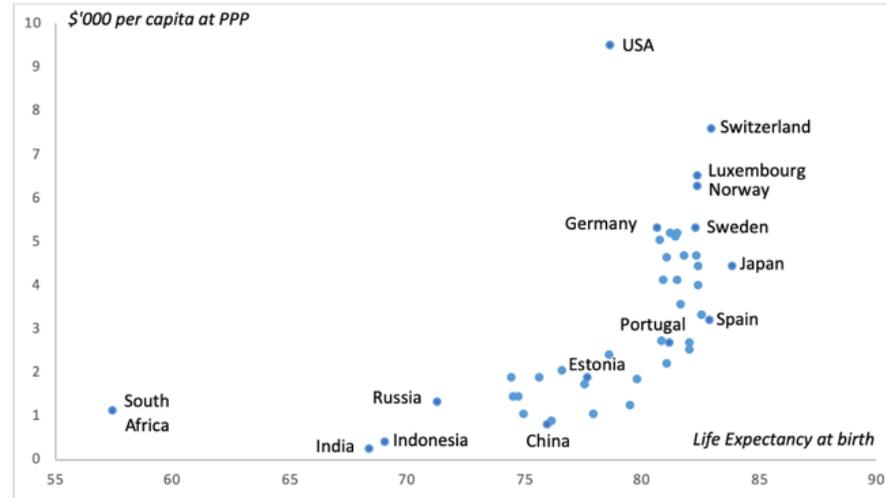# Disclaimer

The views expressed herein are those of the presenter; they do not necessarily reflect the views of F. Hoffmann-La Roche Ltd.

The case for change: healthcare systems are not performing optimally

X2 GDP

Life Expectancy vs Health Expenditure in OECD Countries (2015)

Outcome variation rate (multiple)			
	2	30-day mortality rate from heart attack (US)	🇺🇸
	4	Bypass surgery mortality (UK)	🇬🇧
	9	Complications after radical prostatectomies (Netherlands)	🇳🇱
	18	Reoperations after hip surgery (Germany)	🇩🇪
	20	Mortality after colon cancer surgery (Sweden)	🇸🇪
	36	Complications after cataract surgery (Sweden)	🇸🇪

Healthcare costs are growing at **more than twice the rate of GDP**

No strong correlation of **health expenditure with outcomes**

Significant variation **between countries** and **within countries** in healthcare outcomes
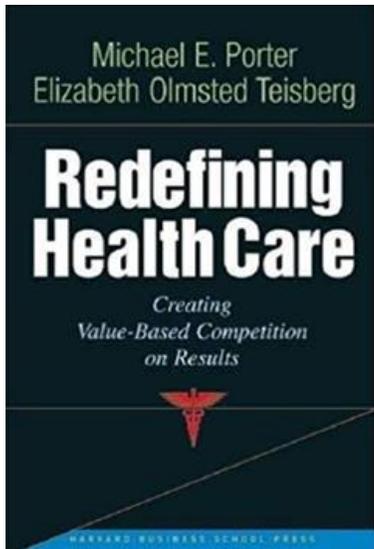
Source: WHO; EIU (May 2017); BCG analysis

Sources:
http://www.oecd.org/els/health-systems/health-data.htm
https://stats.oecd.org/Index.aspx?DataSetCode=HEALTH_STAT

Source: Medicare Hospital Compare: Myocardial Ischaemia National Audit Project; Inspectir voor de Gexondheidszorg; Gemeinsamer Bunderausschuss; Svenska Kolorektalcancerregistrat; Svenska Nationella kataraktregistret; BCG analysis.

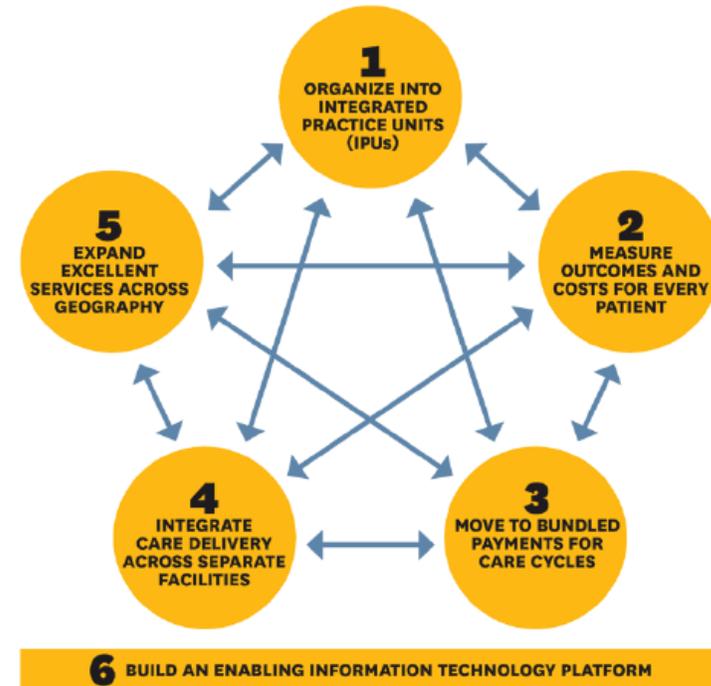# Value-based healthcare concept was introduced by Porter & Teisberg in 2006

The introduction of a new strategic approach to change value creation in healthcare

Michael E. Porter
Elizabeth Olmsted Teisberg

Redefining Health Care

Creating Value-Based Competition on Results

HARVARD BUSINESS SCHOOL PRESS

"Good quality is less costly…. because of more accurate diagnoses, fewer treatment errors, lower complication rates, faster recovery, less invasive treatment, and the minimisation of the need for treatment. More broadly, better health is less expensive than illness"

— Porter & Teisberg

Original framework of what VBHC entails: 6 key elements

1. ORGANIZE INTO INTEGRATED PRACTICE UNITS (IPUs)
2. MEASURE OUTCOMES AND COSTS FOR EVERY PATIENT
3. MOVE TO BUNDLED PAYMENTS FOR CARE CYCLES
4. INTEGRATE CARE DELIVERY ACROSS SEPARATE FACILITIES
5. EXPAND EXCELLENT SERVICES ACROSS GEOGRAPHY
6. BUILD AN ENABLING INFORMATION TECHNOLOGY PLATFORM

VBHC is made possible by three key components: measuring outcomes, real-world data and Value Based financial incentives optimised for patient outcomes

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Value $=$ **Outcomes**
that matter to patients

Cost
across full cycle of care

Innovation & healthcare delivery that offers better outcomes to more patients, faster

1
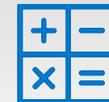Measuring **outcomes that matter to patients**

2
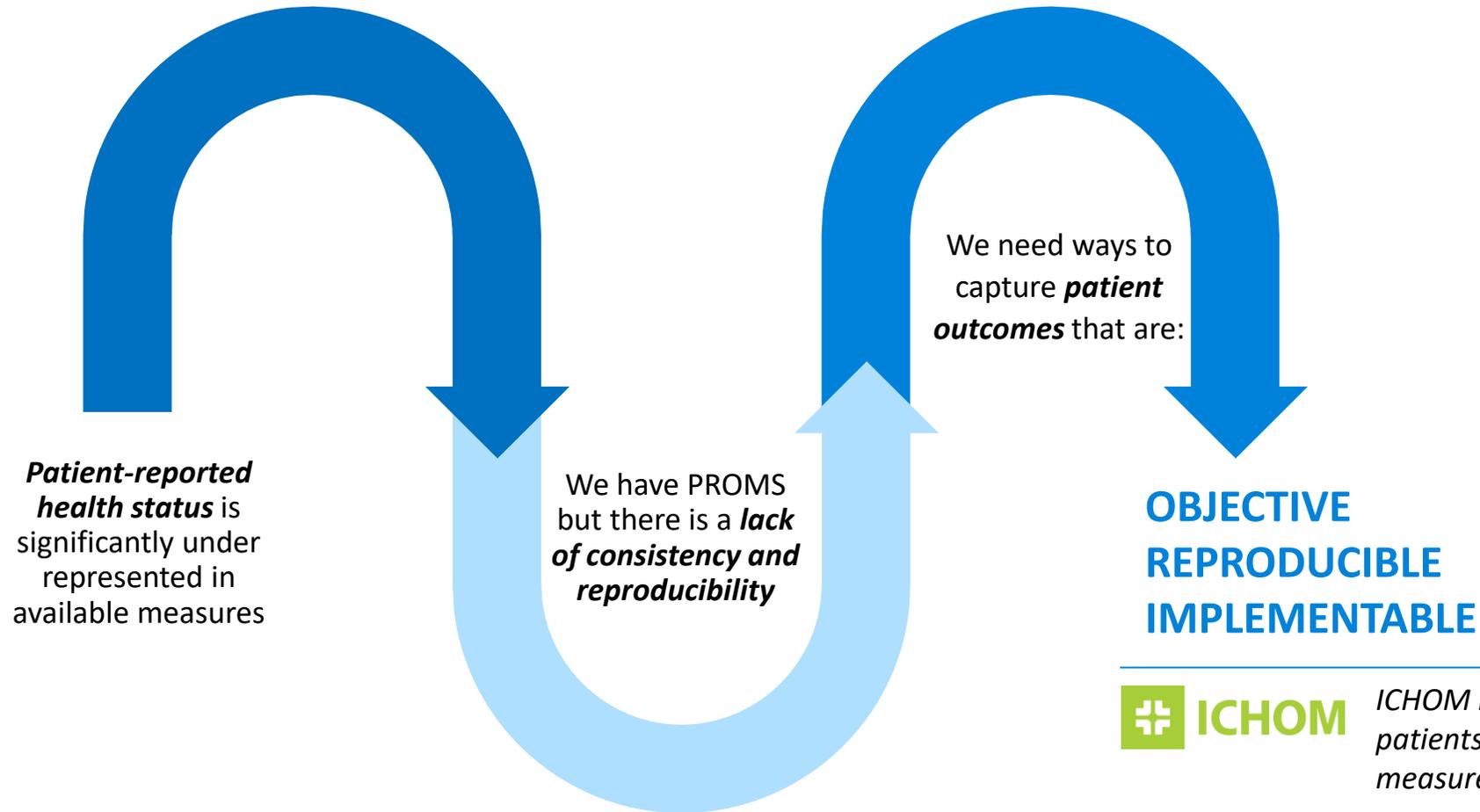Better **real-world data:** collection, analysis & sharing of outcomes & cost data

3
Value based financial incentives geared to optimising patient outcomes

Central to the success of VBHC is the ability to measure outcomes that matter to patients in a consistent way
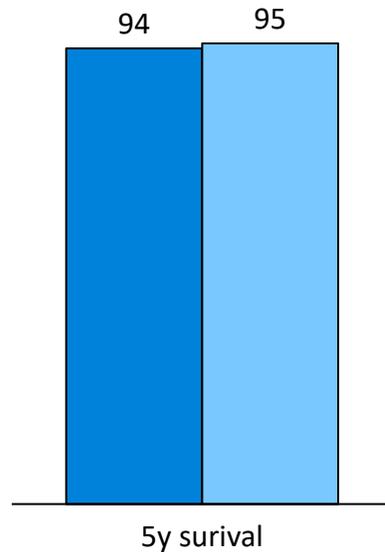
Roche

Patient-reported health status is significantly under represented in available measures

We have PROMS but there is a *lack of consistency and reproducibility*

We need ways to capture *patient outcomes* that are:

OBJECTIVE
REPRODUCIBLE
IMPLEMENTABLE

ICHOM

ICHOM is standardizing global patients outcomes measurement in healthcare

Going beyond traditional outcomes metrics can yield true patient benefit
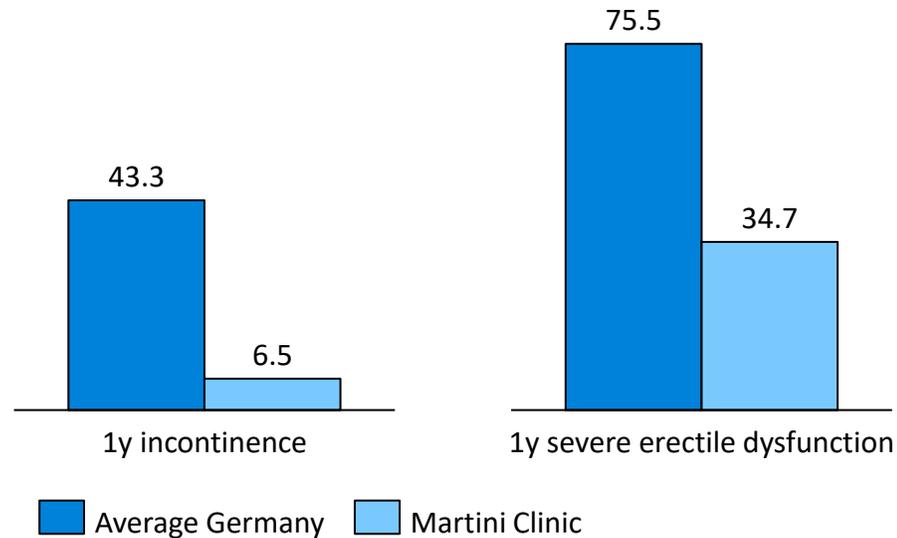
Learnings from the Martini Clinic

Outcomes measurement at the Martini Clinic

Focusing on mortality alone...

94   95

5y surival

... May obscure large differences in outcomes that matter to patients

43.3

6.5

1y incontinence

75.5

34.7

1y severe erectile dysfunction

■ Average Germany   ■ Martini Clinic

- **Limited variability in terms of mortality alone**
- Looking at key outcomes beyond mortality in radical prostatectomy helped to:
  - **Improve care over time** though improvement cycles
  - Yield **significant patient benefits**

Source: Martini Klinik, Barmer GEK Report Krankenhaus 2012, Patient Reported Outcomes (EORTC-PSM), 1 year after treatment, 2010

# VBHC Example: Breast Cancer Outcomes – Santeon Hospital Network, NL

By measuring the outcomes that matter most to patients, the Santeon hospital network in the Netherlands has identified improvement initiatives to increase the value of care for breast cancer patients.

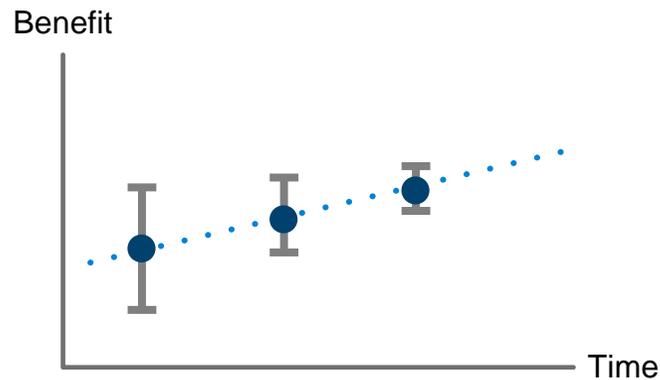## Measures from the ICHOM breast cancer standard set
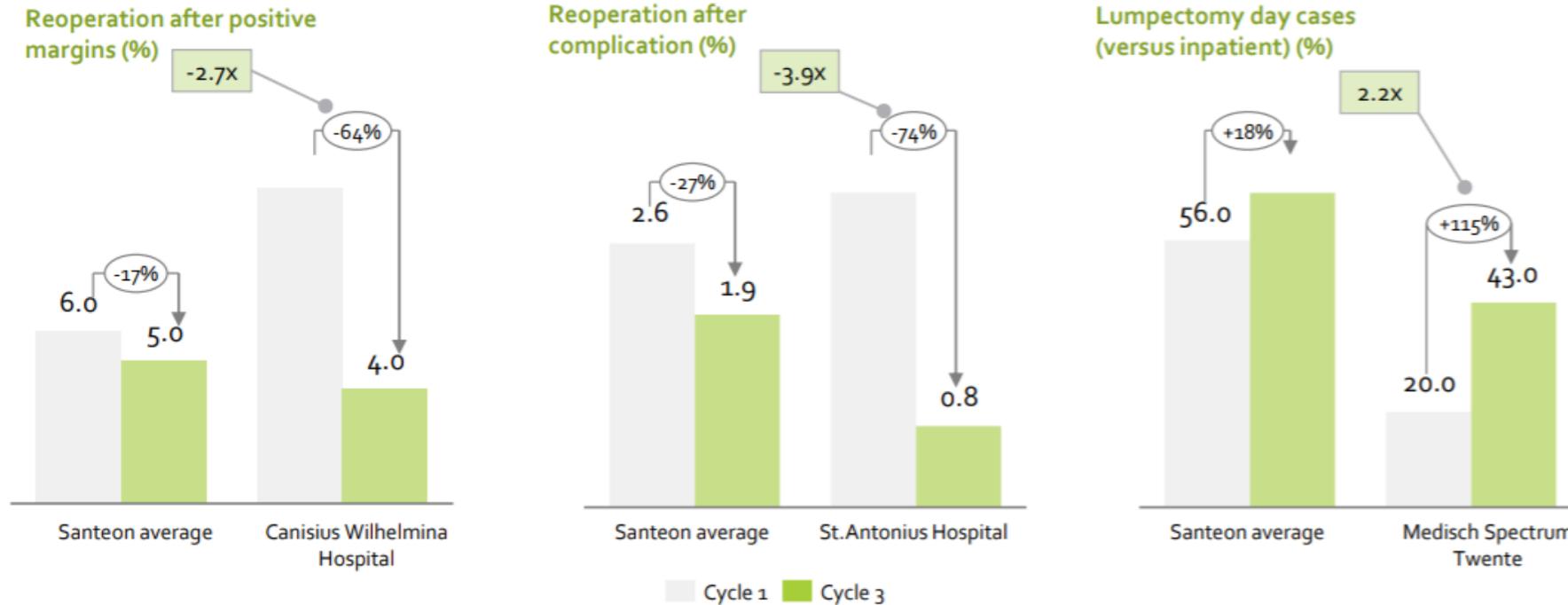
Source: Data from Santeon hospital and NABON Breast Cancer Audit, Netherlands Comprehensive Cancer Organization: Santeon and BCG analysis. Adapted from: How Dutch Hospitals Make Value-Based Health Care Work (2018). Santeon and BCG.

Hazarika, IPPOSI, October 2018
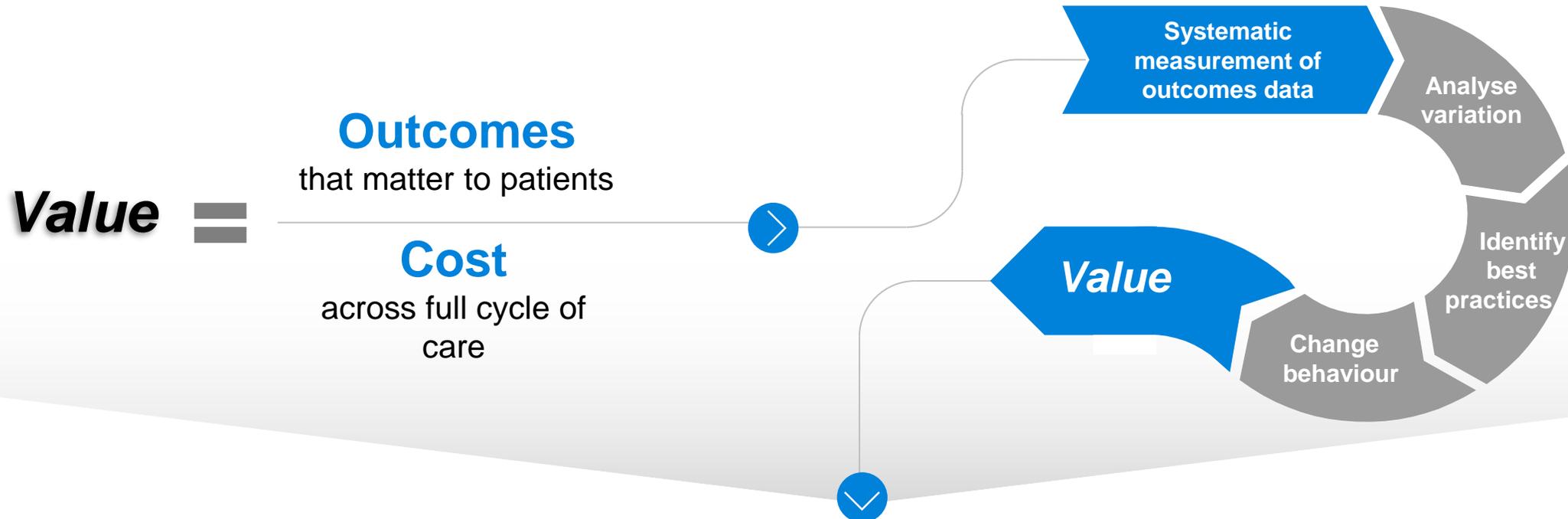
For local contact at Roche Slovakia please contact:

Pavol Lepey
Peter Markotan

Doing now what patients need next