

Advice

VALUE-BASED HEALTHCARE – AN APPROACH FOR VICTORIA

INTRODUCTION

The Victorian Clinical Council (the council) and the Department of Health and Human Services (the department) identified value-based healthcare as a priority area for consideration. During the September council meeting members discussed a potential value-based healthcare approach for Victoria.

Healthcare services in Victoria and internationally are working to ensure the healthcare system delivers the outcomes that matter most to patients. They are faced with the challenge of increasing levels of chronic disease, an ageing population, rising costs and limited resources. Value-based healthcare is a principle that is being used internationally to address these challenges.

At its core, value-based healthcare is about maximising value for patients: that is, achieving the best outcomes that matter to patients relative to the end-to-end cost of delivering those outcomes.

Council discussions supported an approach to value-based healthcare that focuses on creating value across the whole Victorian health system and places patients at the centre.

The council supports the use and development of data that captures outcomes that matter to patients, as well as a process that involves clinicians and health services learning from outcomes.

MEETING PURPOSE

The purpose of this meeting was to:

- inform the Victorian approach to value-based healthcare
- understand clinician views regarding value-based healthcare
- identify potential priority cohorts to inform an appropriate start point for value-based health care in Victoria.

COUNCIL DISCUSSION

The following speakers presented to the council:

- Dr Don Berwick, President Emeritus and Senior Fellow of the Institute for Healthcare Improvement
- Mr Benedict Keneally, Associate Director, The Boston Consulting Group

- Dr Yolima Cossio-Gil, Clinical Data and Innovation Lead, Hospital Universitari Vall d'Hebron, 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 kicked off the discussion about change improvement theory to lead quality improvement in Victoria. Dr Berwick highlighted the importance of systems, measuring outcomes and enhancing learning to improve safety and sustainability in healthcare.

Mr Benedict Keneally introduced value-based healthcare as a new core principle for healthcare management. He emphasised the need to define a set of outcomes that matter to the patient and then systematically measure them to create value.

The department's initial ideas about approaching value-based healthcare in Victoria were introduced by Mr Terry Symonds. Opportunities and challenges in Victoria were discussed in the context of exploring the potential for a value-based healthcare strategy in Victoria.

Other presenters shared their experiences implementing projects that changed the approach in the healthcare services where they work. Dr Yolima Cossio-Gil focused on the journey of Hospital Universitari Vall d'Hebron piloting value-based healthcare. A local perspective and the lessons learnt during a pilot of value-based healthcare in Dental Health Services Victoria was provided by Dr Deborah Cole. Dr Simon Judkins spoke about the 'Choosing Wisely' program at Austin Health as an example of changing attitudes to practice.

Council members participated in two workshops to inform and develop advice and recommendations for an approach for value-based care in Victoria.

RECOMMENDATIONS ON VALUE-BASED HEALTHCARE IN VICTORIA

Council recommendations overview

1. The council supports the exploration of value-based healthcare to create value across the whole Victorian health system.
2. The council recommends prioritising embedding patients and clinicians during value-based healthcare policy development and implementation.
3. The council recommends developing a strategy that covers the full range of Victoria's health system and includes social care as a tool to improve health.
4. The council recommends a focus on the accurate and systematic measurement of outcomes that matter to patients and that are clinically relevant.

CREATE VALUE

The council endorses the definition of value-based healthcare as maximising the outcomes that matter to patients relative to the end-to-end costs of delivering those outcomes.

The council acknowledges that there is an international momentum towards value-based healthcare. This provides an opportunity to shift the focus of the delivery of healthcare from 'volume' to 'value' across the health system. The council highlighted that more Victorians are requiring complex and integrated care resulting in unsustainable and growing costs..

The council recognises the growing momentum towards value-based healthcare and identified enablers that support the increase of value including:

- placing patients at the centre of care
- encouraging clinical improvement by facilitating continuous learning cycles
- improving sustainability in the system noting that the primary goal is improving patient outcomes, and that cost considerations should follow
- learning from international and local examples where value-based healthcare has been implemented
- listening to the lessons learnt from existing programs that have started changing attitudes to practice, such as disinvesting in low value care, and improving the quality of healthcare.

Council recommendation 1

The council supports the exploration of value-based healthcare to create value across the whole Victorian health system.

EMBEDDING PATIENTS AND CLINICIANS

The council believes that achieving true co-design and prioritising a collaborative partnership that includes patients, families and clinicians will help create a health system that delivers better patient outcomes. The council advocates focusing primarily on what matters to patients followed by what is relevant to clinicians. Embedding patients and clinicians into policy development and implementation processes should be prioritised over administrative and financial requirements.

Embedding patients will focus on:

- patients being partners in their own care
- changing the narrative to emphasise what's important to patients
- using patient stories to build engagement and support across the sector
- shared decision making between patients and clinicians.

Embedding clinicians will focus on:

- encouraging a change from individual clinician responsibility towards an interdisciplinary team focus
- the use of outcome measurements to facilitate collaboration and healthy competition between teams to improve performance
- education and skills training to establish effective ways of working within teams.

Council recommendation 2

The council recommends prioritising embedding patients and clinicians during value based healthcare policy development and implementation.

COVER THE FULL RANGE OF VICTORIA'S HEALTH SYSTEM

A strategy that covers the full range of the state's health system will play an important role in creating high-impact value-based healthcare. The approach for value-based healthcare should encompass both the public and private sectors across acute, primary and community care statewide. It should also include routinely integrating social care as a tool and intervention to improve health outcomes. Initial demonstration projects for value-based healthcare in Victoria should aim to cover the full range of the state's healthcare system. To achieve this the council recommends a strategy that:

- begins with small demonstration projects across the state
- targets clinical areas that have existing data, evidence and known variation in outcomes
- targets clinical areas that cross into primary, community and acute care
- targets clinical areas that are provided by public and private sectors

- engages with existing clinical networks
- integrates social care and behavioural interventions
- reframes the narrative from 'volume' to 'value' with a focus on improved outcomes for patients primarily rather than decreasing cost.

The council suggests stroke, cancer (prostate and/or bowel) and heart failure as the initial clinical areas for value-based healthcare demonstration projects across Victoria, subject to broader feasibility studies.

Moving beyond demonstration projects, it is essential for a clear direction for a value-based healthcare strategy in Victoria. In particular, the council advocates ensuring the system is able to respond to the individual, especially for those with a rare disease or who have not been formally diagnosed.

Council recommendation 3

The council recommends developing a strategy that covers the full range of Victoria's health system and integrates social care as a tool to improve health.

ACCURATE AND SYSTEMATIC MEASUREMENT OF OUTCOMES

Value-based healthcare involves an accurate and systematic data-driven focus on delivering better health outcomes relative to the available resources. Council members recognise the importance of the accurate and systematic measurement of outcomes that matter to patients and that are clinically relevant. The department, Safer Care Victoria and the Victorian Agency for Health Information (VAHI) will need to work collaboratively to ensure outcomes are patient focused, clinically relevant, and cover the range of the healthcare sector. To achieve this the council supports:

- leveraging existing clinical registries (specifically stroke, cancer and heart failure) and patient reported outcome and experience measures that are useful and clearly defined
- further development of outcome measures that broaden the focus area across the health and social sector
- availability of real time data to facilitate innovation within the sector by supporting rapid cycle testing and learning
- use of outcomes to address unwarranted healthcare variation.

Council recommendation 4

The council recommends a focus on the accurate and systematic measurement of outcomes that matter to patients and that are clinically relevant.

NEXT STEPS

Patients and clinicians with subject matter expertise in the clinical areas chosen for demonstration projects should be engaged. Working groups should be established to inform policy and implementation strategies.

The council's advice and recommendations will be shared with:

- the department
- Safer Care Victoria
- the Victorian Agency for Health Information.

The agencies will need to collaborate and link with public and private health services as well as primary health networks and community services during value -based healthcare demonstration projects. Clinical networks and integrated cancer services should be engaged for demonstration projects. Consideration should also be given to the involvement of private health insurers.