



**Healthy London
Partnership**

Business case development: Key Audience and Defining of key terms

Supported by and delivering for:



Public Health
England



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London's NHS organisations include all of London's CCGs, NHS England and Health Education England

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Business Case

Business Case Guidance

Key elements of a business case:

- 1) Executive Summary
- 2) Ambition of the Cancer Prehab/Rehab Services
 - A. Case for Change
 - B. Data (Research, prevalence, referral, PROM, QoL, NCPES)
- 3) Long list and short list and preferred model
 - A. How to identify the preferred model
 - B. Financial implication
 - C. Risk and Benefits
- 4) Preferred model delivery and service detail

02

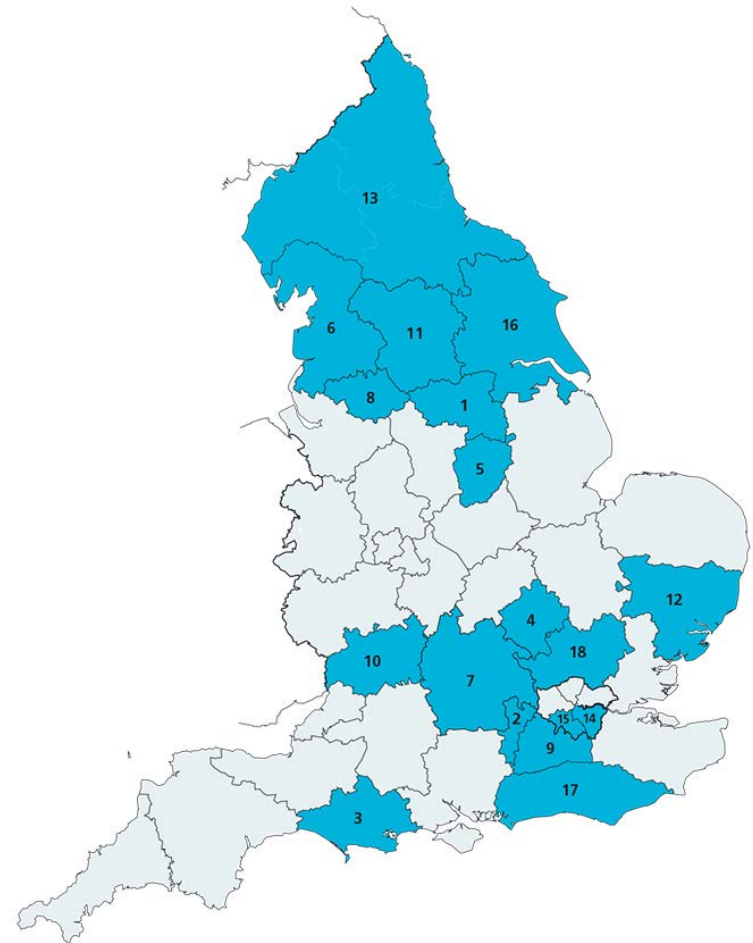
Key Audience

Key Audience

Who are your commissioners?

Key considerations by commissioners:

1. Alignment with key strategic and corporate objectives (e.g. LTP, Wave 2/Phase 3, Cancer alliance /STP/CCGs objectives)
2. Activity growth assumptions (e.g. Referrals and cancer waiting times)
3. Financial impact on commissioners
 - Tariff /Block contract
 - Financial sustainability such as
 - Return on Investment/Cost Benefit Analysis,
 - Cost Effectiveness Analysis such as Quality Adjusted Life Year (QALY))



03

Defining Key Business Case Terminologies

Return on Investment and Cost Benefit Analysis

Return on Investment (ROI) takes the cash generated by a proposed investment over time, and divides it by a value of the investment. ROI can be used to test the financial benefits of investment options.

Cost Benefit Analysis (CBA) is an economic model, and enables the costs and benefits of all groups affected by the proposed investment over time to be valued and a benefit-to-cost ratio to be produced. The option with the best ratio is the one to pick.

CBA has two main applications:

- To determine if an investment (or decision) is sound, ascertaining if – and by how much – its benefits outweigh its costs.
- To provide a basis for comparing investments (or decisions), comparing the total expected cost of each option with its total expected benefits

Cost Effectiveness Analysis: Quality Adjusted Life Year (QALY)

A **QALY** quantifies the impact a health intervention will have on a patient's quality and quantity of life. It does two things:

- It measures the benefit of a health intervention to a patient over their lifetime.
- It allows decision makers to measure the years a patient might gain by using a treatment as well as the quality of life lived during those years.
- $\text{QALY} = (\text{quality of life value}) \times (\text{length of life})$

The QALY allows comparisons between new and existing treatments to understand whether the new treatment brings additional QALYs (a QALY gain).

QALY GAIN = (QALY for new service) - (QALY for existing service)

Thank you!

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Healthy London Partnership

