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Policy Brief

**VALUE-BASED HEALTHCARE
MODELS TO IMPROVE PATIENT
OUTCOMES, CREATE
RESILIENCE AND ADVANCE
UNIVERSAL HEALTH COVERAGE
IN DEVELOPING COUNTRIES**

Task Force 6

Global Health Security and Covid 19

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Abstract

Innovative medical technologies are linked to better patient outcomes. VBHC has created opportunities for these technologies to expand access to populations, decrease health inequities, and improve the outcomes of health care services. However, the uptake of VBHC models is still low. Changing from volume to value is imperative to reorient healthcare systems from sickness to health and it is instrumental in making better use of healthcare resources, which would contribute to expand UHC. This proposal centers on exploring how VBHC can guide investments and reform of health systems to enhance their resilience and to support Universal Healthcare Coverage.

Challenges

A recent report from the World Health Organization (2020) demonstrated that health spending as a share of GDP increased over the past two decades in all countries (from high-income, to upper middle, low middle, and low) ⁱ. But despite this growth, health outcomes are far from optimal. Healthcare resources are wasted on low-value procedures or treatments and on the consequences of clinical errors. The World Economic Forum estimated that, by eliminating this waste, we could save approximately \$1 trillion globally each year. The waste within the system impedes allocation of health care resources to needed diagnostics and treatments, generating long waits or no access, particularly among vulnerable populations. This is leading to unjust population health outcomes and to a growing health care disparity gap.

A fundamental recalibration of focus – from volume to value – is needed to transform health care systems. A European expert panel identified the need to balance improved outcomes and achievement of goals that matter for individual patients and support the underlying value of solidarity in European societies. To this end, they have refined the definition of “outcomes” and have identified four pillars or dimensionsⁱⁱ:

- 1) appropriate care to achieve patients’ personal goals (personal value)
- 2) achievement of best possible outcomes with available resources (technical value)
- 3) equitable resource distribution across all patient groups (allocative value); and
- 4) contribution of healthcare to social participation and connectedness (societal value).

The adoption of a “value” mindset is starting to transform health care systems globally, particularly on three fronts:

- Reimbursement: to compensate healthcare providers for outcomes achieved
- Care models: to integrate disciplines and knowledge to provide a holistic approach to health and treatments
- Contracting: to encourage purchases of medical technologies fit for purpose and health solutions aligned with healthcare system goals.

But reforming these domains is difficult given:

- 1) Misalignment of incentives: for example, reimbursement policies that sustain health care silos and fragmentation of care.
- 2) Cultural inertia that resists change ingrained within health care: change is very hard in health care; for example, average time from evidence to practice in medicine is 17 years.
- 3) Limited ability to collect, share, and analyze data to support collaboration and performance measurement.

International evidence is growing in how best to overcome these challenges to accelerate health care reform and the experience of important multi-lateral organizations, including the World Bank, the World Economic Forum, and the OECD, has added insights to accelerate healthcare transformation through VBHC. However, the experiences and learnings to date have not been tailored to the needs and circumstances of developing countries, which often face limitations in funding, data infrastructure, and know-how when compared to developed countries.

Recommendations

Recommendation 1: Following the example of recent G20 meetings, include VBHC as part of the agenda for this international dialogue, with particular emphasis on how VBHC models can help support greater healthcare system development to better manage NCD and support universal healthcare coverage in developing countries.

G20 nations (2020) recognized the “continuous efforts to develop approaches to improve value in the delivery of physical and mental health services in all the areas across the continuum of care”. The importance of improving “value in healthcare service delivery for greater efficiency and enhanced patient safety, participation and experience for better health outcomes”ⁱⁱⁱ was at the core of their declaration.

International experience with VBHC models has demonstrated that it is possible to achieve improvements in quality, patient outcomes, patient experience, and costs; all of which contribute to decrease the burden of disease and alleviate human suffering. Schamroth and Walcott (2021) stated that “VBHC in emerging markets is a highly compelling opportunity and a key piece of the puzzle for health system development”^{iv}. Therefore, after a global pandemic that depleted healthcare resources (human and financial), it is imperative to consider and open opportunities for these models. VBHC should continue to be part of the G20 agenda to galvanize efforts, coordinate actions, and create momentum for change.

Recommendation 2: Propose the creation of a VBHC hub in APAC to organize and advance VBHC efforts in the region.

In 2020, during meetings in Saudi Arabia, G20 nations supported the creation of the Global Innovation Hub for Improving Value In Health. The creation of this think tank, hosted within the Ministry of Health of Saudi Arabia, was sustained by the belief that continued engagement and knowledge sharing across countries can accelerate VBHC models and this has already proven to be true. The Global Innovation Hub for Improving Value In Health is having a positive impact in the Middle East region. For example, the Dubai Health Authority just launched its first VBHC model^v. Last year, the G20 meeting acknowledged the success of the G20 side event in Riyadh (Accelerating Transformation Towards Sustainable Health System through Value-Based Healthcare) and welcomed its report^{vi}. The event demonstrated the utility of a forum to exchange practical knowledge and experiences among G20 Member States, international organizations, experts, and industry. Indonesia could work closely with the Global Innovation Hub, academics, governments, and industry partners to lead similar efforts in the region. As APAC nations

continue exploring their own opportunities (India, for example, is exploring value-based payments for certain procedures, while Australia has been considering value-based procurement), a regional VBHC hub could catalyze regional cooperation to advance knowledge, tools, and know-how. This regional hub could galvanize the support of multi-lateral organizations, like the World Bank, to implement training programs that would expand the capacity for change.

Recommendation 3: Discuss opportunities to create a regional program to enable pilot projects to accelerate the uptake of VBHC.

Despite some progress, implementation of VBHC remains elusive in many countries, particularly in developing countries. G20 members could create a program to bring together public and private sectors to generate health solutions for populations in priority areas like diabetes, or cardiovascular diseases.

Some pilots could be targeted for developing countries to address their special needs. The regional hub could provide leadership, administrative support, and training to support the implementation of these pilots. A knowledge exchange platform could be created to facilitate discussions across pilots and share insights and learnings. Knowledge exchange could be organized around how best to achieve multi-stakeholder alignment on value attributes, how to monitor and report performance, how value-based procurement and contracting models are improving health (particularly cardiovascular), and how to create a change management toolkit to ensure the success of VBHC programs can remain overtime to directly contribute to goals 3 and 17 of the United Nations' Sustainable Development Goals. Such a program could be a powerful mechanism to create a value culture in the region and bring value as a principle to modernize incentives, funding, and purchases for healthcare systems.

The implementation of these recommendations would not only provide continuity to previous G20 agreements and investments, but they would also provide a framework to guide new investments and reform efforts to improve patient outcomes, enhance healthcare system resiliency, expand Universal Healthcare Coverage.

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