



# What does value-based healthcare really mean?

THE CONCEPT OF “**VALUE-BASED HEALTHCARE (VBHC)**” IS SEEN AS AN IDEA TO IMPROVE OUR HEALTHCARE SYSTEMS

Putting value



at the heart of procurement

**GOVERNMENTS** are feeling the strain on their health budgets caused by an ageing population, a rise in the prevalence of chronic conditions and the acceleration of medical innovation;

**BUT STAKEHOLDERS ARE NUMEROUS** and often have different needs and goals, including access to services, profitability, high quality, cost containment, safety, convenience, patient-centeredness and satisfaction;

**NO SINGLE AGREED ON DEFINITION of VBHC.** Currently, value in the context of healthcare is often defined as “health outcomes relative to monetized inputs”, where outcomes are changes in patient health resulting from treatment and care.

# Placing patients at the heart of decision making

**TRANSITION** from the concept of paternalistic medicine to the modern paradigm of healthcare in clinical practice:

**EBM (Sackett, 1996)**



**Conscientious, explicit and judicious use of current best evidence in making decisions** about the care of individual patients.

**EBH (J.A. Muir Gray, 1997)**

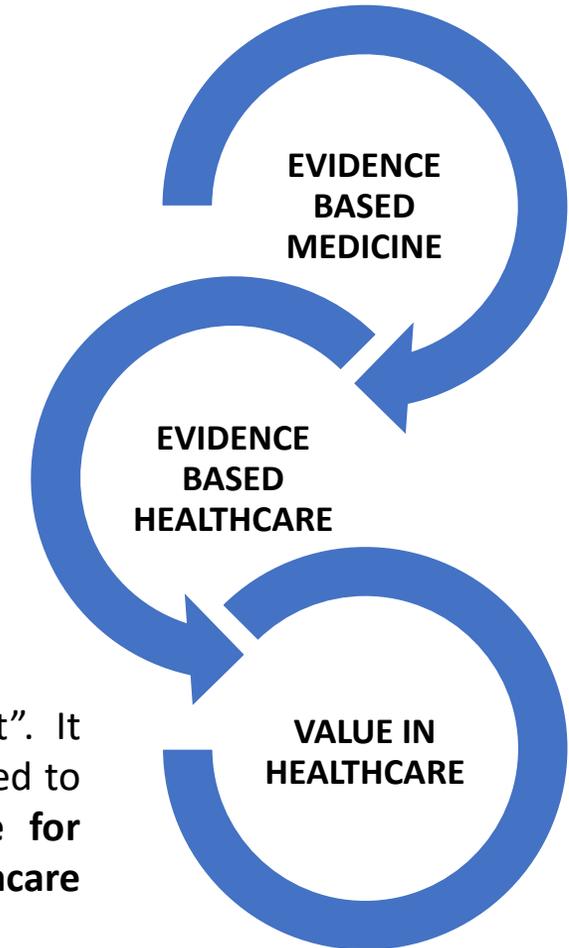


Decision-making on health services for individuals and populations should be guided by **evidence on the need, effectiveness and ways to use resources optimally.**

**VALUE IN HEALTHCARE Michael Porter (2010)**



“Health outcome achieved per dollar spent”. It prioritizes the health outcomes achieved linked to the resources spent. **Achieving high value for patients must be the ultimate goal in healthcare delivery.**



**OECD 2017 - “Wasteful Spending in Health”** highlighted the need for health systems to spend their resources wisely and efficiently.

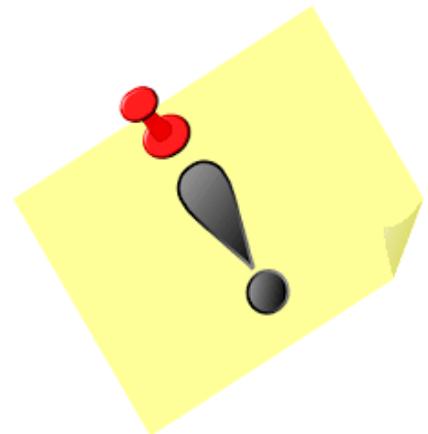
The public debate on VBHC led to the concept of value-based healthcare in countries committed to universal health coverage.



The resources need to be **allocated and used to treat those people who would benefit most and to reduce inequality among the population in health access and outcomes.**

## TRIPLE VALUE MODEL (Value Based Healthcare Program, University of Oxford)

- **Personal value** – ensuring that each individual patient’s values are used as a basis for decision-making that will optimize the values for him/her.
- **Technical value** – ensuring that resources are used optimally - referred to as technical efficiency or simply efficiency by economists;
- **Allocative value** – ensuring that resources are allocated optimally and equitably - referred to as allocative efficiency by economists.



Communication from the Commission  
on effective, accessible and resilient  
health systems, Brussels 4.4.2014

HEALTH SYSTEMS' RESILIENCE  
FACTORS

RESILIENCE FACTORS

- Stable funding mechanisms;
- Sound risk adjustment methods;
- Good governance;
- E-Health;
- Adequate costing of health services;
- Highly qualified and motivated health workforce.



## The **RATIONALE**

The aim of the Commission to support its Member States in moving towards effective, accessible and resilient health systems.



**EXPH** (Expert Panel on Effective Ways of Investing in Health) is an **independent expert panel to provide advice on investing in health**. This panel provides analyses and recommendations to the Commission on a number of relevant issues.

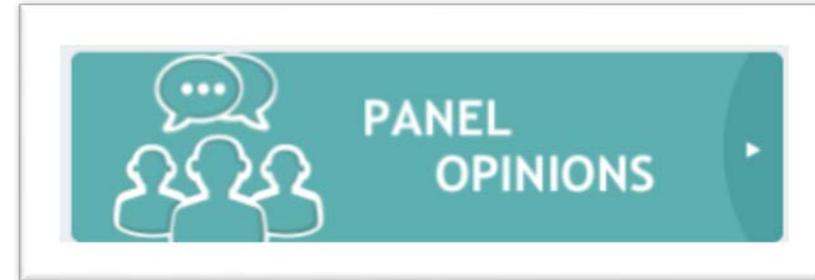
**DECEMBER 2018**

- (a) How do you define value in “value-based healthcare”? What aspects of health systems could the different definitions cover?
- (b) How can “value-based healthcare” inform decision-making, contribute to health system transformation and help health systems across the European Union become more effective, accessible and resilient?

## EXPH DRAFT OPINION: “value-based healthcare (VBHC)” as a comprehensive concept



1. PERSONAL VALUE
2. TECHNICAL VALUE
3. ALLOCATIVE VALUE
4. SOCIETAL VALUE



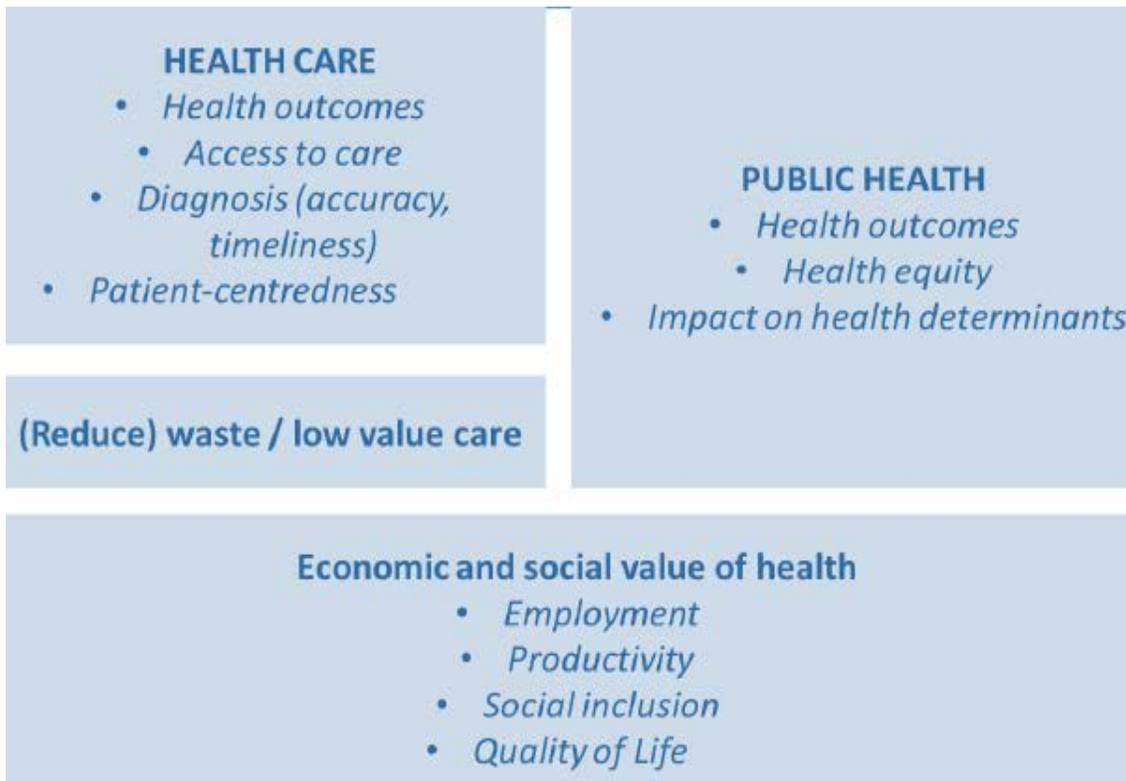
The main recommendation of the EXPH involves a multiple step strategy encompassing five different principles for implementation:

- Awareness of health for an equal and fair Europe;
- Research and development on methodologies for appropriateness and unwarranted variation, including data analysis and quality registers;
- Learning Communities for reallocation;
- Accountability;
- Patient engagement.

➤ Political commitment to universal healthcare is indeed enshrined in Art. 35 of the EU Charter of Fundamental Rights and the concept of solidarity is perceived as a basic principle for practices, regulations and institutions, rather than only as a value

# Main shortcomings for value-based healthcare implementation

**Value-based healthcare, multi-stakeholder perspective to be included as part of a comprehensive definition of “value” (EXPH)**



- **Fragmented assessments of healthcare systems** among European countries (pay for performance, cost effectiveness thresholds; HTA or REA etc. )
- **Quality of care indicators is not standardized** among countries and, moreover, indicator robustness varies for different diseases
- **Lack of data integration:** health records and socio-economic data.