

# VALUE-BASED PURCHASING

Dr Odwa Mazwai



**Cape Town**  
16 -19 July 2017

Private sector embracing universal healthcare

The  
**18<sup>th</sup>** Annual  
**BHF Southern  
African Conference**

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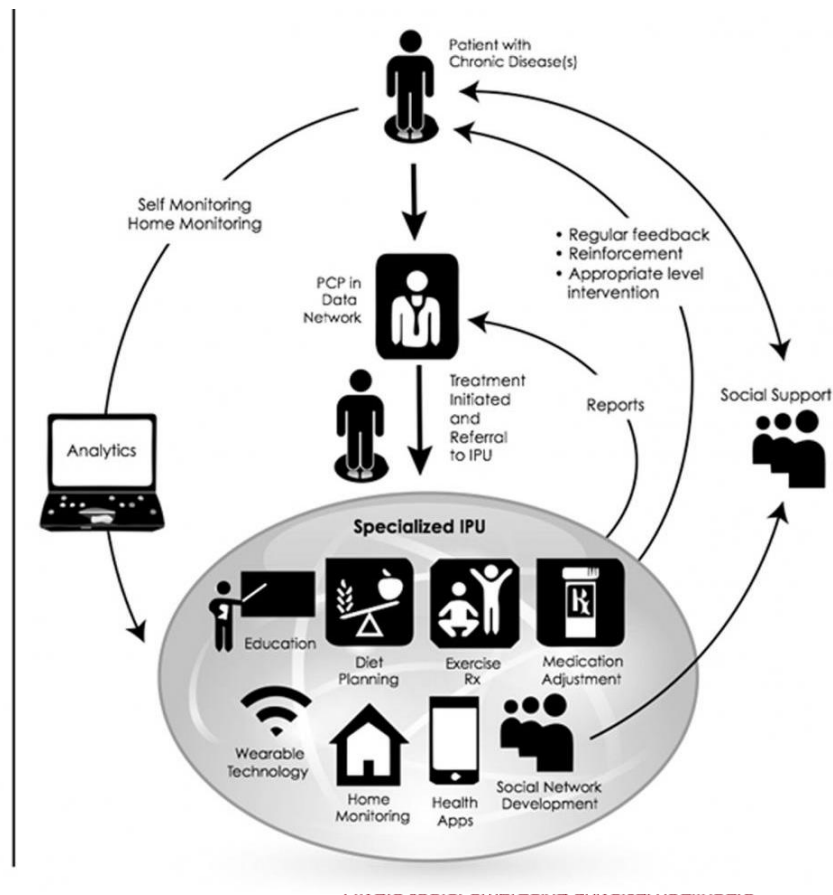
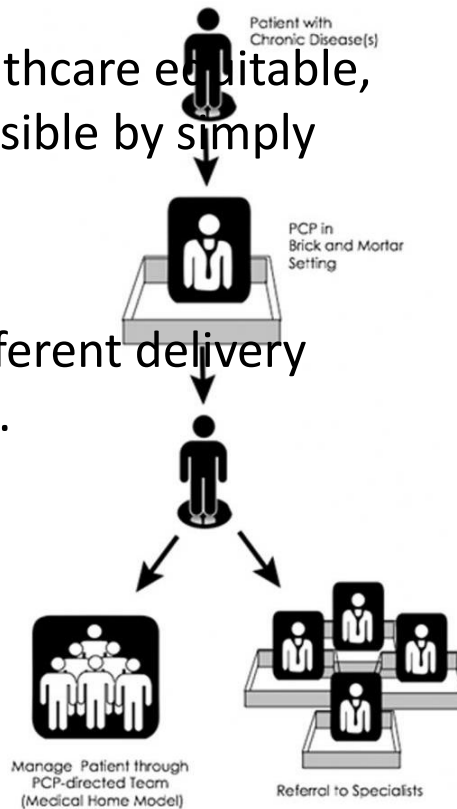
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# What is good value care



We will not make healthcare equitable, sustainable, nor accessible by simply reducing costs.

What we need is a different delivery mechanism for health.



# Payment Mechanisms

Price

- Fee for Service

Intensity

- Per diem

Severity (Hosp)

- Fixed Fee

Severity (Provider)

- Global Fee / Cost per Event

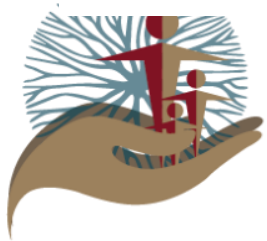
Utilisation

- Global budget / Capitation

Auxiliary Care

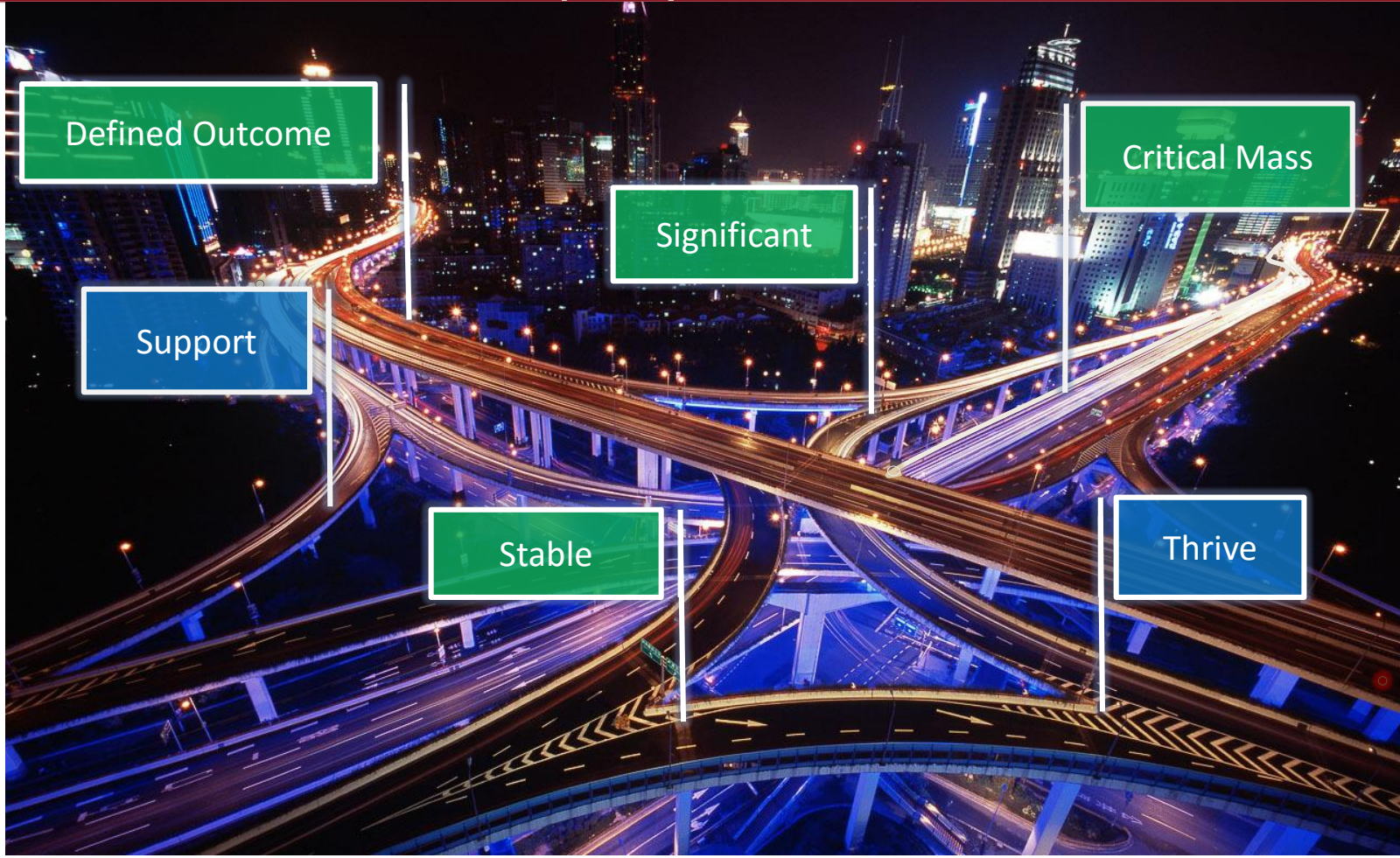
Acute Care

Chronic Care



# Shift to value based payment

Latkovic



Defined Outcome

Critical Mass

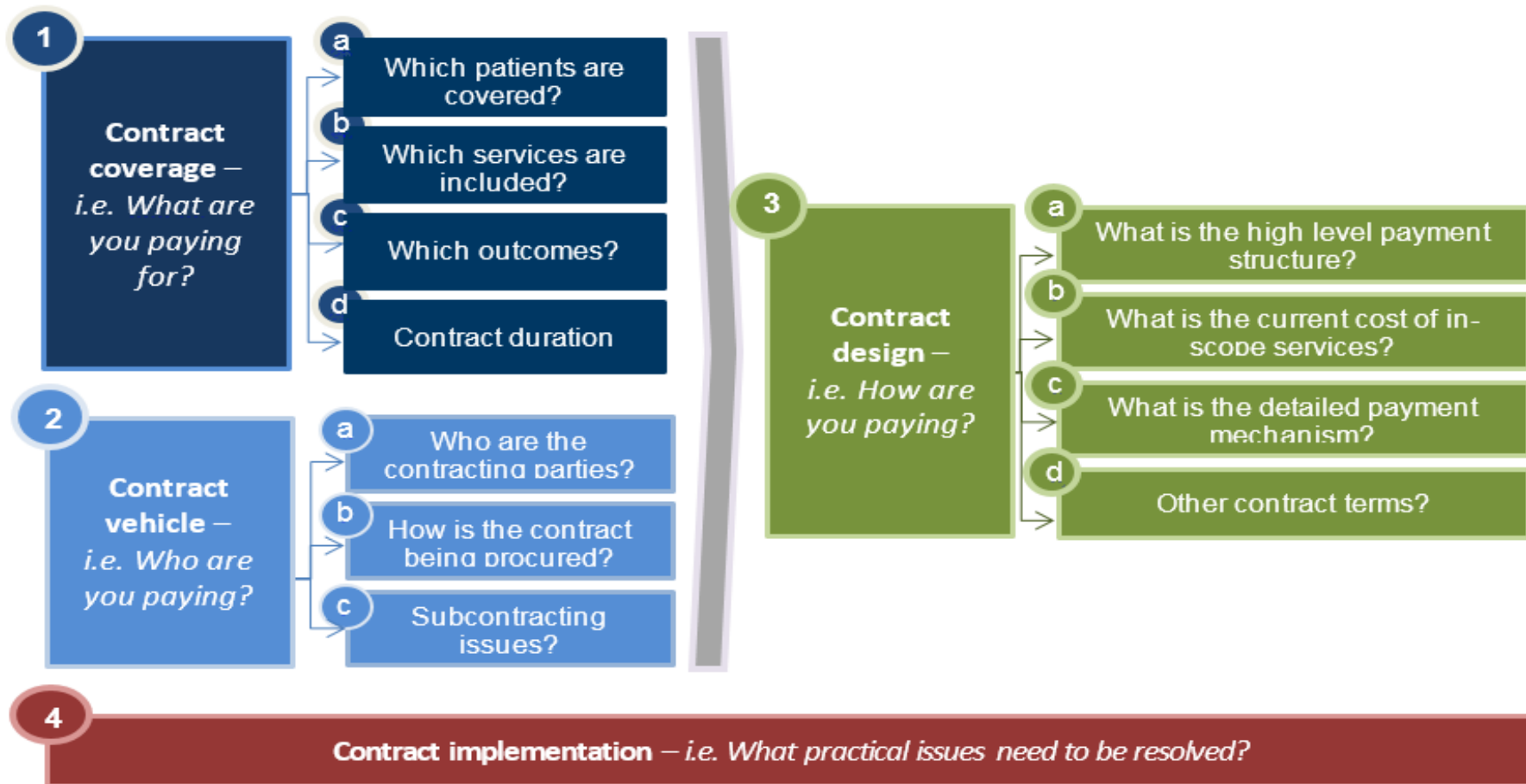
Significant

Support

Stable

Thrive





# Barriers to value based payment

Latkovic

Status quo

Technical know-how

Increased Risk

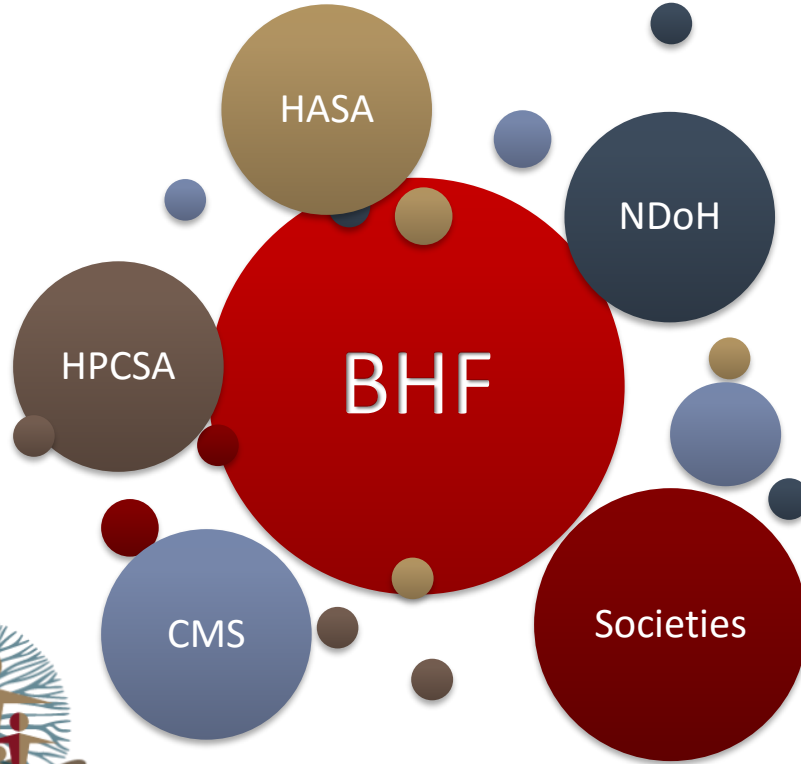
Administrative

Regulation





# Next steps



“The **interconnected** nature of the entire healthcare supply chain emphasises the need for a strategic approach that involves all role players to find a way to standardise benefits in a manner in which we can measure the **quality** and **cost** of care, and in turn use the **outcomes** data to better define the future healthcare model for the country and all South Africans”



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# THANK YOU



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