REDEFINING THE HEALTHCARE DELIVERY SYSTEM –A VALUE BASED APPROACH

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INTRODUCTION

- Value-based healthcare is a representation wherein healthcare practitioners are getting reimbursed based on their outcome of a patient's health while maintaining overall cost efficiency. In this era, most of the developed countries like the USA, Japan, Canada, Germany have started aligning towards a value-based healthcare system because of its promised sustainability and flexibility.

- This is because of the highly competitive healthcare sector that offers better and alternative care options for the patients. With the strong penetration of the internet, information is readily available, and patients increasingly seek personalized healthcare.

- Moreover, value-based healthcare is rising in popularity and acceptance as modern healthcare informatics enables the collection and dissemination of outcome data with all stakeholders.

What is VBHC ?

Value-based healthcare is a healthcare delivery model in which providers, in hospitals and physicians, are paid based on patient health outcomes. Under based care agreements, providers are rewarded for helping patients improvc health, reduce the effects and incidence of chronic disease, and live healthie an evidence-based way.

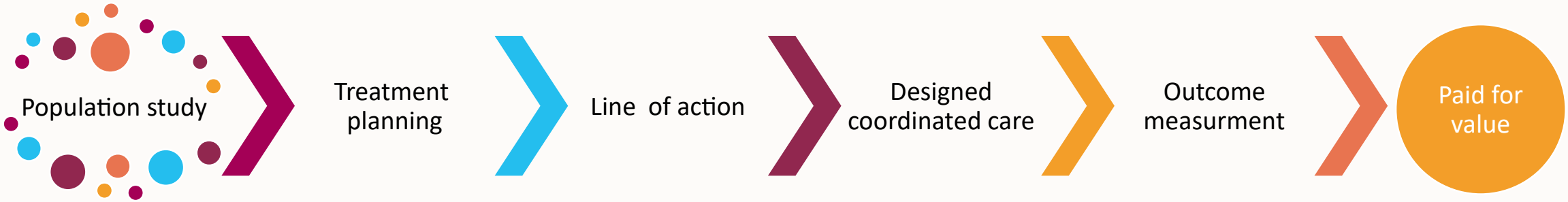
Objectives = Low Cost + High Quality + Wide Accessibility

The conventional fee-for-service model and the forthcoming value-based care model are the two main categories of healthcare models (from a payment standpoint).

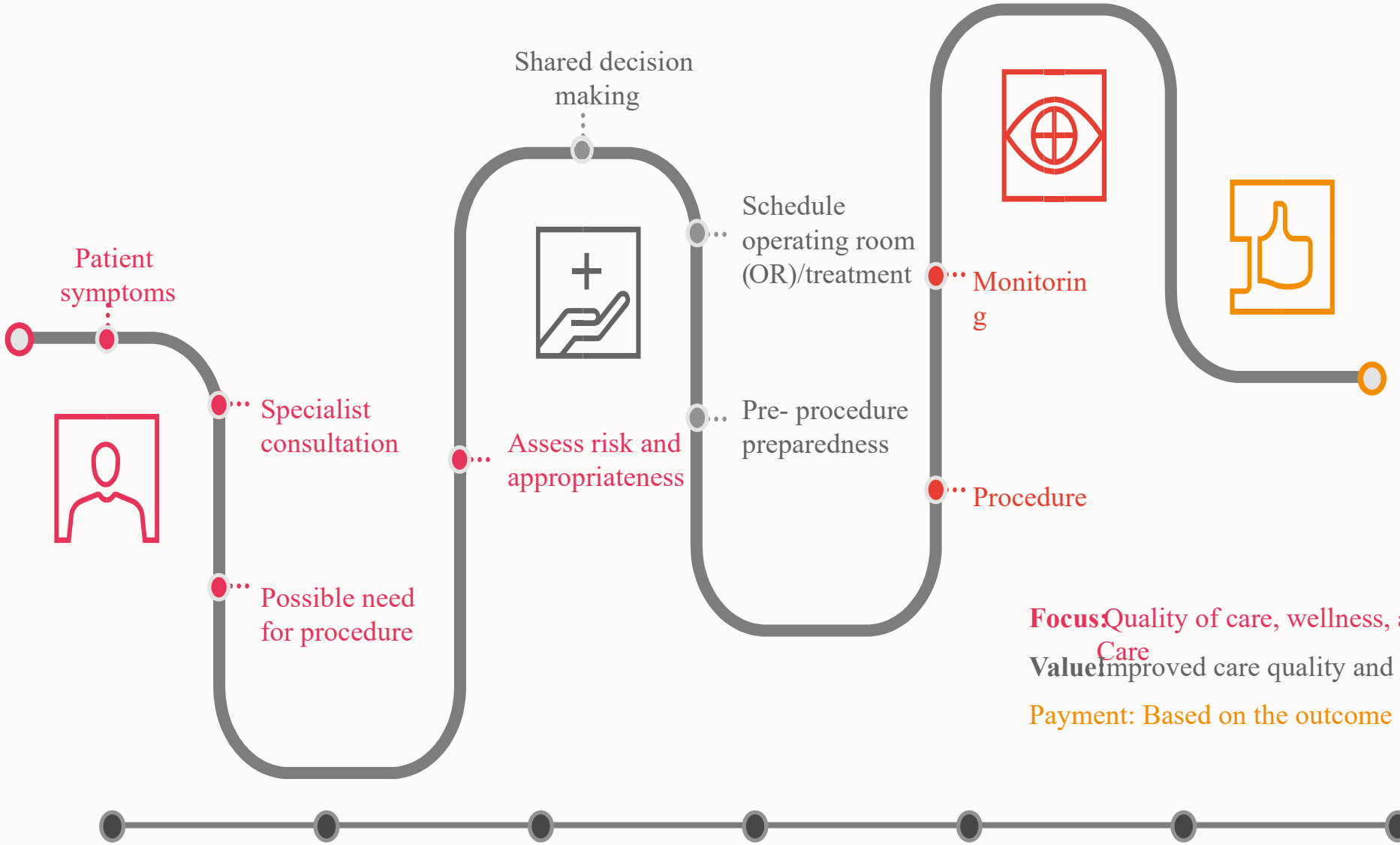
There are two major kinds of healthcare models (from a payment perspective): The traditional fee-for-service and the upcoming value-based care model.

Parameters	Fee for service (FFS)	Value-based care
Relevance	Traditional healthcare model	New age healthcare model
Reward	Quantity-based system in which fees are paid for every service provided	Quality-based system in which fees are paid based on the outcome of the treatment
Patient centricity	Creates a conflict of interest as it provides incentives to caregivers based on a higher number of visits, procedures, tests, treatment, etc., which may not be in line with patient health and wellness.	Patients are at the centre of care; providers are incentivised to provide appropriate care and treatment designed to promote health and wellness rather than excessive treatment and profit.
Outcome measurement	Not done on a regular basis. Also, there are no defined metrics.	Reimbursements are usually linked to meeting particular performance criteria.

Care delivery must prioritise integrated, evidencebased care through collab orative decision making at the level of healthcare providers.



A provider-level approach to care would promote collaborative decision-making, enhance the course of treatment, and ensure that the patient receives the best care possible at the lowest possible cost..



Focus: Quality of care, wellness, and preventive Care

Value: Improved care quality and outcomes

Payment: Based on the outcome

RESEARCH PROBLEM

Increase in Out-of-pocket expenditure.

Inadequate distribution of health services.

Focus on treating patients based on the number rather than quality.

Unequal distribution of health services across different states.

AIM

The aim is to understand "Value-based" healthcare systems and to analyse the preparedness of India to implement VBHS model.

The study's purpose/aim is to understand "Value-based" healthcare systems and to analyse the

- preparedness of India to implement VBHS model.

<u>Value-based care aims to improve patient experience and reduce the cost of care</u>

Implementing continuum of care

- **Combines many facets of** care to enable a patient to get all required medical services through proper consultation and guidance. This will enable patients to benefit from the finest available therapy alternatives.

Enhancing patient experience

- To enhance patient satisfaction and boost reimbursement rates, treatment is delivered in a transparent and economical manner..

Standardising outcome and cost of care

- Higher patient involvement and satisfaction are the results of outcome assessment with the goal of delivering high-quality, patient-centric care at a reduced cost.

Engaging in outcome-based payment

- **A switch to outcome-based payments enhances service quality and ensures optimal resource use.**

RESEARCH QUESTION

- What is the need for Value Based healthcare system?
- How can VBHS be implemented in India?
- What impact would VBHS model have on India?

RESEARCH OBJECTIVES

- To understand Value based healthcare, and their different models.
- To understand the need of VBS system.
- To assess the level of preparedness of lndia to implement the model.
- To analyse the impact of Value based healthcare in India.

STUDY DESIGN

Narrative/Traditional Literature review (Desk review)

SOURCES OF DATA

- Consulting reports
- Industry experts' comments
- PubMed
- Google Scholar
- Government websites
- Government publications.

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DATA COLLECTION AND ANALYSIS

- The qualitative Data were assembled by organized and earmarked secondary research using 'Advanced search' on Google to gather proof that aid value based healthcare. Other platforms like PubMed, consulting reports, news articles were also referred to understand and gather more information.

- Narrative review method was used to derive data.

- The data of the results were gathered by PwC analysis report.

- The recommendations were then formulated with the help of the literature available

Results & Discussions

RESULTS AND DISCUSSION

1.DIFFERENT VBHS MODELS(1/2)

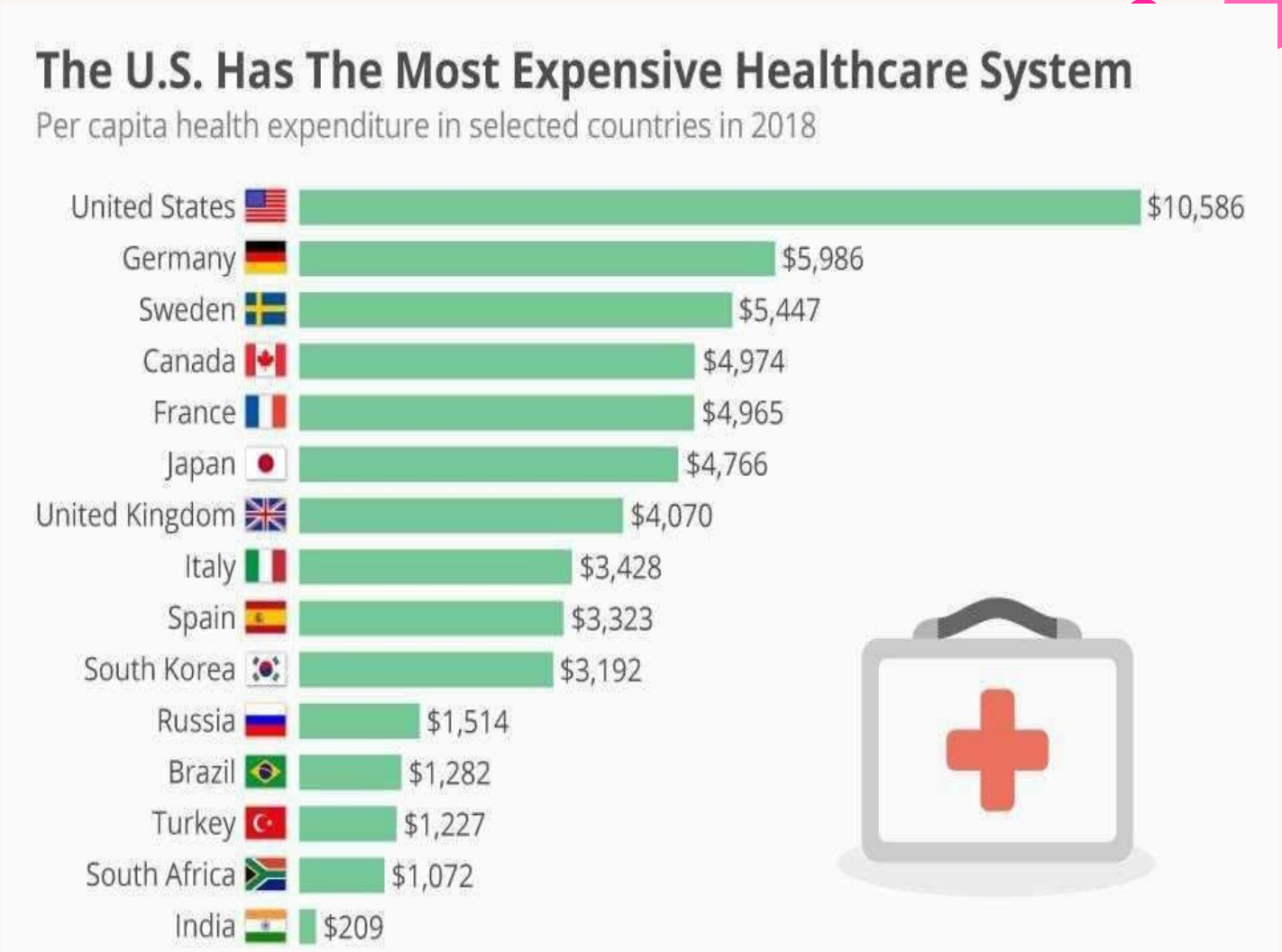
MODEL	PRINCIPLE	DESCRIPTION
BUNDLED PAYMENT	**Single collaborated payment for all services**	**Provider benefits from the savings generated by efficiencies within the bundle and the payer would spend less.**
CAPITATION MODEL	Provider or a group of organisations collects a set payment per patient for specified medical services from the payer	Single and comprehensive payment for the patient.
PAY FOR PERFORMANCE	Financial incentives / disincentive are linked to performance	An example of an incentive linked to incentives are linked to achieving the set goal: A vaccination programme has a goal to vaccinate 70% of its patients by the age of 18 months in accordance with the national guidelines

RESULTS AND DISCUSSION

1.DIFFERENT VBHS MODELS(2/2)

MODEL	PRINCIPLE	DESCRIPTION
PATIENT CENTERED MEDICAL HOME	**Driven by primary care focusing on building a team of professionals.**	**Mostly for patients with chronic conditions in order to reduce readmissions and emergency department visits**
SHARED RISKS	In this model, providers have the incentive of sharing cost savings and the disincentive of sharing the excess costs of care deliver	This system is based on a pre-decided budget with a payer, and calls for the provider to cover a portion of costs if savings targets are not achieved.
SHARED SAVINGS	The payer and provider enter into an agreement that includes patient attribution, service provision and estimated medical costs	Bills are submitted as under the FFS , post which analysis and review would be done by the payer and provider to identify the savings generated, if any.

NEED FOR VALUE BASED HEALTHCARE



- The need for a reform in healthcare is must in these times to properly allocate our resources and increase our efficiency in healthcare.

- It is evident that United States has the highest public healthcare spending making it the most expensive healthcare system. India is far behind the mark of health spending.

- In 2009 United States had the most wasting of healthcare costs. The aggregate amount of unnecessary healthcare costs was "USD 750-765 Bn" (Around one third of the total healthcare spent).

27%	Unnecessary services
7%	Prevention opportunity missed
10%	Fraud
17%	Inefficient services
14%	Exorbitant pricing
25%	Fraud

- This led to US Healthcare reform that moved from the traditional fee for service to a team of professionals and health is now a much coordinated and integrated process.

PRINCIPLES OF VBHS:

1. "Focus on quality": The emphasis is more patient centric rather than the number of patients getting treated. Patient satisfaction is the most important factor in this system. "Value-based healthcare has proved to be a cost-effective as well as patient-centric delivery system where payment is based on outcome and quality."

2. "Lack of health coverage": Developing nations confront an absence about wellbeing inclusion, that mostly is straightforwardly affecting entire availability of medical care administrations to the populace. According to the IRDAI, just "24% of the Indian populace" is covered under open/ private wellbeing coverage. Value-based consideration would be an empowering agent to help in improving the present situation.

3. "Uncoordinated care": Most of the healthcare spending are on avoidable medical complications or other unnecessary treatment. Medical error are a biggest cause of death. Value based care would focus more on care that is more functional and prevention strategies would be maintained to avoid any mis happenings.

HEALTHCARE OUTCOME

"Healthcare expenditure is not directly proportional to the health outcome. The outcome might differ depending on the resource allocation and utilization of the resources in delivering services."

"COST PER OUTCOME POINT= Health outcome index/Total healthcare spending."

"HEALTH OUTCOME INDEX - composite outcome of disability-adjusted life years (DALYs), health-adjusted life expectancy (HALE), average life expectancy at age 60 and adult mortality rates."

BUILDING BLOCKS OF VBHS CARE

- The Indian healthcare system, which largely operates on the FFS , high OOPE expenditure and inadequate infrastructure and technological support.
- The FFS payment system rewards doctors based on the number of procedure performed, without much focus on the clinical outcome.
- Out-of-pocket expenditure (OOPE) as a percentage of overall health expenditure. India is significantly higher compared to the global average.
- Absence of essential healthcare infrastructure and inadequate resource: of the major 3 challenges in the overall healthcare scenario.
- Lack of IT integration and limited accessibility of electronic medical record (EMRs). The central data repository for predictive analytics and treatment planning has a long way to go.
- Different stakeholders are working in silos with minimal coordination.

Ayushman Bharat (NHPS)

- Ayushman Bharat is National Health Protection Scheme, which will cover over 10 crore poor and vulnerable families (approximately 50 crore beneficiaries) providing coverage upto 5 lakh rupees per family per year for secondary and tertiary care hospitalization. Ayushman Bharat - National Health Protection Mission will subsume the on-going centrally sponsored schemes – Rashtra Swastha Bima Yojana (RSBY) and the Senior Zcitizen Health Insurance Schemes(SCHIS).

Salient Features:

•Ayushman Bharat - National Health Protection Mission will have a defined benefit cover of Rs. 5 lakh per family per year.

•Benefits of the scheme are portable across the country and a beneficiary covered under the scheme will be allowed to take cashless benefits from any public/private empanelled hospitals across the country.

•Ayushman Bharat - National Health Protection Mission will be an entitlement based scheme with entitlement decided on the basis of deprivation criteria in the SECC database.

•The beneficiaries can avail benefits in both public and empanelled private facilities.

•To control costs, the payments for treatment will be done on package rate (to be defined by the Government in advance) basis.

•One of the core principles of Ayushman Bharat - National Health Protection Mission is to co-operative federalism and flexibility to states.

•For giving policy directions and fostering coordination between Centre and States, it is proposed to set up Ayushman Bharat National Health Protection Mission Council (AB-NHPMC) at apex level Chaired by Union Health and Family Welfare Minister.

•States would need to have State Health Agency (SHA) to implement the scheme.

•To ensure that the funds reach SHA on time, the transfer of funds from Central Government through Ayushman Bharat - National Health Protection Mission to State Health Agencies may be done through an escrow account directly.

•In partnership with NITI Aayog, a robust, modular, scalable and interoperable IT platform will be made operational which will entail a paperless, cashless transaction.

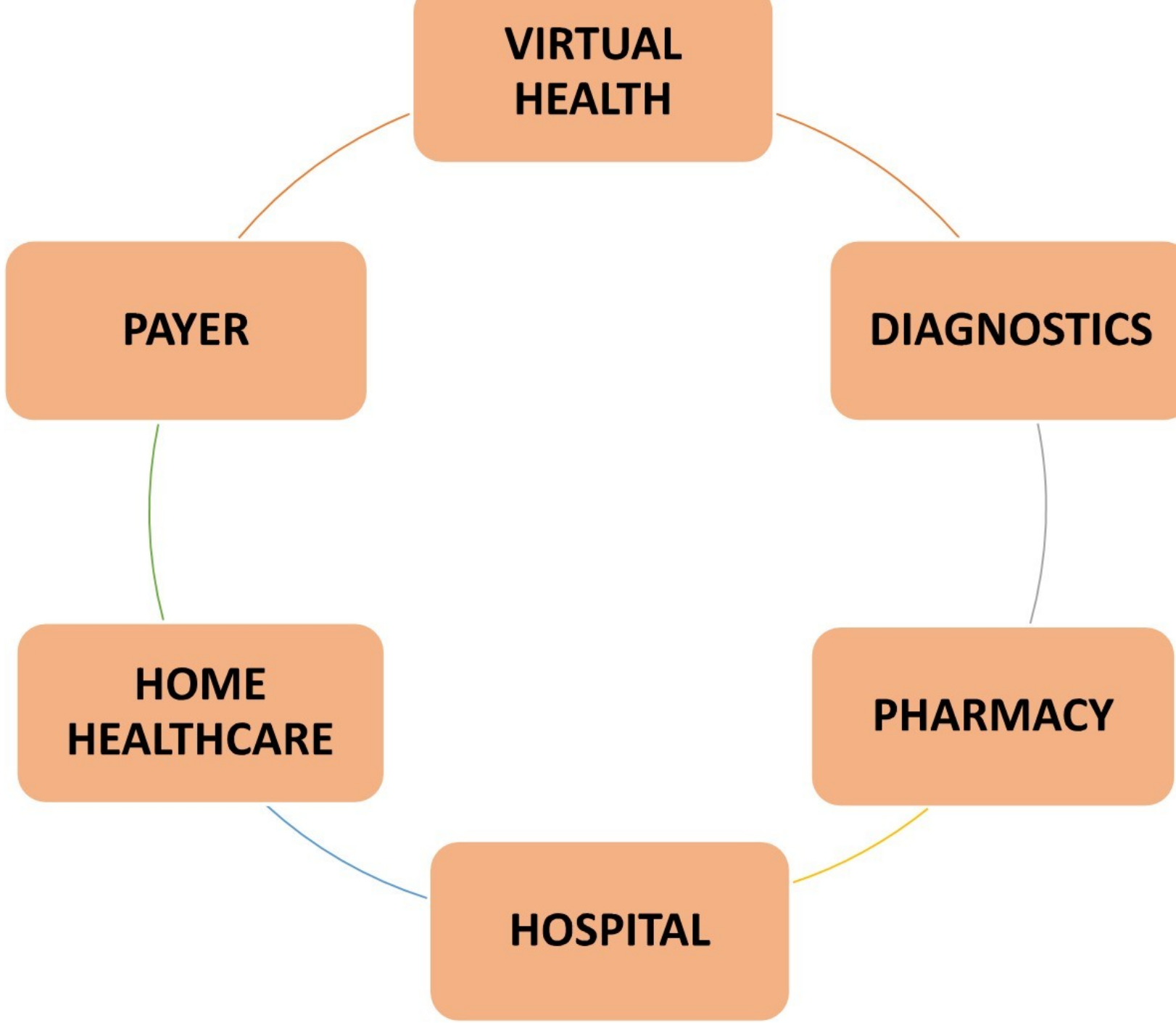
Recommendations

1.PM-JAY envisages to fulfil the mission of UHC for the most vulnerable section of the Indian society—It might be prudent to focus on the achievable goal of elimination of OOPE rather than the lofty goal of UHC, which as the ethical analysis shows, might require a solidarity-based public health care approach and not an entitlement scheme.

2.The stakeholder relationships within the PM-JAY needs to be reciprocal and flourishing in nature for all—a stewardship role from the private sector to be participatory in a mutually beneficial relationship with other stakeholders will be an important step to ensure equity, accountability and sustainability of PM-JAY.

3.The health care professionals are likely to share a larger burden of care under PM-JAY, a more equitable regulatory private health care system and a publicly-funded, community-involved government health care system that provides the right care might be the next step forward.

Future Circle of Care:



IMPLEMENTATION OF VBHS MODEL

BUILDING BLOCKS OF VBHS CARE:

Public funding, the availability of resources, the use of technology, and a collaborative environment are the main building elements for adopting value-based care.

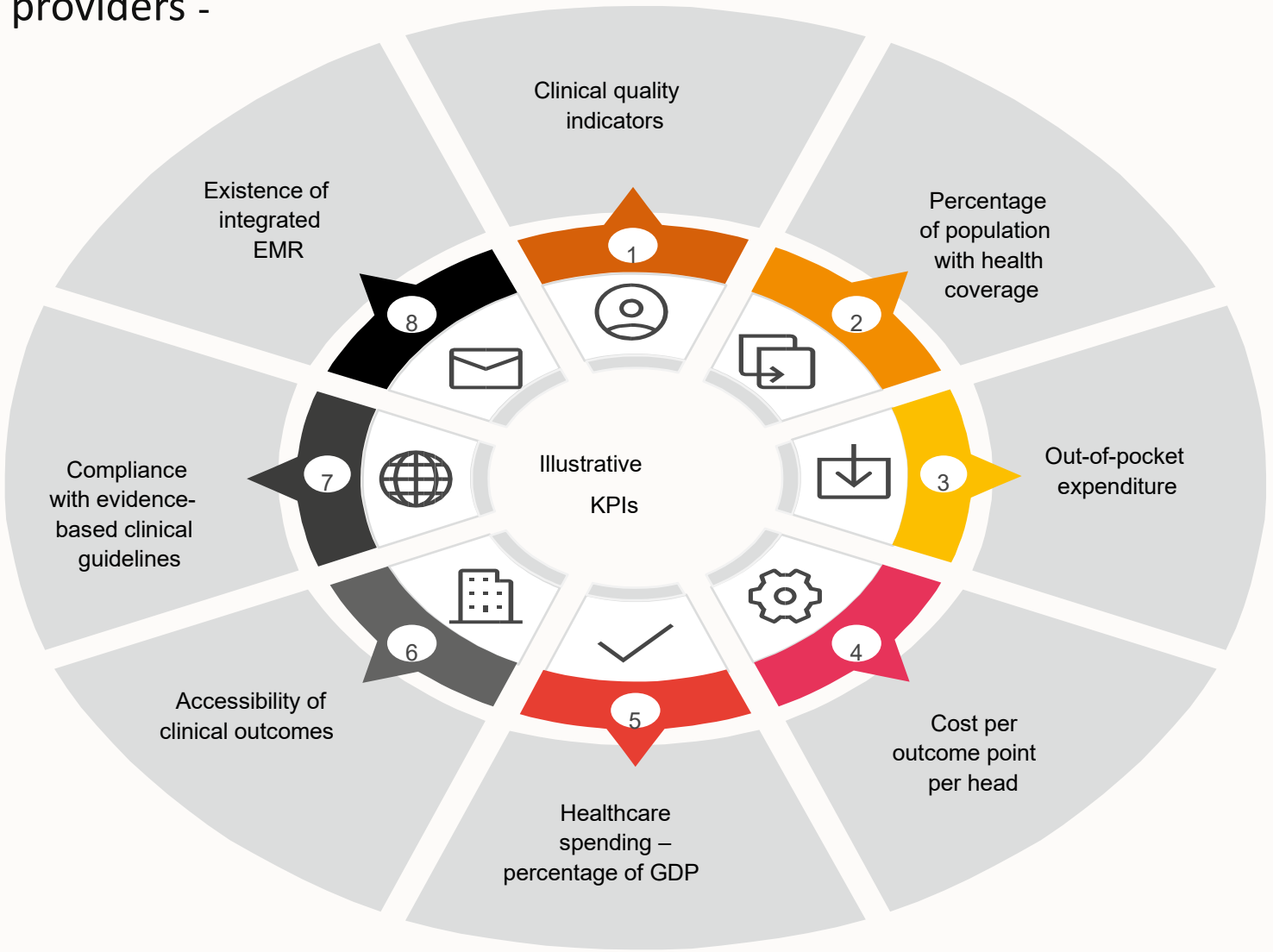
- ❑ Willingness to Adapt to the recent year system
- ❑ Elevated healthcare finances from the goverment.
- ❑ Data and technology driven.
- ❑ Availability of good infrastructure and resources.
- ❑ Shared responsibility and coordination.

CHALLENGES:

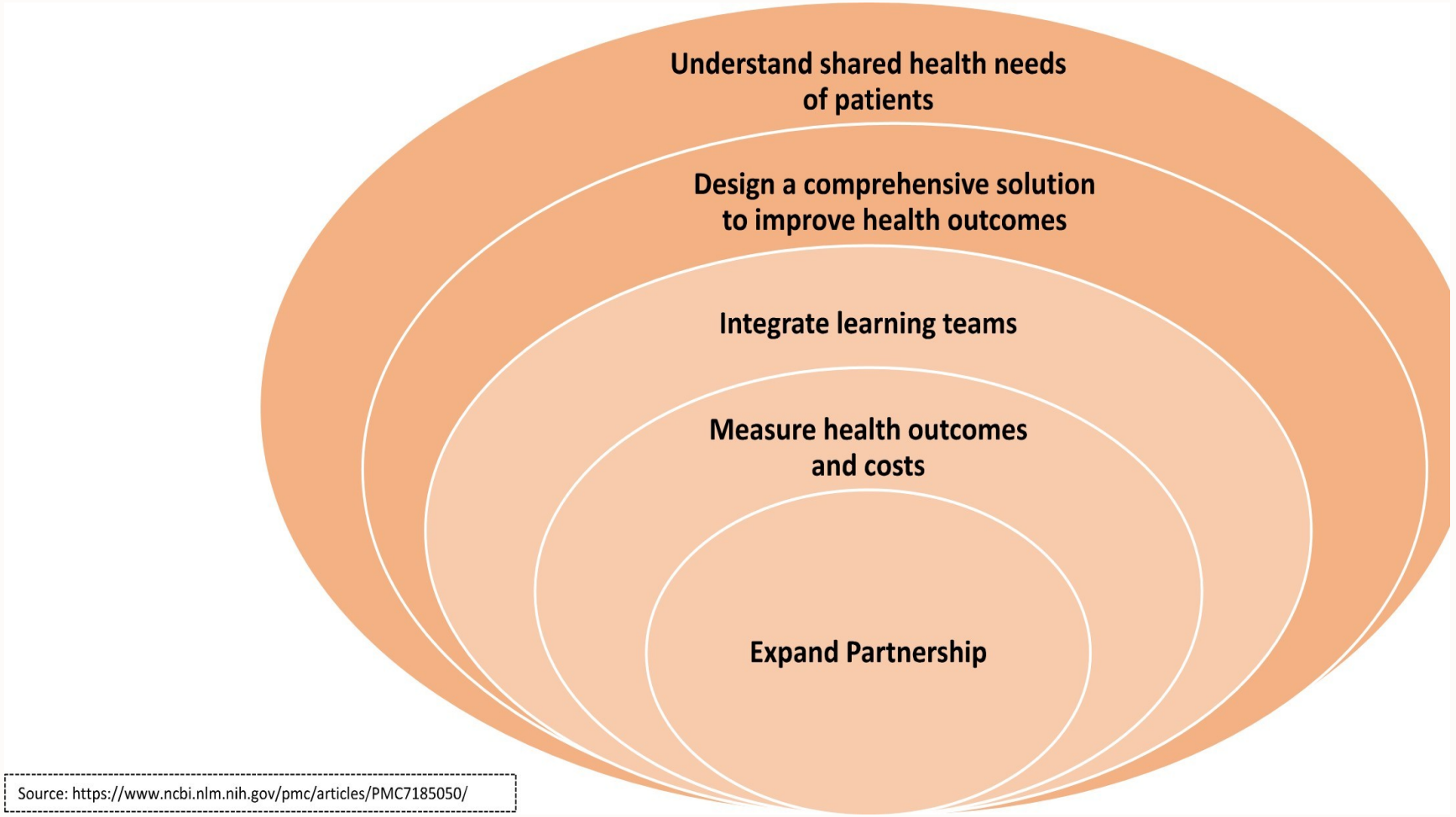
- ○ Lack of proper health infrastructure improper allocation of resources.
- ○ Lack of proper technology and a good EHR and EMR systems. The central data repository and predictive analysis has to go a long way.
- ○ As India is dependent on FFS system rewards of doctor is based on the number of procedures performed rather than clinical outcome.
- ○ Out of pocket expenditure is reasonably inflated when it is collated with the global average.
- ○ Lack of coordination between different stakeholders.

Using quantifiable indicators for evaluating cost parameters and quality of care outcomes, value-based healthcare success may be assessed at all levels.

- Observing the Key Performance Indicators below would aid in examining the acceptance rate by healthcare providers -



STRATEGIC FRAMEWORK FOR VBHC IMPLEMENTATION



Source: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7185050/

RECOMMENDATIONS

If value-based healthcare has to implemented in India, there are few recommendations that can help for a smooth transition for better yielding results

- Increase financing by the government (public finance).
- Create a system-based healthcare network wherein all the different sectors of healthcare work in a coordinated manner.
- Proper Allocation of resources and proper distribution of resources.
- Form a committee to supervise the above process.
- Create a strong IT technology and penetrate it to the rural areas for better access of healthcare facilities.

RECOMMENDATIONS

- Focus on the outcome rather than just the number of patients getting treated.

- It is a difficult transition because of the resistance to change by most. But this is a very effective solution for the current scattered healthcare scenario. This will not only boost the economy but also will result in healthy economy in which priority would be good health of the people of the society. Government will play a crucial and an important role in redefining the health structure in India.

CONCLUSION

- ' Healthcare organizations implementing VBHC will benefit from emphasizing value for patients, in line with the intrinsic Drive-in healthcare, as well as managing the process of implementation basis of understanding the complexities of healthcare.

- ' Paying attention to the patient's voice is a most important and also a key towards increased engagement from physicians anc providers for improvement work

Thank You