

# Value Based Healthcare

## “Know your worth”

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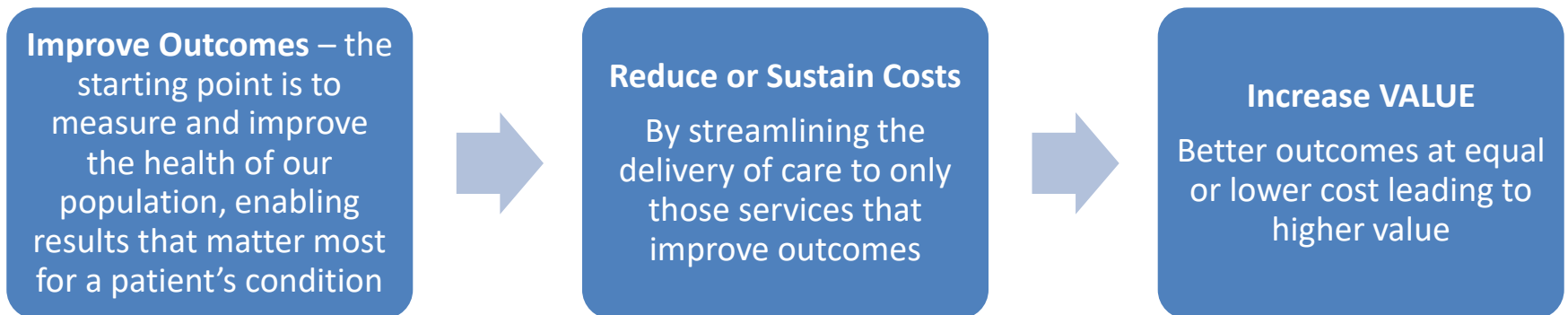
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# Value Based Healthcare

Some examples of approaches by  
the experts

# Value Based Healthcare by measuring meaningful outcomes and cost.

$$\text{VALUE} = \frac{\text{Patient Health – OUTCOMES achieved}}{\text{COST of delivering those outcomes}}$$



# Definitions of Value – Sir Muir Gray



- There are three definitions of value - triple value.
- **Allocative value**  
whether we have allocated resources to different groups equitably and in a way that maximises value for the whole population.
  - **Technical value**  
improving quality and safety of healthcare increases the value derived from resources allocated to a particular service.
  - **Personalised value**  
ensuring decisions are based on conditions and values of individuals, including the value they place on good and bad outcomes.

# NHS Wales - Prudent Healthcare

## The 4 principles of prudent healthcare



For further information visit [www.prudenthealthcare.org.uk](http://www.prudenthealthcare.org.uk)



# How do all of these align?

## My View

### Porter's Value



A clear relationship between obtaining outcomes that matter to patients for lowest possible cost

### Muir's Value



Three angles of looking at Porter's value definition

### Prudent Healthcare

**Bevan Commission**

An operating framework for enabling a value based conversion amongst staff and patients

**Why is this important?**

# OVERALL RANKING

## COUNTRY RANKINGS

Top 2*
Middle
Bottom 2*



	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
<b>OVERALL RANKING (2013)</b>	4	10	9	5	5	7	7	3	2	1	11
<b>Quality Care</b>	2	9	8	7	5	4	11	10	3	1	5
Effective Care	4	7	9	6	5	2	11	10	8	1	3
Safe Care	3	10	2	6	7	9	11	5	4	1	7
Coordinated Care	4	8	9	10	5	2	7	11	3	1	6
Patient-Centered Care	5	8	10	7	3	6	11	9	2	1	4
<b>Access</b>	8	9	11	2	4	7	6	4	2	1	9
Cost-Related Problem	9	5	10	4	8	6	3	1	7	1	11
Timeliness of Care	6	11	10	4	2	7	8	9	1	3	5
<b>Efficiency</b>	4	10	8	9	7	3	4	2	6	1	11
<b>Equity</b>	5	9	7	4	8	10	6	1	2	2	11
<b>Healthy Lives</b>	4	8	1	7	5	9	6	2	3	10	11
<b>Health Expenditures/Capita, 2011**</b>	\$3,800	\$4,522	\$4,118	\$4,495	\$5,099	\$3,182	\$5,669	\$3,925	\$5,643	\$3,405	\$8,508

Notes: \* Includes ties. \*\* Expenditures shown in \$US PPP (purchasing power parity); Australian \$ data are from 2010.

Source: Calculated by The Commonwealth Fund based on 2011 International Health Policy Survey of Sicker Adults; 2012 International Health Policy Survey of Primary Care Physicians; 2013 International Health Policy Survey; Commonwealth Fund *National Scorecard 2011*; World Health Organization; and Organization for Economic Cooperation and Development, *OECD Health Data, 2013* (Paris: OECD, Nov. 2013).



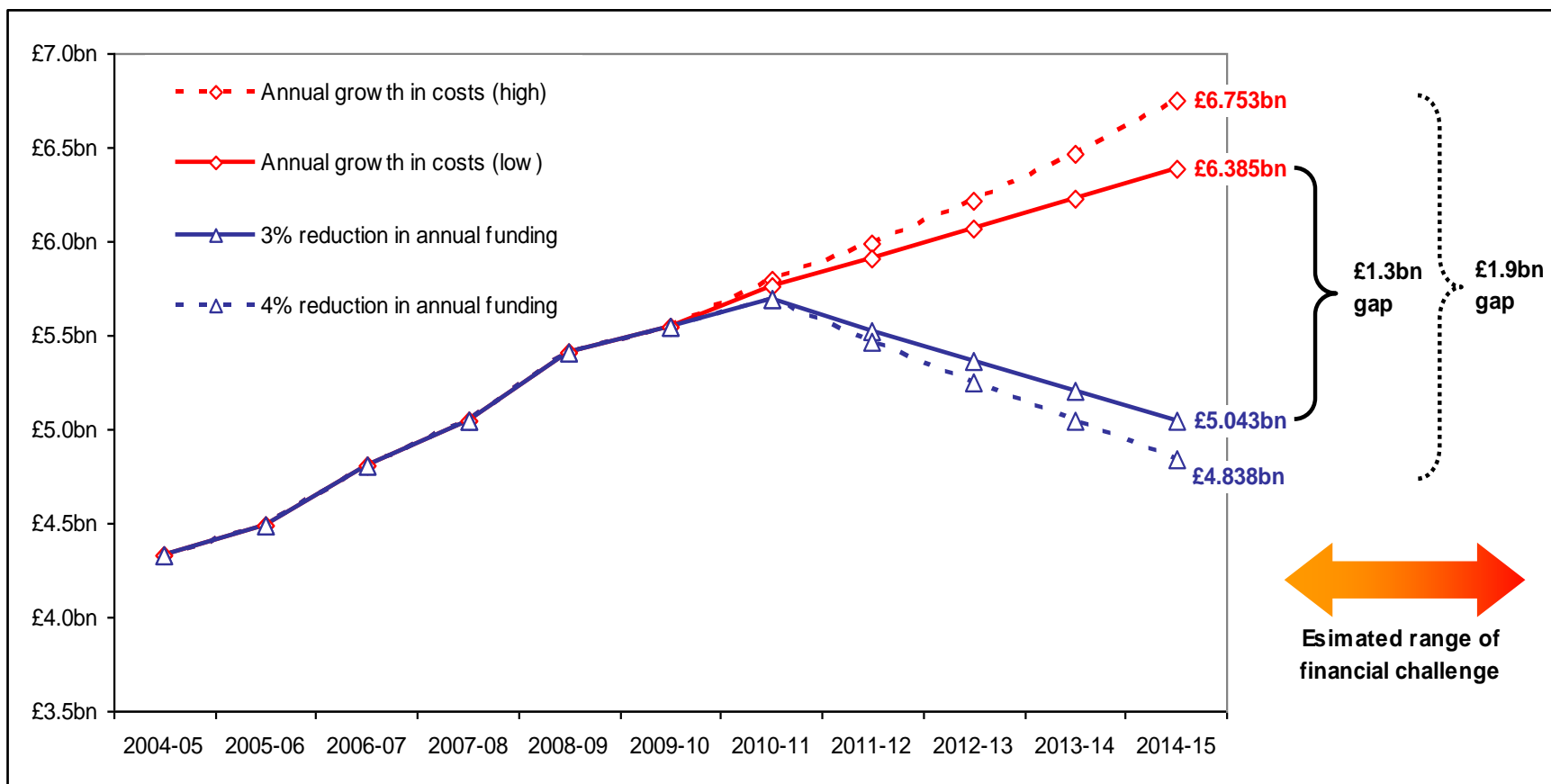
## Exhibit 2. Health Care System Performance Rankings

	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
OVERALL RANKING	2	9	10	8	3	4	4	6	6	1	11
Care Process	2	6	9	8	4	3	10	11	7	1	5
Access	4	10	9	2	1	7	5	6	8	3	11
Administrative Efficiency	1	6	11	6	9	2	4	5	8	3	10
Equity	7	9	10	6	2	8	5	3	4	1	11
Health Care Outcomes	1	9	5	8	6	7	3	2	4	10	11

Source: Commonwealth Fund analysis.



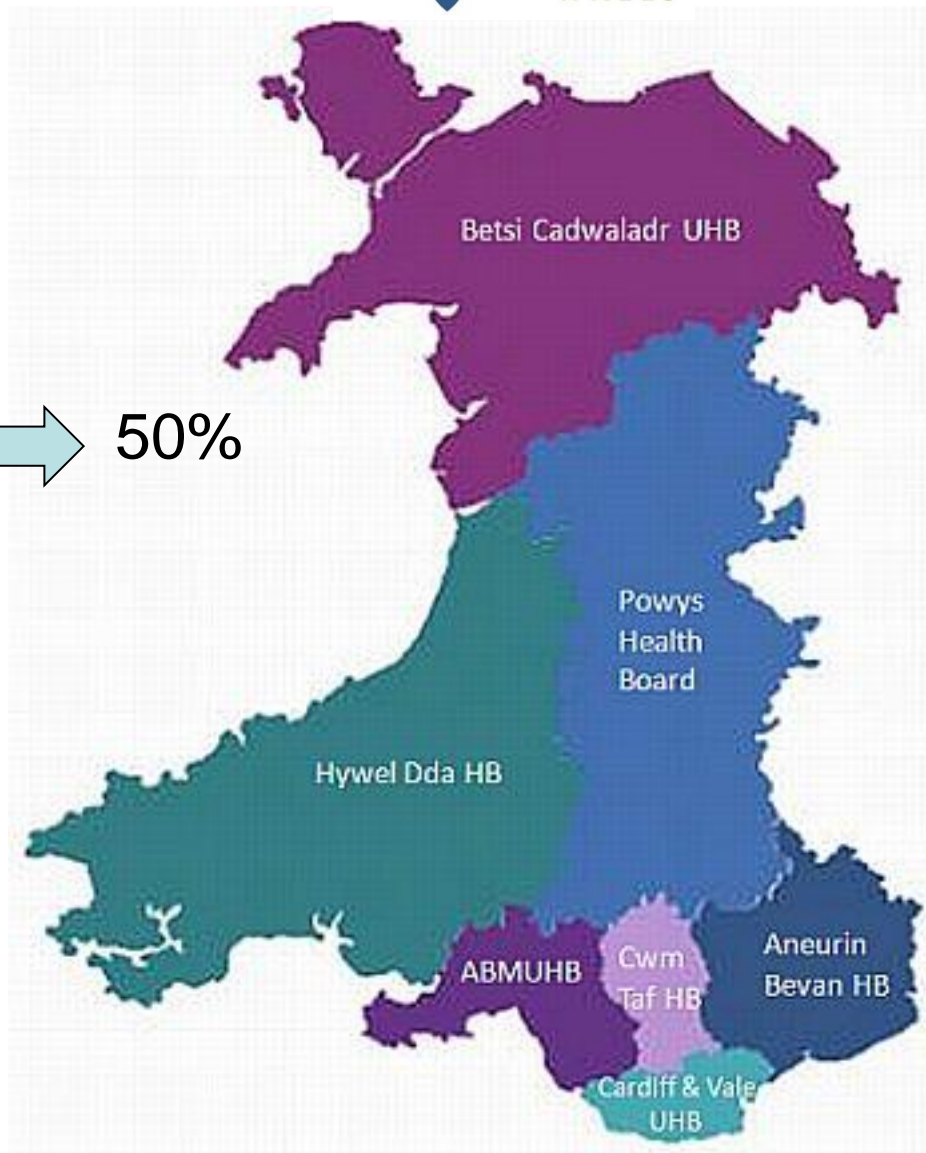
## Scenario modelling suggests a cumulative financial gap of between £1.3bn and £1.9bn over the next five years



**Aneurin Bevan:** "the cost of looking after the visitor who falls ill cannot amount to more than a negligible fraction of £400m – the total cost of the NHS" **A free health service – In Place of Fear -1952**



→ 50%



*Integrated  
Health Boards*

# NHS Wales Financial position

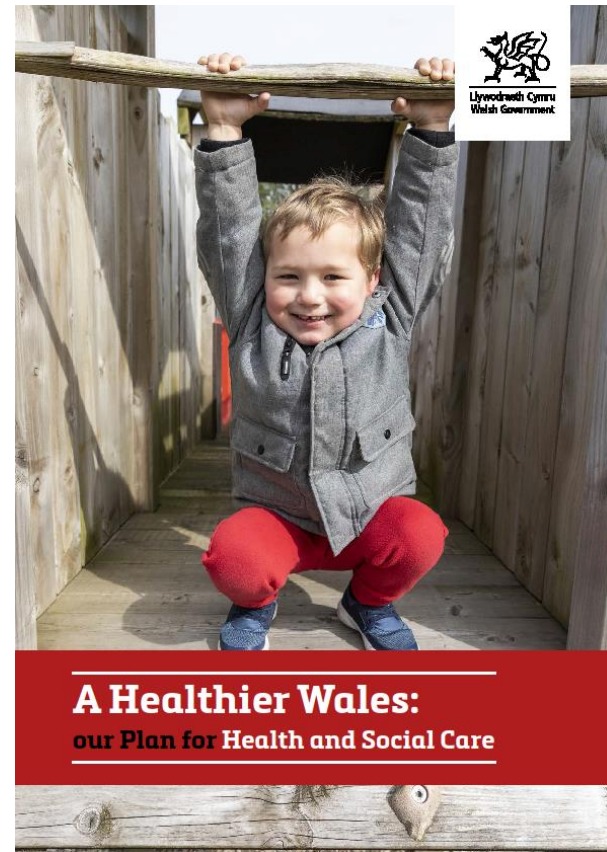


- Rising expectations of the public
- Rising expectations of clinicians
- Aging population
- Recruitment crisis

# Welsh Government Response

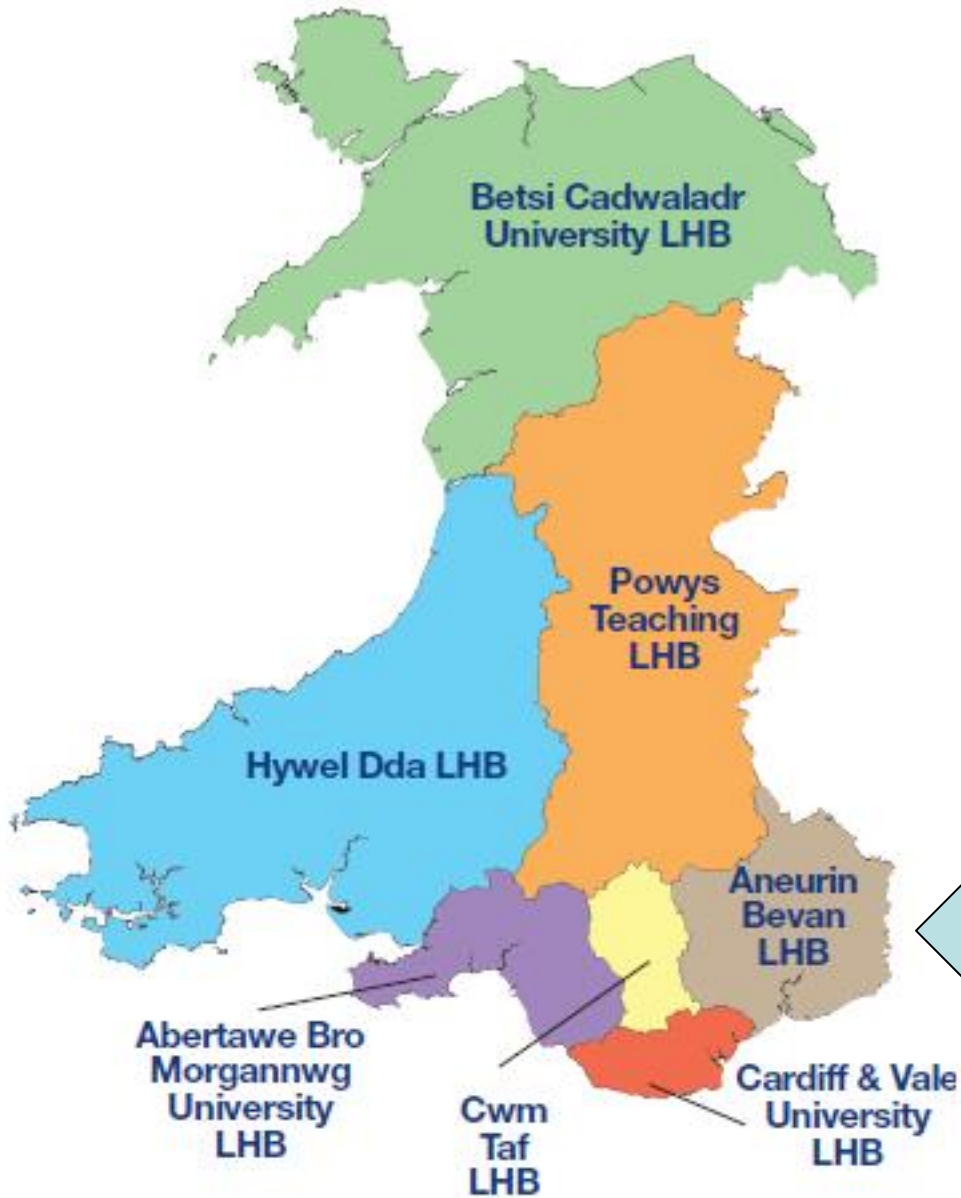
The four themes of the Quadruple Aim,

- Improved population health and wellbeing;
- Better quality and more accessible health and social care services;
- Higher value health and social care; and
- A motivated and sustainable health and social care workforce.



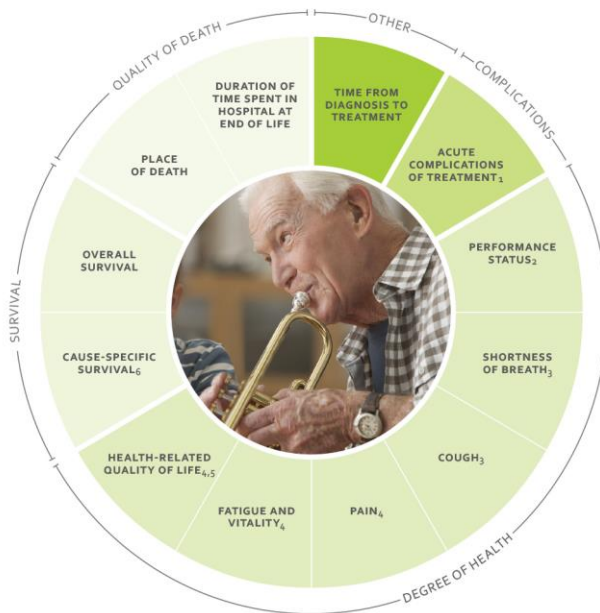
So how have we gone about this .....

Our Value Journey.



# Measuring Outcomes

## Lung Cancer



## Heart Failure





# Do we understand our Costs?

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



**RIGHT**  
Clinical  
Decisions

**GOOD** clinical  
Behaviours

**INFLUENCE**  
of Clinical  
Leaders

- Costing that **influences clinical behaviour**
- Costs - as an economic **"signal"**
- Costing to close the Value Gap.
- Costing mechanism that **accurately portrays clinical behaviour**

# Value Based Healthcare in Wales

A few examples of exposing opportunities for improvement using cost analysis

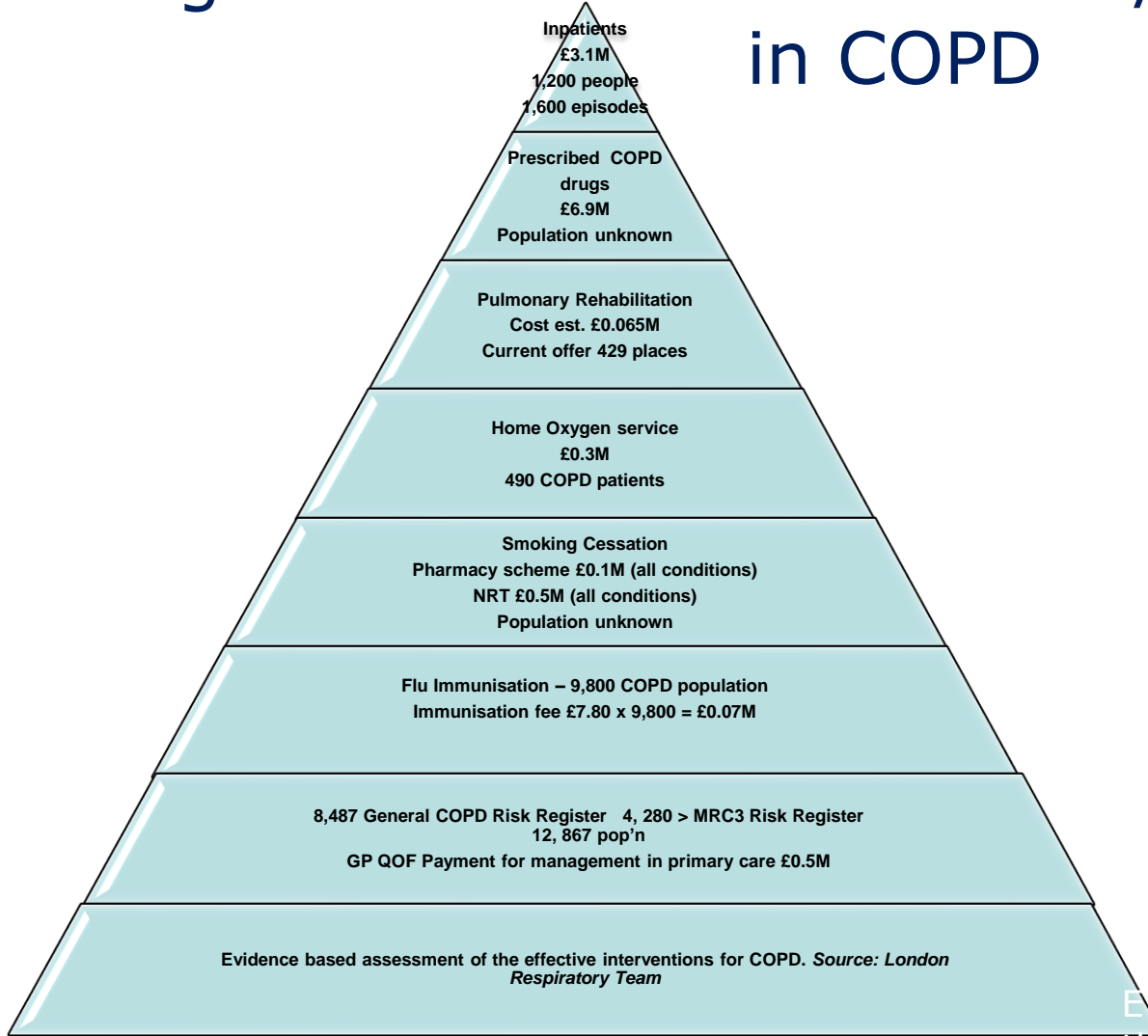
- Personalised value in knee operations
- Technical value in Cataracts
- Allocative value in COPD

# All Cataract Pathways in NHS Wales - TDABC

Health Board	Site	Appointment / Steps in current Pathway	WECs Optometrist referral	Consultant review of referral	Outpatient appointment	pre assessment appointment	Allied OPD and Pre assessment	Surgery	Telephone Follow up	Day 1 in person Follow up	Week 1-3 follow up	Optometrist review in community	Weeks 4-6 Follow up	Optometrist Post Op Follow up	Standard Pathway Cost
BC	Ysbyty Gwynedd Hospital	5		€3.52	€24.36	€29.23		€332.28			€20.78				€410.17
BC	Ysbyty Maelor Wrexham Hospital	5		€3.52	€24.36	€29.23		€368.04			€13.96				€439.11
CV	UHW	5		€4.93	€19.97	€9.65	€16.85	€372.96					€26.00		€450.36
BC	Ysbyty Abergele Hospital	5		€3.52	€24.36	€29.23		€389.16			€13.96				€460.23
P	Powys Hospital (3 consultants)	4			€82.48	€15.71		€366.70						€18.03	€482.92
CT	Prince Charles Hospital	5		€10.02	€37.20	€32.34		€389.08						€29.39	€498.03
ABM	Singleton Direct Access	4	€13.00	€9.30		€31.25		€372.35					€35.59	€40.00	€501.49
HD	Amman Valley Hospital	6	€38.00	€10.11	€36.12	€29.83		€365.93					€32.95		€512.94
CT	Royal Glamorgan Hospital	5		€10.02	€37.39	€34.17		€404.69						€29.55	€515.82
AB	Neville Hall Hospital & Royal Gwent Hospital	5	€41.85	€3.19			€61.00	€369.99						€47.16	€523.20
ABM	Singleton One Stop	4	€13.00	€9.30		€48.22		€372.34		€8.48			€38.85	€40.00	€530.20
ABM	POW One-Stop (55%)	4	€13.00	€9.44		€51.14		€388.78		€0.18			€34.55	€40.00	€537.09
HD	Glangwili General Hospital	6	€38.00	€10.11	€36.12	€29.83		€402.31					€32.95		€549.32
ABM	Singleton Traditional	5	€13.00	€9.30	€41.79	€31.13		€372.35		€8.48			€36.30	€40.00	€552.35
ABM	POW Traditional (45%)	5	€13.00	€9.44	€44.78	€24.84		€388.78		€0.18			€34.55	€40.00	€555.57
HD	Bronlais General Hospital	7		€9.59	€91.87	€44.43		€344.39		€24.67	€24.67		€47.05		€586.67
P	Powys Hospital (1 consultant)	4			€93.84	€15.71		€743.33					€86.15		€939.03

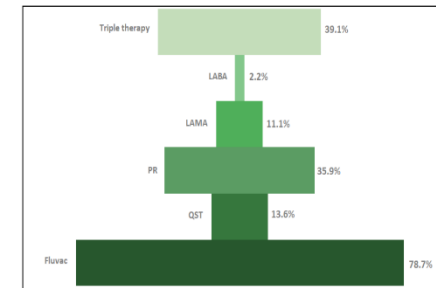
## Outcome Measurement in Progress

# Programme Value - Allocative/Technical Value in COPD

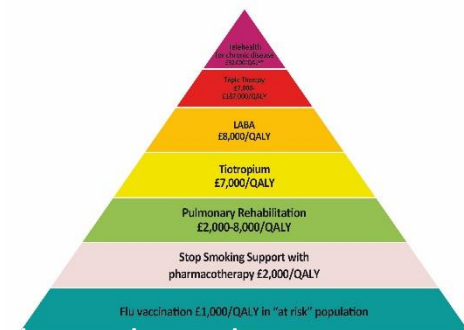


## REAL-LIFE AB

Fig. 3. The value pyramid for COPD interventions for Aneurin Bevan Health Board



## IDEAL - EBM



# Outcomes Based Procurement & Commissioning - Procuring for Value



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Delivering Value for Wales  
placing **outcomes** at the heart of **Procurement**



# Growing a New Mindset



## Value Based Health Care - Medical Undergraduate curriculum

- A Joint Collaboration between - Swansea University Medical School, Erasmus Holland, Cascais Portugal and ICHOM

## Exploring

- Joint Clinical and Financial leadership development programme
- VBHC Education programme for leaders with local Universities
- Encouraging early adopters



# Questions to consider

- Do you use outcome measurement to identify which approaches deliver the greatest benefit to patients?
- Do you know how much your services cost and do you look for variation?

***Do you know your worth?***



GIG  
CYMRU  
NHS  
WALES

Academi Gyllid  
Finance Academy



# Diolch Thank-you for listening



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