybe we will see a new-look locally-owned NHS approach to healthcare IM&T displayed and showcased for NHS visitors and suppliers to share and understand. But there is a whole world of other new application areas now emerging beyond the old confines of NPfIT. 2008/9 is going to be a pivotal year for UK healthcare IT, with lots of scope for innovation by users and suppliers.

As an indication of some of the likely hot opportunities for NHS IM&T in 2008/9, here are 20 specific areas that have all shown signs of increasing activity in 2007. This list, although not exhaustive, is based on real evidence gathered from Silicon Bridge's observations in the UK and other global healthcare IT markets. We expect to see these and many other application areas on show at HC2008.

Healthcare business support:

- Business process interoperability
- Performance benchmarking & business intelligence
- NHS trust contract management
- Costing systems for payment-by-results

Public health & commissioning:

- World-class commissioning
- Public health & predictive modelling
- Long-term care & telemedicine

Patient & consumer services:

- Patient data access & protection
- Patient safety & risk management
- patient choice & access to services

Data extraction & analysis:

- PAS data extraction & analysis
- XML & CDA clinical data messaging

Clinical data management:

- Local subsets for nomenclature & coding
- Electronic document management



Clinical departmental systems:

- Intelligent prescribing systems
- Theatre systems
- Specialty diagnostic imaging
- Large-scale shared lab systems

Primary care & community:

- Supplier-hosted GP systems
- Integration of healthcare & Social Services

If your organisation is planning to be active in any of these critical areas in 2008, as users or suppliers, then you should be in Harrogate on 21, 22 and 23 April to support the UK market when it really needs you. 2009 may be too late.

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Murray Bywater and the Silicon Bridge Team will be providing an informed and up-to-the-minute market briefing in Harrogate on Wednesday 23 April as part of the case-histories programme. This important session will review the market impact of NPfIT in more detail and assess the NHS Electronic Care Record initiative in the context of current developments elsewhere in Europe.

For further information about the contents of this paper or the HC2008 market briefing, please contact Silicon Bridge on +44(0)1256 817160 or visit our website at www.siliconbridge.co.uk.