The 18th Annual BHF Southern African Conference
Cape Town
16 -19 July 2017
Private sector embracing universal healthcare

Driving enhanced value and efficiency in the healthcare delivery chain

Geraldine Bartlett

18 July 2017

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Escalating Costs

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Medical scheme contribution increases far exceed CPI

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System

Inefficiencies in the current system

Flawed FFS payment system
Fragmentation
Inefficient use of resources
Regulatory concerns
Fraud, waste and abuse

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Are we getting VALUE?

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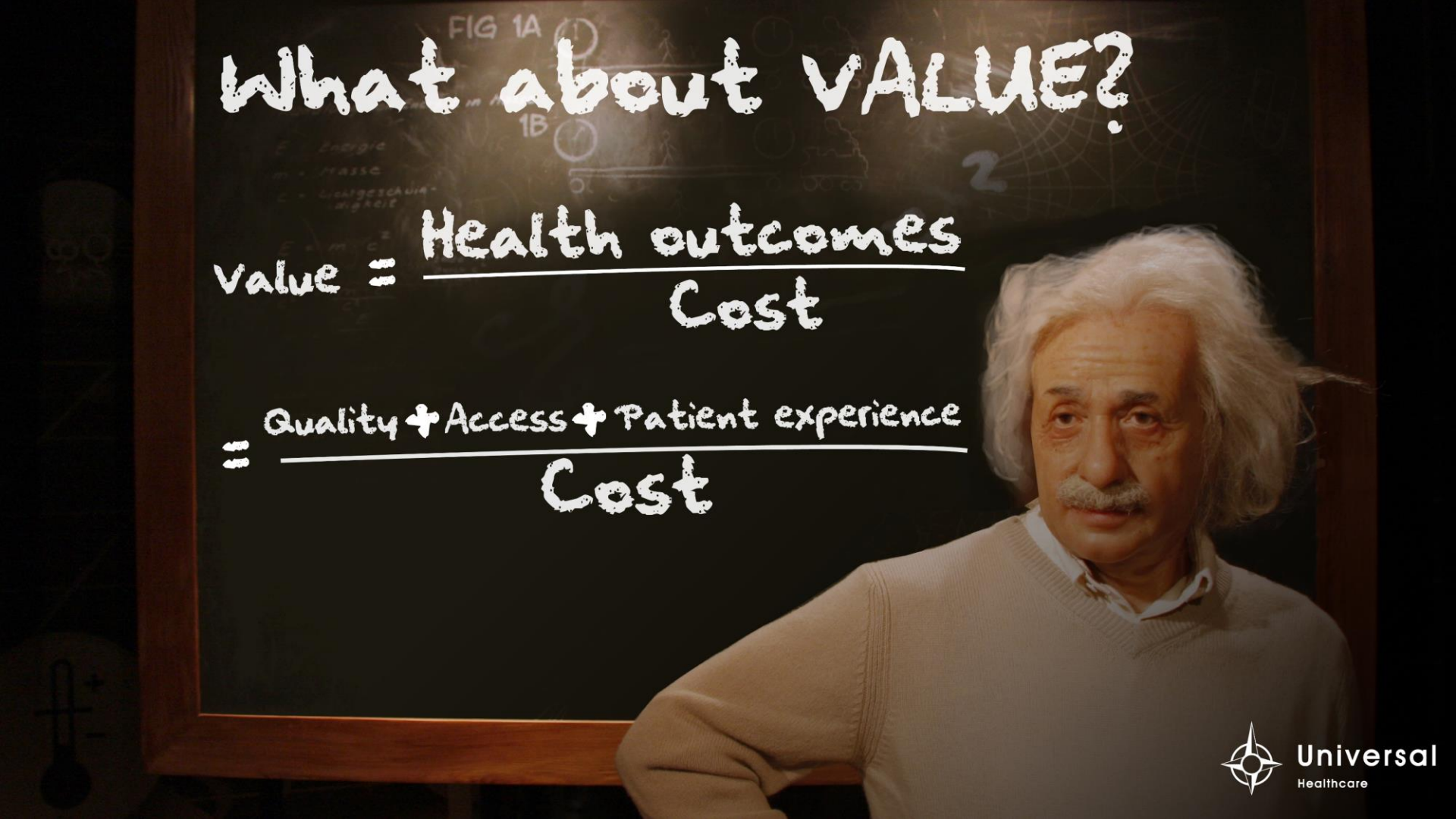
What about VALUE?
Value = Health outcomes / Cost
= Quality + Access + Patient experience / Cost
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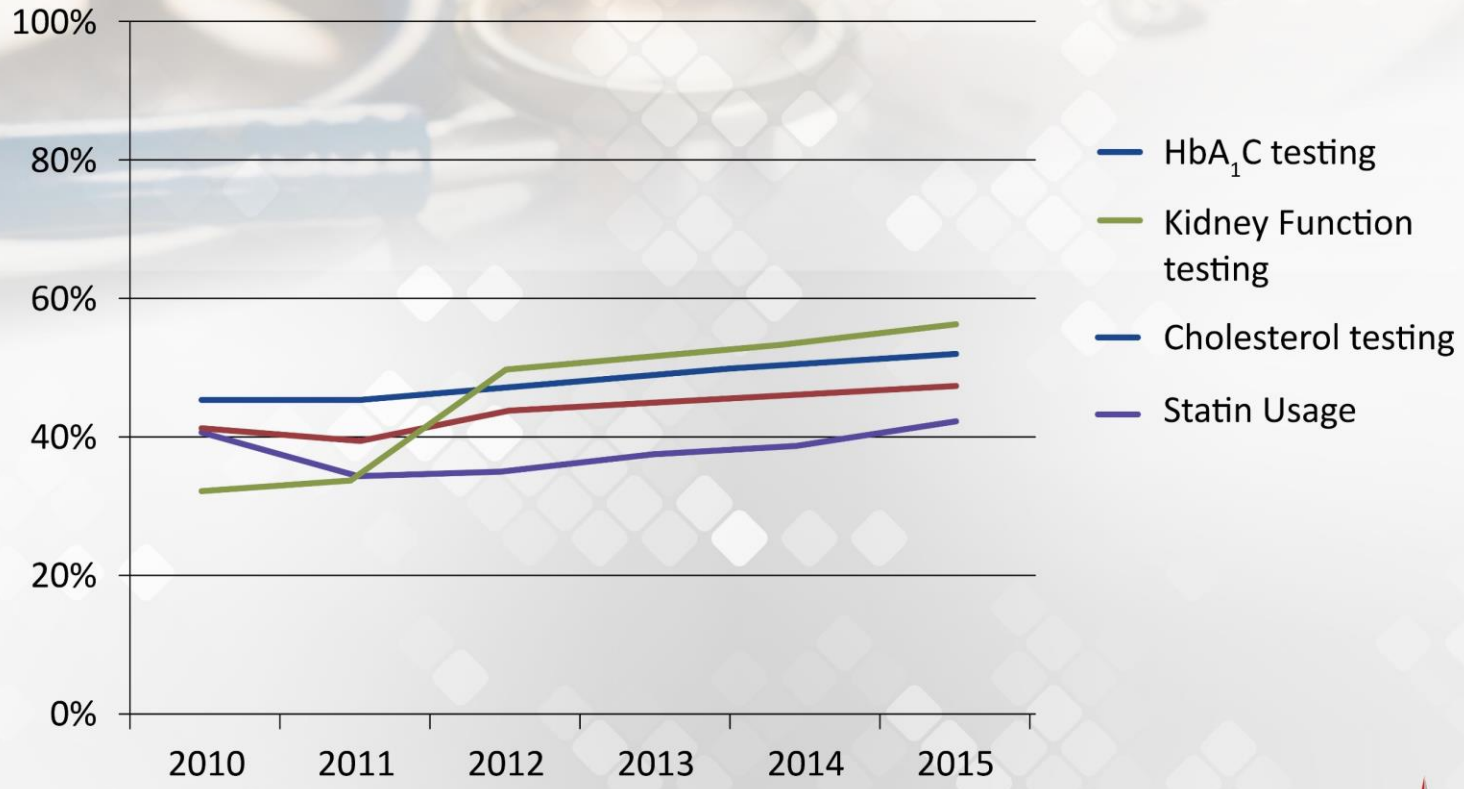
Diabetes



Ref:HQA

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TODAY'S REALITY

A MARKET THAT ISN'T WORKING

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FFS Concerns

Rewards high volume

No incentive to contain costs

Perpetuates inefficiencies

No accountability for patient outcomes or quality of care

Rewards poor outcomes

FFS rewards doing rather than achieving

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Transformation

FFS
Volume Based
Re-imbursement

VBR
Value Based
Re-imbursement

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Value-based healthcare is a form of re-imbursement that ties **payment** for care delivery to the **quality** of care provided and rewards providers for both **efficiency** and **effectiveness**.

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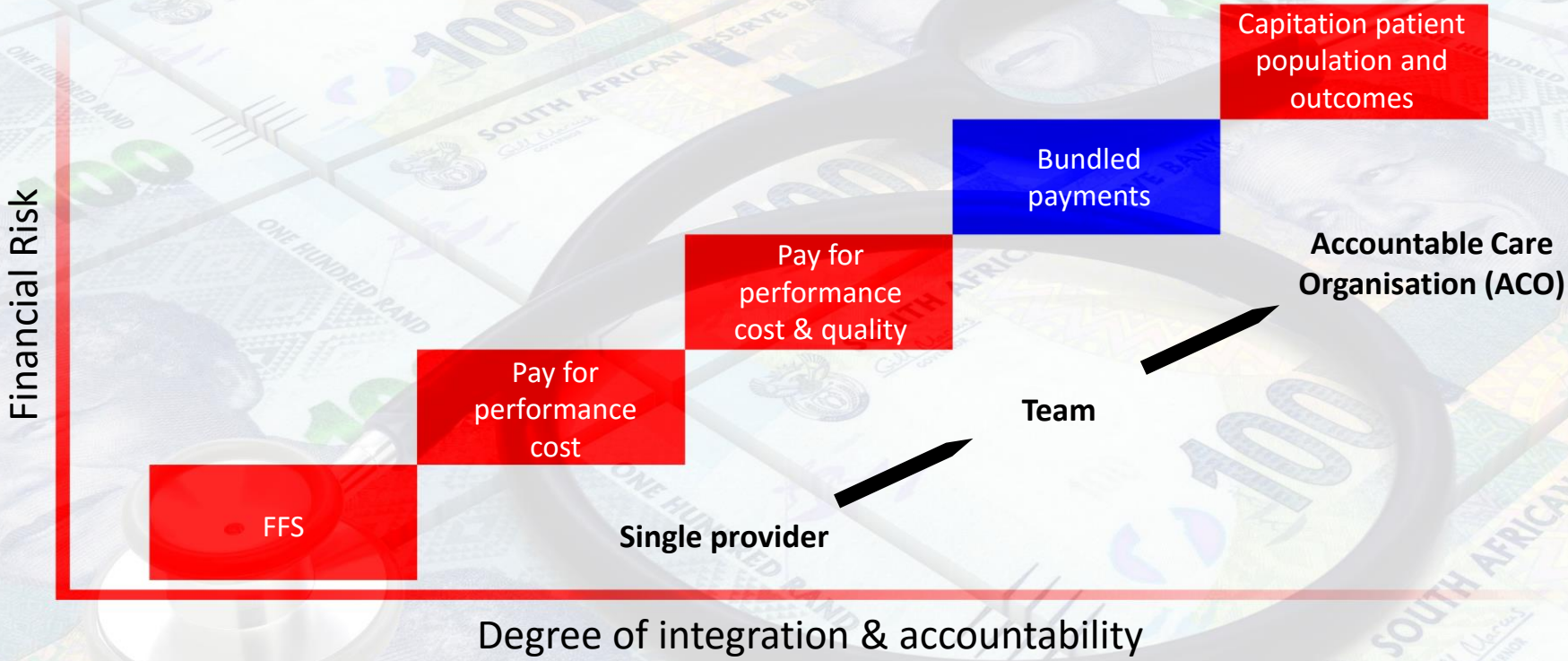
Moving to VBR



Adapted from United Health Group 2012

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“Bundled payments are the only true value-based payment model for health care.”

How to Pay for Healthcare by
Michael E. Porter & Robert S. Kaplan
Harvard Business Review July-Aug 2016

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Advantages

- Accountability
- Drives multidisciplinary care
- Directly rewards good outcomes
- Strong incentives to improve efficiency
- Creates competition
- Stimulates areas / centres of excellence

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Where to start

Provider payment models
- Performance-based reimbursements
- Bundled payments
- ACO's

Care Co-ordination
- Nominated GP
- Specialist referrals
- Disease management
- EMR and EHR
- Employer involvement

Appropriate levels of care
- GP vs specialist
- Day clinics vs hospitals
- Home-based care
- Pharmacy clinics

Health-economic evaluation of high cost technologies
- Medicines
- Procedures
- Pathology
- Radiology

Legislation reform
- PMB's at cost
- HPCSA
- Medicines Act
- Etc.

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Bundled payments

Cost savings
10 – 30%

Reduction in complications and re-admissions

Ref: How to pay for Health Care HBR by Michael E. Porter and Robert J. Kaplan

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Coordinated care

Cost savings
23 - 36%

Quality improvements
10 - 47%

Reduction in hospital admissions for specific conditions +/- 60%

Ref: Universal Care

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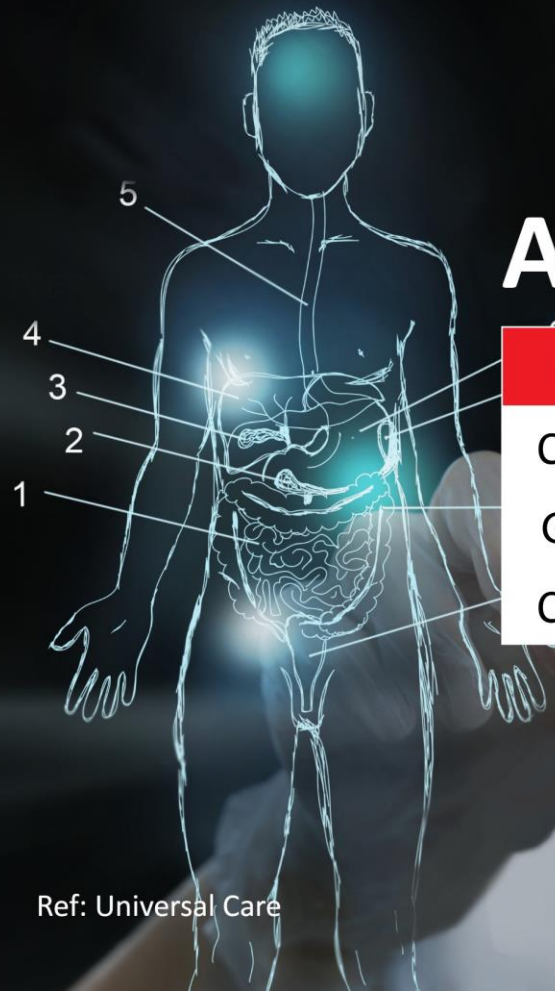

Appropriate settings of care

Procedure	Hospital	Day clinic	Doctors rooms
Colonoscopy	1.00	0.78	0.16
Gastroscopy	1.00	0.76	0.13
Circumcision	1.00	0.82	0.15

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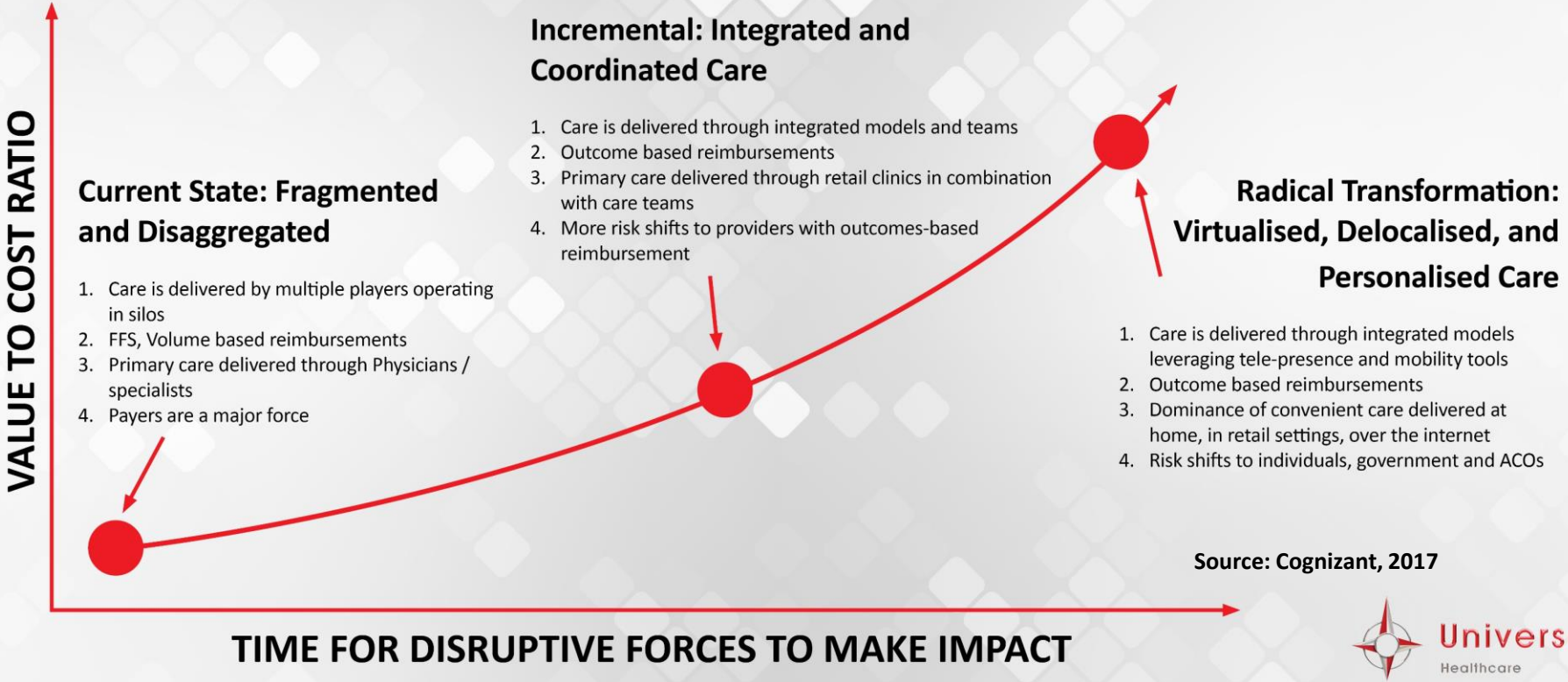
A glimpse of the future

The Sustainable Model circa 2020 - 2025

This evolution driven by technology, virtualisation and globalization is currently achieving incremental improvement. These forces will accelerate, dis-intermediating and delocalising large portions of the industry



Source: Cognizant, 2017

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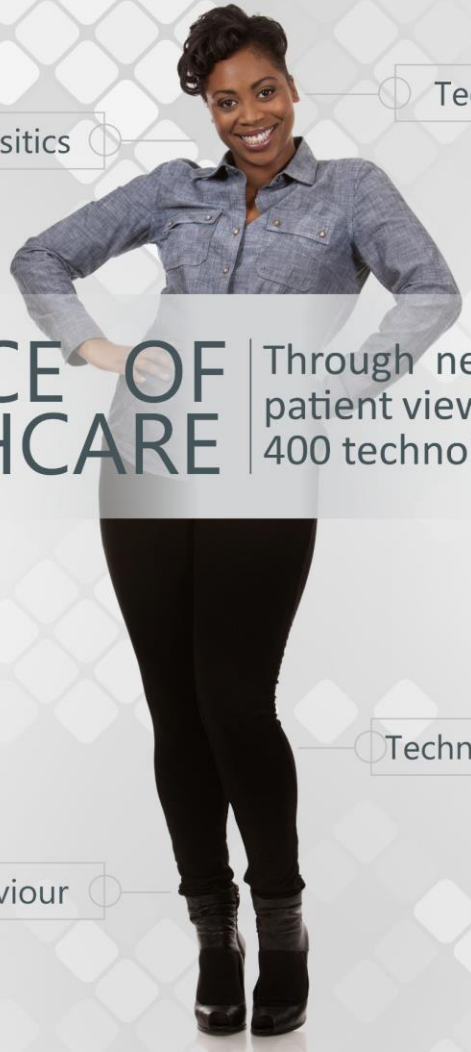
Technologies To Track Emotional State

Technologies To Track Health Statisitics

THE EMERGENCE OF DIGITAL HEALTHCARE

Through new technologies, a comprehensive patient view can be compiled. Powered by over 400 technologies and 9 000 apps.



Technologies To Track Social Environment

Technologies To Track Behaviour

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A DRAMATIC SHIFT TO PATIENT-CENTRIC CARE DELIVERY

Changing Industry Landscape

Physician Centred

Patient-Focused

Limited Engagement

Highly Engaged, Empowered

Isolated Individual

Socially Connected

Inaccessible

Convenient and 24/7

Sick Care

Health and Well-Being

Transactional, Isolating

Care Team Managed

Limited Consequence

Financial Rewards, Incentives

Office Hours

Virtually Mobile, Anytime

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“Patient outcomes are taking over from products and services as the focus of healthcare.

This demands the convergence of data from every part of the healthcare system.”

Using data and technology to improve healthcare ecosystems.
McKinsey & Company July 2017

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Journey but needs acceleration

Requires leaders, drivers

Collaboration

Data sharing and interpretation

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“Change will not come if we wait for some other person or some other time. We are the ones we’ve been waiting for.”

Barack Obama

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