

MEETING REPORT

executive insight
HEALTHCARE CONSULTANTS



ICHOM – International Consortium for Health Outcomes Measurement-Conference 2019

“We want to work with you on transitioning sick-care systems to real health-care systems”

Executive Insight at ICHOM

Value-based healthcare (VBHC) is quite the buzzword at the moment. But what does it really entail and what does it mean for the pharmaceutical industry?

VBHC reflects the evolution of healthcare systems away from traditional fee-for-service models towards ones that focus on patient outcomes, with the ultimate goal of a healthier population and reduced healthcare expenditure. VBHC includes concepts such as value-based procurement of services and products, value-based professionals and value-based collaboration (i.e. integrated care). VBHC approaches often rely on digital tools either to measure outcomes or to provide a holistic service.

Whilst industry leaders start to look beyond the goals of their own organizations to deliver more value, policy makers are also looking for ways on how to adapt their legal frameworks to allow for more value in healthcare funding and delivery as well as at a community level.

At Executive Insight, we believe that there is a great overlap in terms of what VBHC sets out to achieve and the pharma industry's mission of reducing the burden of disease on patients and society as a whole. The industry has a strong mandate in contributing to holistic solutions and shaping healthcare environments accordingly.

Executive Insight would like to work with you on transitioning sick-care systems to real health-

care systems by providing solutions to system problems and thereby contributing to a healthy and happy population.

We attended this year's annual ICHOM conference along with thought leaders such as Michael Porter to stay on top of the most recent developments in this space and to continue identifying opportunities for you to contribute to VBHC. This report provides a glance into some of the key discussions that took place over this two day conference. We hope that this will inspire your thinking and we remain at your disposition to discuss how this can potentially be incorporated into your work.

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**“If you care
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Sessions

“The most powerful single lever for reducing cost and improving value is improving outcomes”

What is ICHOM?

“Instead of costs, we share gains”

Leading the way in VBHC in the Netherlands

“Purchasing of care equals value based procurement”

Examples of value-based payment models

“VBHC is not a sales & marketing endeavour”

Industry examples of VBHC

“We need to establish a national data resource which allows large scale information to be shared securely and appropriately”

National approaches to VBHC

“In the developing world VBHC is leapfrogging by utilizing FinTech and Mobile Tech”

Adoption of VBHC in Lower and Middle Income Countries

“The most powerful single lever for reducing cost and improving value is improving outcomes”



What is ICHOM?

- The International Consortium for Health Outcomes Measurement (ICHOM) was founded in 2012 and is an organisation developing and supporting implementation of global outcome standards across the disease burden.
 - It is a non-profit organisation, working with a variety of partners
- ICHOM is developing a new paradigm focused on health outcomes – the results that matter most to patients. It envisions a world where patients ask their doctors about meaningful outcomes, and doctors can respond with data-driven answers.
- The organisation seeks to create a new definition of success that transforms health care in terms of:
 - Informed decision making
 - Quality improvement
 - Reducing costs
- The ICHOM conference is the leading event on value-based healthcare, encouraging discussion, strategic debate and innovation in the area.
 - “Value is the only goal that can unite the interests of all system participants”
- The 2019 conference brought together over 1,250 delegates who are actively engaged in value-based health care.

“The most powerful single lever for reducing cost and improving value is improving outcomes”



Michael E. Porter
Board Member and
Founder of ICHOM

“Look at UBER or Airbnb: outcomes of what is happening to the consumer are being measured immediately and healthcare needs to follow that”



Dr Neil Bacon
MD and FRCP
President and CEO

“Instead of costs, we share gains”*

Leading the way in VBHC in the Netherlands

The Netherlands has become a leading test case for value-based healthcare models and methods

- A multi-year commitment (2018-2022) states an ambition to provide insight into outcomes for 50% of disease burden by 2022.
- The Ministry of Health has a key enabling role – for example by putting shared decision making into law.

Multi-stakeholder partnerships are vital to success

- To ensure successful implementation, the government is working closely with external stakeholders, including ICHOM and hospital alliances such as Santeon (a network of 7 acute care hospitals, see image).
- Saneton has a standardized scorecard with patient-centred outcomes, costs and processes – provides a holistic view of treatment options and allows a joint decision with patients on best option.
- A key learning for Saneton has been the importance of culture change (“*culture eats strategy for breakfast*”)

However, several potential issues have been identified

- Potential issues identified include the interoperability of data, adapting to the new culture / shared decision making approach, and getting all providers into one contract.
- In addition, some patients are concerned that if the treatment doesn’t work *they* will need to pay for it (the concept of VBHC is very new to patients).

Speakers

Moderated Q&A by **Stefan Larsson**, Senior Partner & Managing Director, Boston Consulting Group

- **Ernst van Koesveld**, Deputy Director General, Dutch Ministry of Health
- **Jan Hazelzet**, Professor in Healthcare Quality and Outcomes, ErasmusMC
- **Pieter de Bey**, Director, Santeon
- **Joris van Eijck**, Director in Healthcare, Menzis
- **Dayenne Zwaagman**, Communication Specialist, Heart Centre of Amsterdam University Medical Centre

*Joris van Eijck, Director in Healthcare, Menzis

“Purchasing of care equals value based procurement”*

Examples of value-based payment models

“We didn’t buy beds, we bought outcomes”

- Eva de Boer outlined how the Erasmus Medical Centre in Rotterdam is introducing a pay for performance model for all beds, mattresses and bedside tables.
- The centre offered a 15 year contract to get the right bed for the right patient at the right time. The deal has 50 outcome measures, e.g. how many falling accidents, reduce pressure ulcer etc.
- “When you have the same goal as the provider, finding solutions becomes much easier.”

“A complete shift in the spirit of the relationship between providers and insurers”

- Lili Brillstein outlined *Horizon Blue Cross Blue Shield’s Episodes of Care* model.
- The Episodes of Care model is used to engage specialists in a value-based strategy. It aims to consider the health of the patient as the patient might consider it (i.e., all of the related components of the healthcare episode) rather than just one piece at a time (i.e., surgery, post-acute care, etc).
- Focuses on all the care rendered to one particular patient, across the full continuum of care. The model relies on collaboration, communication, and coordination across the full continuum of care, including between providers and insurers – if there is an issue, it is solved together.

“The mood and energy has totally changed”

- Ward Bijlsma of health insurer Menzis, said that the company has been discussing value-driven purchasing of care with various healthcare providers.

- Purchasing care from hospitals where there is a will to work with VBHC concepts (the drive to improve and distinguish themselves on quality makes them a logical partner for value-based agreements).
- Shift towards thinking of bundled payments for a patient for the entire care path: incentivises success throughout and provides opportunity to rethink / redesign pathways.

Speakers

Chaired by **Roy Beveridge**, Advisor, Humana

- **Ward Bijlsma**, Care Manager, Menzis
- **Lili Brillstein**, Director for Episodes of Care, Horizon Blue Cross Blue Shield of New Jersey
- **Jeroen van der Wolk**, Senior Manager in Analysis Strategy and Innovation for Healthcare Procurement, Zilveren Kruis
- **Erik van Raaij**, Professor of Purchasing and Supply Management in Healthcare, Erasmus University
- **Eva de Boer**, Project leader in Innovative Procurement, Erasmus MC

*Jeroen van der Wolk, Senior Manager in Analysis Strategy and Innovation for Healthcare, Zilveren Kruis

“VBHC is
not a sales
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Industry examples of VBHC

Industry brings both assets and challenges to value-based healthcare

- Herb Riband said that the benefits of industry involvement include expertise on science, technology, data, analytics, R&D and manufacturing, as well as project management and communications expertise. On the flip side, they sometimes have a short-term (sales-driven) focus, hampered by reorgs and personnel changes.
- Industry must build partnerships, focus on patient outcomes and contribute resources and expertise.

Patient-centred outcomes can inform guideline development and access decisions

- Pall Jonsson outlined details of how NICE is supporting the **European Health Data & Evidence Network** (EHDEN), an IMI 2 consortium launched to address the challenges in generating insights and evidence from real-world clinical data at scale.
- EHDEN aims to harmonise 100 million anonymised health records.
- NICE and ICHOM will help to incorporate outcome standards, support outcomes-based research and medicine and demonstrate the additive value of EHDEN through use cases.

Patient-reported outcomes are key to more patient-centred medicine

- Nathalie Moll pointed out that between 2012 and 2016, 70% of 49 EMA approved oncology indications included PRO data in the regulatory submission.
- She outlined several key PRO-based IMI initiatives, including **Big Data for Better Outcomes**, **RADAR-AD** and **PRO-active**.

- Roy Beveridge outlined the case for measuring “healthy days” – using PROs to measure both physical and mental ill health. Research suggests tackling “unhealthy days” in a holistic way impacts hospital admissions and cost.

Acute care teams empowered by linking remote patient monitoring tech with evidence-based care

- Jan Kimpen revealed that Philips’ **eICU program** (telehealth for intensive care) has resulted in 38% increase in acute capacity management, 26% reduction in mortality and 30% reduction in length of stay.

Speakers

Moderated Q&A by **Herb Riband**,
Stanford University DCI Fellow

- **Pall Jonsson**, Associate Director of Science Policy and Research Programme, The National Institute for Health and Care Excellence
- **Nathalie Moll**, Director General, European Federation of Pharmaceutical Industries and Associations
- **Jan Kimpen**, Chief Medical Officer, Philips
- **Roy Beveridge**, Advisor, Humana

*Herb Riband, Stanford Stanford DCI Fellow

*“We need to establish a national data resource which allows large scale information to be shared securely and appropriately”**

*Welsh Government

National approaches to VBHC

Wales: Creating a system that is focused on value requires a change in both culture and processes

- Sally Lewis said over the next four year, the key focus will be data linkage, visualisation and analysis
- Big data is key – both the government and NHS Wales have agreed the need for a national data resource, which allows large scale information to be shared securely and appropriately
- NHS Wales will work in partnership with the national Welsh Informatics service to develop information products to support decision-making

Mexico: Focus on healthy ageing

- Luis Miguel Gutiérrez said that by 2020, the aim is to establish evidence and partnerships to support a decade of healthy ageing from 2020 to 2030
- Mexico is aligning its health system to the needs of its older population and orienting its health system around capacity and functional ability rather than disease –
- Patients will be grouped on similar care needs, with team built to focus on care integration for each patient group – measuring value for each group will be key

Australia: A state-based approach

- Raj Verma outlined the Leading Better Value Care program, one of the ways in which NSW Health is achieving value based healthcare
- The program has identified opportunities to deliver better outcomes for patients and better value for the system across a range of clinical initiatives (e.g. in diabetes, COPD, CHF etc.).

- A new patient-reported measures (PRMs) program will “enable patients to provide direct, timely feedback about their health related outcomes and experiences to drive improvement and integration of health care across NSW.”
- Care planning is changing and aggregated PRM data has been used to monitor quality and refine service delivery. A PRM IT solution has been introduced to integrate hospital eMR and primary care systems, allowing all nominated clinicians to view all PROs across case settings.

Speakers

Chaired by Fred Horne, Health Policy Consultant, VBHC Canada

- **Sally Lewis**, National Clinical Director, NHS Wales
- **Luis Miguel Gutiérrez**, Founder and General Director, National Institutes of Health in Mexico
- **Gregory Katz**, Chaired Professor University Paris Descartes Medical School. President of the Consortium VBHC France
- **Raj Verma**, Executive Director, NSW Agency for Clinical Innovation Australia
- **Simon Nørregaard Jensen**, Senior Consultant, Danske Regioner

*“In the developing world VBHC is leapfrogging by utilizing FinTech and Mobile Tech”**

Adoption of VBHC in Lower and Middle Income Countries

There is an opportunity to ‘leapfrog to value’ in lower and middle income countries

- Health maintenance organisations (HMOs) can help to curb costs but they also increase the amount of bureaucracy and leave insurers too distant from the patient-doctor experience to make smart decisions on care. There is the opportunity for countries to leapfrog managed care models, like HMOs, and advance directly to value-based care.

Value-based healthcare can be expedited through digital technology

- Financial technology – ‘FinTech’ – and Mobile Tech have emerged as powerful disruptors that are rapidly reshaping sectors including health in lower and middle income countries. And Africa is one of the world’s most enthusiastic adopters of mobile financial services.

Collection and analysis of data is a potential issue

- However, the vast majority of lower and middle income countries lack the necessary infrastructure—including IT systems, disease registries, and integrated health systems—typically used to collect and effectively utilise outcomes data.

Results-based financing is an example of a USAID value-based incentive

- RBF is a program that incentivizes improved quality of services at participating health facilities through increased accountability and responsiveness. A verification team visits facilities on a quarterly basis and provides a quality score, which then impacts the amount of incentive payment each facility receives (from USAID).

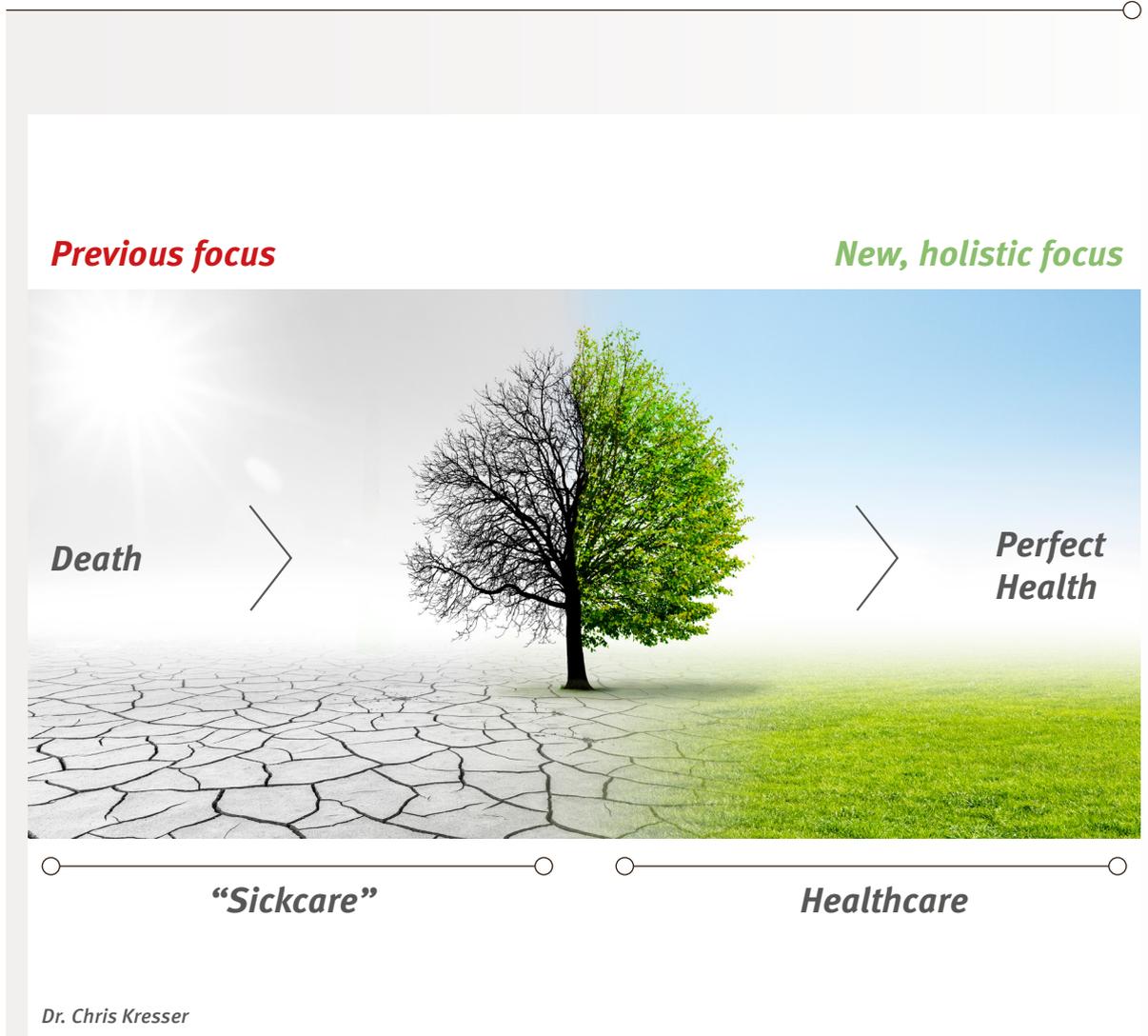
Speakers

Chaired by **Chintan Maru**, Founder, Leapfrog to Value

- **Monisha Ashok**, Market Access Advisor, USAID
- **Nicole Spieker**, Director East Africa, PharmAccess

**Nicole Spieker Director East Africa, PharmAccess*

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