

Value-Based Healthcare



No longer a consideration, but necessity!

Dear Colleagues,

While the concept of value-based care (VBC) has been touted as one of the many sources of advice to medical practitioners for serious consideration for many decades now, current economic and social determinants of health in what is generally accepted as “difficult times” render the concept a necessity for the benefit of both practitioners and patients alike. In simple terms, concentrated VBC implementation enables patient care to become co-ordinated, patients spend less to achieve positive health outcomes, and providers get rewarded for effective care.

Message to our ASAIPA members at the outset is that the importance of VBC and all its principles cannot be overestimated in terms of practice sustainability, related remuneration, and positive patient care outcomes and satisfaction. Starting with a brief overview of the concept, a little bit of history and its main elements in this particular issue of News4U, future issues will feature a dedicated column each covering practical VBC elements for the benefit of our members in their daily practices.

As implied, the value-based care movement is nothing new. The name Dr Michael Porter should ring a bell among those of our ASAIPA members in practice during the late 1990s and early 2000s when the practice management literature abounded with excerpts from a book he co-authored entitled, “Redefining Health Care Creating Value-Based Competition on Results”.

Based on their research into problems that had developed exponentially in private medical practice over five decades – “while medical science advanced, there were not major advances in delivery science” – Porter and his Harvard University researchers recommended the now universally-accepted major elements necessary in a truly value-based system, namely

- Organize Care Around Medical Conditions
- Measure Outcomes & Cost for Every Patient
- Aligning Reimbursement with Value
- Systems Integration
- Geography of Care
- Information Technology

Important for our members to note from these as a starting point is that to achieve value for patients, health care delivery needs to be organized around the medical conditions patients have, accurately measure the outcomes that matter to patients, and measure the cost to achieve them. As Porter pointed out, payment should reflect value and not volume: "Networks of care that perform the right services, at the right location, with the right people are essential, and linked with an information technology system that support all of those mutually reinforcing elements."

Elaborating, the point was made that value for patients cannot be assessed at the level of a medical specialty, a procedure, or a primary care practice: "Value creation can occur if one looks at the medical condition a patient has and examines outcomes and costs to achieve those outcomes over the entire cycle of care for that condition."

Quite obvious from this is that the medical condition becomes "the unit of value creation" and the focus of measurement in a value-based delivery system – the basis from which our future VBC pointers in News4U will be drawn. Specifics such as multidisciplinary involvements, referrals, inter-stakeholder participation, value-based remuneration and other important medical practice elements will be among those members can look forward to.

Our approach is going to be patient centered with positive outcomes not only for the patient but also for the funders as well as the service providers.

That is the only way to achieve a win-win situation, whereby each party involved in the continuum of care will benefit.

As we speak, ASAIPA Team is actively engaging with all of the private healthcare funders in South Africa to achieve the above. With all of the above in mind the ASAIPA Team will try our outmost to achieve favorable outcomes for all involved. We will keep you updated on this topic and more article will follow.

Kind regards,

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