Quality First, savings later

Policy effects in Aruba

Overview

Introduction

Physical Therapy

Medical Referrals abroad

Introduction of AZV

National Health Insurer of Aruba (since 2000)

Coverage of curative care (hospital, primary care, medication, dental, etc)

All residents of Aruba (105.000)

Growing demand on health care due to

- aging
- population growth
- NCDs

Life expectancy has increased by 4 years since the implementation of AZV

Costs of healthcare per insured are stable and going down

Policy focuses on sustainability of the system => quality of care

Physical Therapy in Aruba

Overview

27 therapists, moratorium

Afl 5 million annually in costs

Until 2012:

Increasing costs

No transparency in actual costs

No transparency in quality

Policy goals and negotiations 2012

Strategy:

- Pay what is needed for the required quality

Demands:

- Transparency in costs
- Transparency in quality

Offers:

- Increase in rate/fee when meeting the quality standards
- Funding cost assessment by neutral third party

azv Process

2012:

- Quality standards according to Dutch guidelines (KNGF)
- 10% rate increase for those acknowledging these standards and participating in cost assessment (25 of 27)
- Funding cost assessment by neutral third party

2013:

- Basic rate established: no change
- Quality indicator:
  - average number of sessions per week per patient (frequency)
  - Low Back Pain sessions > 3 deemed unnecessary

=>*always possibility for therapist to explain the exception/deviation*

- Start of quality assessment team that visits practices
- Results: 17 of 27 did receive the quality rate

2014:

- Quality rate increased from 10% to 14%
- 17 of 27 are receive the quality rate

Results: the numbers

Costs of general sessions (including at home)						
Year	Costs	# clients	Costs/Clients	Sessions	sessions/client	costs/session
2011	4.511.595	8.057	560	73.968	9,2	60,99
2012	4.662.650	8.305	561	74.434	9,0	62,64
2013	4.787.246	8.148	588	71.890	8,8	66,59
*2014**	*4.347.082*	*7.571*	*574*	*65.865*	8,7	*66,00*

*based on October prognosis 2014

Drop in unnecessary sessions is attributed to following guidelines

Benefits

- Focusing on standardization of care ->Quality improvement
- Cost savings
- Freeing up capacity (manpower and financially) for more complex and expensive forms of physical therapy

Medical Referrals

Regional issue : not all health care demand can be delivered locally

Aruban situation (until 2011): when sending out patients abroad, we felt we had little control over the referral process.

Policy goals and negotiations:

Strategy:

- Transparency in the quality, transparency in the cost and improvement of the logistics of the medical referral process

Challenge 2011

How to guarantee quality

How to improve the billing

How to improve the logistics

How to negotiate in another country

The process

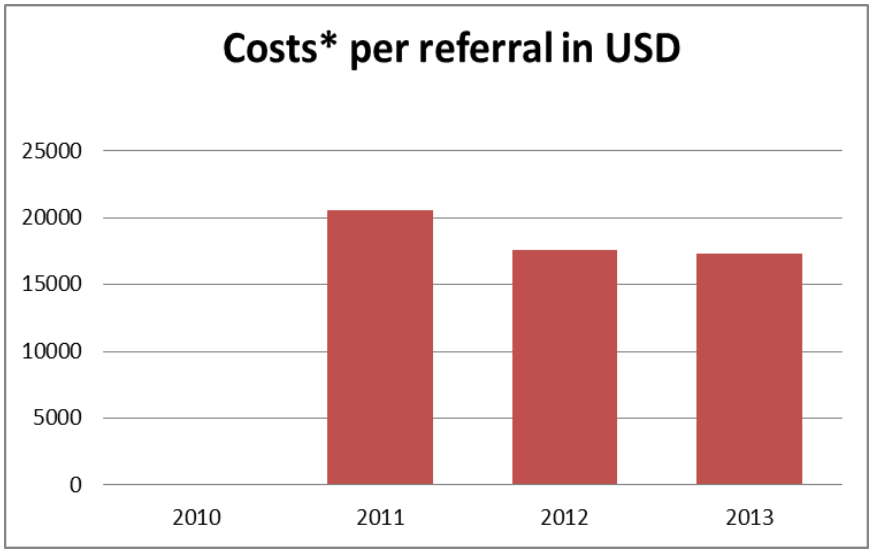
2011: partnering up with OES
- help us understand local culture
- how to assess hospitals

selecting potential hospitals
- based on international quality indicators

negotiations
- cultural differences by the region difficult
- (failure was not an option)

April 2012: 4 hospitals under contract
AZV logistics department upgraded
IT tool MRA 1.0 running

Great results!



*Costs are not corrected for inflation
2010: no reliable data (part of the problem)

Costs have never been this low

Quality has never been this high

Process of logistics and billing has never been better

Our results:

- Shift to top end hospitals, highest ranking in Colombia
- From yearly raise in tariffs of 4%, to stable and decreasing rates
- Stable relationship, better doctor to doctor communication
- Major improvement in logistics and reliable billing

Lessons learned

Stick to the goals (transparency, logistics, billing, costs)

If you need to, partner up!!

Communicate, communicate, communicate

IT is simple, but not that simple (MRA 1.0, medical information needed)

Added value for our partners

Partner hospitals in Colombia

- Complex patients are needed to continue the development as high end hospital
- Incentive to achieve and maintain international quality accreditation
- Compliant with national policy to make medical tourism a new economic pillar
- Practice makes perfect
- Economic reasons and different relationship than with local insurers

OES:

- Extra insight in Colombian hospitals
- Structural addition to own portfolio
- International networking

Next partners (high end university hospitals) in USA and Europe:

- Erasmus MC (#1 hospital in the Netherlands) will be our preferred hospital in the Netherlands
- UPMC (Pittsburg, USA) and FCV (Bucaramanga, Colombia) are teaming up to provide extra services and quality for the Aruban patient

Where else is this model beneficial?

All countries that have to send out patients and feel they are not in control
When dealing with different cultures and different systems

For organizations that are looking to improve their

- health care contracting
- Logistics
- Networking
- Quality to costs ratio

Interested?

November 24 and 25, Aruba

Come, learn more, and participate!

www.symposiumazvcc2014.com