



# Transforming the Health System for Value-Based Health Care

Clinical Senate of Western Australia  
22 October 2021

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Policy Director

*...I would like to acknowledge  
the traditional custodians of  
the lands on which we meet  
and pay respect to elders past  
and present...*



# SESSION OUTLINE

- VBHC 101
- Implementing VBHC
- National activity and commitment to VBHC

# VALUE-BASED HEALTH CARE IS A GLOBAL MOVEMENT

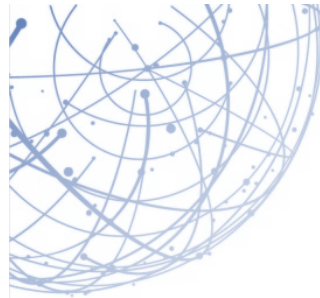
## In academia...

HBS.ORG  
**Harvard Business Review**

OCTOBER 2015  
REPRINT R0500

THE BIG IDEA  
**The Strategy That Will Fix Health Care**

Providers must lead the way in making value the overarching goal by Michael E. Porter and Thomas H. Lee



**IMPLEMENTING ACCOUNTABLE CARE TO ACHIEVE BETTER HEALTH AT A LOWER COST**

Report of the WISH Accountable Care Forum 2016

 **The University of Texas at Austin  
Dell Medical School**



TheKing'sFund> Ideas that change health care

**Accountable care summit  
2018**



## Around the world...



## In Australia...



Advancing Value: A Strategy for Queensland Health

### Strategy



Queensland Health is developing a strategy for delivering what really matters to patients and the Queensland community, and maximising the value of our health system.

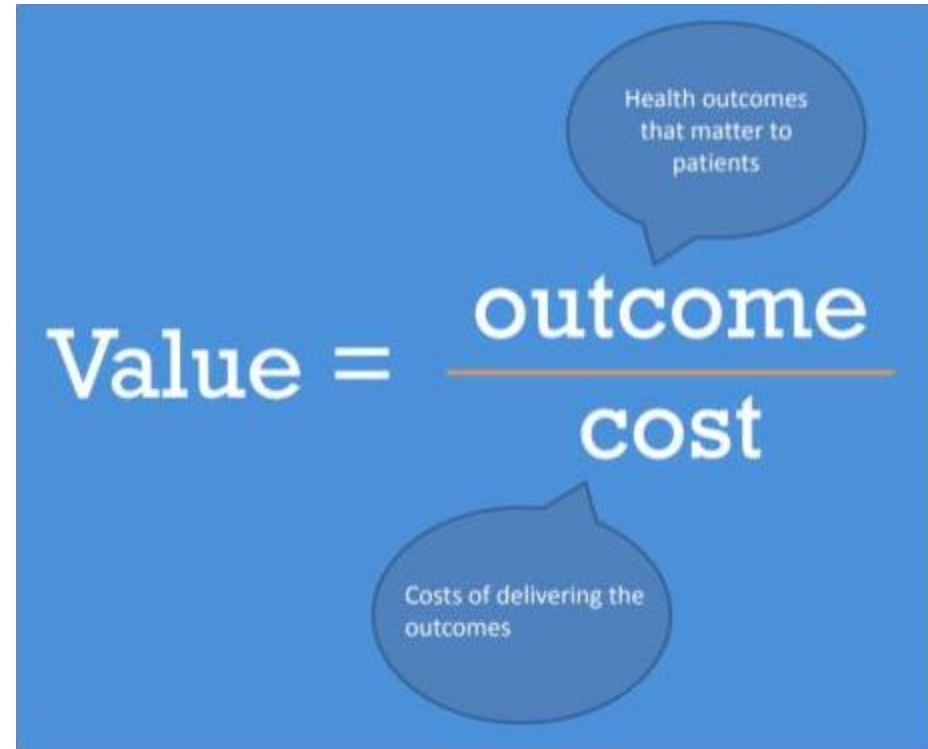
We're focused on connecting existing efforts across the system, and understanding and addressing the missing pieces of the puzzle.

We want to work with you to:

- Increase our collective understanding of and focus on the outcomes that matter most to patients.
- Increase our collective understanding of and focus on the most economical ways of delivering those outcomes.
- Build shared understanding so that the health system is united in its efforts to deliver what matters.



# DEFINITION OF VALUE-BASED HEALTH CARE



But what can this mean in practice?

# WHAT DOES VALUE-BASED HEALTH CARE MEAN?

The term 'value' can mean different things to people and organisations:

**Cost  
minimisation**

**Value  
based  
healthcare**

**Quality  
improvement**

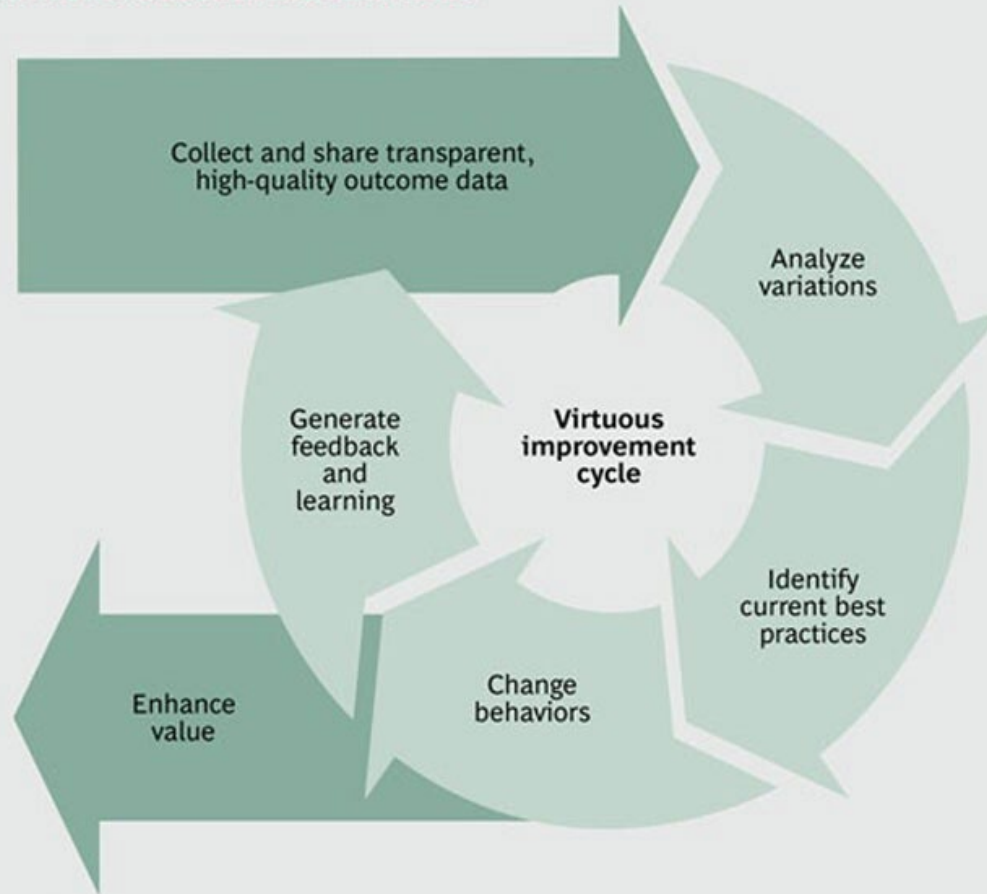
**Cost  
effectiveness**

**Triple /  
Quadruple  
Aim**

**Reducing  
low value care**

# VBHC: ANOTHER WAY OF THINKING ABOUT QUALITY IMPROVEMENT?

EXHIBIT 1 | Value-Based Health Care Delivers Improved Health Outcomes at a Given Level of Cost



Source: BCG analysis.

# WHAT DOES VBHC MEAN IN A UNIVERSAL HEALTH CARE SYSTEM?



Personalised value  
Technical value  
Allocative value



Personal value  
Technical value  
Allocative value  
Societal value



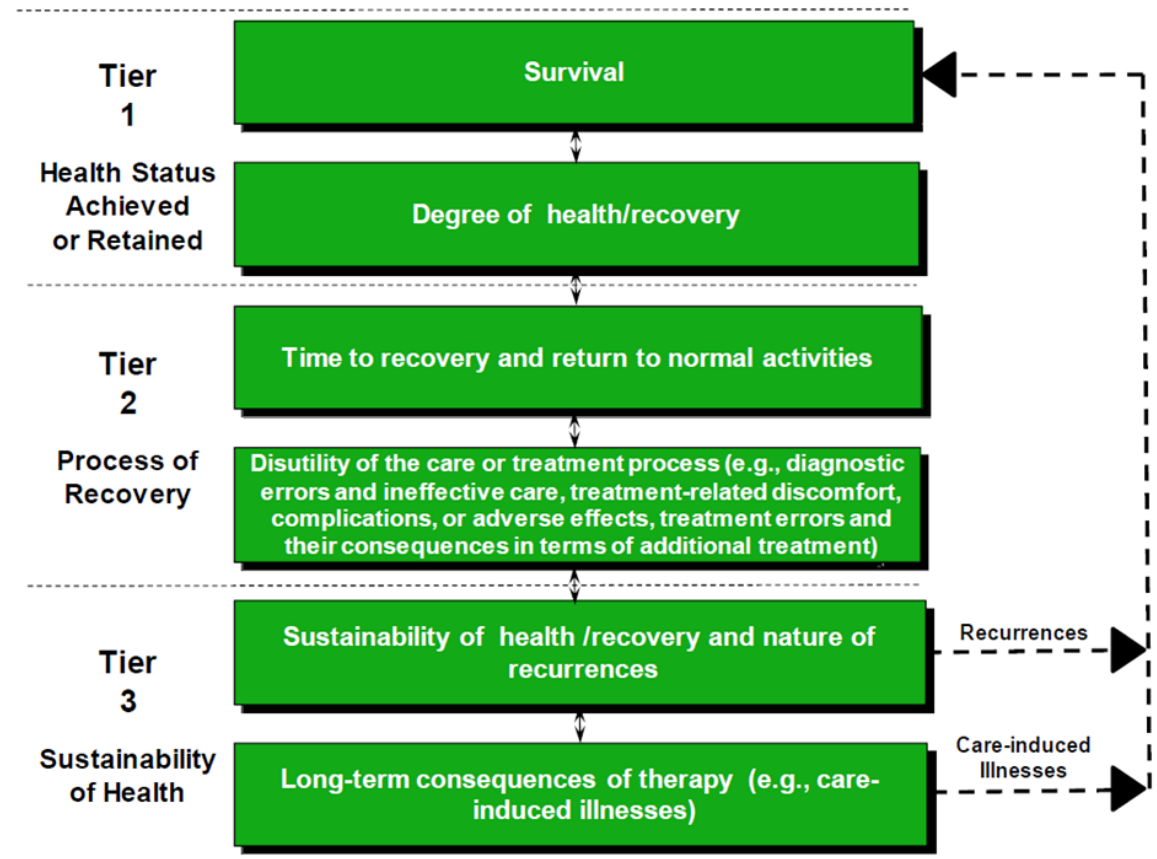
Health outcomes that matter to patients  
The experience of receiving care  
The experience of providing care  
The effectiveness and efficiency of care



# MEASURING OUTCOMES AND COSTS

## Health care is realised over time

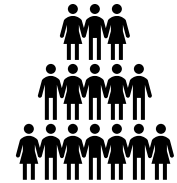
- The assessment of health outcomes should incorporate both near term and relevant longer term aspects of care:
  - A move away from episodic assessment to a longitudinal view of healthcare
  - Implications for patient data capture and associated system infrastructure
- Costs over the full cycle of care – direct and indirect



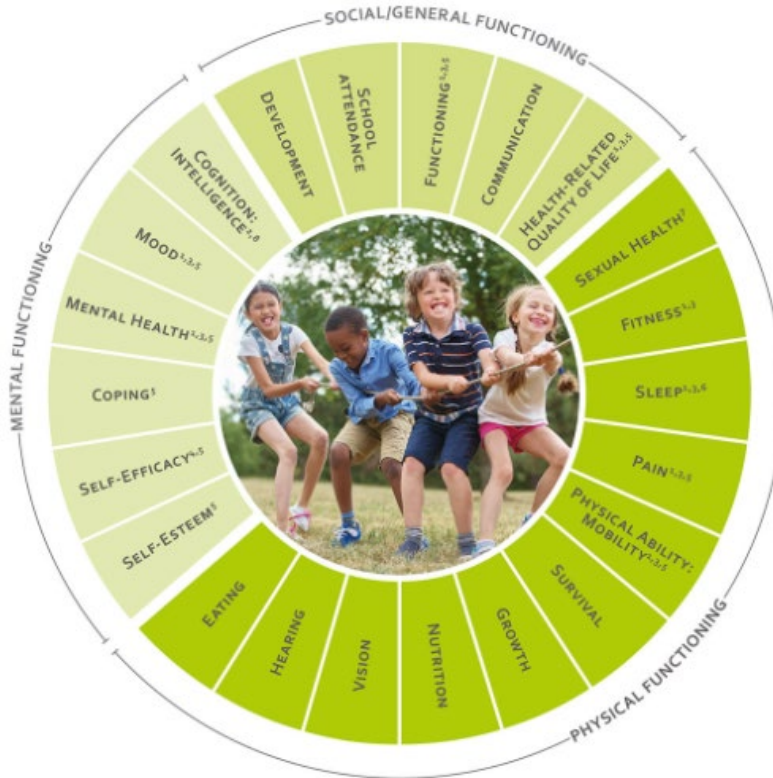
(M. E. Porter, What is value in health care? New England Journal of Medicine, 2010;363(26):2477-81)

# WHO DEFINES OUTCOMES?

- Clinical outcomes are the focus of practitioners and important for patients' welfare
- Outcomes that matter to individual patients
- Population health outcomes (outcomes that society is willing to pay for?)
- Clinical quality registries: focus on safety and quality



# INTERNATIONAL WORK: ICHOM STANDARD SETS



ICHOM Standard Set for Overall Paediatric Health (ICHOM, 2020)

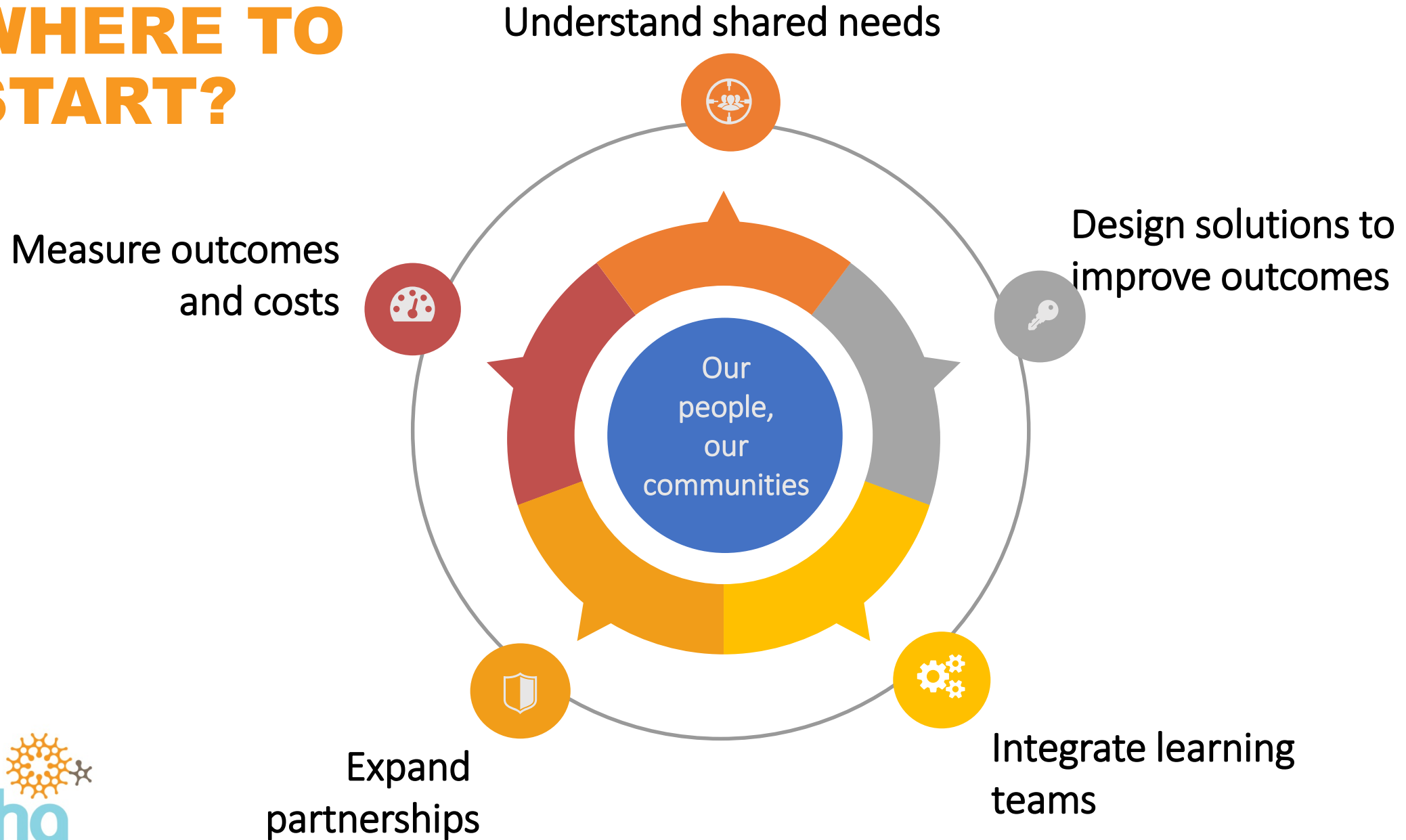


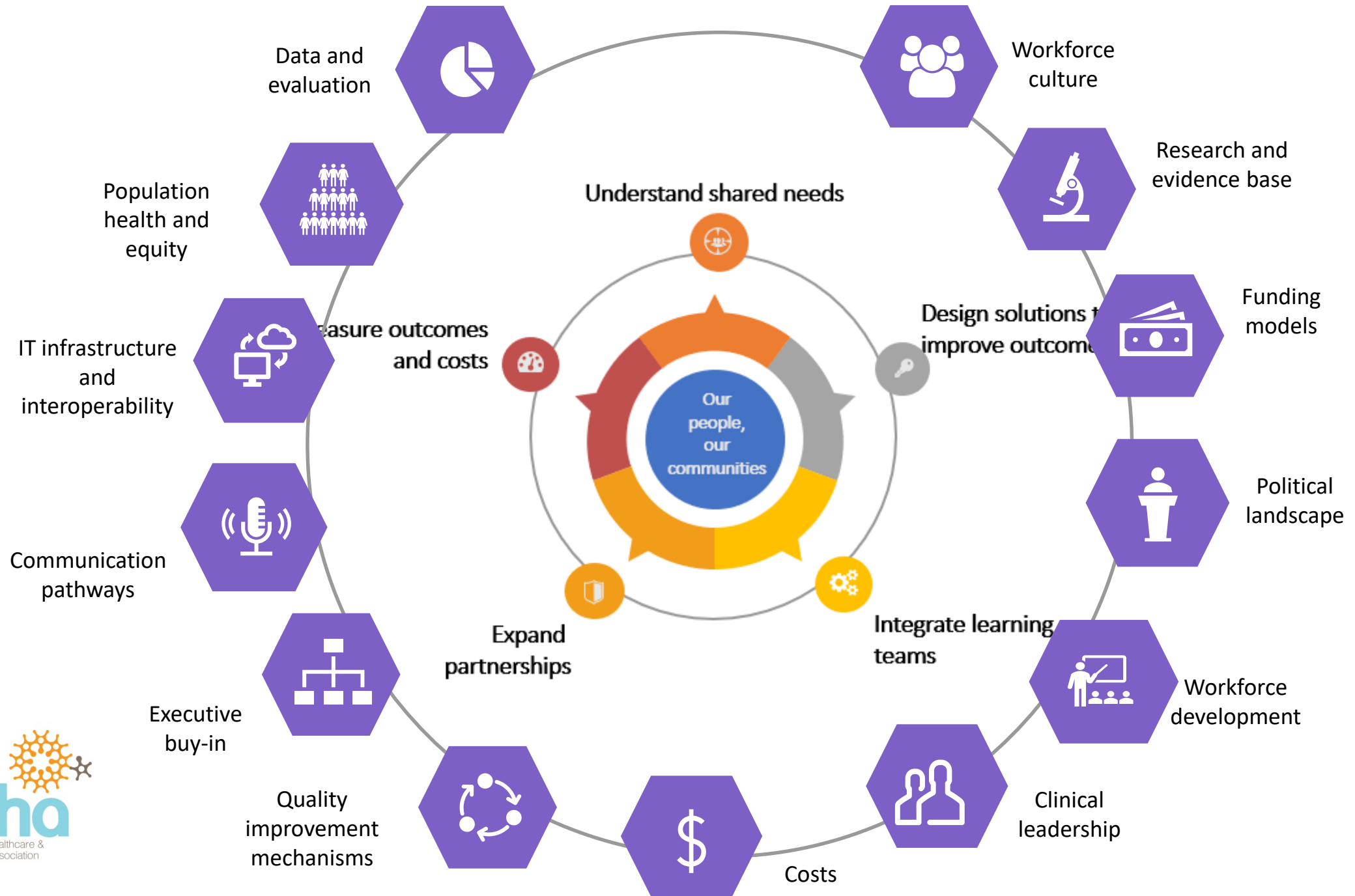
ICHOM Standard Set for Depression and Anxiety (ICHOM, 2020)



ICHOM Standard Set for Diabetes (ICHOM, 2020)

# WHERE TO START?







National Health Reform Agreement (NHRA)

## Long-term Health Reforms

Roadmap



### Key areas of reform

- Nationally cohesive Health Technology Assessment
- Paying for value and outcomes
- Joint planning and funding at a local level
- Empowering people through health literacy
- Prevention and wellbeing
- Enhanced health data
- Interfaces between health, disability and aged care systems

<https://www.health.gov.au/resources/publications/national-health-reform-agreement-nhra-long-term-health-reforms-roadmap>