Value-based Healthcare by Design: Identifying Promising Innovations in a Canadian Context

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What is Value-Based Healthcare?

- There are various ways of defining value.
- VBHC is about linking dollars spent to outcomes that matter to patients, rather than to volumes of services or to specific processes or products that may or may not achieve those outcomes.
"Value-based healthcare is a genuinely patient-centric way to design and manage health systems. Compared to what health systems currently provide, it has the potential to deliver substantially improved health outcomes at significantly lower cost."

World Economic Forum
What VBHC is Not

› A focus on cost-containment
› About optimizing individual components of an episode of care in isolation
  • Focus is typically on an entire episode of care or population group
› The same as pay-for-performance models that reward delivery of specific care processes (even if they are evidence-informed)
› Only about the health care sector

Value grows when the total costs of achieving the same or better outcomes fall.
Key Enablers of VBHC

• Enabling context, policy, and institutions
• Measurement of costs and outcomes
• Care pathways and integration
• Outcome-based payment approaches
"All players should remember that payment models for health services are never silver bullets in themselves.

Financial reforms can only be as successful as the degree of organizational and clinical reform that they enable to take place, bounded by the legislative and regulatory environment in which they occur."

Canadian Examples of VBHC

Value-based funding of health services

- Outcome-linked funding
- Social impact bonds

Value-based procurement

- Risk/gain sharing
So what? Now what?

Where should we start?

How do we assess readiness and risks for a VBHC initiative?
Minimum Criteria for Identifying Promising VBHC Initiatives

- Meaningful Metrics
- Outcomes & Cost Data
- Clear Scope
- Material Impact
- Clinical Leadership
- Dedicated Resources (e.g. $, people)
- Permeability between Silos
- Supportive Policy & Structures
- Aligned Payment Models
- Capacity/Skill for VBHC
- Proven Solutions
- Time to Achieve Value
For More Information
Available at https://www.cfhi-fcass.ca/WhatWeDo/health-system-transformation/value-based-healthcare
Questions?