

Developing Clinical Pathways: A Manual on Managed Care

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Developing Clinical Pathways

A MANUAL ON MANAGED CARE

Manage care, manage costs – without compromising quality of care.

What is managed care?

Any technique to control or influence health care quality, accessibility, costs and prices, use and outcomes falls under the heading of managed care. What does managed care mean to you, a hospital manager? And how do you go about determining the appropriate mechanism for managing the kinds of care you most frequently provide?

The primary objective of managed care is to help providers offer good, clinically necessary medical care at a lower cost. One way to do this is to set up clinical pathways, or standards of care, for different diagnoses. The manual described here, ***Care Management: A Guide for the Development of Clinical Pathways***, provides you with the information and instructions you need to develop clinical pathways, using four common service regimens as examples.

The manual also offers two costing tools—the cost-estimate strategy spreadsheet and the hospital-costing model—along with Microsoft Access-based audit tools to help you determine clinical outcomes and

identify the direct and indirect costs of each pathway. Use of these simple tools permits more reasonable pricing of health services and gives management a way to assess the cost-effectiveness of the pathways. Clinicians and administrators will be able to predict costs in different markets and under different epidemiological conditions. The manual is designed for all health care personnel and can be used for developing clinical pathways for both inpatient and outpatient care in private and public sector institutions.

Formulating a clinical pathway

Care Management guides you step-by-step through the details of how to plan and implement a pilot test, and how to use the results to refine the pathway. It spells out the concepts involved and issues to consider, then details in six steps how to create a clinical pathway:

- Form a multidisciplinary team and choose a facilitator
- Select the patient population
- Gather needed information on current practices
- Research best practices
- Identify differences between current and best practices
- Draft the pathway

After peer review and refinement, the pathway is ready for pilot implementation. Examples accompany each section from a case study at the Aga Khan Hospital in Nairobi, Kenya. The real-life details of that hospital's experience in developing the four clinical pathways—upper and lower respiratory tract infections, malaria, and gastroenteritis in the pediatric ward—illustrate the concepts and rationale for each step. A final section on lessons learned and challenges describes

The Path to Quality Services at Lower Cost

The care management guide provides:

- **Cost-estimate strategy spreadsheet**
- **Hospital costing model**
- **Microsoft Access auditing tools**

For more information and technical assistance in using the Care Management Manual:

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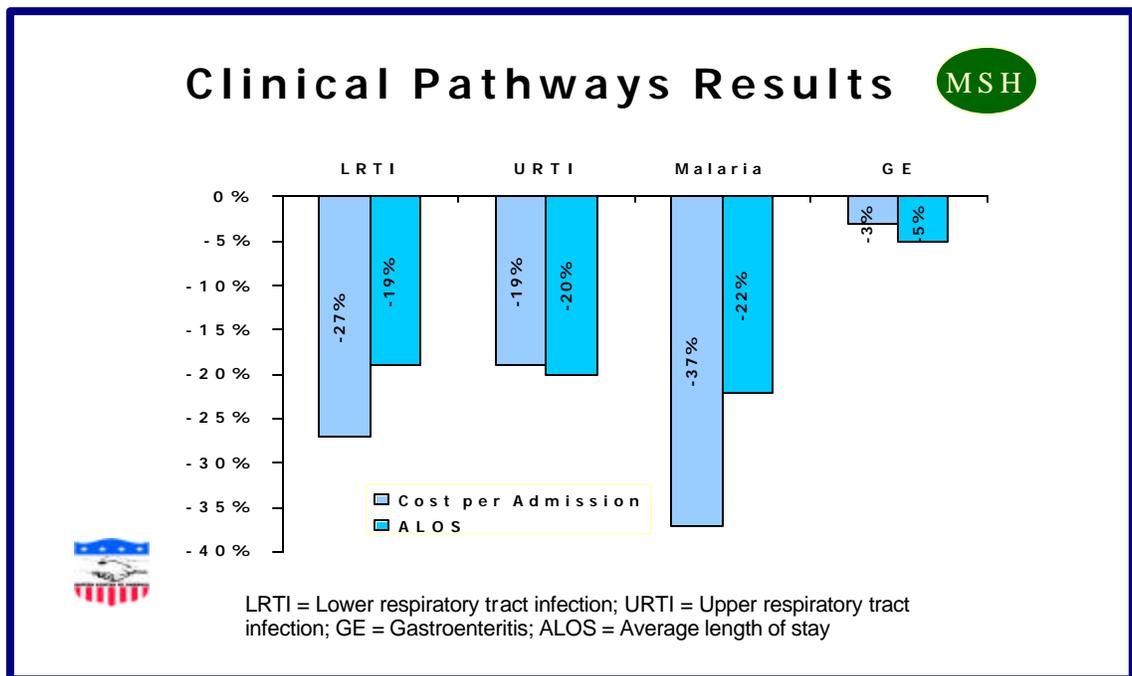
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the elements necessary for success and the pitfalls to avoid, along with suggestions for enhancing the experience of developing and implementing clinical pathways.

What health care institutions have to gain

Managed care sometimes receives negative publicity because, in its application, the emphasis is more often on cutting costs than on improving care. Managed care has much to offer hospitals in the developing world, however. Where resources are scarce and few can afford medical care, the tools and techniques from tested managed care models can reduce costs and make health care more affordable and accessible.

Clinical pathways show health care providers where they can cut down on *unnecessary* admissions, eliminate *unnecessary* use of medications and thus reduce costs—without sacrificing quality. The use of clinical pathways gives management more information to improve planning and budgeting and medical staff better information on outcomes of various treatments. With the help of this practical, how-to manual, health care institutions can take a step toward better, more cost-effective, managed care. The chart below shows how the Aga Khan Hospital cut costs and average length of stay dramatically when it implemented the four clinical pathways. In the treatment of lower respiratory infections and malaria, the hospital realized savings of 30–45 percent.



How the managed care manual was developed

Care Management was developed by Management Sciences for Health through the APHIA Financing and Sustainability Project. Supported by the US Agency for International Development (USAID) through Contract No. 623-0264-C-00-7005, the project worked with Kenya's Ministry of Health and hospitals throughout the country to improve organizational performance and quality of services, control costs, increase revenues (and cash collection), and improve patient and staff satisfaction. The purpose of these activities was to improve the quality of care provided by the hospitals, as well as institutional sustainability.