Values, value and equity

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3 questions to think about?

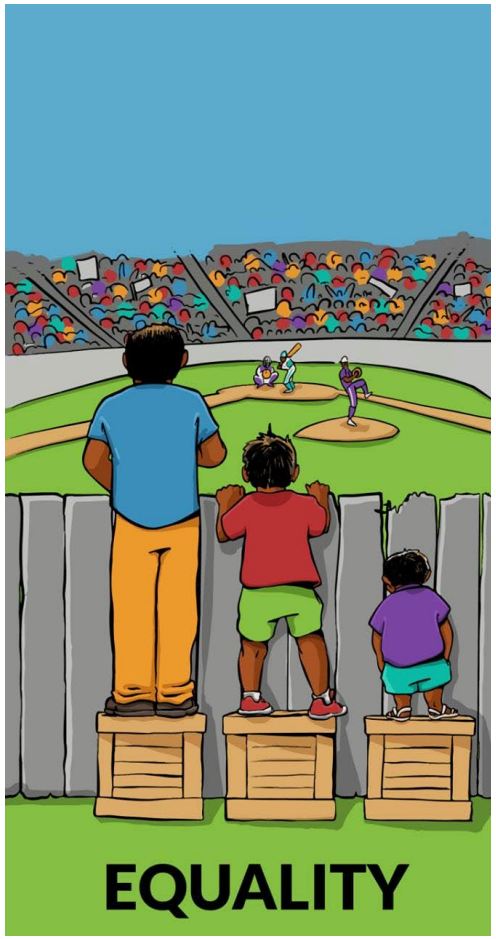
- Who gets 'value' out of our health care system?
- What are our values as they pertain to health and health care?
- What are the implications as we strive toward a more equitable future?

Exploring Canadian values

Values Survey Summary

Survey by Nanos Research, October 2016
(Submission 2016-918)

NANOS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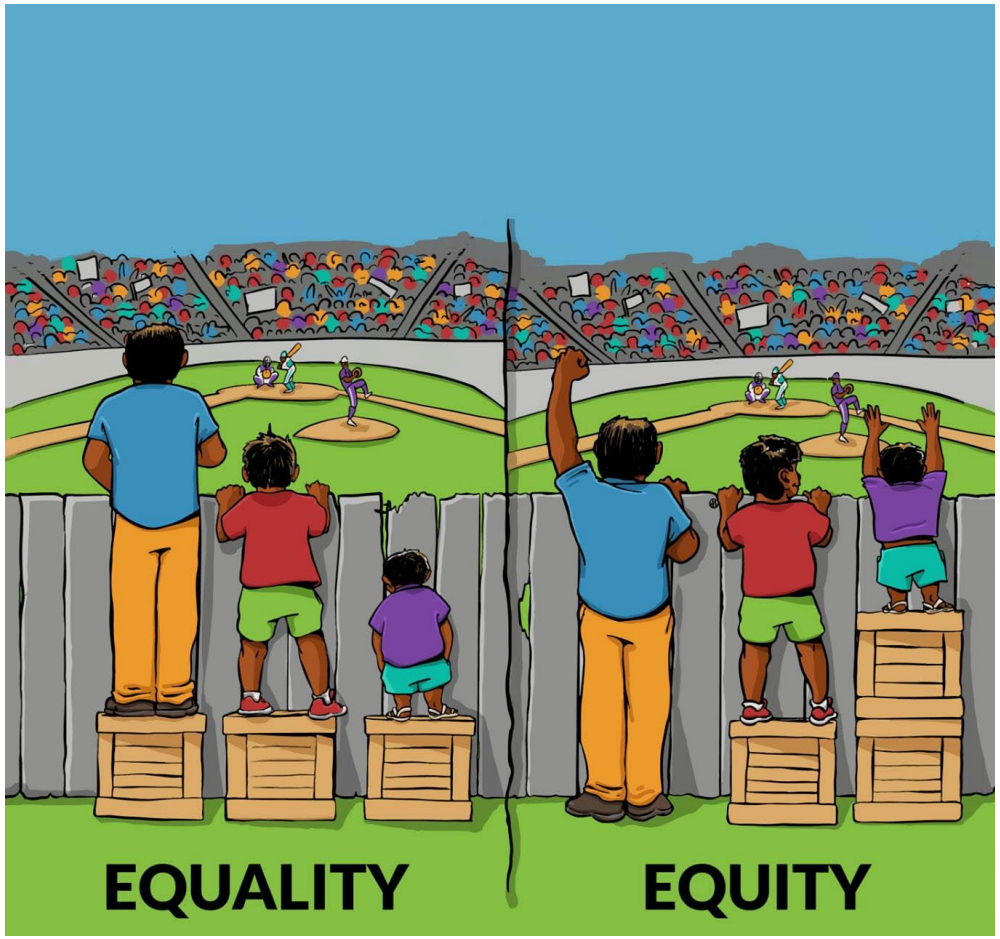
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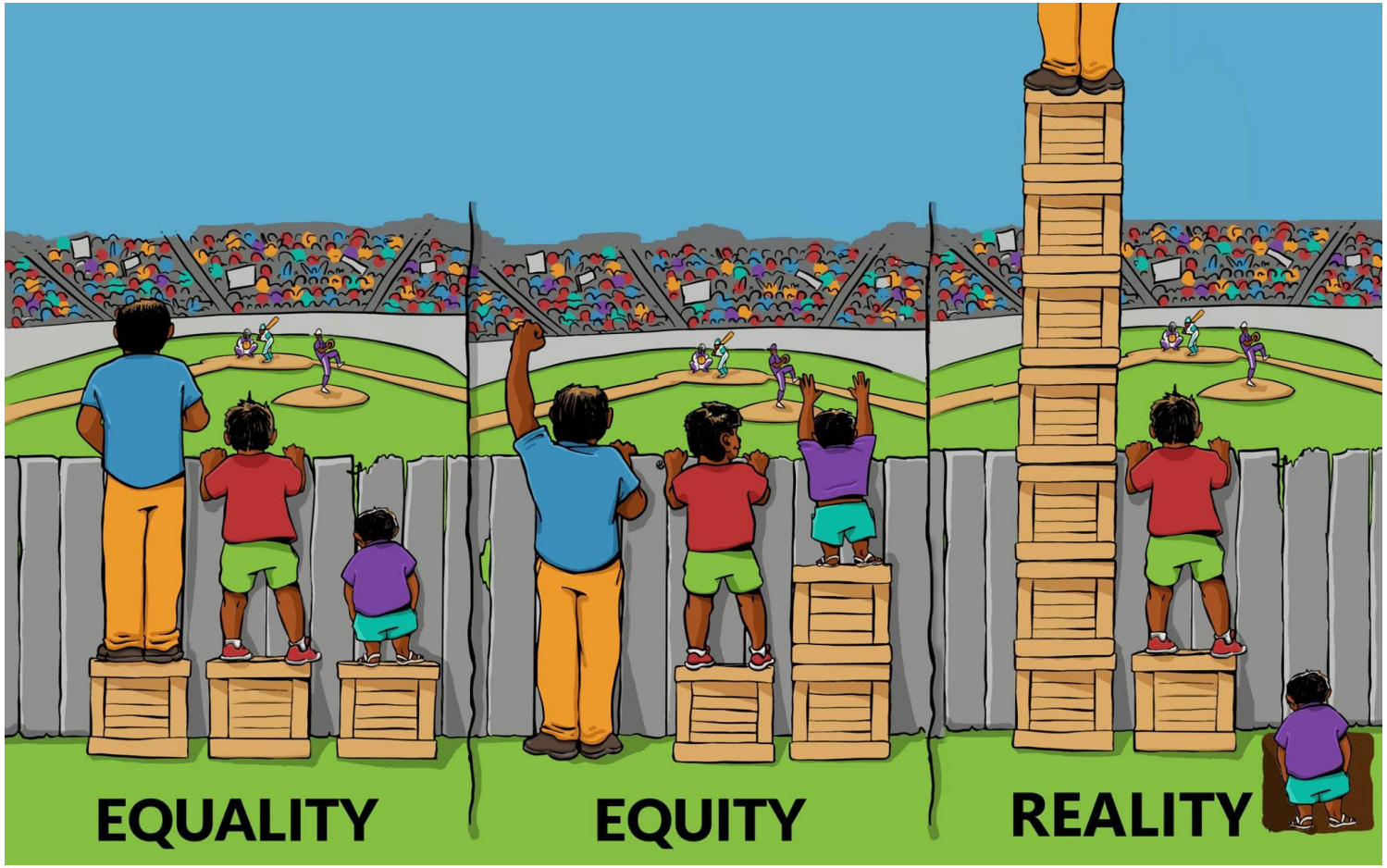
EQUALITY
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PAYMENT

By J. Michael McWilliams, Gabe Weinreb, Lin Ding, Chima D. Ndumele, and Jacob Wallace

Risk Adjustment And Promoting Health Equity In Population-Based Payment: Concepts And Evidence

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ABSTRACT **The objective of risk adjustment is not to predict spending accurately but to support the social goals of a payment system, which include equity. Setting population-based payments at accurate predictions risks entrenching spending levels that are insufficient to mitigate the impact of social determinants on health care use and effectiveness. Instead, to advance equity, payments must be set above current levels of spending for historically disadvantaged groups. In analyses intended to guide such reallocations, we found that current risk adjustment for the community-dwelling Medicare population overpredicts annual spending for Black and Hispanic beneficiaries by $376–$1,264. The risk-adjusted spending for these populations is lower than spending for White beneficiaries despite the former populations' worse risk-adjusted health and functional status. Thus, continued movement from fee-for-service to population-based payment models that omit race and ethnicity from risk adjustment (as current models do) should result in sizable resource reallocations and incentives that support efforts to address racial and ethnic disparities in care. We found smaller overpredictions for less-**

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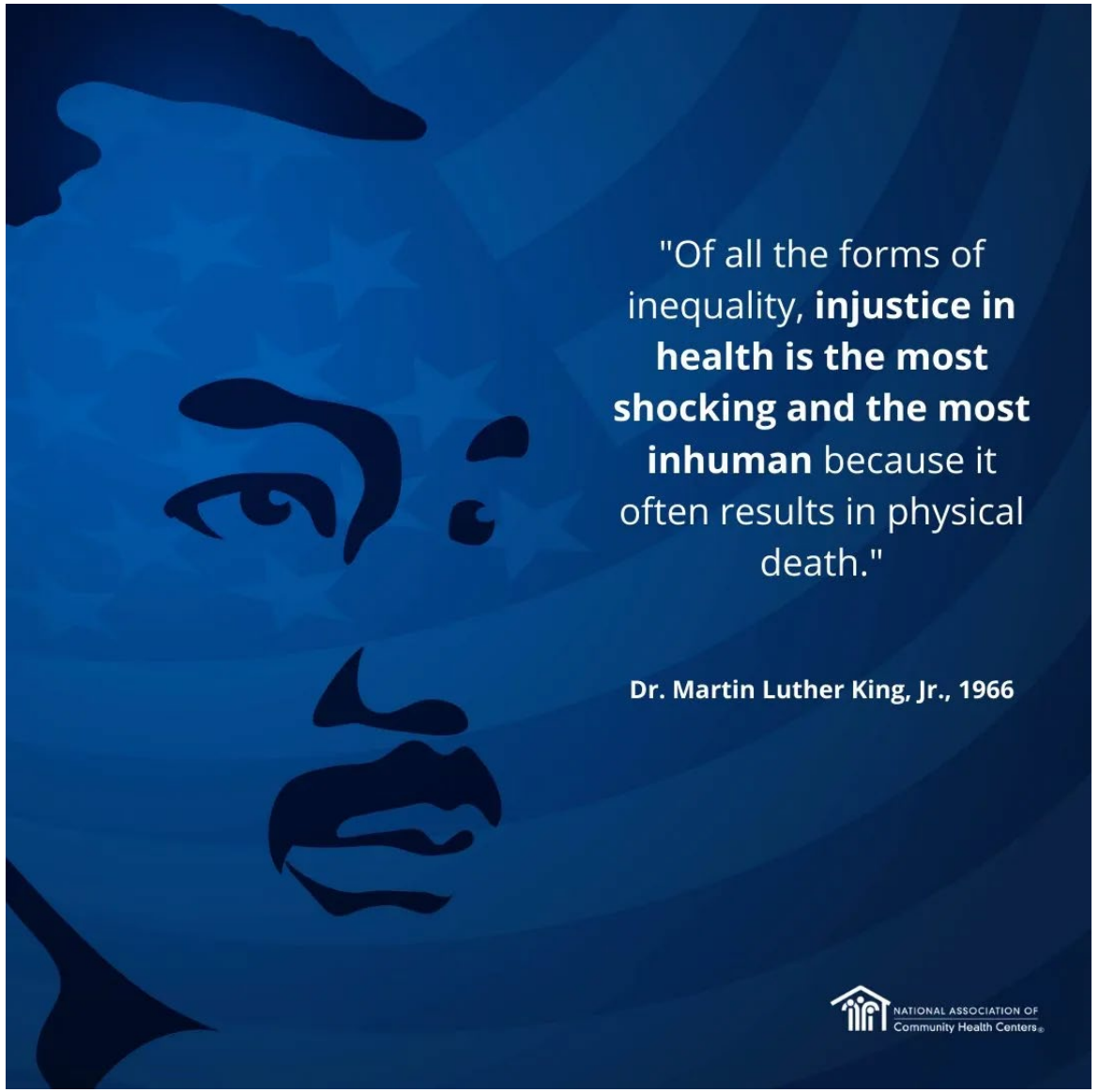
3 key points from this paper

- Fee-for-service and activity-based funding are deeply flawed mechanisms if the goal is to create a health care system that both reflects our values and creates value

- In the US, fee-for-service and activity-based funding methods are so inequitable that population-based payment ***even without risk adjustment*** would be a substantial improvement

- Where we continue to use fee-for-service and activity-based funding mechanisms, we always need to promote equity, using financial and/or non-financial levers


"Of all the forms of inequality, **injustice in health is the most shocking and the most inhuman** because it often results in physical death."
Dr. Martin Luther King, Jr., 1966
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