

The Value in What We Do

Or: how we learn to stop worrying and love the outcomes

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FRACP

MCNZ Chair, Te ORA Board



Te tiaki i te iwi whānui me te whakatairanga pai i te mahi e pā ana ki te taha rongoā
Protecting the public, promoting good medical practice

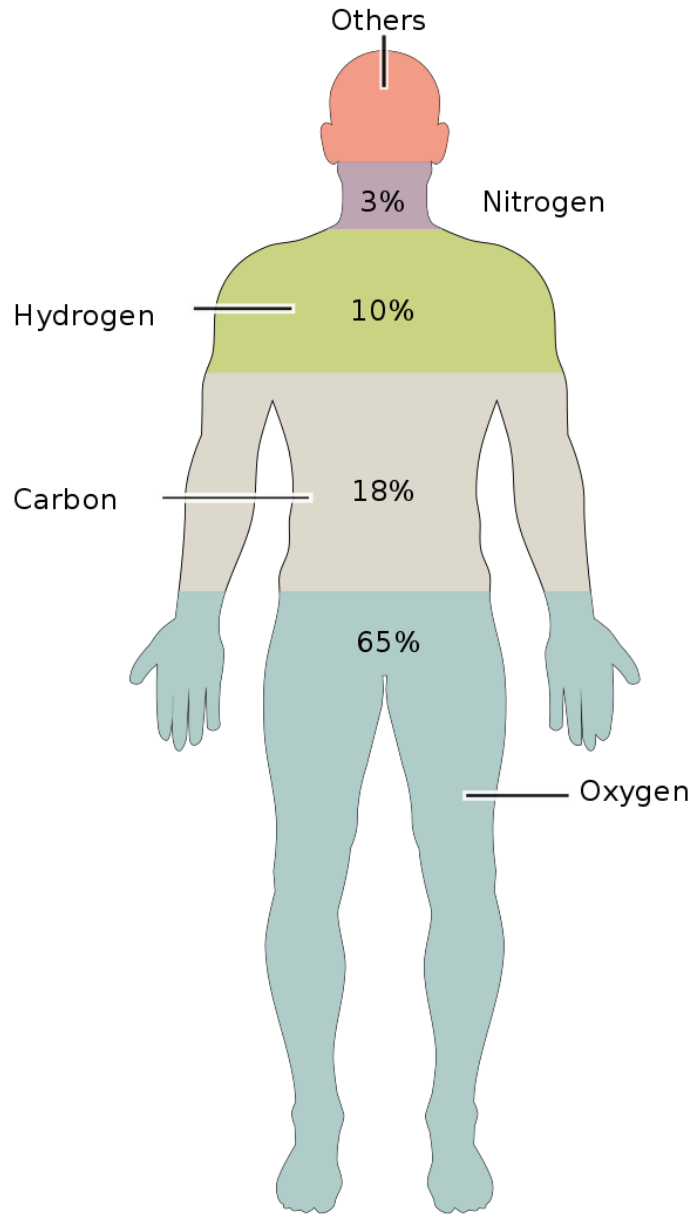


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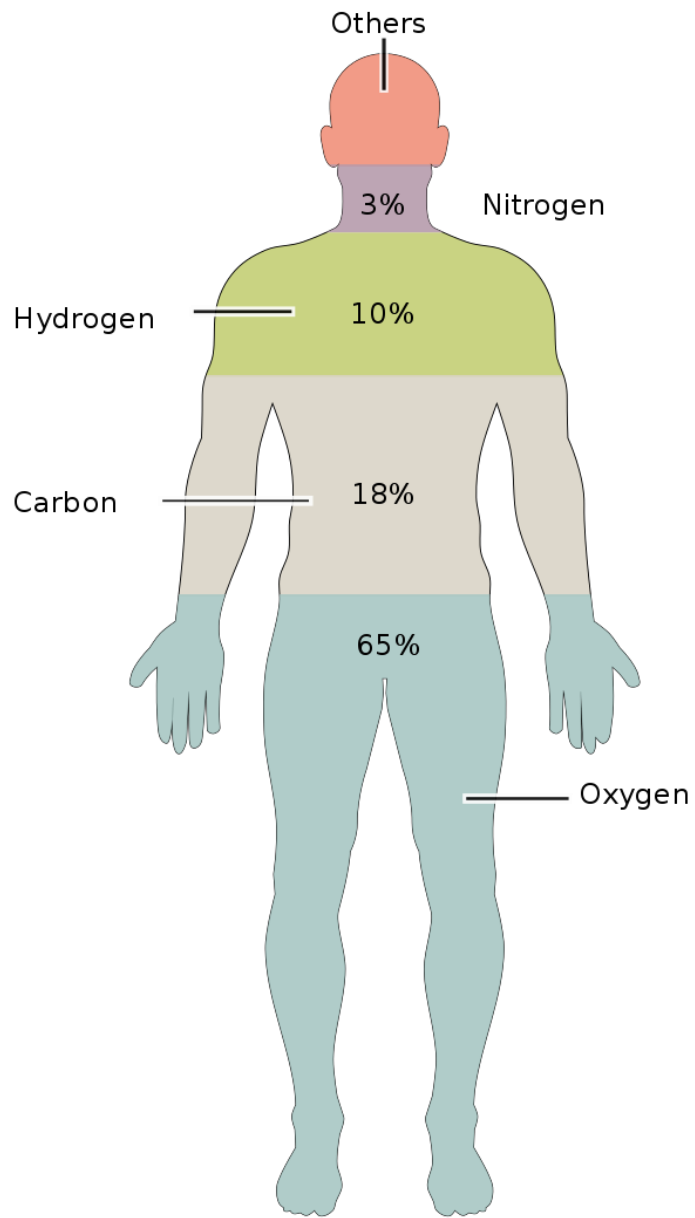


*A Cynic knows the price of everything,
but the value of nothing*

The Value of a Life



Element	% in Body
Calcium	1.5
Phosphorous	1.0
Potassium	0.4
Sulphur	0.3
Sodium	0.2
Chlorine	0.2
Magnesium	0.2
B, Cr, Co, Cu, F, I, Fe, Mn, Mo, Se, Si, Sn, V, Zn...	<1.0



The Value of a Life

= \$16.38

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The Cost of Producing a Physician

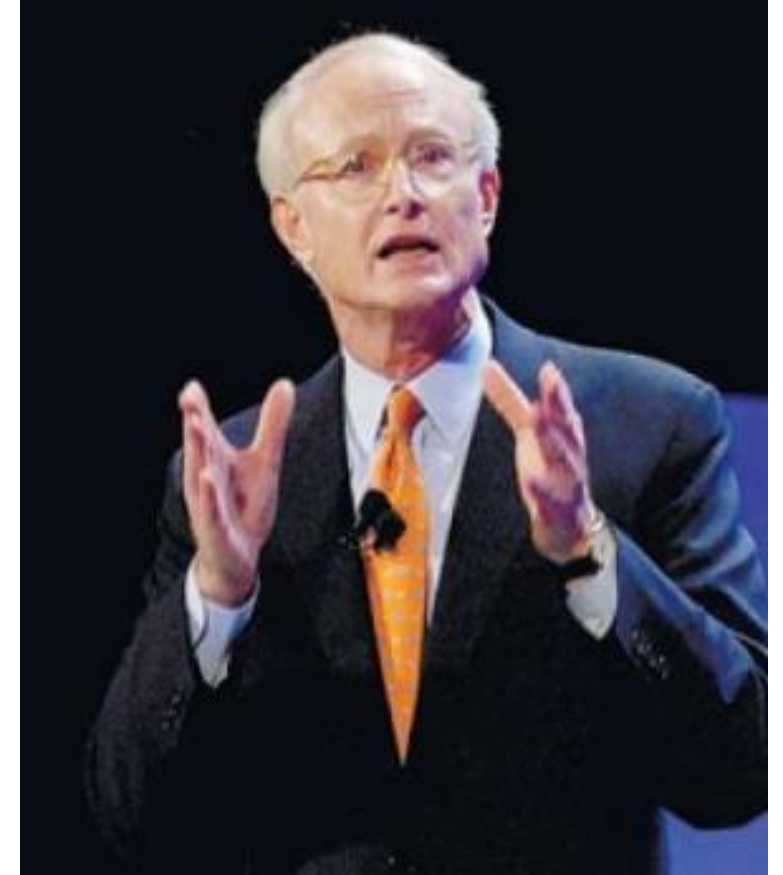
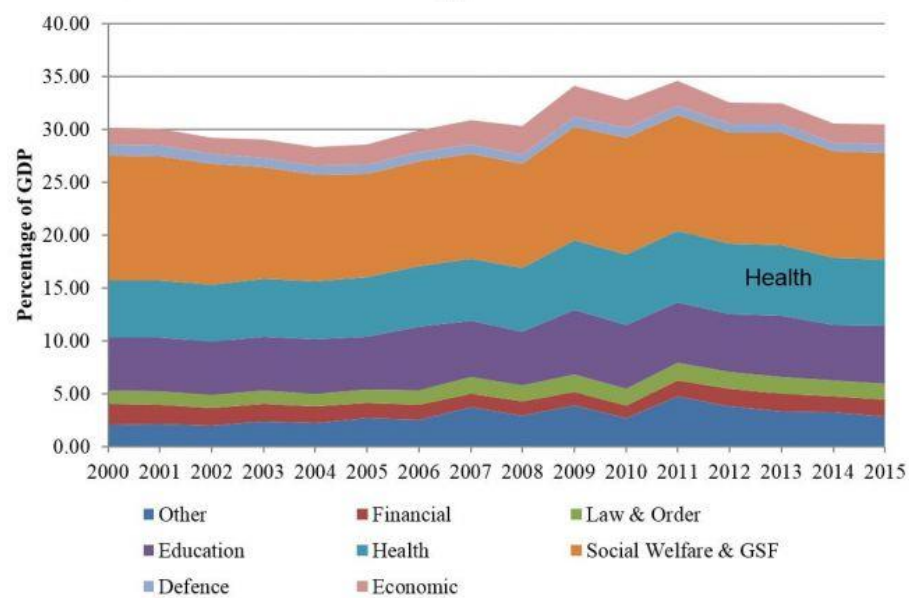
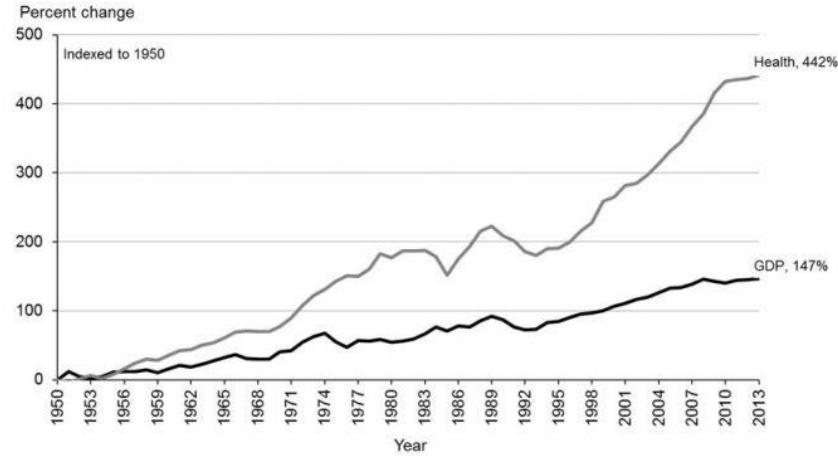
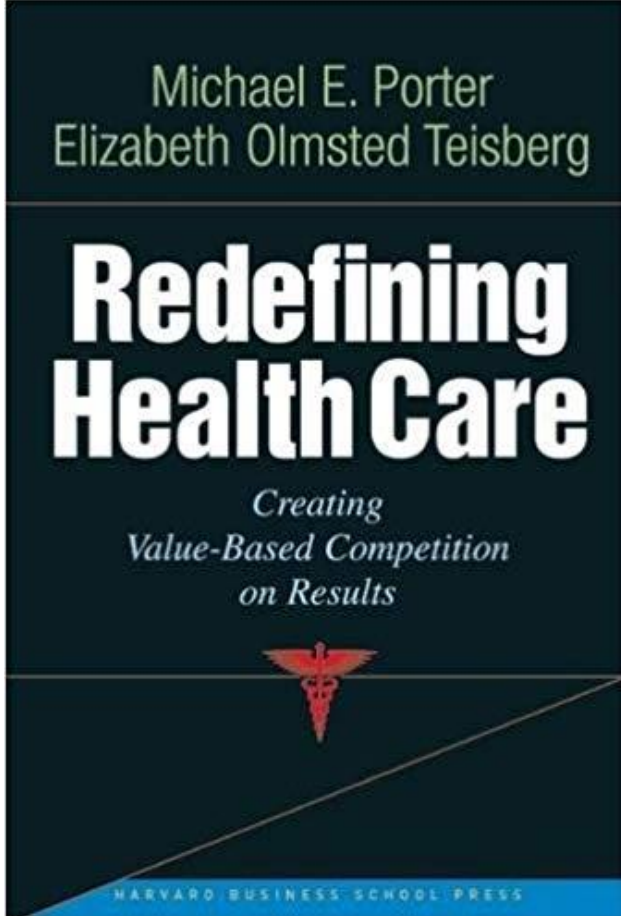
Costs	
Med School	\$333,828
Post-graduate	\$117,919/yr
Annualised	\$187,000/yr



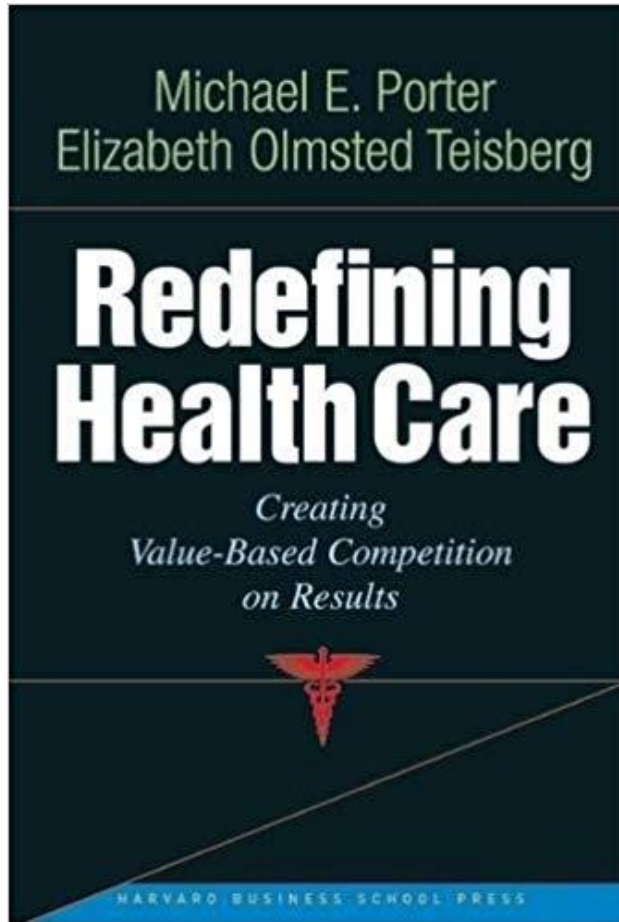


The Kumars and Me

Values-Based Health Care



Values-Based Health Care



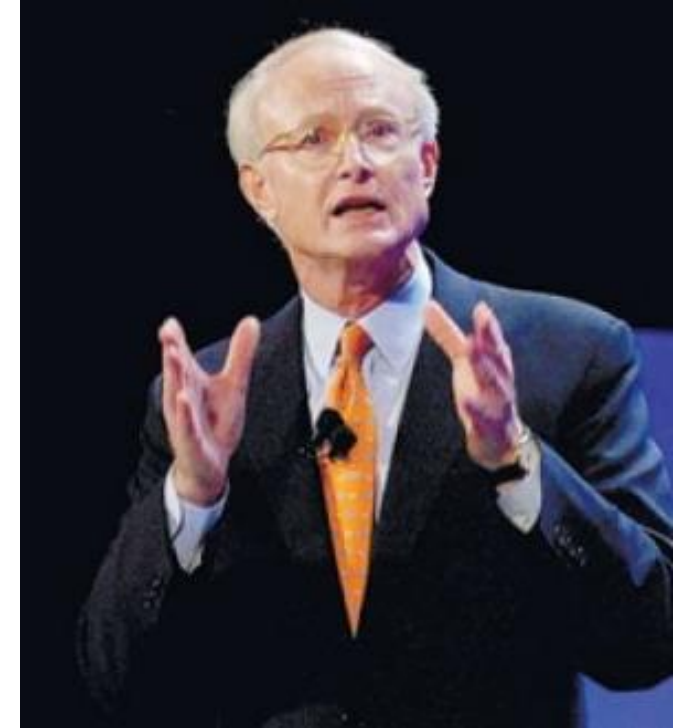
1. Providers and Practitioners are funded based on outcomes, not for inputs

2. Requires robust: IT, political will, health care coverage, competition & choice

Values-Based Health Care

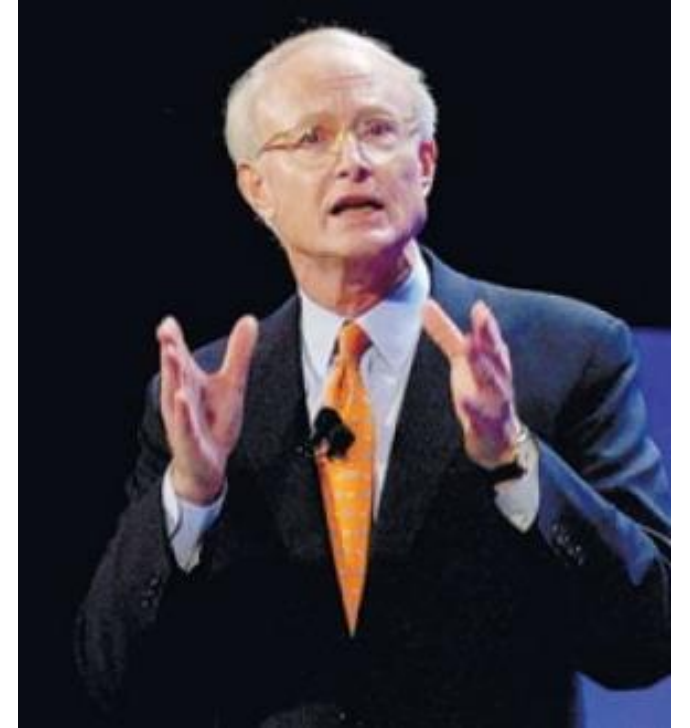
1)
$$\text{Value} = \frac{\text{Health outcomes that matter to patients}}{\text{Costs of delivering these outcomes}}$$

- 2) There must be unrestricted competition based on results.
- 3) Competition should center on medical conditions over the full cycle of care.
- 4) High quality care should be less costly.

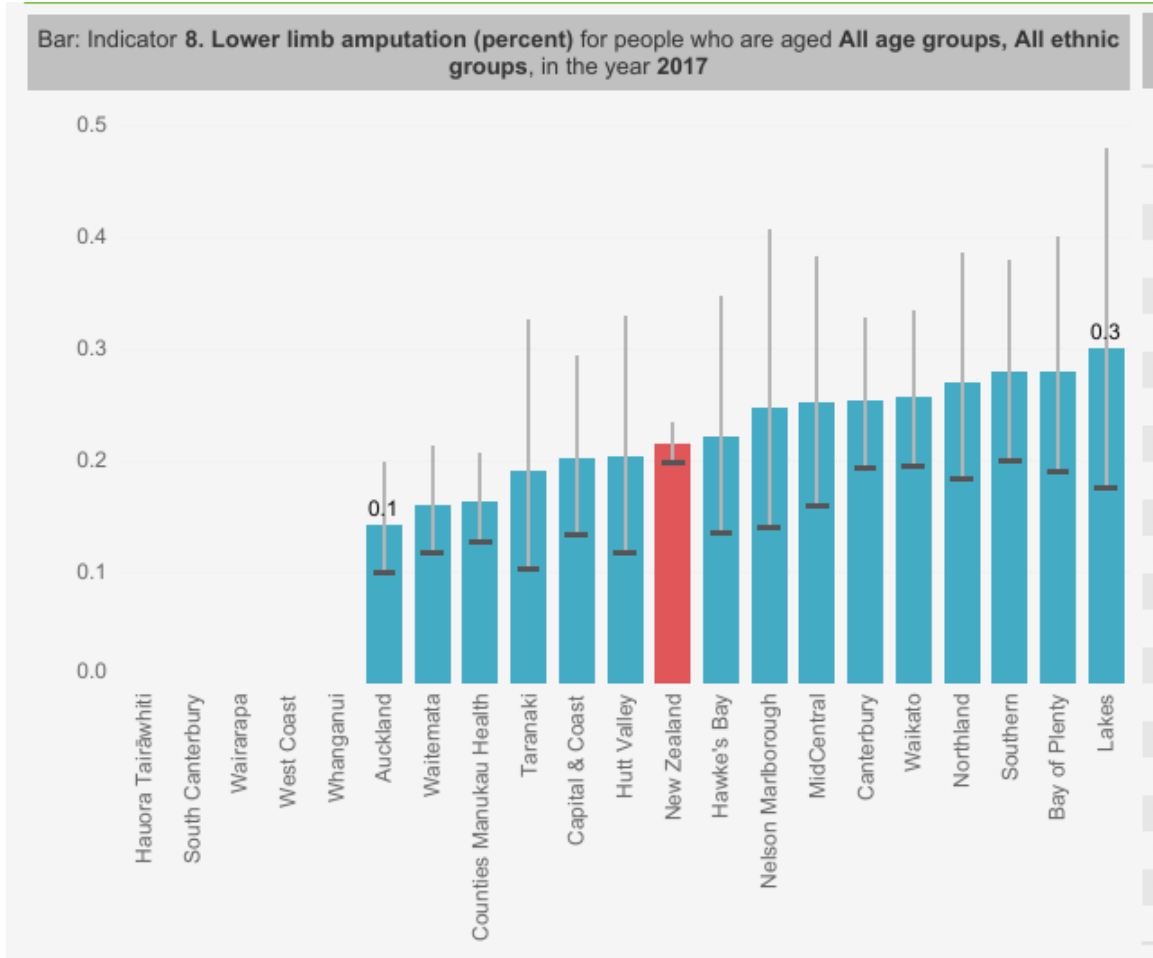


Values-Based Health Care

- 5) Value is driven by provider experience, scale, and learning at the medical condition level (IPU's).
- 6) Competition should be regional and national, not just local.
- 7) Innovations that increase value must be strongly rewarded.



Values-Based Health Care



8) Information on results and prices needed for value-based competition must be available.



Old Role: culture of denial

- Restrict patient choice of providers and treatment
- Micromanage provider processes and choices
- Minimize the cost of each service or treatment
- Engage in complex paperwork and administrative transactions with providers and subscribers to control costs and settle bills
- Compete on minimizing premium increases



New Role: enable value-based competition on results

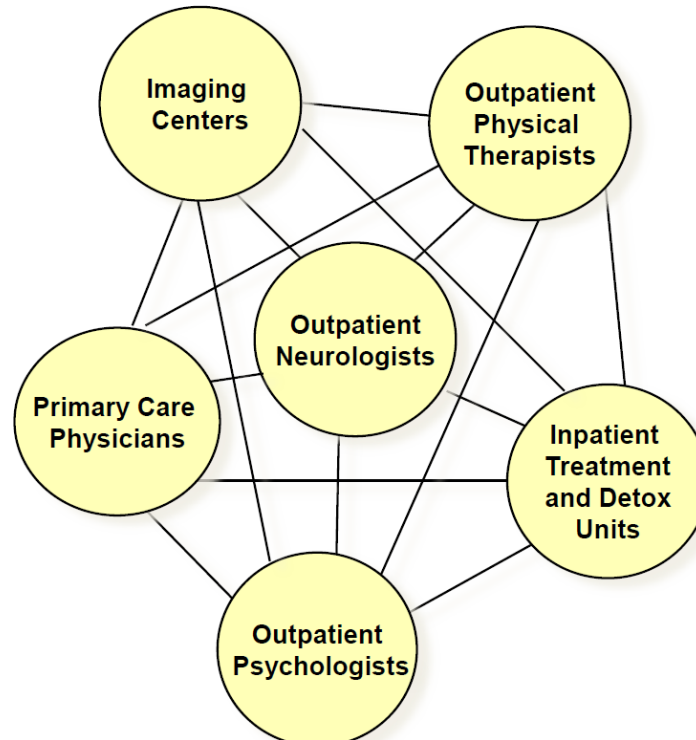
- Enable informed patient and physician **choice** and patient **management** of their health
- Measure and reward providers based on **results**
- Maximize the value of care over the **full care cycle**
- **Minimize** the need for administrative transactions and simplify billing
- Compete on subscriber **health results**

After: M Porter, 2006

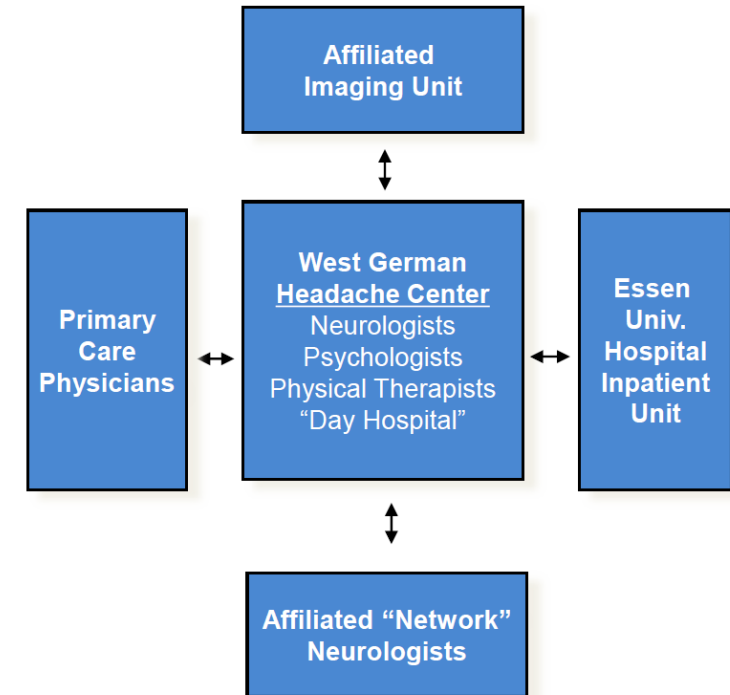
Values-Based Health Care - Barriers

- Provider-centric models of care (public-private)
- Lack of competition or choice
- Lack of data / standards across spectrum
- Disruption / Risk Aversion
- Equity / Co-Design

Existing Model:
Organize by Specialty and Discrete Service



New Model:
Organize Around Conditions into Integrated Practice Units (IPUs)



After: M Porter, 2011&16



ICHOM

Values-Based Health Care – Regulatory Questions

Medical Council NZ regulates doctors on behalf of the public

Sets standards for qualifications & recertification

Promotes safe medical practice through competence, conduct and health

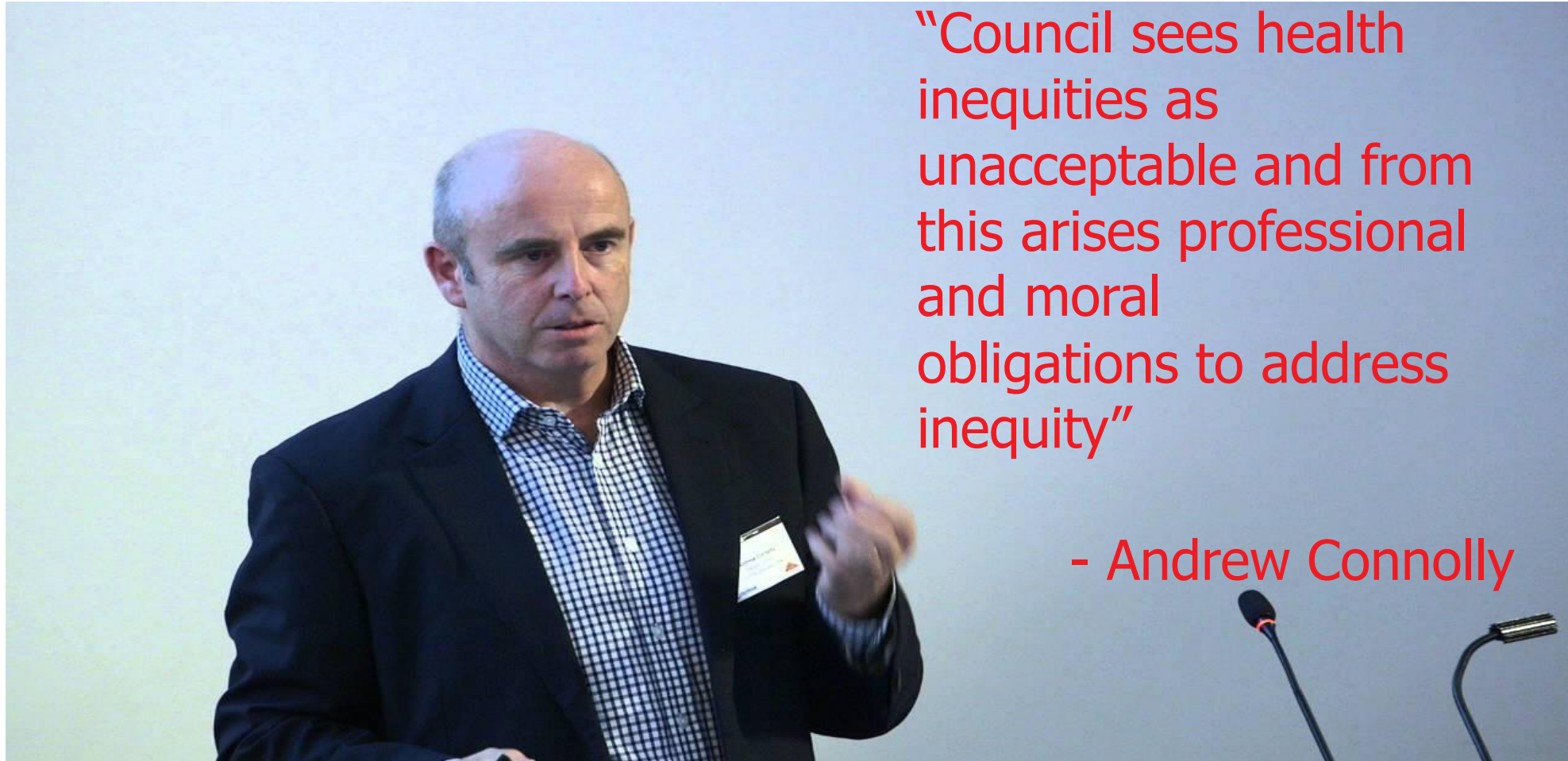
Values-Based Health Care – Regulatory Questions

In Aotearoa New Zealand, people have differences in health that are not only avoidable but unfair and unjust.

Equity recognises different people with different levels of advantage require different approaches and resources to get equitable health outcomes.

Ministry of Health, March 2019

Values-Based Health Care – Regulatory Questions



“Council sees health inequities as unacceptable and from this arises professional and moral obligations to address inequity”

- Andrew Connolly

Values-Based Health Care – Regulatory Questions

“Good quality performance and outcome data should aid patient choice, inform clinicians, patients, and administrators and should also form a central component of recertification.”

Better Data – MCNZ Position Statement, May 2015

Values-Based Health Care – Regulatory Questions

Evaluating Outcomes is a key feature of recertification



Model for recertification requirements for vocationally-registered doctors practising in New Zealand – April 2019

Values-Based Health Care – Regulatory Questions



CPD: Measuring Outcomes

- Comparing outcomes with standards
- Audit of practice ; comparator with peers
- Patient satisfaction surveys
- Risks to this process if tied to remuneration?

Model for recertification requirements for vocationally-registered doctors practising in New Zealand – April 2019

Values-Based Health Care – Regulatory Questions

- There is alignment between regulatory expectations and improving patient outcomes
- The subject matter experts are the profession
- Ensuring outcome standards meet local population needs is vital
- Implementation challenges and risks exist esp. in NZ context

Values-Based-Outcome Natives ?

