

A person stands on a rock in the ocean, looking out at a vast, starry night sky. The sky is filled with a dense field of stars and a bright, glowing nebula or galaxy structure. The ocean is calm, reflecting the light from the sky. The person is silhouetted against the bright light of the sky.

SESSION 1

*Welcome
& Course Overview*

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*Welcome & Course
Overview*

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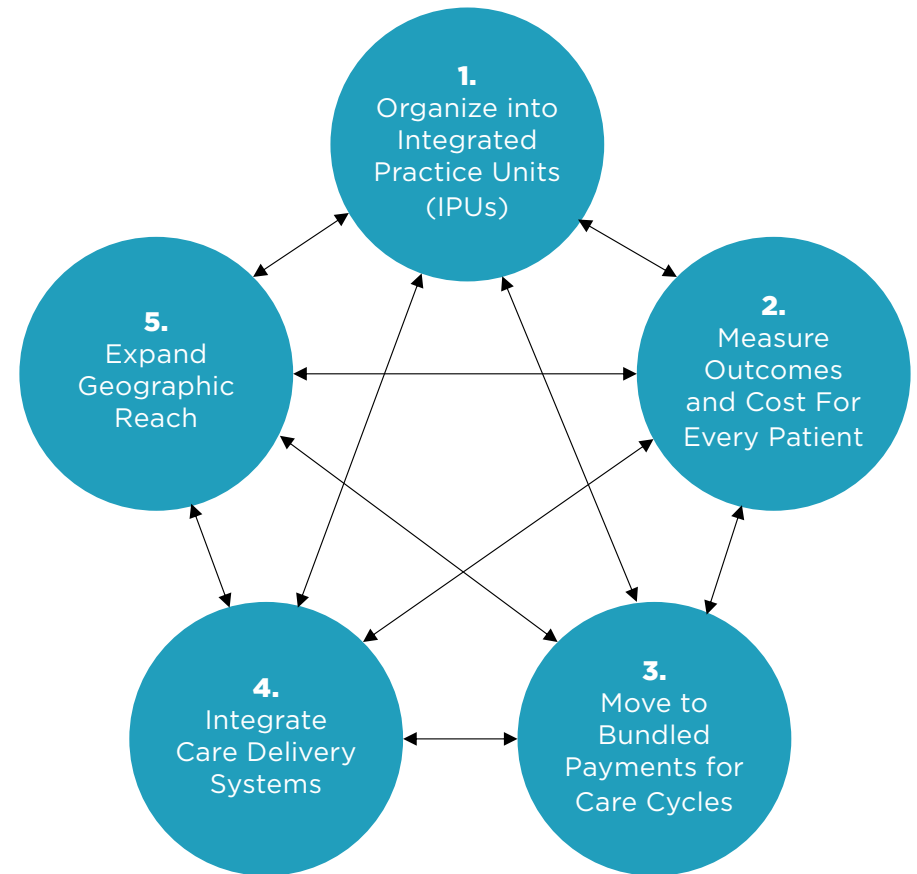
/in/joaomarquesgomes



SESSION 1

Basic Concepts of Value-Based Health Care

*The strategy that
will fix health care*



6. Build an Integrated Information Technology Platform



Why do we need VBHC?

- Enormous but hidden variation in outcomes and costs.
We truly don't understand the outcomes and costs that different providers are incurring for treating the same patients for the same medical condition
- We've been paying for health care the wrong way

SESSION 1

*Basic Concepts of
Value-Based Health Care*



2x

Variation in 30-day mortality rate
from heart attack in US hospitals



4x

Variation in bypass surgery
mortality in the UK hospitals



5x

Variation of major obstetrical
complications amongst USA hospitals



9x

Variation in complication rates from
radical prostatectomies in Dutch hospitals



18x

Variation in reoperation rates after
hip surgery in German hospitals



20x

Variation in mortality after colon cancer
surgery in Swedish hospitals



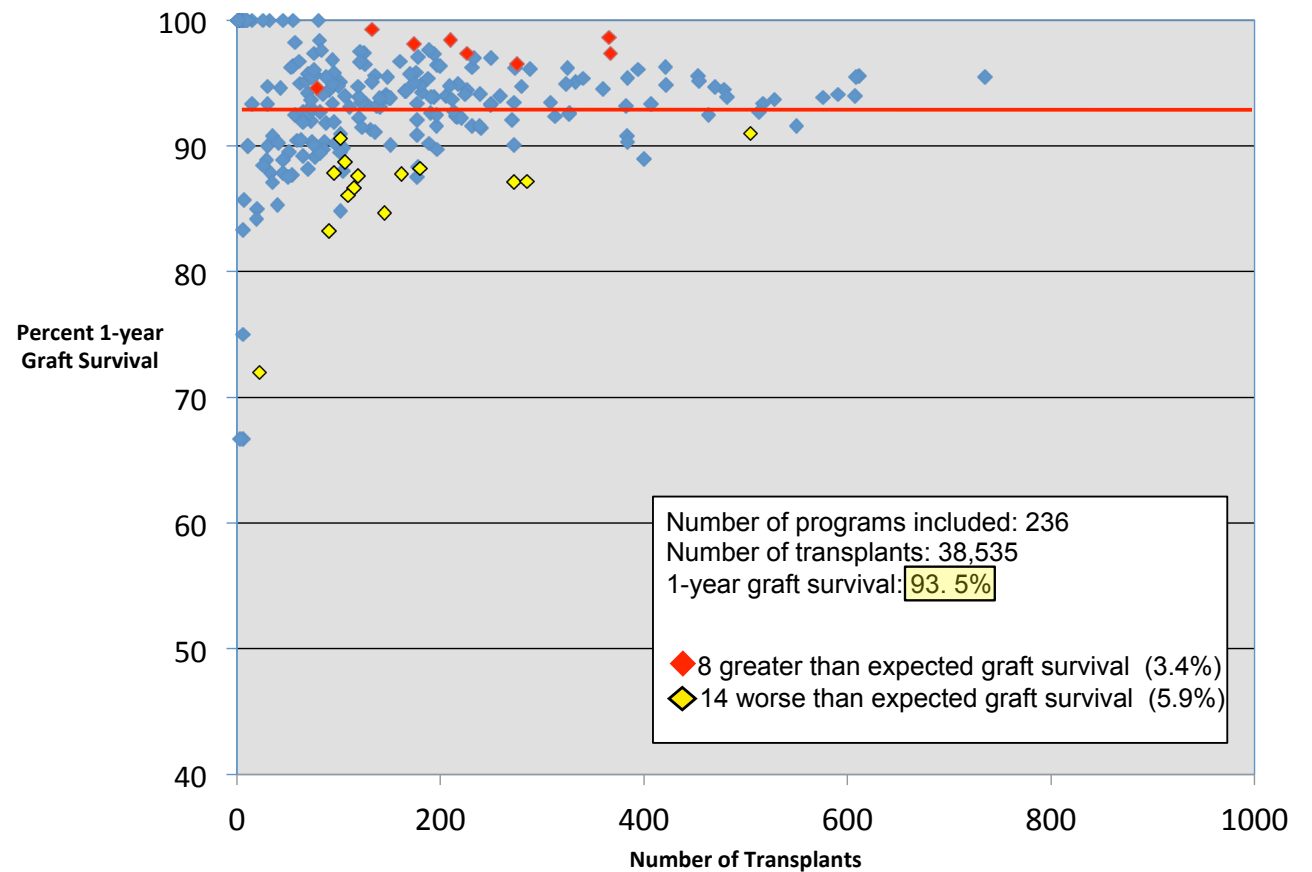
36x

Variation in capsule complications after
cataract surgery in Swedish hospitals



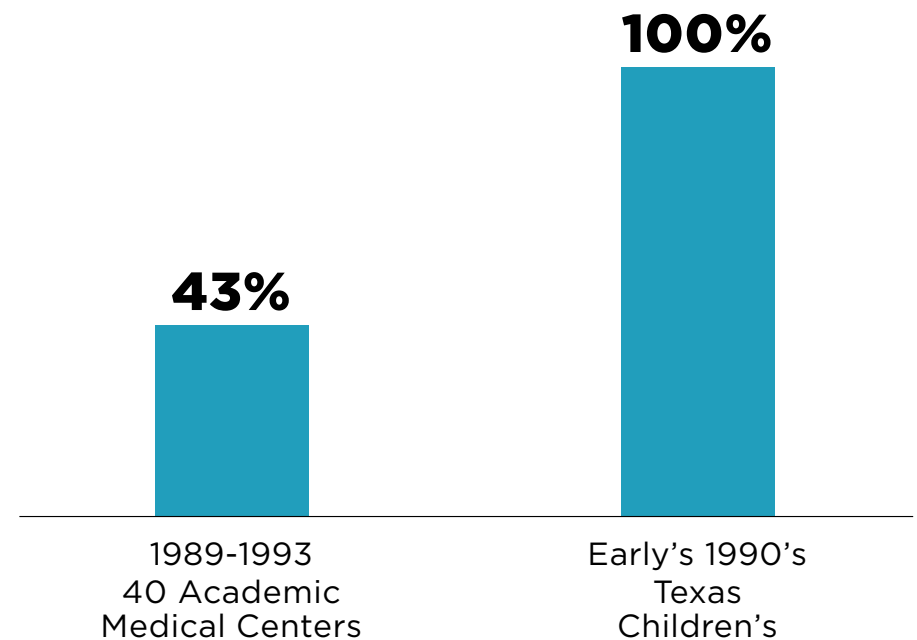
Adult Kidney Transplant Outcomes

U.S. Centers, 2008-2010

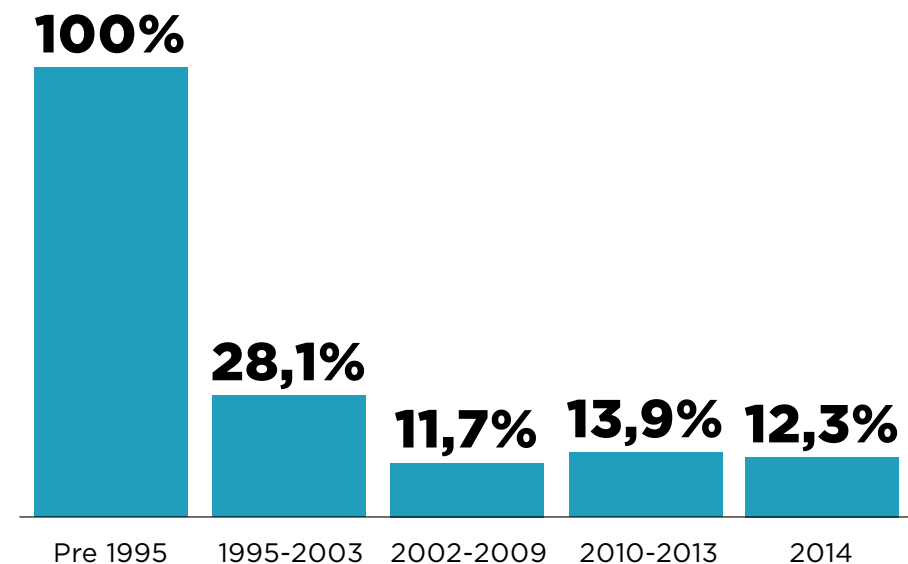


Source: Scientific Registry of Transplant Recipients, <http://www.srtr.org>

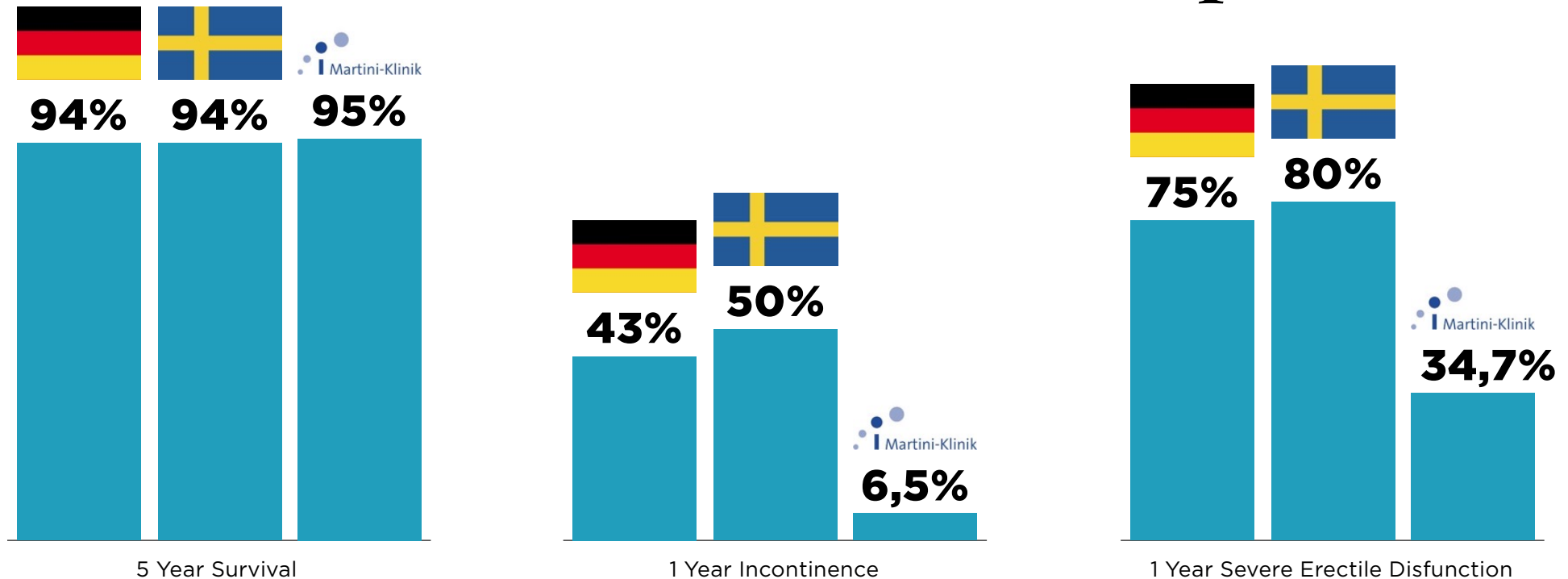
*The Norwood
mortality rate
in the US
in the early 90s*



*The Norwood
mortality rate
at Texas
Children's
Hospital*



Outcomes that matter to patients



Swedish data rough estimates from graphs; Source: National quality report for the year of diagnosis 2012 from the National Prostate Cancer Register (NPCR) Sweden, Martini Klinik, BARMER GEK Report Krankenhaus 2012, Patient-reported outcomes (EORTC-PSM), 1 year after treatment, 2010

Outcomes that matter to patients: A Hierarchy

In measuring quality of care, providers tend to focus on only what they directly control or easily measured clinical indicators. However, measuring the full set of outcomes that matter to patients by condition is essential in meeting their needs. And when outcomes are measured comprehensively, results invariably improve.

Example: Primary Acute Knee Osteoarthritis Requiring Replacement

TIER 1 Health status achieved or retained

Survival	<ul style="list-style-type: none">• Mortality rate (inpatient)
Degree of health or recovery	<ul style="list-style-type: none">• Functional level achieved• Pain level achieved• Extent of return to physical activities• Ability to return to work

TIER 2 Process of recovery

Time to recovery and time to return to normal activities	<ul style="list-style-type: none">• Time to treatment• Time to return to physical activities• Time to return to work
Disutility of care or treatment process (e.g., diagnostic errors, ineffective care, treatment-related discomfort, complications, adverse effects)	<ul style="list-style-type: none">• Pain• Length of hospital stay• Infection• Pulmonary embolism• Deep-vein thrombosis• Myocardial infarction• Immediate revision• Delirium

TIER 3 Sustainability of health

Sustainability of health or recovery and nature of recurrences	<ul style="list-style-type: none">• Maintained functional level• Ability to live independently• Need for revision or replacement
Long-term consequences of therapy (e.g., care-induced illnesses)	<ul style="list-style-type: none">• Loss of mobility due to inadequate rehabilitation• Risk of complex fracture• Susceptibility to infection• Stiff knee due to unrecognized complication• Regional pain syndrome

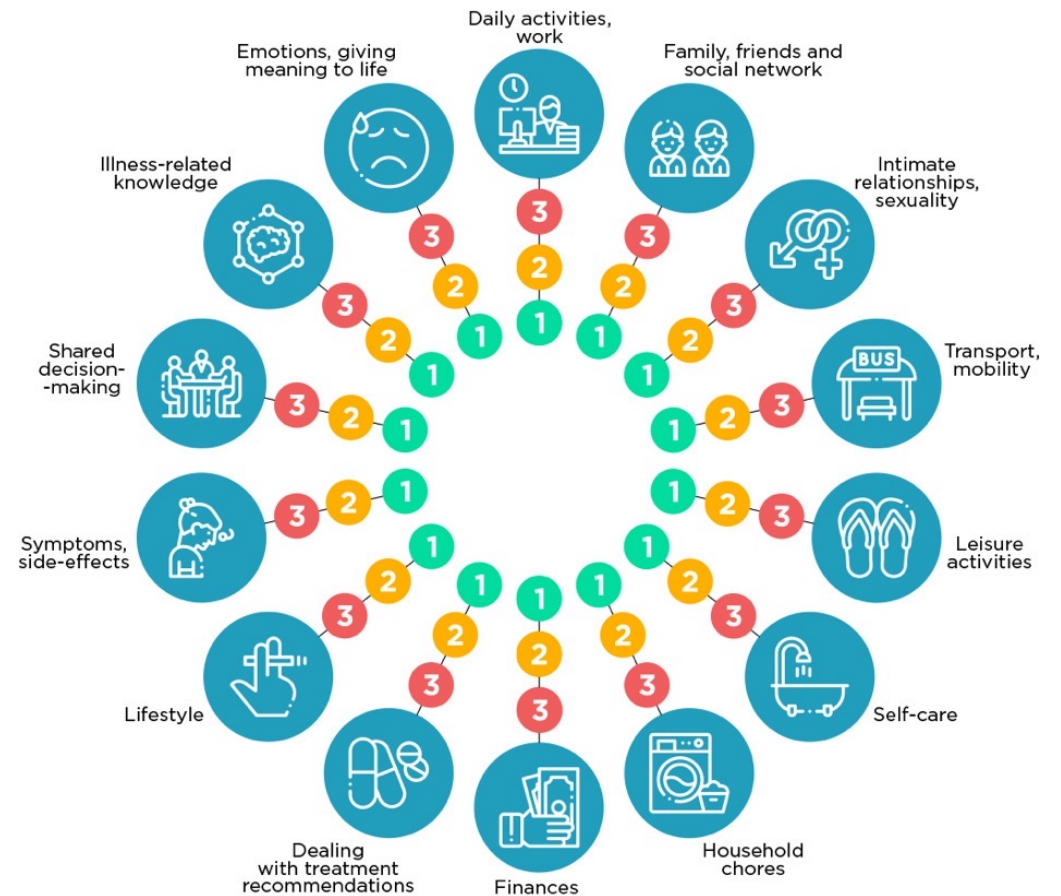
REFERENCE: PORTER, MICHAEL E. "WHAT IS VALUE IN HEALTH CARE?" NEW ENGLAND JOURNAL OF MEDICINE 363, NO. 26 (DECEMBER 23, 2010): 2477-2481

CAN YOU TELL ME HOW IT IS GOING IN THE FOLLOWING AREAS?

Choose your answer by checking:

- Well - 1
- Neither good or bad - 2
- Bad - 3

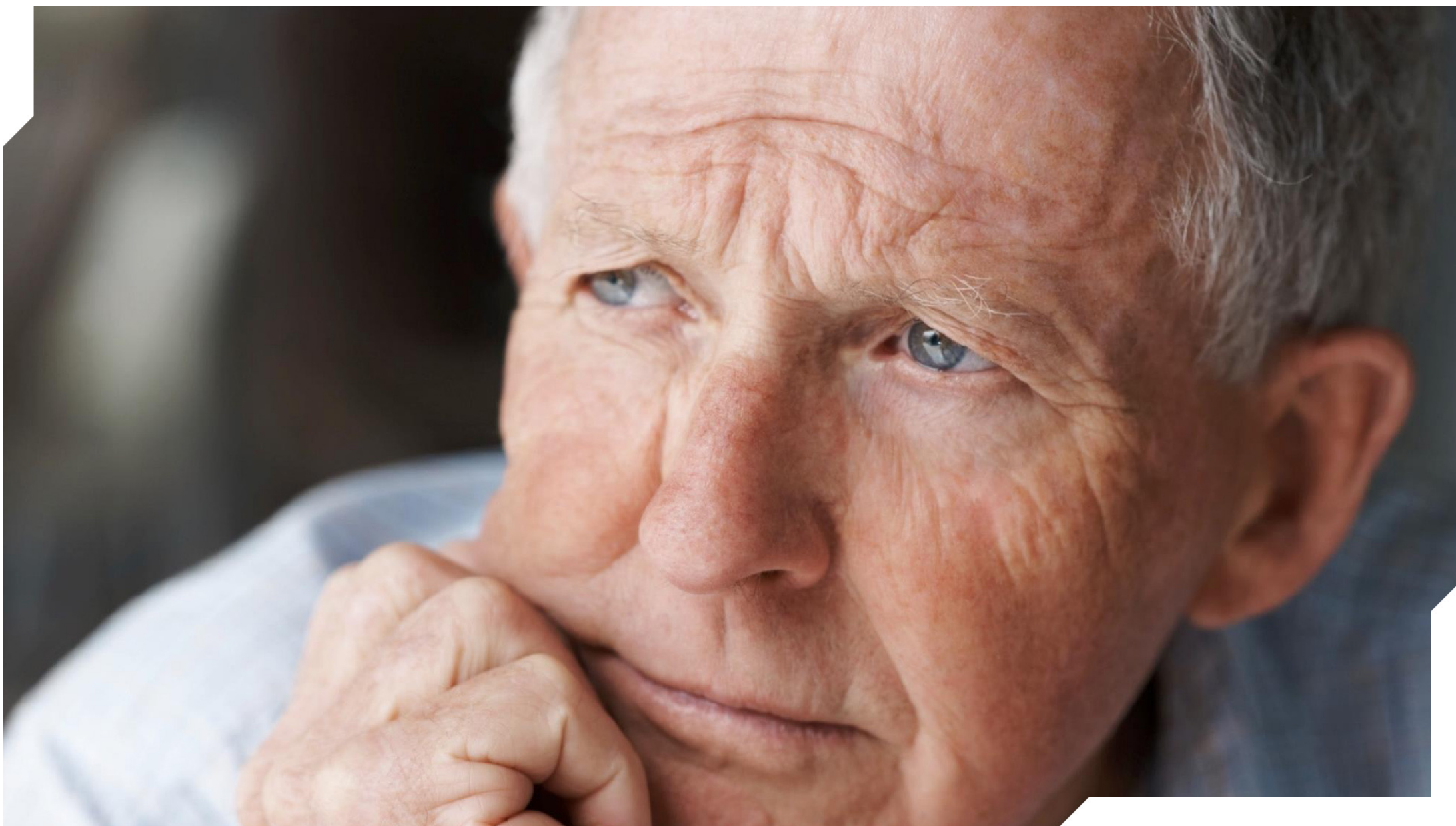
Health-related quality of life questionnaires





A person is sitting on a hospital bed, looking out a large window at a city skyline. The scene is dimly lit, with a blue tint. The person is wearing a white hospital gown. An IV stand is visible near the window. The text is overlaid in the center of the image.

*The variation in health outcomes
and the lack of transparency
translate into a problem of
inequality of access to health care*







A blue-tinted photograph of a hospital room. In the foreground, a hospital bed is visible with its side rails up. Behind it, another bed is partially visible. To the right, a third bed is seen. Medical equipment, including monitors and IV stands, are positioned around the beds. The room has large windows with curtains. The overall scene is empty, suggesting no patients are present.

*Have no patients
and you will have no costs*











VOLUME-BASED FIRST CURVE

- Fee-for-service reimbursement
- High quality not rewarded
- No shared financial risk
- Acute inpatient hospital focus
- IT investment incentives not seen by hospital
- Stand-alone care systems can thrive
- Regulatory actions impede hospital-physician collaboration

THE GAP

VALUE-BASED SECOND CURVE

- Payment rewards population value: quality and efficiency
- Quality impacts reimbursement
- Partnerships with shared risk
- Increased patient severity
- IT utilization essential for population health management
- Scale increases in importance
- Realigned incentives, encouraged coordination



*The new strategy
that will fix health care*



3 underlying axioms

1 The goal is to improve value

2 The unit of measurement is the medical condition

3 Measure across a patient's complete cycle of care


$$\text{Value} = \frac{\text{Patient outcomes}}{\text{Cost of delivering outcomes}}$$



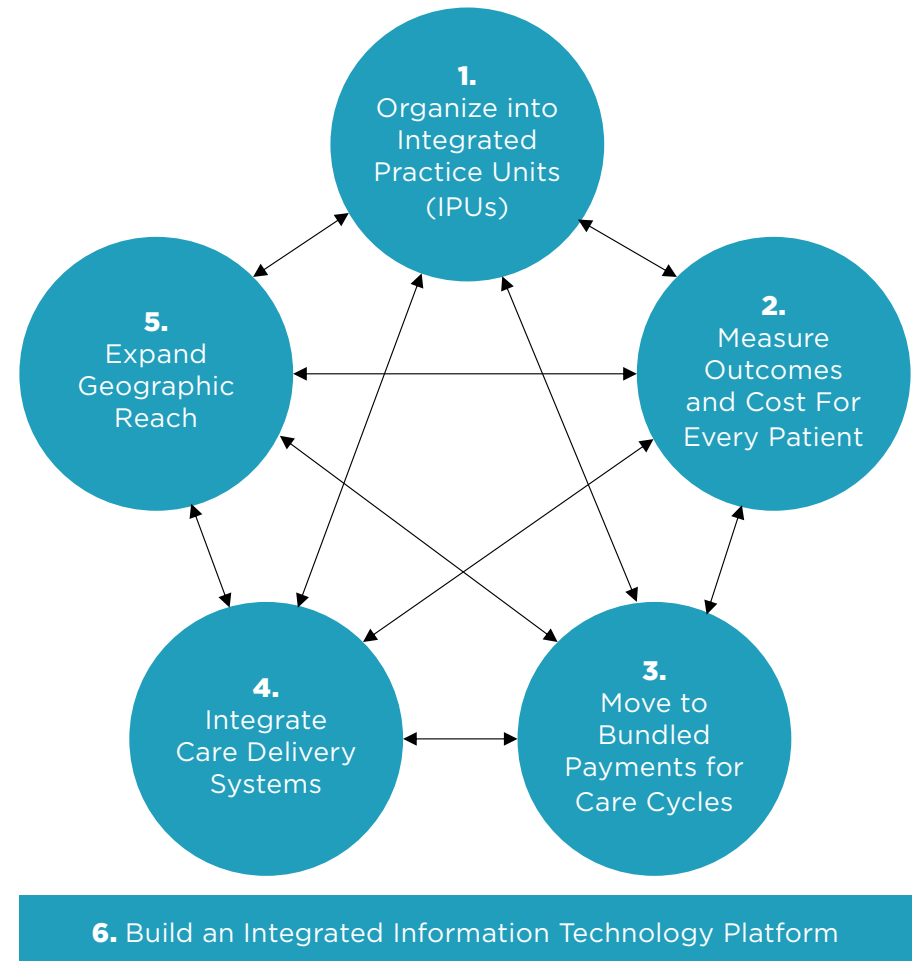
3 underlying axioms

1 The goal is to improve value

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3 Measure across a patient's complete cycle of care

A mutually reinforcing strategic agenda





*The Value
Agenda*

Creating a VBHC delivery system

1 Reorganize care around patient conditions (groups of related conditions) into IPU's covering the full cycle of care. For primary and preventive care, IPU's should serve distinct patient segments

2 Measure outcomes and costs for every patient, in the line of care

Creating a VBHC delivery system

3 Move to value-based reimbursement models, and ultimately bundled payments for conditions

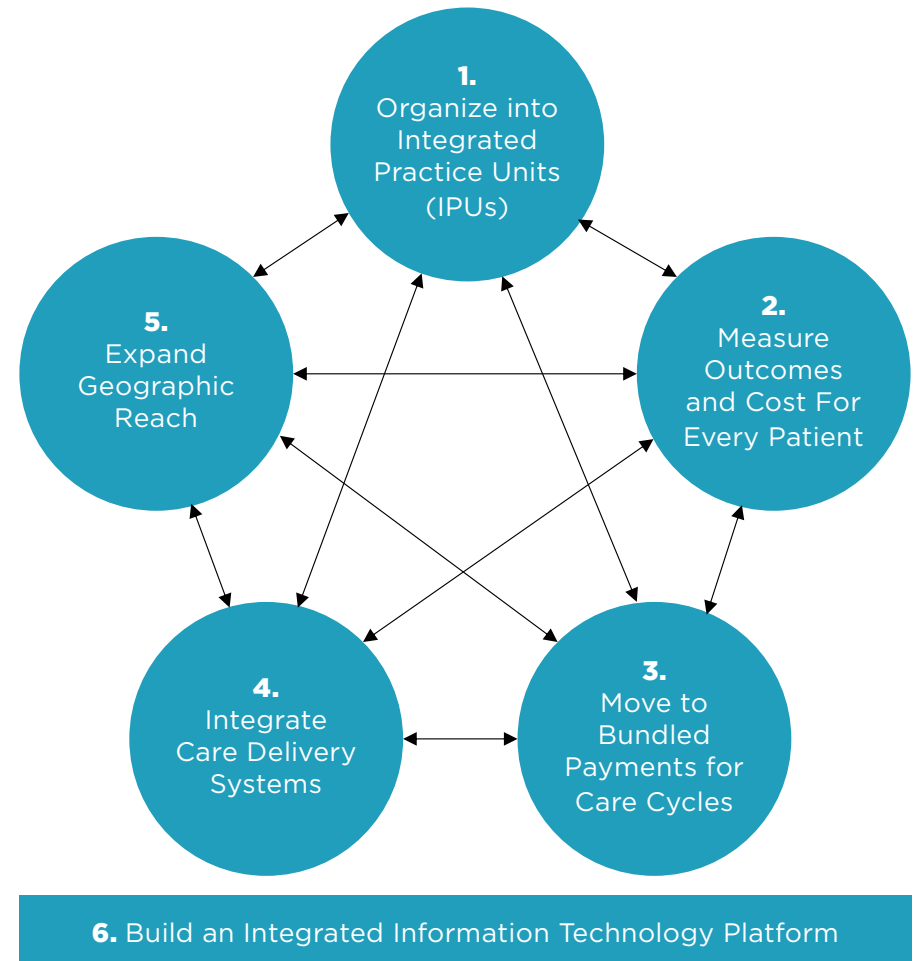
4 Integrate and coordinate care in multi-site care delivery systems

5 Expand or affiliate across geography to reinforce excellence

*Creating
a VBHC
delivery
system*

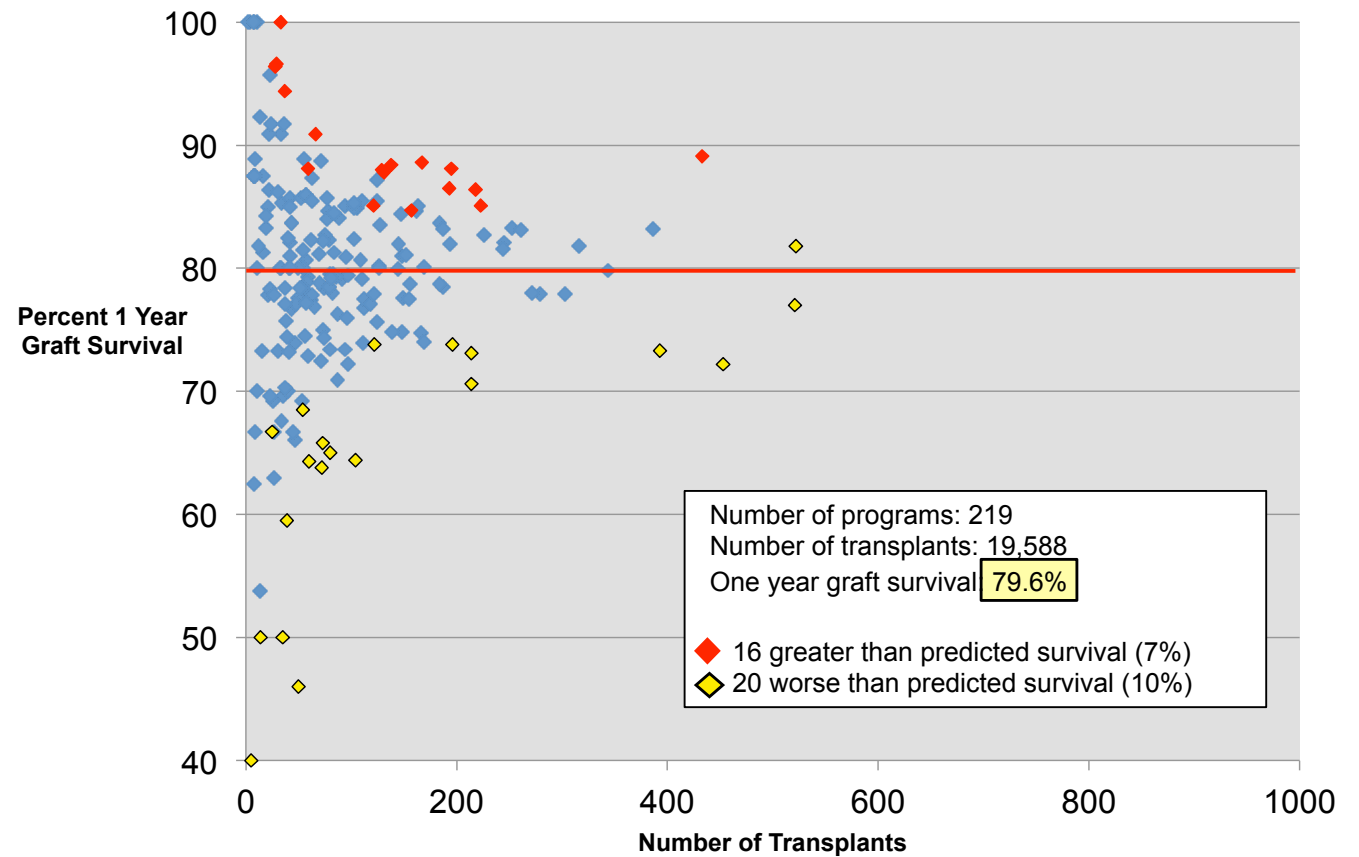
6 Build an enabling information
technology platform

A mutually reinforcing strategic agenda



Adult Kidney Transplant Outcomes

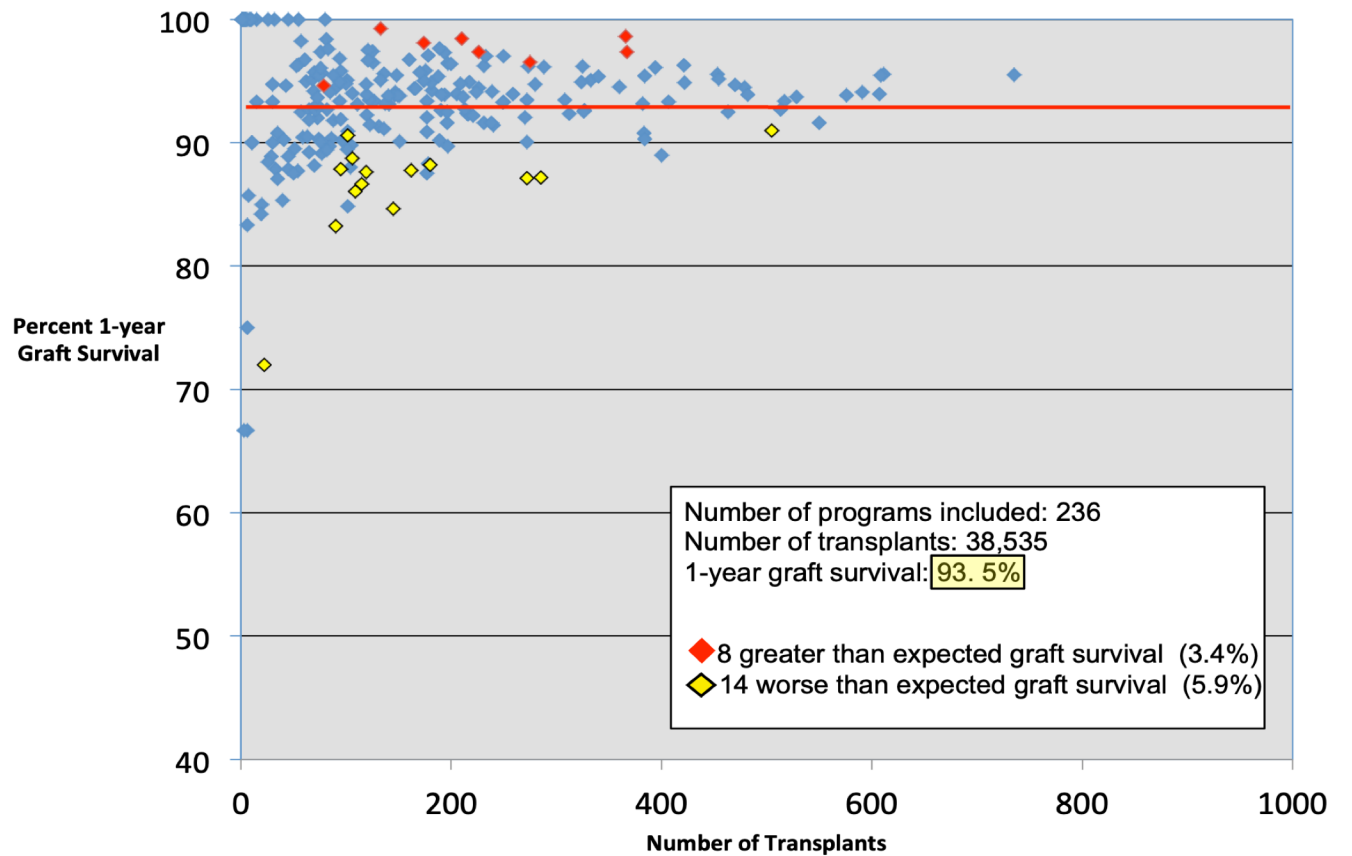
U.S. Centers, 1987-1989



Source: Scientific Registry of Transplant Recipients, <http://www.srtr.org>

Adult Kidney Transplant Outcomes

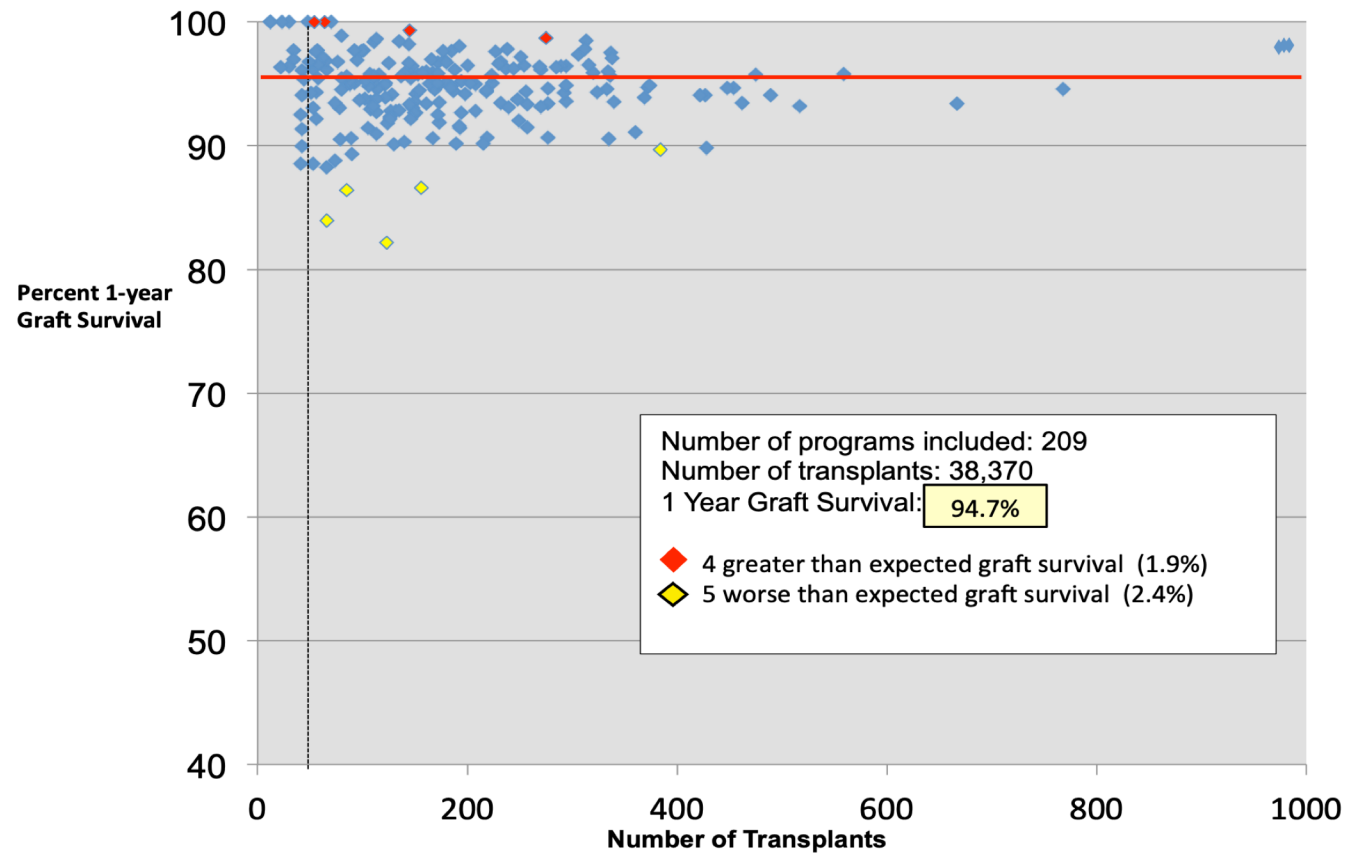
U.S. Centers, 2008-2010

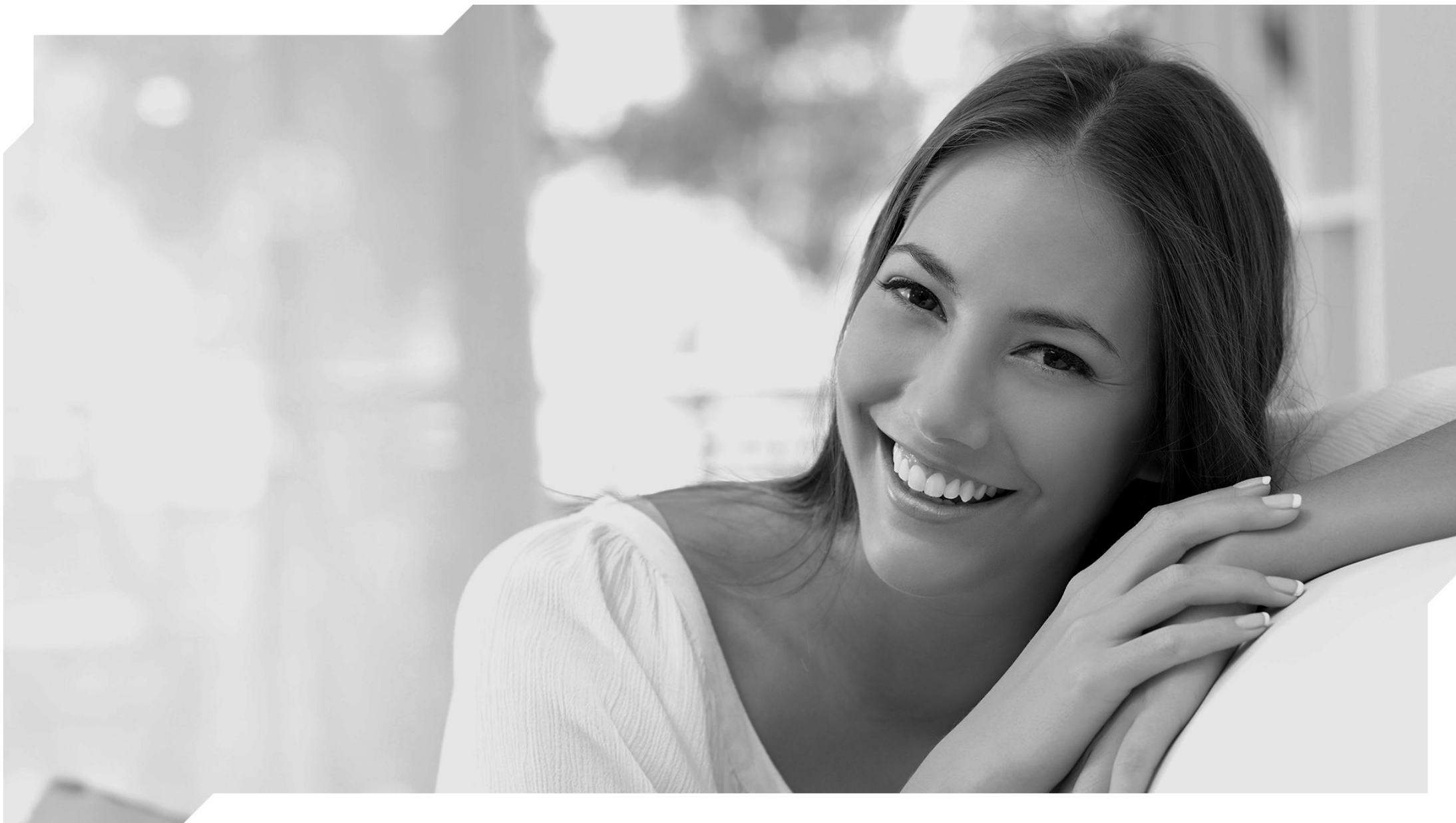


Source: Scientific Registry of Transplant Recipients, <http://www.srtr.org>

Adult Kidney Transplant Outcomes

U.S. Centers, 2011-2013









The background is a solid teal color with a pattern of thin, dark silhouettes of grass or reeds. The silhouettes are scattered across the frame, with some being more prominent than others. The overall effect is a textured, naturalistic background.

Thank you
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