

# Communique

## Meeting 3 2018

The Victorian Clinical Council (the council) met on Thursday 13 September 2018 to identify our future priority areas and discuss an approach to value based healthcare in Victoria.

### VALUE BASED HEALTHCARE – AN APPROACH FOR VICTORIA

Value based healthcare was identified as a priority area for council consideration. Healthcare services in Victoria and globally are working to ensure the sustainability of the healthcare system. Faced with the challenge of increasing levels of chronic disease, an ageing population, rising costs and limited resources, value based healthcare is being used internationally to address these challenges.

#### PURPOSE

The purpose of this meeting was to:

- Set priorities for future council meeting topics
- Inform the Victorian approach to value based healthcare.

#### PRIORITISATION PROCESS

A prioritisation process was undertaken to help determine topics for discussion at future council meetings. The process involved consulting the council members, the Secretary of the department, the Victorian Minister for Health, Safer Care Victoria (SCV) CEO and other stakeholders, to build a list of potential topics. At the meeting, the council discussed their individual preferences, agreed on group priorities, and then voted to decide the top eight priorities. The outcome of this process will inform the council meeting topics for the next 12-18 months.

### VALUE BASED HEALTHCARE DISCUSSION

The council heard from local and international speakers including:

- Dr Don Berwick, President Emeritus and Senior Fellow, Institute for Healthcare Improvement (IHI)
- Mr Benedict Keneally, Associate Director, The Boston Consulting Group
- Dr Yolima Cossio-Gil, Clinical Data and Innovation Lead, Hospital Universitari Vall d'Hebron, Catalonia, Spain
- Dr Deborah Cole, Chief Executive Officer, Dental Health Services Victoria
- Mr Terry Symonds, Deputy Secretary, Health and Wellbeing Division, Department of Health and Human Services
- Dr Simon Judkins, Clinical Director Emergency Department, Austin Health

**Dr Don Berwick** introduced the concept of 'three eras' in medicine. Healthcare has moved from the heroism of era one, where medicine was considered a noble, beneficent profession that should be trusted to self-regulate, through to the increased scrutiny and accountability of era two, which instead focused on pay for performance and led to an erosion of trust. Neither heroism nor scrutiny resulted in improvement. Don's search for another way led to his vision of era three where the core idea is learning. Era three rejects excessive measurement and complex

incentives and is instead driven by transparency, improvement science and civility.

**Benedict Keneally** introduced value based healthcare as a new core principle for healthcare management. Value is considered health outcomes that matter to consumers, divided by the total cost of delivering these outcomes. He emphasised the need to define a set of outcomes that matter to the consumer, including but extending beyond mortality, readmissions and complications data, to quality of life, pain and functionality. Value based healthcare involves clinicians and teams learning from their own outcomes relative to other and changing their practice in response. It includes top-down actions that are designed to support, enhance or accelerate this process, and social service interventions that improve outcomes by addressing social determinants efficiently.

**Dr Yolima Cossio-Gil** provided an international perspective on value based healthcare using Vall d'Hebron as a case study. Yolima defined the central goal as value for the consumer. She shared the challenges and learnings that came from increasing transparency and changing their procurement model. Yolima attributed their success to effectively engaging the organisation, developing processes and professional leadership, and engaging with consumers.

**Dr Deborah Cole** provided a local perspective from Dental Health Services Victoria (DHSV). The high levels of variation found across the public dental sector became a driver for change and an opportunity for improvement. DHSV piloted value based healthcare using the 'Harvard model' as a strategy for implementation. Deborah shared the lessons learned so far, including:

- leadership is critical
- outcome measurement is a team effort
- culture drives success
- the first step is often the hardest
- co-creation with consumers needs skill and practice.

**Terry Symonds** discussed some of the challenges facing Victoria, including:

- more people requiring complex and integrated care
- the benefits of good health not reaching all communities
- costs that are growing unsustainably.

Health systems around the world see value based healthcare as an opportunity to meet these challenges. The department is exploring the potential for a Victorian value based healthcare strategy. The first steps involve extensive consumer and clinician engagement with various groups, including the council. Proposed next steps may include collaborative demonstration projects, where clinicians across the system work together to improve care for a defined cohort.

**Simon Judkins** spoke about the 'Choosing Wisely' program at Austin Health. The key elements include changing attitudes to practice, fostering consumer engagement, changing clinical practice in line with high quality evidence, and promoting a culture of reducing low value care. He used case studies to demonstrate that targeting specific clinical areas, creating conditions for change, and the systematic measurement of outcomes, resulted in improved sustainable change.

## KEY VALUE CHALLENGES AND OPPORTUNITIES IN VICTORIA

Council members participated in two workshops to address:

- possible strategies and supports
- key enablers and blockers
- future thinking (narrative and framing) required
- priority areas for implementation of value based healthcare.

## CONCLUSION

Formal advice from the council will follow in a report providing recommendations to the department.

The next council meeting will be held Thursday 22 November where we will discuss diversity and cultural safety.

## RESOURCES

- Porter, M, Lee, T 2013, 'The strategy that will fix healthcare', *Harvard Business Review*.
- Choosing Wisely Australia 2018, viewed 30 October 2018, <<http://www.choosingwisely.org.au/members/champion-health-services>>.
- Deborah Cole, Value based healthcare, viewed 30 October 2018, <[https://ahha.asn.au/sites/default/files/civcr m/persist/contribute/files/AHHA\\_1530\\_Cole.pdf](https://ahha.asn.au/sites/default/files/civcr m/persist/contribute/files/AHHA_1530_Cole.pdf)>.
- Institute for Healthcare Improvement 2018, viewed 30 October 2018, <<http://www.ihl.org>>.



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