



Value-based Healthcare and Hospital Efficiency

Paramaribo, 9 October 2018



Agenda

- **The Value of Value Based Healthcare**
- **The Role of Hospitals in Value Based Healthcare**
- **The Road towards Value Based Healthcare**



What is Value Based Healthcare?

$$\text{Value} = \frac{\text{Outcomes}}{\text{Costs}}$$

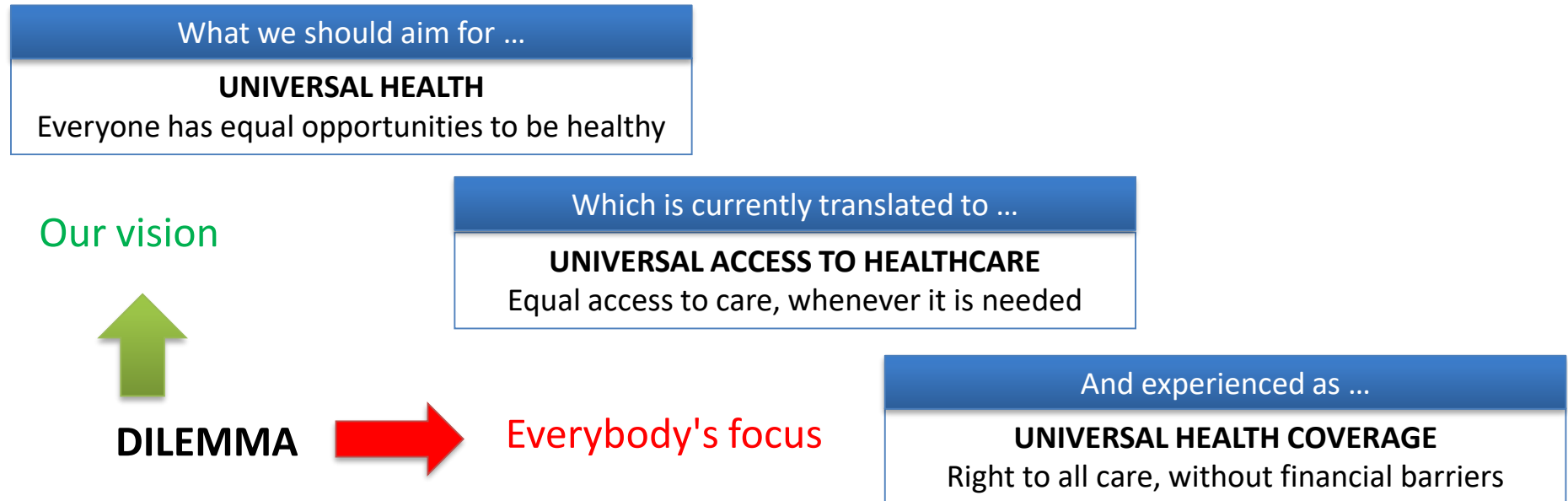


What are the desired outcomes?

Not only the outcomes of treatment, but also of prevention

Definition of Health (WHO – 1948)

Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity



Universal Health entails more than Universal Access to Health (UAH) and Universal Coverage of Healthcare (UHC)

These people do not have equal chances to be and remain healthy ...



But with UAH / UHC they all have the right to exactly the same care

- Same insurance plan
- Same standards and norms for reimbursement
- Same maximum number of treatments
- Same maximum coverage of treatments
- ... One Size Fits All care

To start not earlier than at the onset of disease

Our objective should not be to spend less on healthcare, but to invest more in health



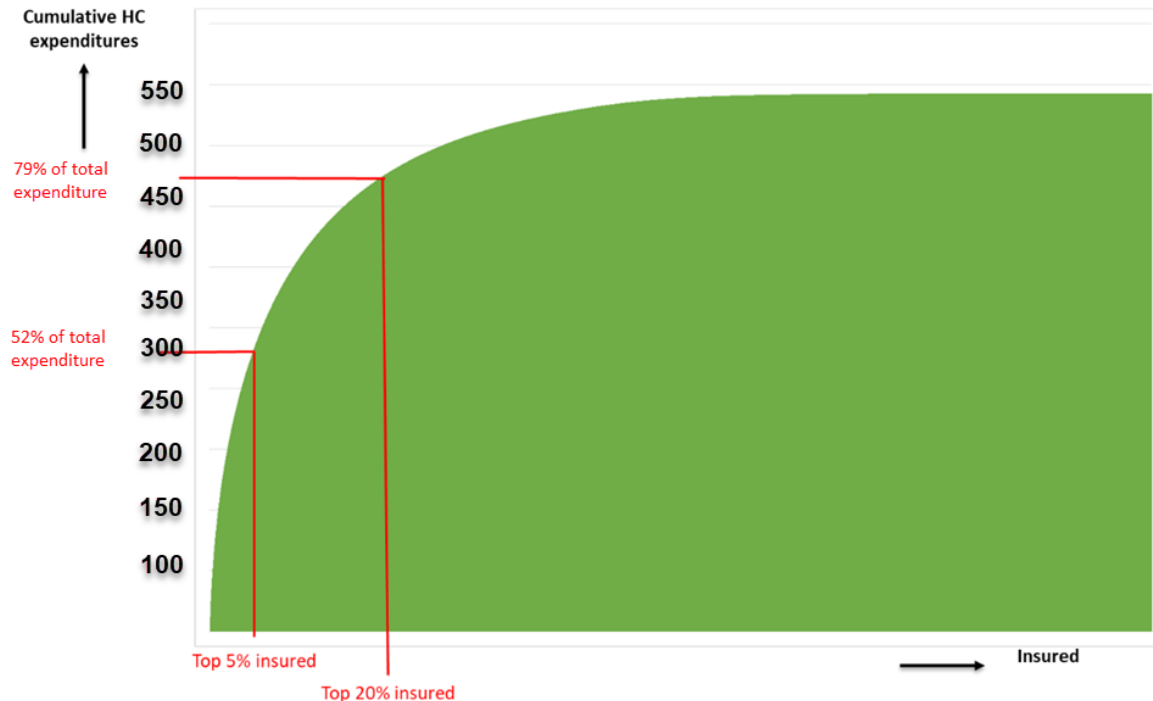
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The money is mostly spent when it is too late

We should actually strive for less hospital care

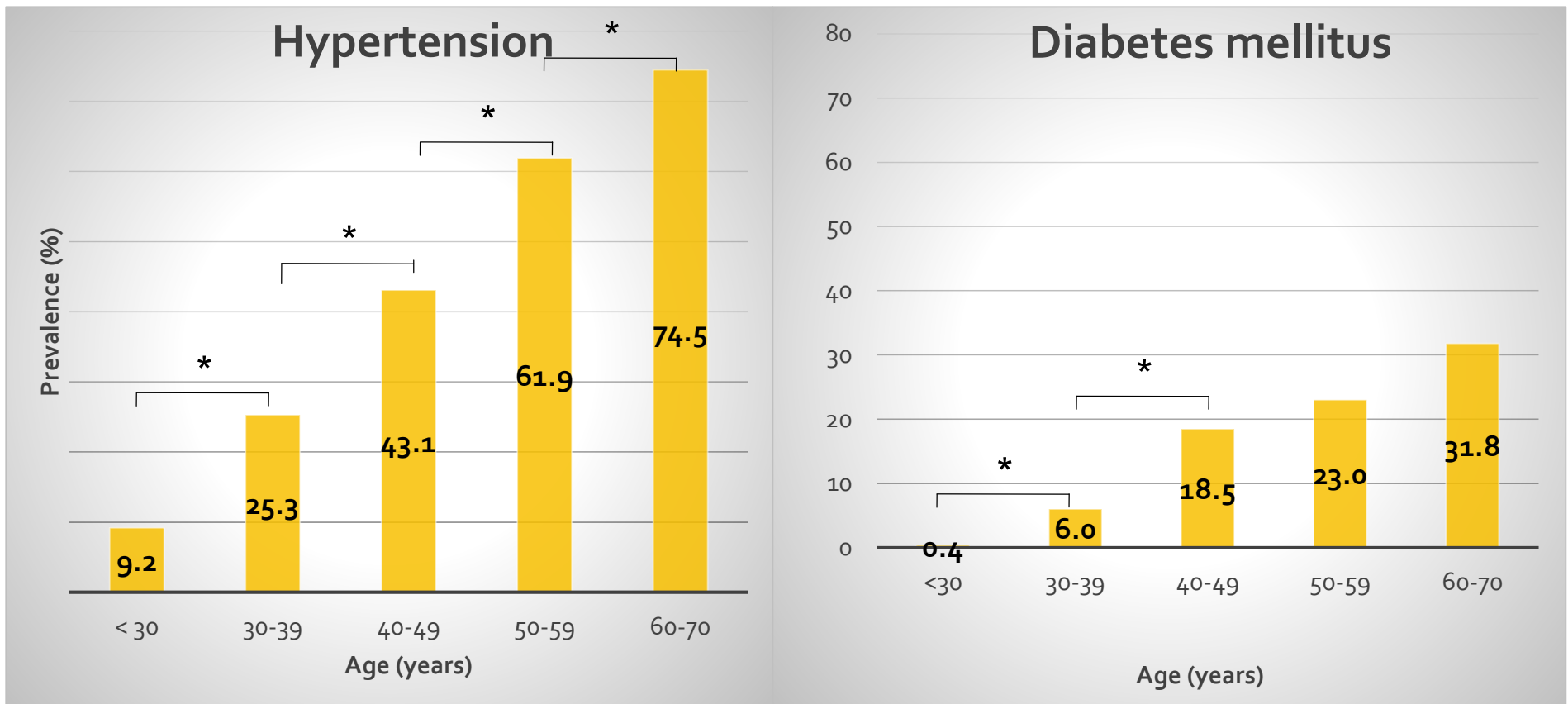


- Almost 80% of the budget is spent on the top 20% most expensive patients
 - More than 50% on the top 5%
- These costs cannot be saved anymore
 - They have been made already
 - 2/3 of this group is not alive or as expensive once we have these data
- Healthcare should focus more on the seemingly ‘healthy’ persons
 - Escalation to the top 20% can be prevented

The importance of Reforms

The business model and earnings in healthcare are driven by diseases rather than by preventing diseases and keeping everyone healthy

Prevalence with age

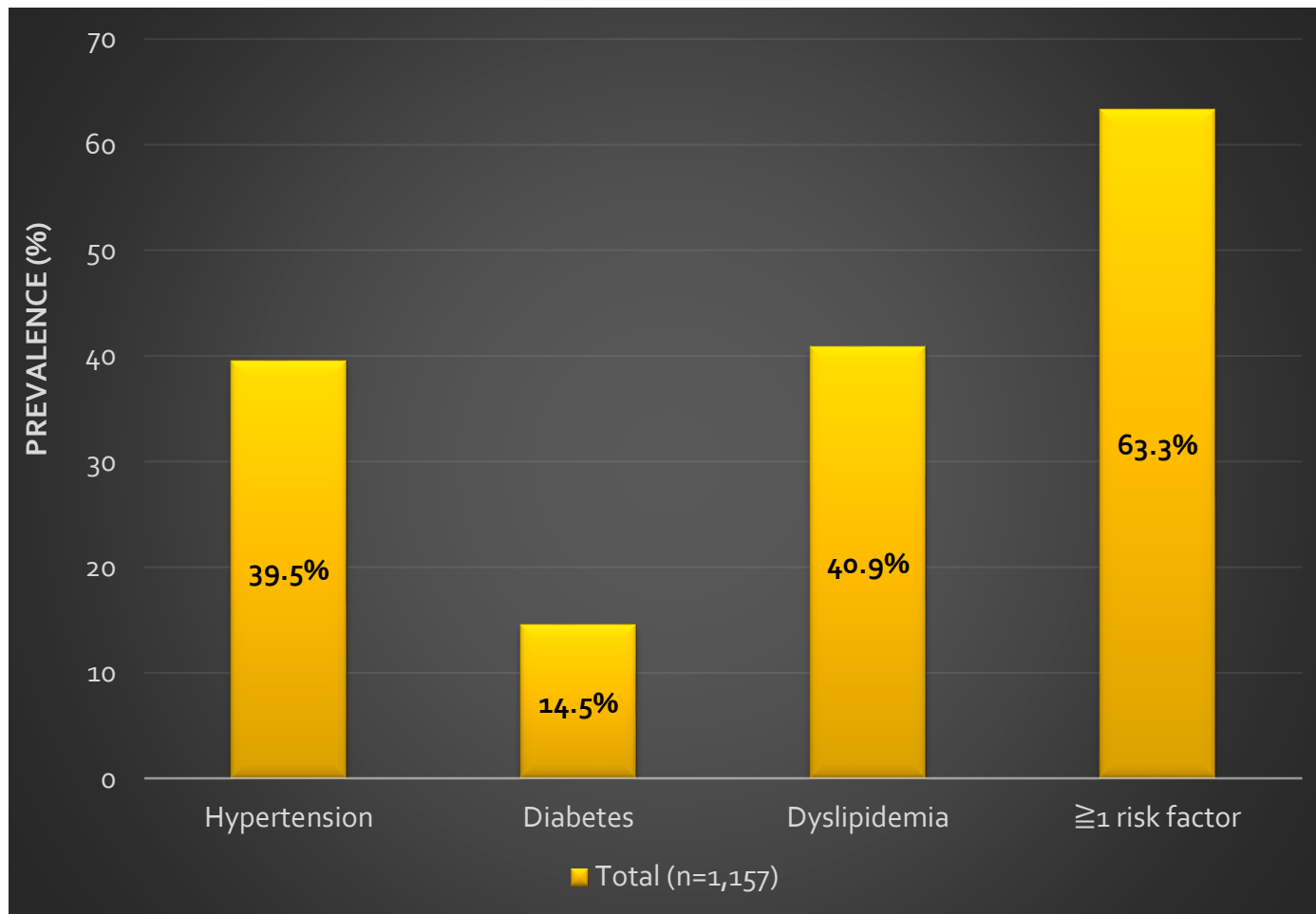


* $P < 0.05$



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Total prevalence

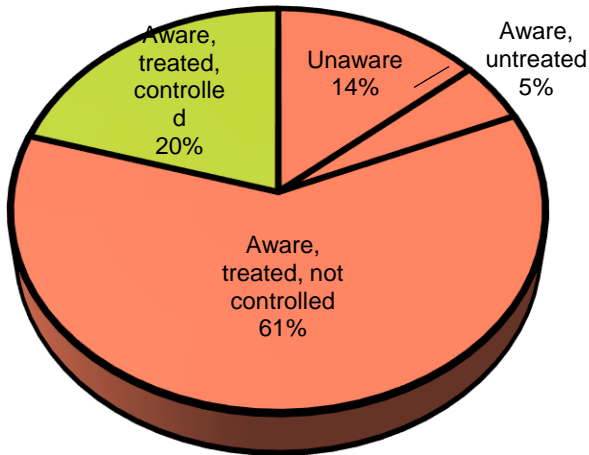


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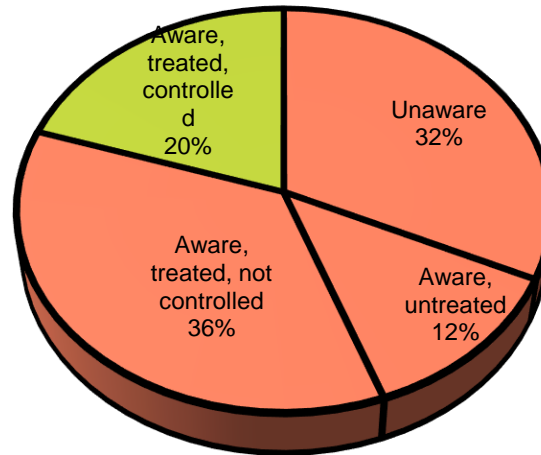
Overweight / Obesity: 72%

Level of awareness, treated and controlled is astonishingly low

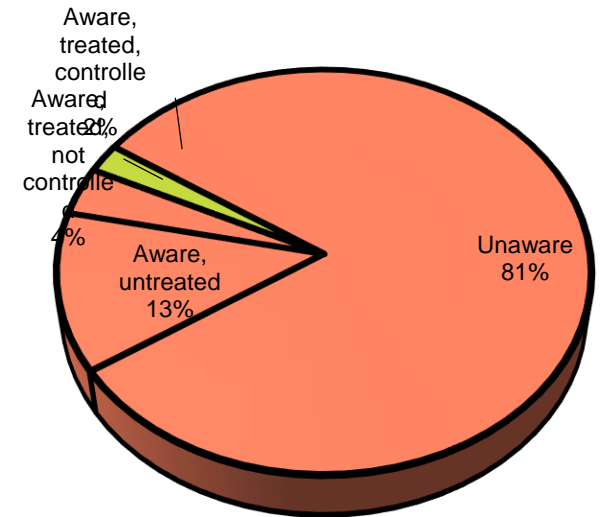
Diabetes mellitus (n=167/1,157)



Hypertension (n=456/1,157)



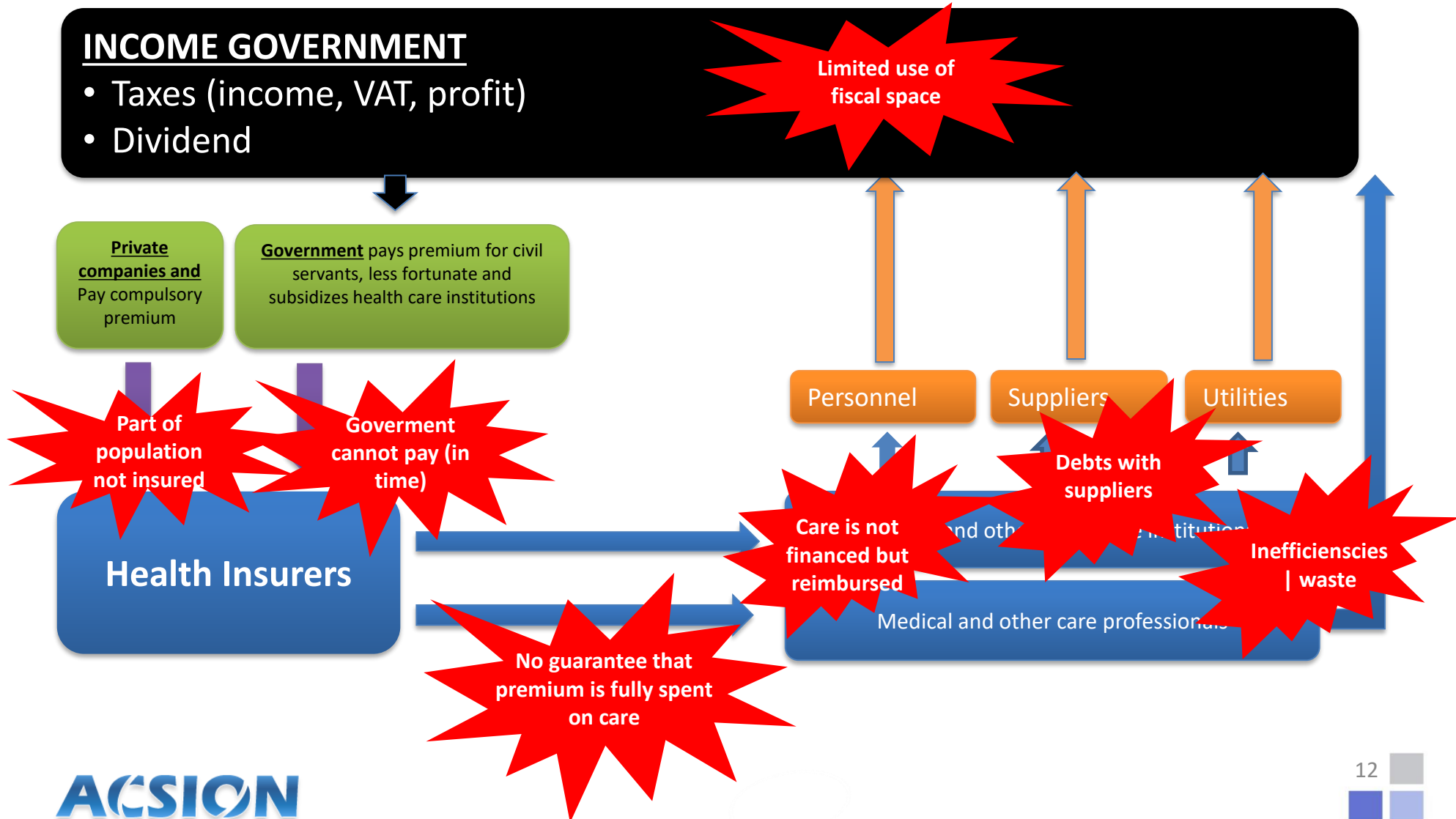
Dyslipidemia (n=456/1,157)



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First the hospitals need sufficient funding to survive

Instead of money, debts are circulating



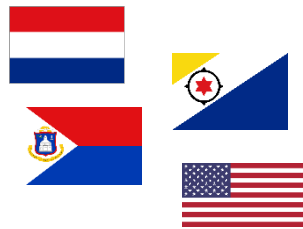
The new Value Based business model for hospitals

The objective is not to spend less, but to spend differently

Increase income from external sources



Limit medical referrals abroad



(Medical) tourism

Essential:

- New product definitions (care pathways)
- Communication platform with referral centers

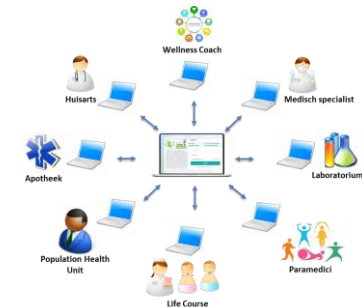
Lower avoidable costs



(New) Hospital

Essential:

- Quality and benchmarks
- JCI accreditation



Keep patients out of the hospitals

Essential:

- Integral care (programs)
- Life course approach (preventive screening in all age groups)
- Reforms reimbursement system

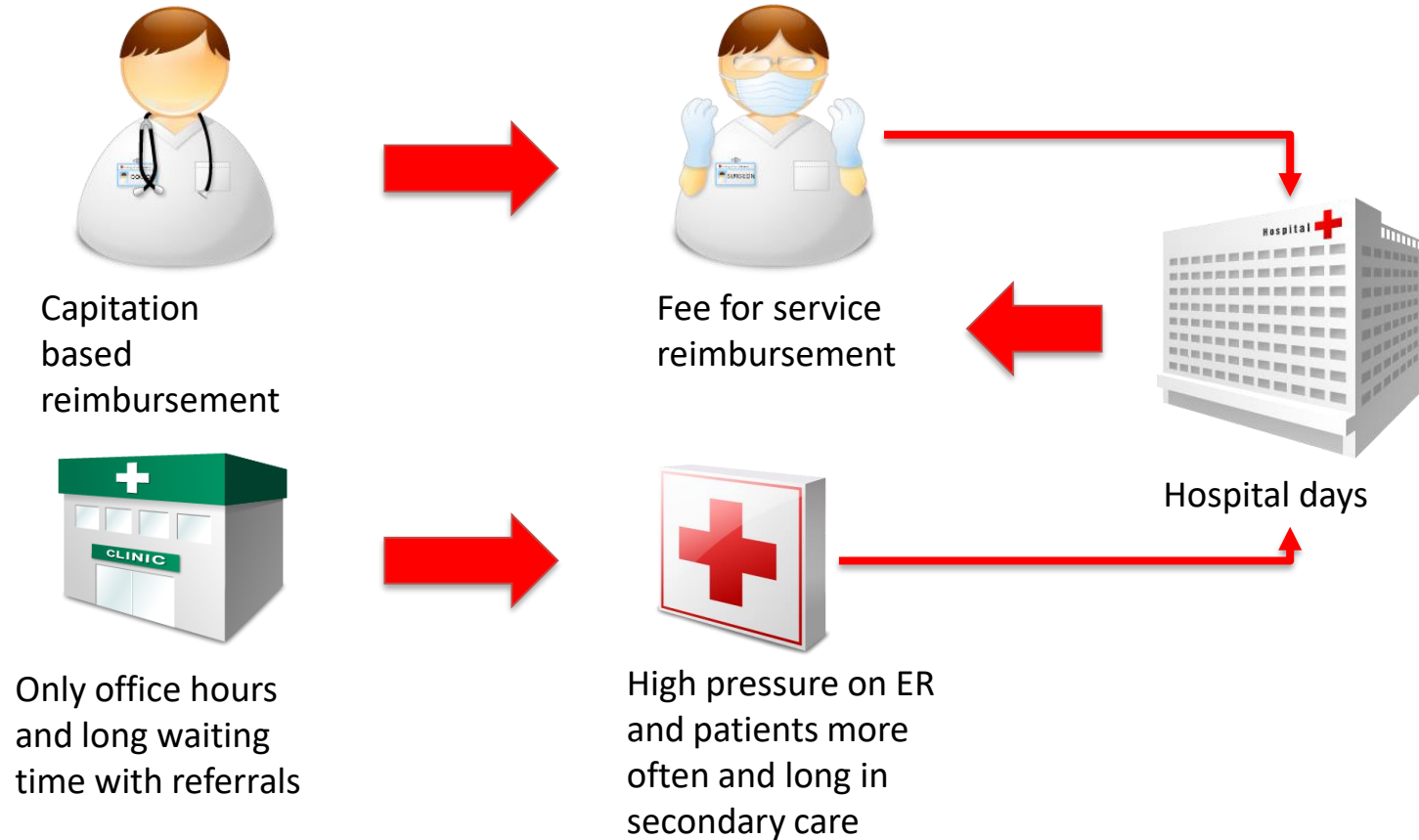


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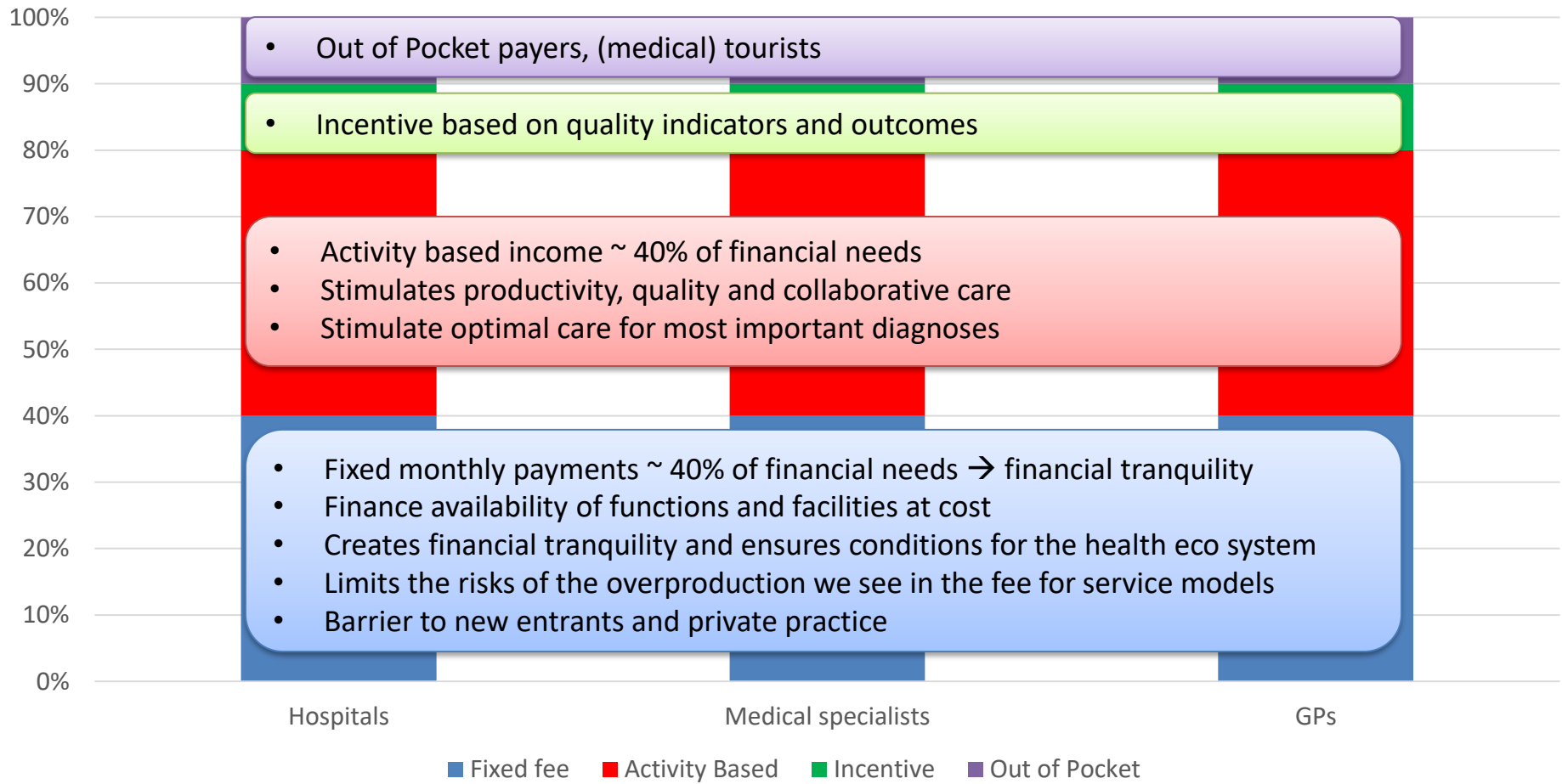
Reimbursement system drives patients to secondary care

In the future keeping patients out of the hospital should be incentivized



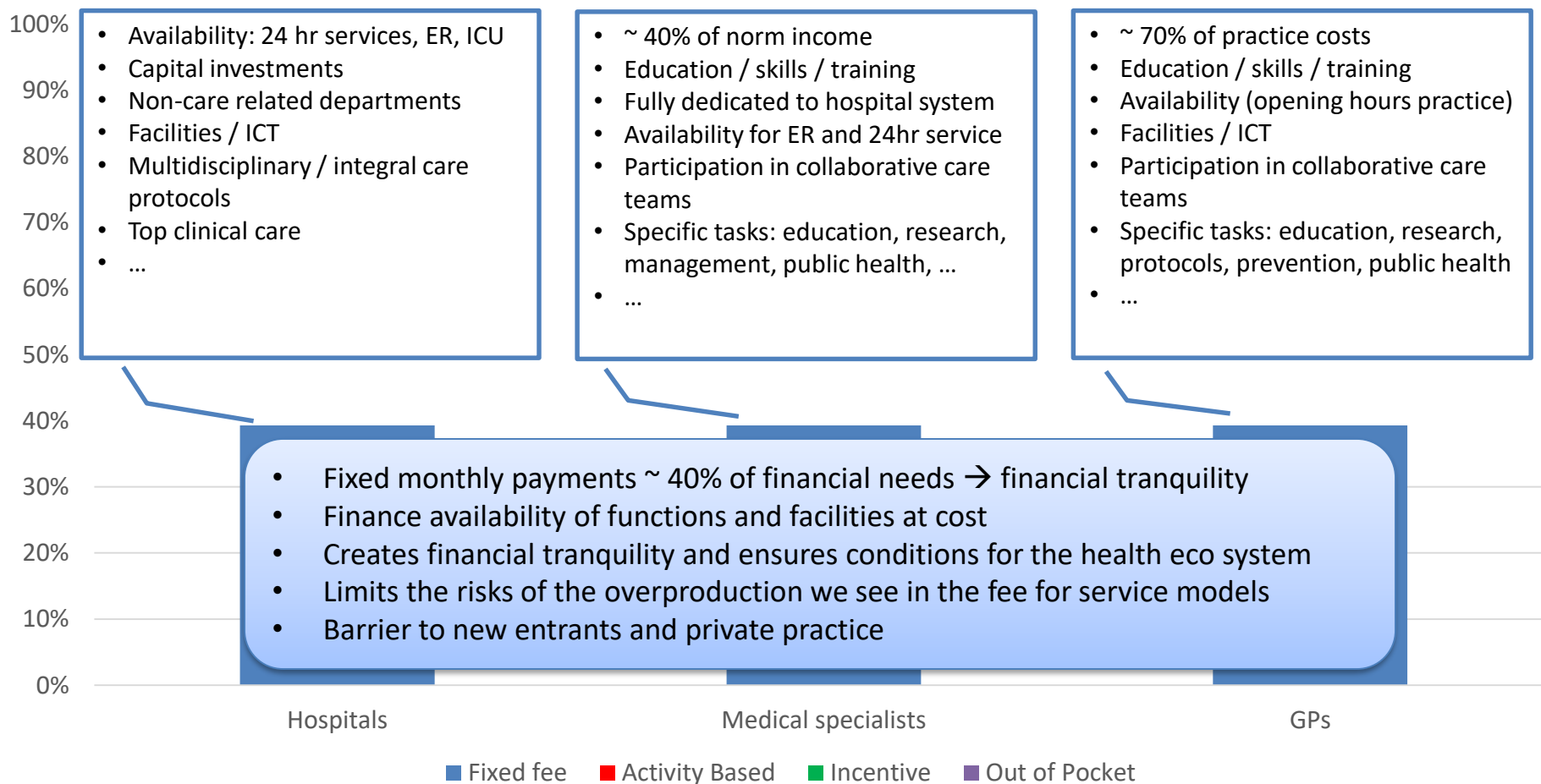
Alignment of financing / reimbursement of hospitals, medical specialists and GPs is important

Financing our Health ecosystems



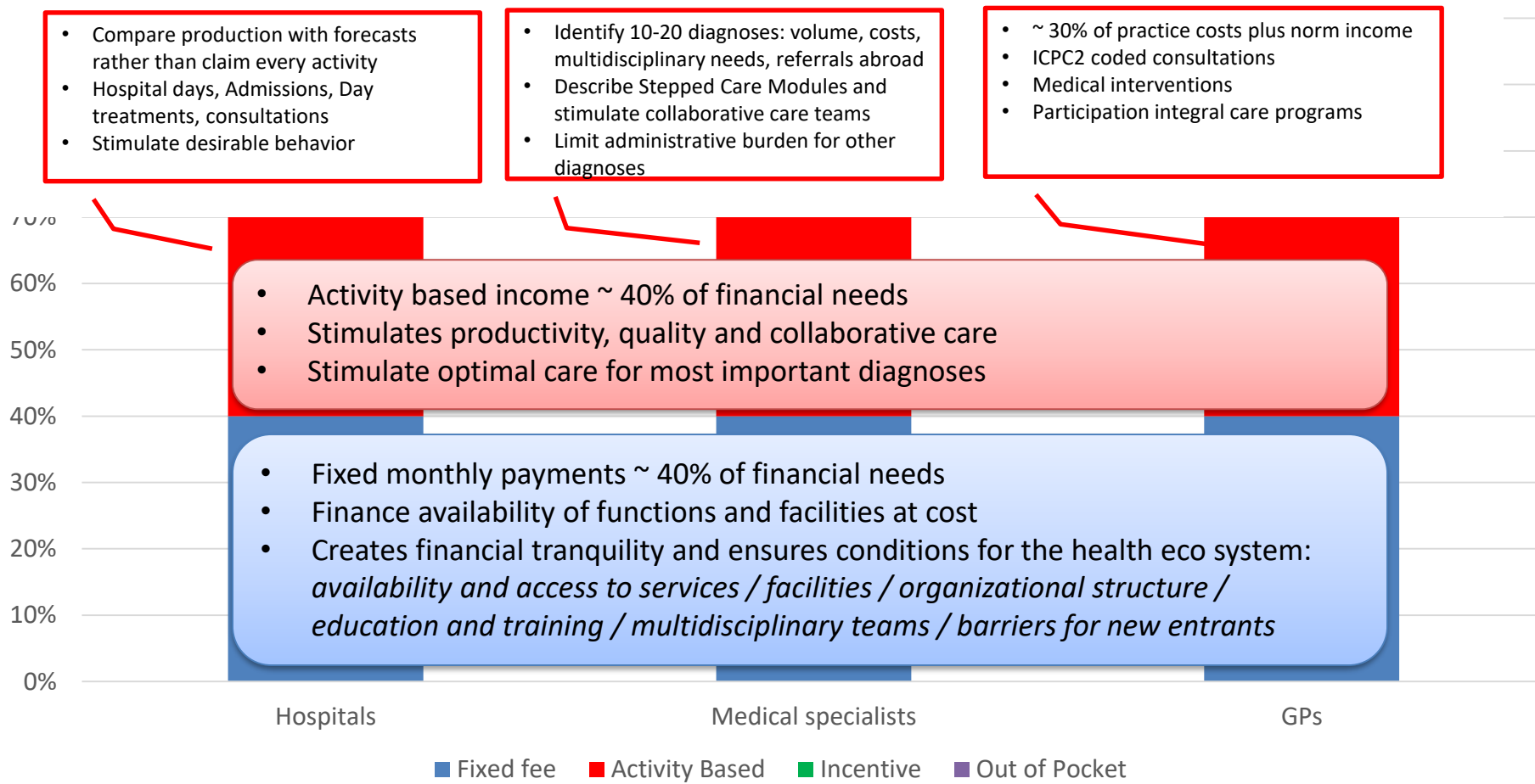
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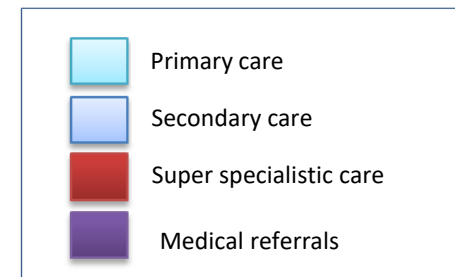
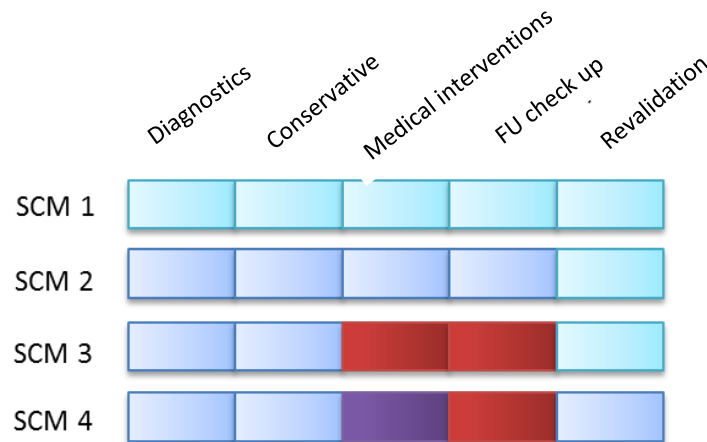


Care product definitions stimulate collaborative care

Volgens principe van Stepped Care Modules

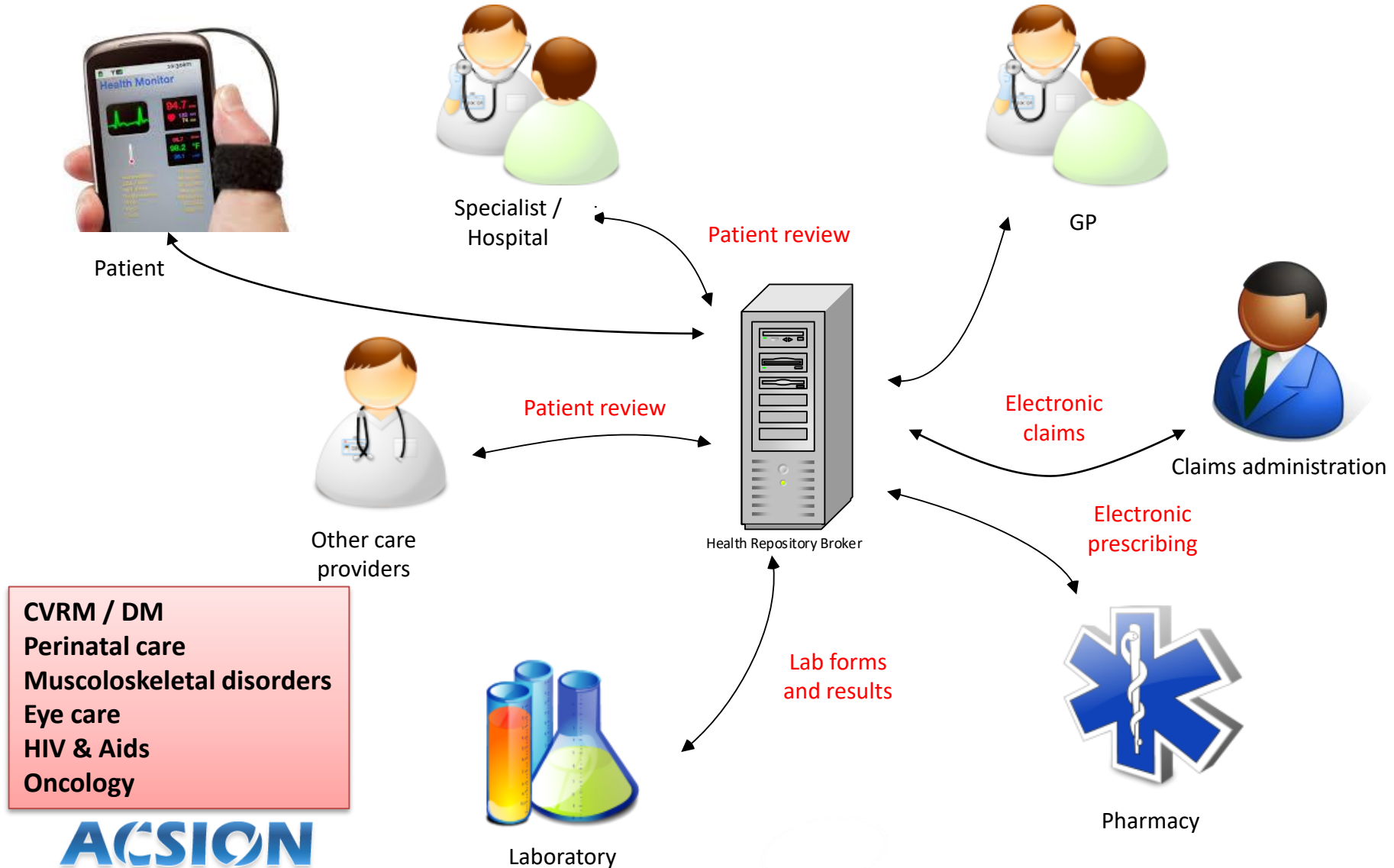


**ALGORITHM FOR
DIAGNOSIS & THERAPY**



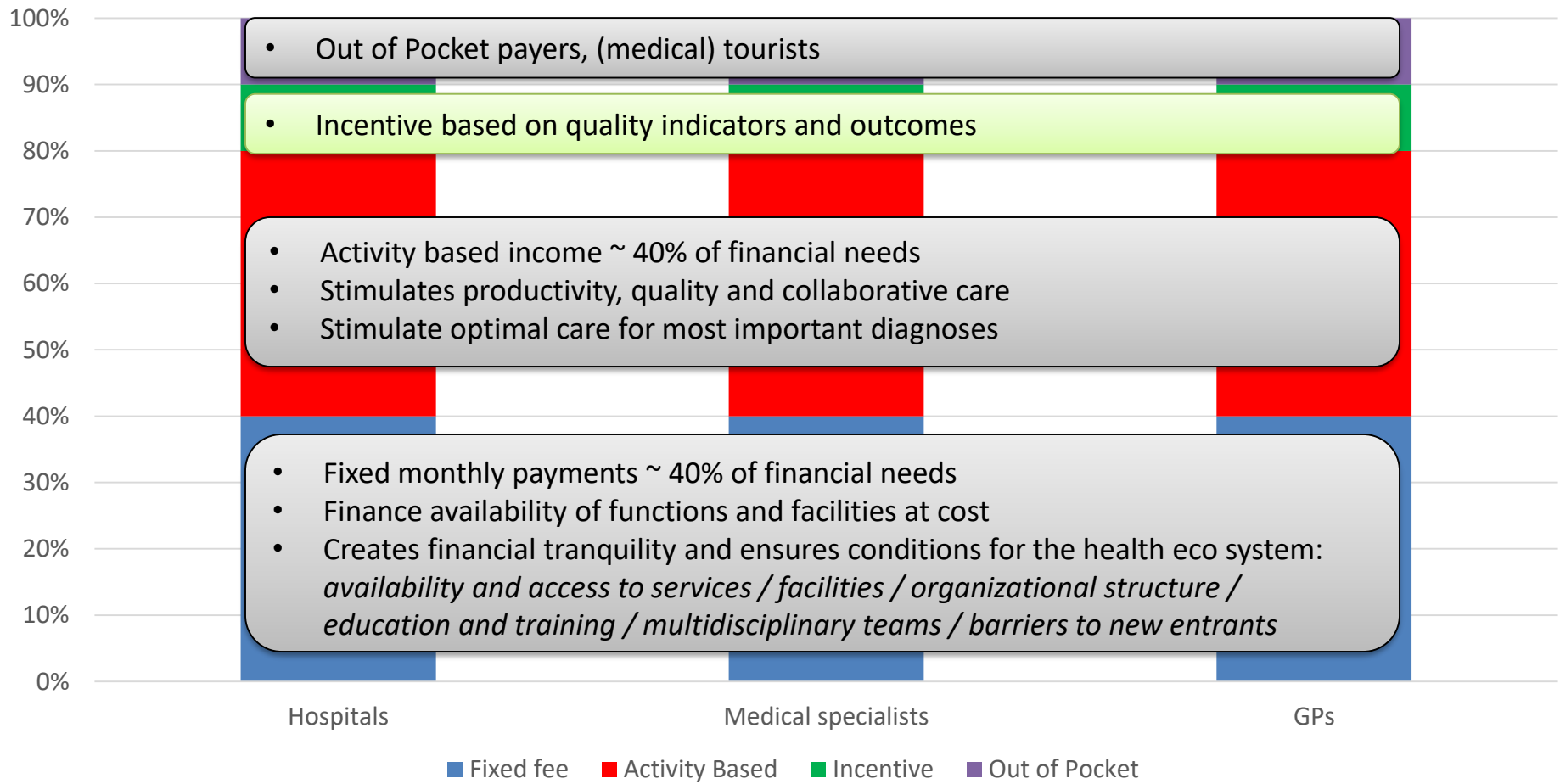
- Protocolized care pathways
- Stepped Care Modules (SCMs)
- Every SCM starts and ends with the GP
- Coordination by GP and medical specialist
- Incentives for prevention, timely interventions and absence of complications
- Checks and balances are very important

Support collaborative care and continuity of registration in accountable integral care organizations

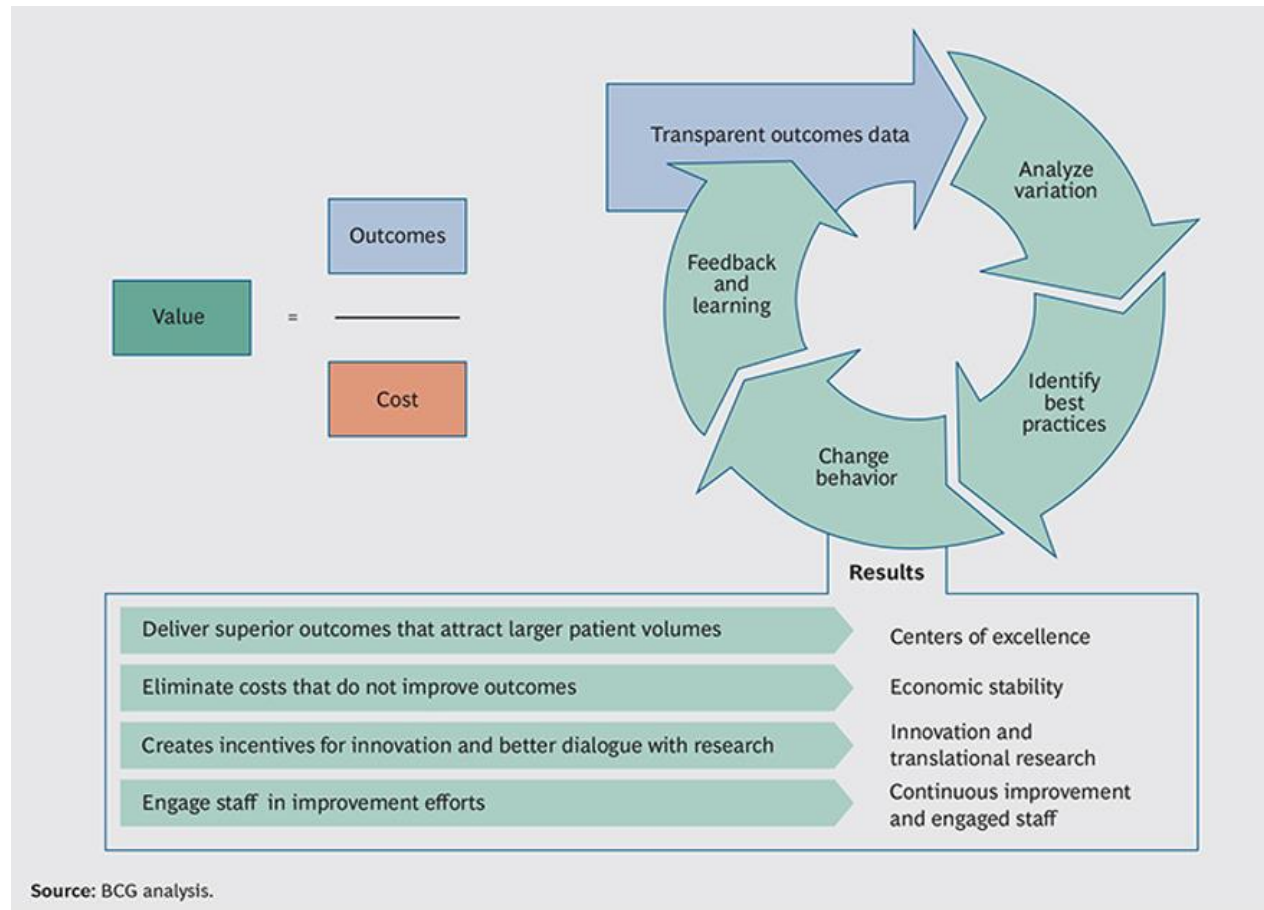


Alignment of financing / reimbursement of hospitals, medical specialists and GPs is important

Financing our Health ecosystems



Systematic measurement of health outcomes is the cornerstone of Value Based Healthcare



But the change in culture and behavior is the true critical success factor to create value

Disease registries are the cornerstone for Value Based Healthcare

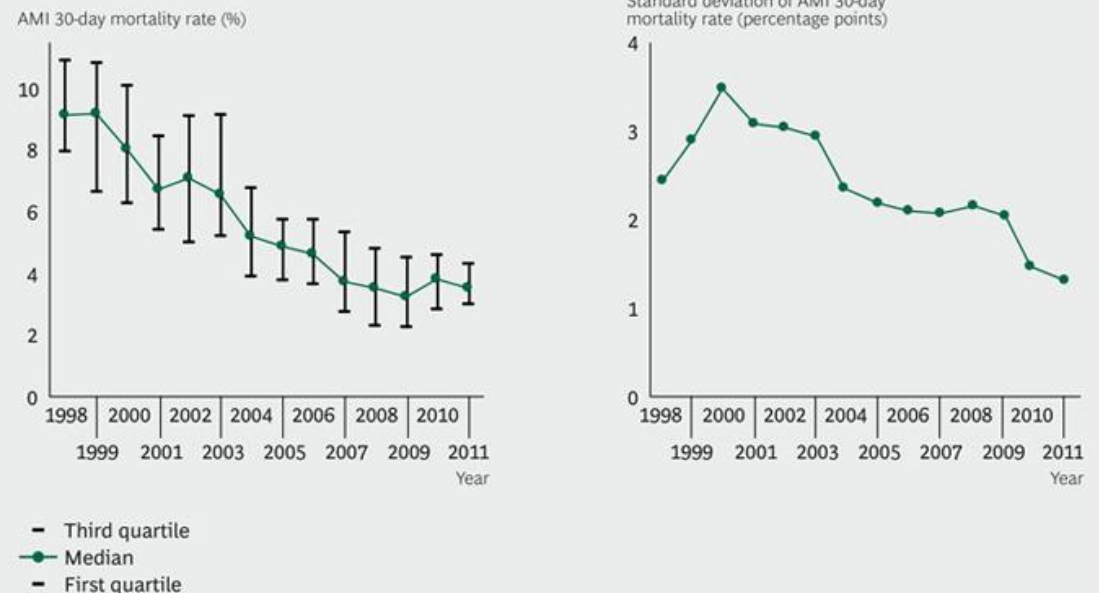
Definition

- An **organized system** that uses **observational study methods** to collect uniform data (clinical and other) to **evaluate specified outcomes** for a population defined by a particular disease or condition¹
- It is not only the collection and analysis of data on health outcomes, but **also the culture of improving outcomes** continuously using the registries as a catalyst for this purpose

Sweden has been an international pacesetter since the 1970s

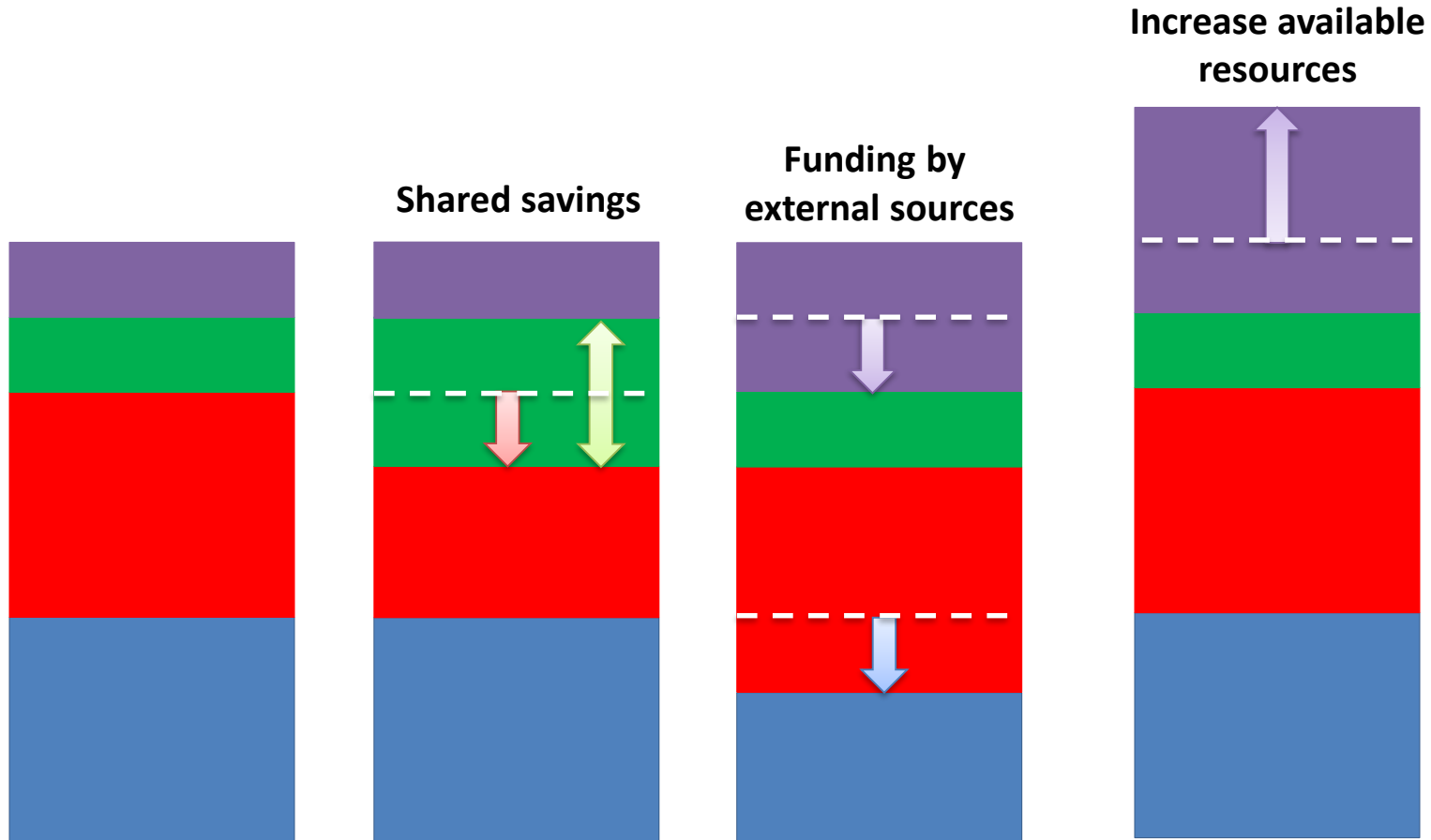
- Nowadays nearly **90 registries** which cover more than 25% of total national health expenditures
- Sweden **invests yearly \$70 million** in disease registries, data analysis resources and IT infrastructure → more than **\$7 billion reduction in direct healthcare costs in 10 years**²

EXHIBIT 4 | Sweden's AMI Registry Has Reduced Variation and Improved Health Outcomes



Sources: Register of Information and Knowledge About Swedish Heart Intensive-Care Admissions (RIKS-HIA); BCG analysis.
Note: Starting in 2010, data include only those hospitals with more than 20 AMI patients under the age of 80.

The added value is reinvested in the eco system



There are multiple reasons to increase the eco system cross-border (economy of sharing)

Principles to jumpstart Value Based Healthcare

- 1. Identify the diagnoses with the biggest room for improvement**
 - Care demand analysis based on episode registration in GP systems
- 2. Implement new reimbursement system for hospitals, physicians and other care providers**
 - Stimulate teamwork
 - Lower fixed costs per patient | procedure
 - Eco system: revenues are shared responsibility – no leakage of financial means out of the system
- 3. Determine metrics to assess outcomes and drivers for these outcomes**
 - Existing disease registries
 - ICHOM
- 4. Leverage leapfrogging technology**
- 5. Integrate data collection along the care pathway**
- 6. Create transparency for all stakeholders and ignite a cultural change**
 - Comprehensive, high-quality data (if you can't beat them join them)
 - Internal benchmarks made public in course of time
 - Active engagement with clinical community
 - Cross-Border collaboration



Take home messages

- **What is our objective?**
 - Healthy population ... not to pay as little as possible
- **Focus on the amount paid to hospitals and physicians distracts from the real problem**
 - They should not necessarily be paid less, they should be paid for doing a different job and achieving other results
- **Shift the focus from the top of the iceberg to the problems below the water surface**
 - Share data: Information Systems for Health
 - Predictive analytics
- **Alignment in reimbursement system**
 - Hybrid reimbursement system
 - Stimulate collaborative care
 - Create eco systems for health
- **Think big, start small**
 - Focus on your internal market and prepare to unite cross-border



If this sounds like a dream ...

We are currently living in a nightmare

WAKE UP– UNITE – CREATE VALUE