Value Based Healthcare
“Know your worth”

Rebecca Richards,
Director, NHS Wales Finance Academy

@reblrichards
@nhswalesfinance
Value Based Healthcare

Some examples of approaches by the experts
Value Based Healthcare by measuring meaningful outcomes and cost.

Patient Health – OUTCOMES achieved

VALUE = _______________________________________

COST of delivering those outcomes

Improve Outcomes – the starting point is to measure and improve the health of our population, enabling results that matter most for a patient’s condition

Reduce or Sustain Costs
By streamlining the delivery of care to only those services that improve outcomes

Increase VALUE
Better outcomes at equal or lower cost leading to higher value
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

Public and professionals are EQUAL PARTNERS through CO-PRODUCTION

CARE FOR those with the greatest health need FIRST

Do only WHAT IS NEEDED and do NO HARM

Reduce INAPPROPRIATE VARIATION through EVIDENCE-BASED approaches

For further information visit www.prudenthealthcare.org.uk
<table>
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<tr>
<td><strong>Porter’s Value</strong></td>
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<tr>
<td>A clear relationship between obtaining outcomes that matter to patients for lowest possible cost</td>
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<td><strong>Muir’s Value</strong></td>
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<td>Three angles of looking at Porter’s value definition</td>
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<td><strong>Prudent Healthcare</strong></td>
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<td>An operating framework for enabling a value based conversion amongst staff and patients</td>
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Why is this important?
## Overall Ranking (2013)

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### Health Expenditures/Capita, 2011**

- Australia: $3,800
- Canada: $4,522
- France: $4,118
- Germany: $4,495
- Netherlands: $5,099
- New Zealand: $3,182
- Norway: $5,669
- Sweden: $3,925
- Switzerland: $5,643
- United Kingdom: $3,405
- United States: $8,508

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

### Exhibit 2. Health Care System Performance Rankings

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Source: Commonwealth Fund analysis.
**Scenario modelling suggests a cumulative financial gap of between £1.3bn and £1.9bn over the next five years**

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**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*
Integrated Health Boards

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?

- 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
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<th>Health Board</th>
<th>Site</th>
<th>Appointment / Steps in current Pathway</th>
<th>WECs</th>
<th>Ophthalmic referral</th>
<th>Consultant referral</th>
<th>Outpatient appointment</th>
<th>Pre-assessment appointment</th>
<th>Allied OPD and Pre-assessment</th>
<th>Surgery</th>
<th>Telephone Follow up</th>
<th>1 week in person Follow up</th>
<th>Week 1.3 follow up</th>
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Outcome Measurement in Progress
Programme Value - Allocative/Technical Value in COPD

- Inpatients: £3.1M
  - 1,200 people
  - 1,600 episodes

- Prescribed COPD drugs: £6.9M
- Population unknown

- Pulmonary Rehabilitation
  - Cost est. £0.065M
  - Current offer 429 places

- Home Oxygen service
  - £0.3M
  - 490 COPD patients

- Smoking Cessation
  - Pharmacy scheme £0.1M (all conditions)
  - NRT £0.5M (all conditions)
  - Population unknown

- Flu Immunisation – 9,800 COPD population
  - Immunisation fee £7.80 x 9,800 = £0.07M

- 8,487 General COPD Risk Register
  - 4,280 > MRC3 Risk Register
  - 12,867 pop’n

- GP QOF Payment for management in primary care £0.5M

- Evidence based assessment of the effective interventions for COPD. Source: London Respiratory Team

REAL-LIFE
AB

IDEAL - EBM

Rebecca Richards Senior finance lead / Dr Flood-Page ABUHB
Outcomes Based Procurement & Commissioning - Procuring for Value

Delivering Value for Wales
placing outcomes at the heart of Procurement

© Value 4 Wales, NHS Wales
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?
Diolch
Thank-you for listening

Rebecca.Richards3@wales.nhs.uk

@reblrichards
@nhswalesfinance

www.financeacademy.wales.nhs.uk/home

NHS Wales Finance Academy