

Public value in health policy - an approach for exploring the value of healthcare for patients and the wider public.

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### Executive summary

This paper introduces the concept of public value and its application to healthcare providing insights into understanding the value of healthcare for the individual patient and the wider public beyond immediate health outcomes. An established framework is used to frame the concept of public value and an approach for using public value as a lens by which healthcare innovation can be understood is proposed in the context of the non-clinical use of patient data.

### 1 Introduction

This article gives an insight into the potential a public value approach offers to the governance of complex issues like healthcare. Following an overview of the concept of public value we unpack and discuss two important elements of a public value approach that are particularly relevant to this discussion, human values, and the public sphere, two concepts which underscore the universality and generalisability - and appreciation - of such an approach to policy and service design and implementation. We suggest that discussions about the secondary use of patient data is a valuable use case, comprising a balance between the rights of the individual to control their data and value to the wider healthcare

system, and society, from the legal, ethical, and skilful use of that data to enable new treatments to be identified and the impacts demonstrated.

The delivery of health services in the 21st Century is increasingly complex and demanding. Challenges of cost, delivery and expectations are addressed by a combination of multi-sectoral, cross-boundary working and “co-production” – engagement with local communities and service users in the design and delivery of services. Working in these polycentric policy settings requires shared accountability and co-operation rather than individualism and competition as well as an appreciation of what the public seek to improve the social settings in which they live and to which they contribute. For managers and policy makers alike, it means that “Lateral leadership” (Kuhl et al 2005) across the organisation and between collaborators - rather than ‘Silo’ thinking and hierarchical control - is required in the health sector facilitating co-ordination and a common narrative across a plurality and diversity of interests and actors. Establishing Integrated Care Boards in the English National Health Service (NHS) provides a structural framework to help to support such cooperation. In this context the concept of public value may have an important enabling role, allowing for an appreciation of a diversity and plurality of perspectives and players in a wider governance architecture for healthcare and provide a flexible approach to framing issues and defining ‘the public’ in a politically expedient and policy relevant way.

## 2 Public value

The concept of public value focuses upon relations, with society, with each other and with the things we encounter in our daily lives. There is no public value inherent in things, public value emerges through the constant process through which individuals engage with the

public sphere in which relationships with certain things may resonate within us and create 'value' (Rosa 2019) appreciated by an individual. It also recognises, through value theories and notions of the public sphere, the impact of wider forces, interests, and issues on the places we inhabit and the communities we live in. It focuses on the contributions to the common good made by initiatives, policies, or organizations to society. Essentially, public value is the substance of the Common Good providing a way to understand the needs, wants and aspirations of society and applying that understanding to assessments and achievements in policy and practice.

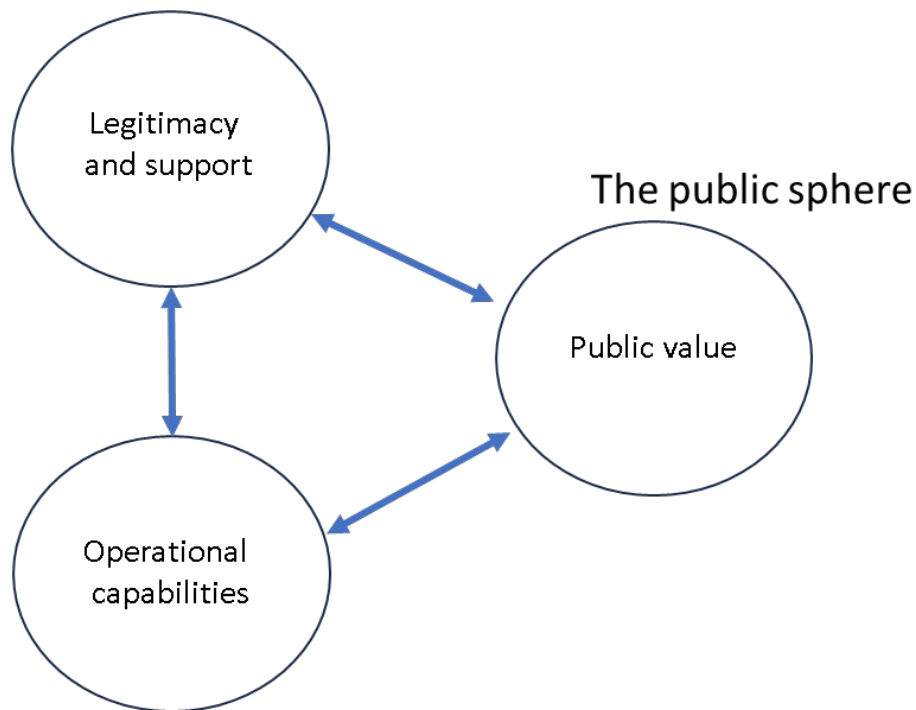
The concept of public value in public policy and administration reminds us that public sector organisations and institutions are not there merely to achieve financial or fiscal performance targets, rather they are there to serve the needs of society as a whole; but it also reveals that all organisations and institutions, whatever their sector, contribute to the common good.

Public health may be both a prerequisite to public value as well as a desired outcome of a society – a key policy objective underlined in practice by the public health profession and more widely by programmes such as 'Making Every Contact Count' (Public Health England & Health Education England, 2018).

An overarching framework to appreciate the scope and substance of strategic public value management was developed by Mark Moore (1995). Figure 1 below renders a version of Moore's framework which comprises three elements firstly, the realisation of actual public value outcomes, the contribution of an organisation to the public sphere, to the Common Good; secondly, the authorising environment of an organisation in which public value may be seen as an important way of framing a policy initiative with consequently positive

implications for an organisations mandate and legitimacy achieving resourcing within the political economy of the public sector; and thirdly, operational capacity – both internal and external to the organisation.

### Authorising environment



### Operational environment

Figure 1: An expanded rendering of Moore’s ‘Strategic Triangle’ of public value management located in the context of the public sphere (After Moore 1995)

Following Moore, figure 1 above renders the three elements of the concept of public value forming a system encompassing a strategic management ‘approach’ for achieving public value. As a management process public value, and their mandate and resourcing to achieve it, is optimised when these three elements are aligned. Firstly, it must create something

publicly valuable; secondly, it must be legitimate and sustainable in its authorising environment; and thirdly, it must be achievable within the capacity and capability of an organisation and its collaborators. The overall capacity of organisations in areas like healthcare will involve citizens in the co-production of public services with initiatives like social prescribing and localised notions around the point of care. This reflects the increased recognition of patients as partners in their care and as patient and public involvement (PPI) is becoming increasingly mainstream, business as usual for NHS organisations.

To operationalise public value as an approach to policy and an assessment of activities and actions we have unpacked Moore's framework in two areas drawing upon the work of scholars from two fields, firstly, the public sphere (Benington 2011; Adut 2012; Habermas 1978) and secondly, unpacking the concept of human values using the leading value theory of Schwartz whose gamut of human value categories allow a more sophisticated and detailed appreciation of the public value implications of a given referent.

The central element of the notion of public value is the concept of human values. 'Values' are cognitive constructs, invisible yet influential, are expressions of underlying motives and motivations which individuals use to shape their activities and inform their relations and dialogue with and within society. Public value is not inherent in an object, policy, or service, it is a way of describing an essentially human process which gives meaning to action, and to attitudes (Rokeach 1973) – and underpin the justification for actions or attitudes. Human values may be conceived as trans-situational goals varying in importance, that serve as guiding principles in people's lives. Relatively enduring (though not immutable) they shape, singly or in combination, an individuals' attitudes, and behaviour. Invisible yet impactful, values give individuals stability, and predictability, across social settings. Essentially, they

are cognitive maps we use unconsciously to help us navigate the broad ocean of complexity and possibilities we encounter in our daily lives and are at the heart of most of the things we do as human beings (Williams 1979; Schwartz, 2012)

### 3 The public and the public sphere

An important element of a public value approach is the concept of the public sphere, and the wider contribution public value makes to the scope, structure, and substance of socio-political space. The concept of the public sphere is an essential aspect of the appreciation of public value. The public sphere is the 'action situation' a public place of open and general access (Adut 2012) which may be distinguished from our private and personal spaces. In effect, public value is a way of describing the totality of what an individual ascribes value to in respect of their experience of the public and is the result of the interaction between their values and the public sphere.

Essentially, the concept of public value describes the substance of the public sphere which described the forum and setting within which public value is represented and ultimately refined. But how does one define it in respect of an investigation into public value?

Following Dewey (1927), Moore suggests the importance of 'calling a public into existence' (1995) suggesting that from a public value standpoint a 'public' is created rather than found, and for each public good and policy issue there corresponds some "public." John Dewey (1927) argued that "the public consists of all those who are affected by the indirect consequences of transactions to such an extent that it is deemed necessary to have those consequences systematically provided for" (cited in Ostrom 1961 page 833).

But so much of what we are trying to do now is about soft wiring, getting healthier communities, ensuring that children from their early years get the right stimulation and the right environment in which to grow and develop, trying to find ways in which our economy can grow in a way that meets the challenges of globalisation and the need for sustainability. Complexity is also reflected in that there is a boundary problem in a lot of public policy arenas. Who is responsible for keeping us healthy? Is it the citizen who should eat and drink appropriately, the state that should provide good advice or companies that should sell healthier food? We know it is unfair to ask the police, on their own, to solve the problem of crime, although their role in supporting mental health services has recently been highlighted by intended changes to this role (as explained by Royal College of Psychiatrists, 2023). We know that for our children to become educated needs more than better schools. In short, complexity comes from the fact that the boundaries between sectors of life and different institutions have become increasingly blurred (Stoker, 2004).

Often though, and more so in this digital age, determining who and what the “public” is can be difficult. “The “public”—psychologically speaking—is an individually formed abstraction generated based on experiences made in daily practices, analytical insight, and all sorts of projections as to complex phenomena...” (Meynhardt 2006, page 204). Following Ostrom et. al. (1961) whose work revealed the flexibility of the concept a ‘public’ may be envisaged as those who are touched by the indirect, positive, consequences of an organisation’s outputs. In a globalised, interconnected world, the boundaries of an organisation, and its impact, can extend widely beyond commercial and contractual relationships.

4 Public value and the governance of healthcare.

In health as in many other sectors, citizens are increasingly involved in the co-production of services the implementation of policy and the creation of public value contributing to social progress with consequential benefits in individual wellbeing. From a governance standpoint this process has significant public value implications. Following Bryson et. al., in a “...networked, multi-sector, no-one-wholly-in-charge world... citizens have moved beyond their roles as voters, clients, constituents, customers... to become problem-solvers, co-creators, and governors actively engaged in producing what is valued by the public and good for the public.” (2014 page 445).

Healthcare is a public good as it benefits all society, not just individuals. The actual public value of healthcare is a complex issue, and there are different perspectives on how best to achieve it. However, there is no doubt that access to quality healthcare is essential for societies - for example,

- Improved health outcomes: Access to quality healthcare at the individual level creates public value, with improved health outcomes for all society. Individual value-relevant outcomes including lower rates of disease, longer lifespans, and improved quality of life benefiting the wider public and public sphere in several ways, such as by reducing healthcare costs to society, increasing productivity, and most of all, enhancing the quality of the lived experience of society.
- The debates around the use of data in general, for example by tech companies, and patient data specifically, demonstrate this complexity. Particularly when this is considered by a public institution such as the NHS who has a responsibility for both managing patient data and improving healthcare in terms of effectiveness and also efficiency, ensuring value for money for society as well as improving outcomes for

individuals. The Goldacre review explored some of these issues in as well as both the potential benefits and practical challenges in detail, referring to the 'untapped power and potential of NHS data' as a globally important resource (Goldacre & Morley, 2022 p.9).

In the NHS effective management increasingly draws upon resources from public, private and third sector organisations working in an integrated way, and includes increasingly seeks, and uses, contributions made by service users, their families, and local communities. This represents "Co-production" in action. But, cooperation may be undermined by competitive attitudes and hierarchical management arrangements redolent of New Public Management and here a public value perspective can also work against self-interest, 'silo thinking' and 'silo working' as sectors, citizens, and interest groups, each of which might interpret the problem and create solutions with a bias towards their own priorities and perspectives, are encouraged to address a public value approach and frame it's benefits using a public value narrative across the public sphere.

A public value perspective can have a significant role to play in transformational change in service delivery essential for the management of so-called 'wicked' problems. This transformation can come about through a continuous exploration of possibilities, through working within a common narrative engaging a broad range of stakeholders engaging on many fronts simultaneously in polycentric structures of policy and practice. The secondary use of patient data is one such challenge where we feel that a public value lens could add significant value. After all, the government strategy makes it clear in the title 'Data Saves

Lives' (Department of Health, 2022). However, this needs to be balanced by the professional and legal responsibilities relating to confidentiality and the requirement for the primary use of patient data (providing healthcare) is not undermined by any secondary use such as analysis to identify new opportunities to improve care.

What this means for leadership is simple yet profound. Such transformational change requires the distribution of leadership throughout the system, with leaders creating small tests of change with leaders who can draw on so-called lateral leadership skills focusing on the horizontal relationships that link people across groups, departments, organisations, and publics which are essential for transformational change - rather than the hierarchical relationships within organisational silos. In this field the universal nature of the concept of human values, the foundation of public value can provide a commonly understood narrative recognised and respected across otherwise diverse groups which can be used across complex, polycentric networks of policy and practice.

The importance of a public value perspective on the governance of healthcare emerges from this discussion of public value. Framed by Moore's strategic triangle unpacked in respect of the public sphere and human values a public value perspective creates a common narrative embracing an inclusive view and vision for health policy. By focusing upon the value systems of all affected interests' and individuals living in settings with different problems and particular perspectives all within a common frame of reference within which health and wellness policy is designed and delivered in practice in the context of a dialogue between individual wellbeing and social progress.

## 5 Conclusion

In summary, a public value perspective, which foregrounds human values and the public sphere, can provide an approach for those creating and delivering healthcare policy into how innovations in healthcare can maximise their contribution to the Common Good. We propose that using a public value lens to explore the benefits of healthcare innovation offers a valuable dimension to consider when navigating the complex, and sometimes competing issues facing those delivering and managing healthcare today. In the same way that an innovation's value, may be assessed for its impact on healthcare inequalities or in achieving net zero targets, using public value analysis gives a wider than financial assessment of value in addition to individual healthcare outcomes. To achieve this a practical framework is introduced which enable public value concepts to be assessed, appreciated, and operationalised. The secondary use of patient data is one area which such analysis may offer particular benefit due to the complex relationship between individual and society values, including consideration of both the clinical and cost effectiveness of healthcare as well as the opportunities for impactful analysis presented by developments in data analysis and data science. We have not explored this topic in depth in this paper, merely highlight the opportunity that we suggest may lay the foundation for further discussion and analysis.

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