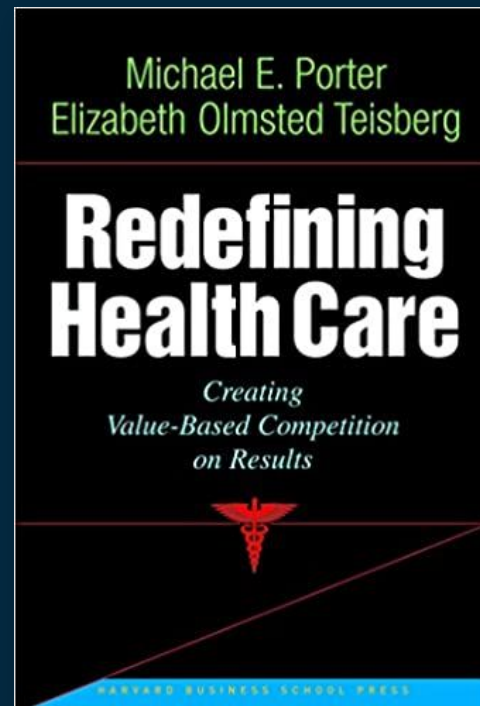


Value-Based Healthcare Through An Industry Lens

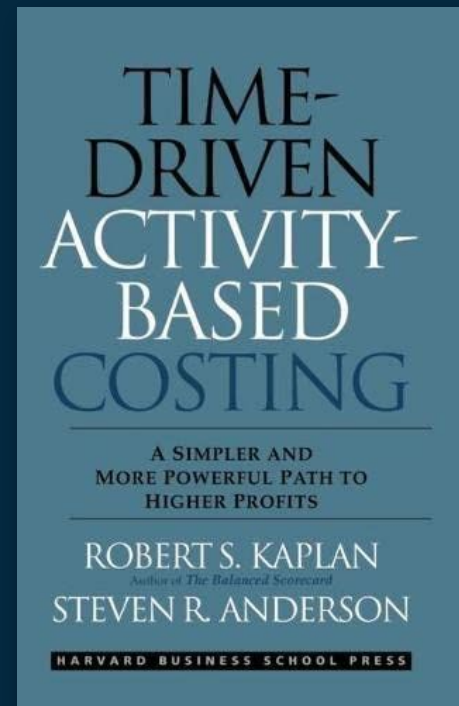
Neil Fraser

March 10th 2023

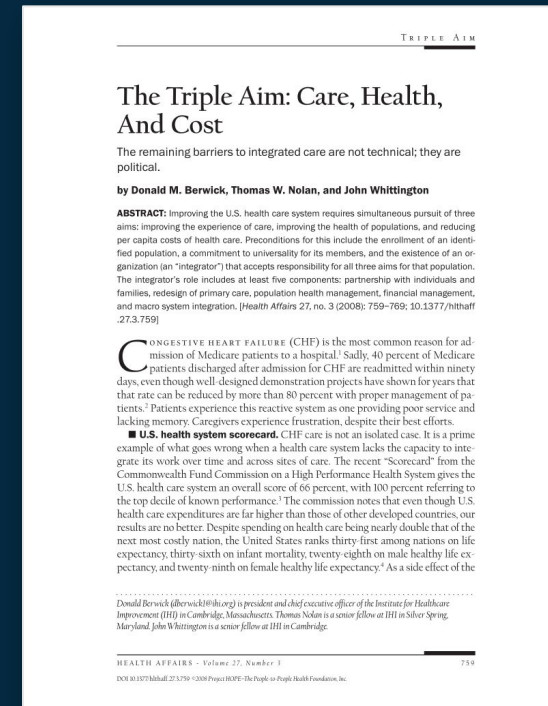
Sources of Inspiration



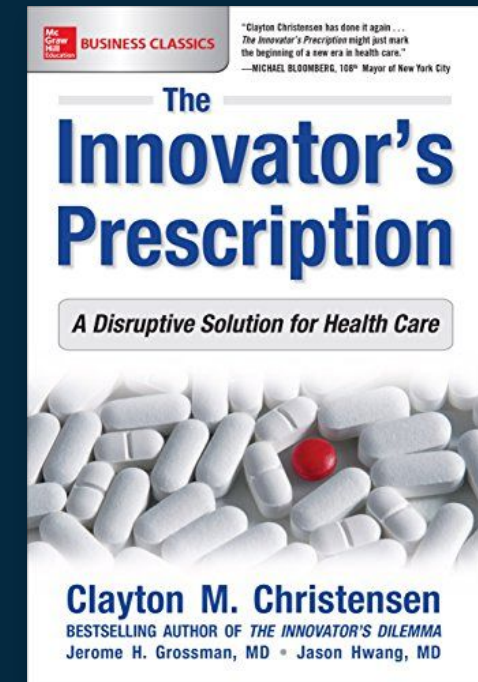
Redefining Health Care
(2006)



Time-Driven Activity-Based Costing
(2007)



The Triple Aim: Care, Health, and Cost
(2008)



The Innovator's Prescription
(2008)

Medtronic & Affiliations



Omar Ishrak, CEO, 2011 - 2020

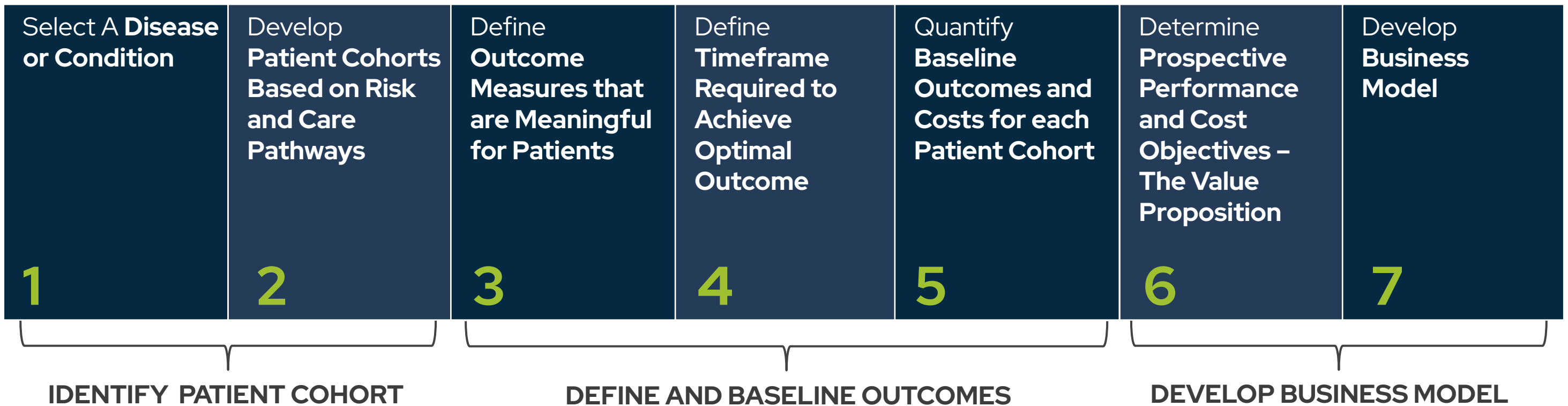
Medtronic



Value Based Healthcare Framework

Categories of Bundled Care & Methodology

Therapy Optimization	Episodic Care	Chronic Care Management
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Example: Heart Failure

Select A Disease or Condition 1	Develop Patient Cohorts Based on Risk and Care Pathways 2	Define Outcome Measures that are Meaningful for Patients 3	Define Timeframe Required to Achieve Optimal Outcome 4	Quantify Baseline Outcomes and Costs for each Patient Cohort 5	Determine Prospective Performance and Cost Objectives – The Value Proposition 6	Develop Business Model 7
HEART FAILURE	HF diagnosis with a hospitalization or an ER visit in the last 6 months	Reduced hospitalizations Improved Patient satisfaction	12 MONTHS	1.88 all-cause hospitalizations per patient/ year ¹ in at-risk HF population Current annual costs \$64k ²	Reduction in all-cause hospitalizations Reduction in total cost of care Patient and Provider NPS = x	At-Risk Payment Model

1. National averages, currently isolating HCP market-specific rates. Patel, H. et al. Annual Hospitalization Frequency For Patients With Heart Failure - A Comparison Between Commercial And Medicare Advantage Population. May 2015.
2. Integrated Health Data: Medicare 5% sample, Truven MarketScan Medicare Supplemental.

Value Defined

Quadruple Aim*



Value

Measuring Outcomes

OUTCOMES COSTS

CLINICAL
Has the procedure met expectations from a pathophysiological perspective?

- Measurements of clinical markers
- Acute complications
- Disease recurrence and complications
- Morbidity & Mortality

FUNCTIONAL
Can the patient function according to expectations?

- General physical activity levels
- Specific physical measurements
- Pain assessment

OPERATIONAL MEASURES
Health system efficiencies

- Length-of-Stay (LOS)
- Readmission rates

PATIENT SATISFACTION
Is the patient satisfied with the experience and result?

- Work status
- Clarity, ease and frequency of communication with providers
- Overall satisfaction with experience

*Developed by the Institute for Healthcare Improvement (2008, Donald Berwick et al)



Early Experience

- **Overworked staff** difficult to engage, even for free
- Managers afraid of productivity improvements
- Providers keen if it improves prestige, market share
- **IT capabilities** in question, waiting for upgrades
- Executives afraid to act without provincial buy-in
- **Executive egos** a barrier too
- Needs to be priority area for improvement
- Staff enjoyed attention to their issues and opportunity to present
- **Success breeds interest** to expand, address other areas

Ontario Experience (2020)

The Promises and Challenges of Value-Based Care and Bundled Reimbursements in Single-Payer Health Systems

Brian R. Golden and Rosemary Hannam, Sandra Rotman Centre for Health Sector Strategy, Rotman School of Management

Contact: Brian.Golden@Rotman.Utoronto.Ca

What is the message? On the surface, single-payer health systems seem especially well-suited to implement value-based, bundled payment initiatives. Focusing on a failed attempt to create a bundled payment system for wound care in the Canadian province of Ontario, we describe features of single-payer systems that are supportive of such initiatives, while also discussing features of single-payer systems that put them at a disadvantage. We examine the necessary links between strategic goals (e.g., achieving greater value), structure, and systems; the lessons learned from an early unsuccessful value-based care effort; and more recent successes based on these learnings.

What is the evidence? The authors helped design the Integrated Client Care Project in Ontario during the early 2010s.

Submitted: September 15, 2020; accepted after review September 28, 2020.

Cite as: Brian R. Golden & Rosemary Hannam. 2021. The Promises and Challenges of Value Based Care and Bundled Reimbursements in Single-Payer Health Systems. *Health Management, Policy and Innovation* (HMPI.org), Volume 6, Issue 1, Winter 2021.

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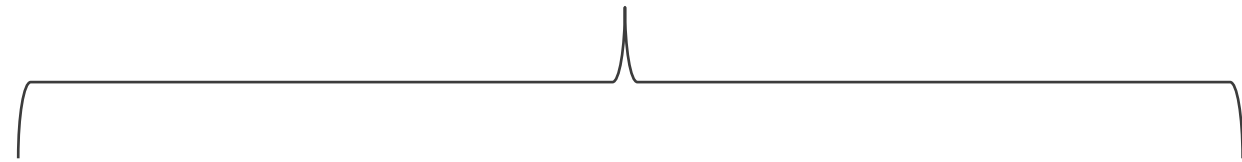


**“Perfect is the
enemy of good.”**

- Voltaire (1770)

The Path: From Simple to Complex

REQUIRES NEW PARTNERSHIP MODELS



THERAPY OPTIMIZATION

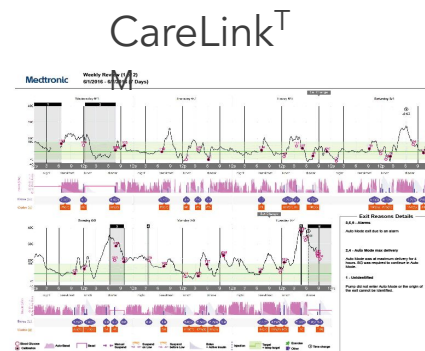
Better outcomes with guarantee



80 – 100% reduction in infections

SYSTEM OPTIMIZATION

Better experience + maximize resources



Accelerated Pivot to Remote Care for T1D Patients in AB

The Path: From Simple to Complex

REQUIRES NEW PARTNERSHIP MODELS

THERAPY OPTIMIZATION

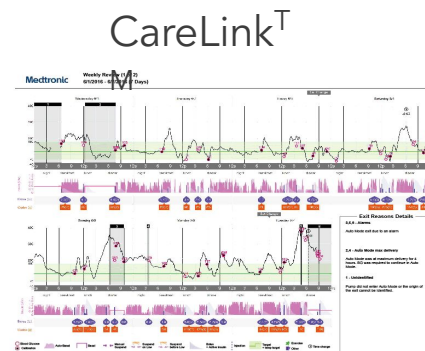
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SYSTEM OPTIMIZATION

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Accelerated Pivot to Remote Care for T1D Patients in AB

REQUIRES NEW FUNDING MODELS

EPISODIC CARE MGMT

More integrated care across the continuum, using digital tools



From in-patient to out-patient joint replacements

CCHL VBHC AWARD WINNER

CHRONIC CARE MANAGEMENT

Focus on population health & improved care models, including prevention



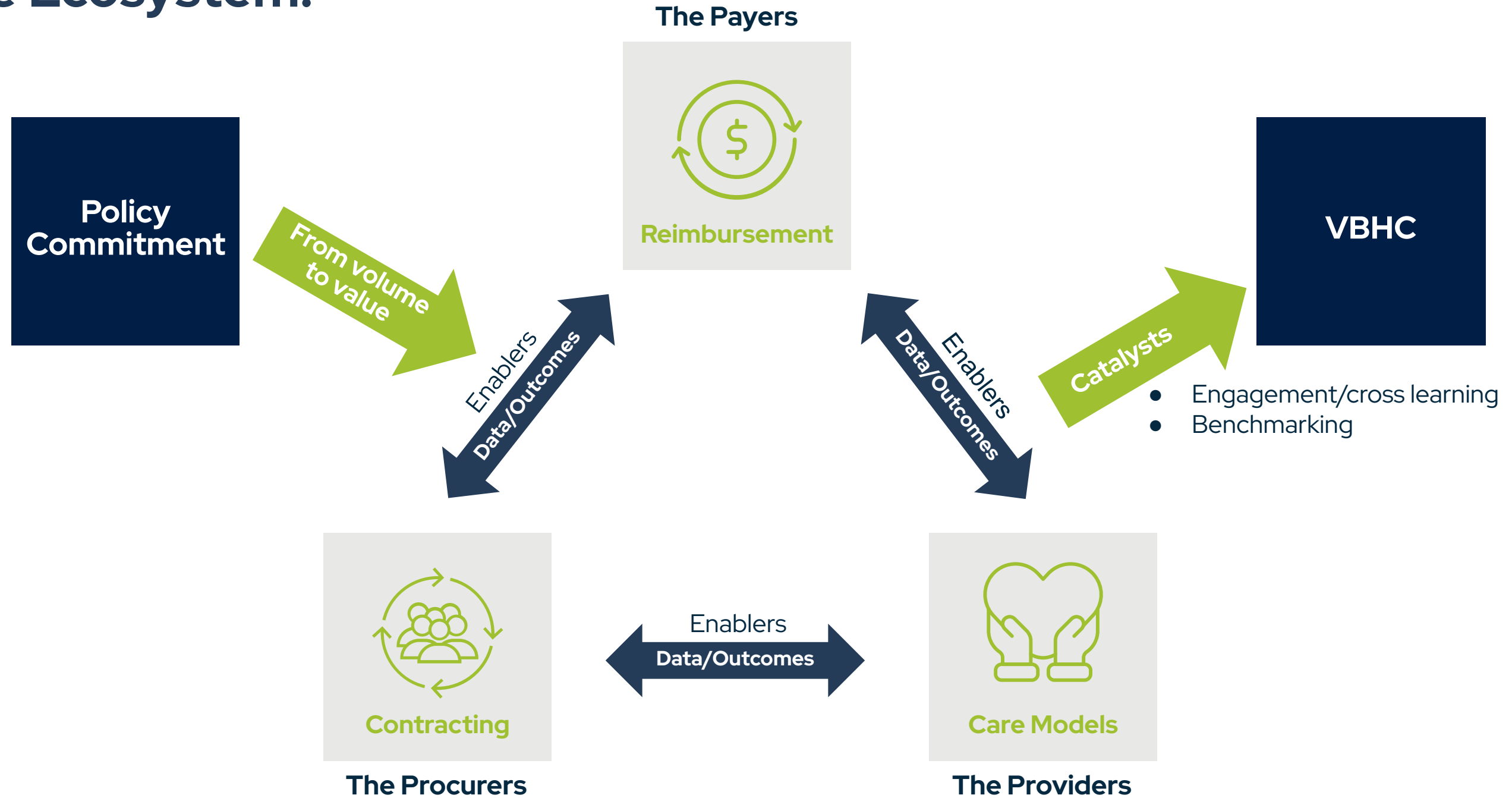
82% more patients in glucose control



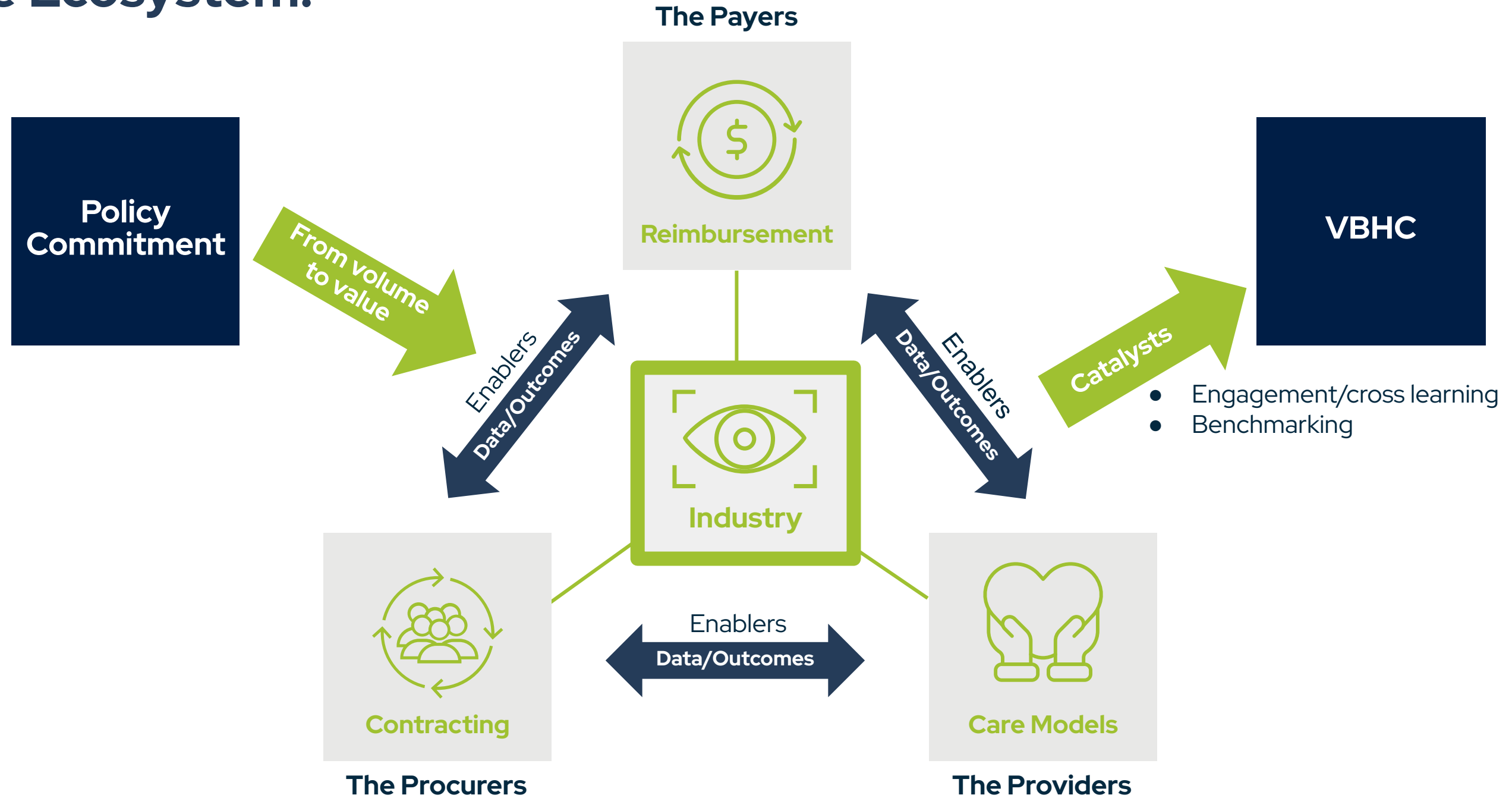
Engagement Momentum

- Become **part of procurement process**; procurement often tech skills or political client
- **Front line IPU engagement**, plus executive air cover needed
- **Information systems**, costing outcomes measurement are enablers
- Encouraged **publication of results** to legitimize project, encourage more
- Industry is limited by field of interest and business models
- **Skill sets** are available from consulting industry, quality improvement staff, operational leaders
- Important to **distance work from commercial** work for credibility and trust
- **Any progress is positive**; we always exceeded our goals

The Ecosystem:



The Ecosystem:



Industry as an **Enabler**

Start With One Rung of the VBHC Ladder

- Therapy Optimization
- System Optimization

Start With One Disease

- Chronic: cardiovascular, diabetes
- Episodic: joint replacement, device replacement

Address Barriers

- Standardize outcomes measurement
- Data collection & analysis
- Front-line HCP partnership
- Procurement
- Incentives

Enhance Outcomes Measurement

- Leverage EHRs
- Employ real-world evidence
- Collect patient reported outcomes



CHRONIC CARE MGMT

EPISODIC CARE MGMT

SYSTEM
OPTIMIZATION

THERAPY OPTIMIZATION

Thank you

neildavidfraser@gmail.com