

# The new strategic agenda for value transformation

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## Abstract

The model for value-based healthcare introduced in 2006 by Porter and Teisberg is still relevant, but it is incomplete. Porter and Teisberg put a strong focus on measuring outcomes, but how to use these measurements to actually improve quality of care has not been described. In addition, value-based healthcare as originally introduced neglects that a true shift from volume to patient value requires a change in culture and way of working of healthcare professionals. The original strategic agenda for value transformation (in short: ‘value agenda’) consists of six elements: organize into Integrated Practice Units (1), measure outcomes and costs for every patient (2), move to bundled payments for care cycles (3), integrate care delivery systems (4), expand geographic reach (5), and build an enabling information technology platform (6). For value-based healthcare to become a reality, the strategic agenda needs to be extended with four elements. First, healthcare providers need to set up a systematic approach for value-based quality improvement. Second, value needs to be integrated in patient communication. Third, we should invest in a culture of value delivery. And fourth, we should build learning platforms for healthcare professionals based on patient outcome data. Best practices on value-based healthcare implementation are working on these four elements in addition to the original value agenda. In conclusion, a new strategic agenda for value transformation is proposed that combines the vision of the founders of value-based healthcare with implementation experience in order to support healthcare providers in their shift to become value-based.

## Keywords

outcome measurement, strategic agenda, value-based healthcare

Porter and Teisberg introduced ‘value-based healthcare’ in 2006 stating that ‘achieving high value for patients must become the overarching goal of health care delivery, with value defined as the health outcomes achieved per dollar spent’.<sup>1</sup> The model they proposed to implement value-based healthcare is still relevant, but it is incomplete. Their model focuses on measuring outcomes, but how to use these measurements to actually improve quality of care has not been described. In addition, value-based healthcare implementation has been primarily described in cold technical term of measurements, organizational structure and competition. This neglects that a true shift from volume to patient value requires a change in culture and way of working of healthcare professionals.

Value-based healthcare was introduced as a set of principles, a strategic agenda and a number of practical tools, such as the Care Delivery Value Chain, and the Outcome Measures Hierarchy. At the time of

introduction very little implementation experience existed with value-based healthcare and no organization had fully implemented the strategic agenda for value transformation.<sup>1,2</sup>

The original strategic agenda for value transformation (in short: ‘value agenda’) consists of six elements: organize into Integrated Practice Units (1), measure outcomes and costs for every patient (2), move to bundled

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payments for care cycles (3), integrate care delivery systems (4), expand geographic reach (5), and build an enabling information technology platform (6).

Given the amount of effort that healthcare providers worldwide are putting into VBHC implementation, it is worthwhile to reevaluate the strategic agenda. What are healthcare providers that adopted the principles of value-based healthcare working on to accomplish the transformation from volume to value? Approximately 30 best practices on VBHC implementation have been described in grey literature.<sup>3-5</sup> The six elements of the original strategic agenda are clearly represented in these best practices. For example, the American Cleveland Clinic and the Swedish Karolinska University Hospital have transformed their organizational structures along patient needs in Integrated Practice Units (element 1). The German Martini Klinik – a focus clinic for prostate cancer surgery is measuring outcomes for many years as a basis for quality improvement and strongly expanded its geographic reach (elements 2 and 5). In the Netherlands, the hospital network Santeon is building an enabling IT platform for the seven member hospitals (element 6) and focus clinic Diabeter has integrated diabetes care delivery within a satellite network (element 4). The majority of these examples have set up some form of value-based payments (element 3).

However, four additional elements are identified as well that best practice healthcare providers are currently working on. For value-based healthcare to become a reality, the strategic agenda needs to be extended with these four elements. First, healthcare providers need to set up a systematic approach for value-based quality improvement. Second, value needs to be integrated in patient communication. Third, we should invest in a culture of value delivery. And fourth, we should build learning platforms for healthcare professionals based on patient outcome data. In this paper, we describe these four elements combining insights from best practice examples, focusing on recent developments in value-based healthcare implementation specifically within Europe.

### Set up value-based quality improvement

Healthcare providers that are implementing value-based healthcare often start with the measurement of outcomes. However, many organizations that have succeeded in measuring outcomes, struggle to use these data for improvements.<sup>6,7</sup> Implementing outcomes in healthcare provider quality management is seen as a straightforward consequence of measuring outcomes. However, in reality this step is a major change for healthcare providers. It is important and difficult. A study among Dutch heart centers participating in the value-based healthcare program of the Netherlands Heart Registry (winner VBHC prize in 2014) shows

that a systematic approach for the identification of improvement potential and the selection and implementation of improvement initiatives is lacking.<sup>6</sup> Such an approach is not part of the strategic agenda. It is proposed to add value-based quality improvement to the strategic agenda. This is a new area within value-based healthcare that needs to be further developed in the coming years.

Two topics need to be addressed specifically to set up value-based quality improvement. First, how to define and use outcome targets for a healthcare provider? Healthcare provider quality management has been based on complying with norms and standards that have been set in guidelines. However, for outcomes, healthcare providers set these targets themselves.<sup>6</sup> One has to find a balance between a target that reflects high quality of care and is practical and realistic at the same time. Setting targets on outcomes such as quality of life or survival is important, but it is difficult to use these outcomes to directly drive improvement initiatives. *Intermediate outcomes* need to be defined and used in quality management as a bridge between process measures and outcomes that matter to patients. For example, optimizing the physical condition of heart patients before an operation can be evaluated as intermediate outcome in between a patient receiving physical therapy (process) and better survival (outcome).

Second, how to get from outcome measurement to improvement initiatives? A recent study proposes a combination of two complementary approaches.<sup>8</sup> The most common is the *top-down approach* that starts with the (clinical or patient-reported) outcome data. Benchmarking and data analyses like trends over time and subgroup analyses are used to deduce improvement initiatives. Not so common is the *bottom-up approach* that starts with describing the actual care delivery process. Expert opinion in combination with process analysis is used to identify improvement initiatives with impact on outcomes. This approach is more open to creativity and innovation and touches on the intrinsic motivation of healthcare professionals.

### Integrate value in patient communication

Value-based healthcare – as originally introduced – focuses on organizing and improving care at the patient group level, i.e., for groups of patients with the same medical condition. However, value-based healthcare for the individual patient requires an additional step; integration of value in patient communication.

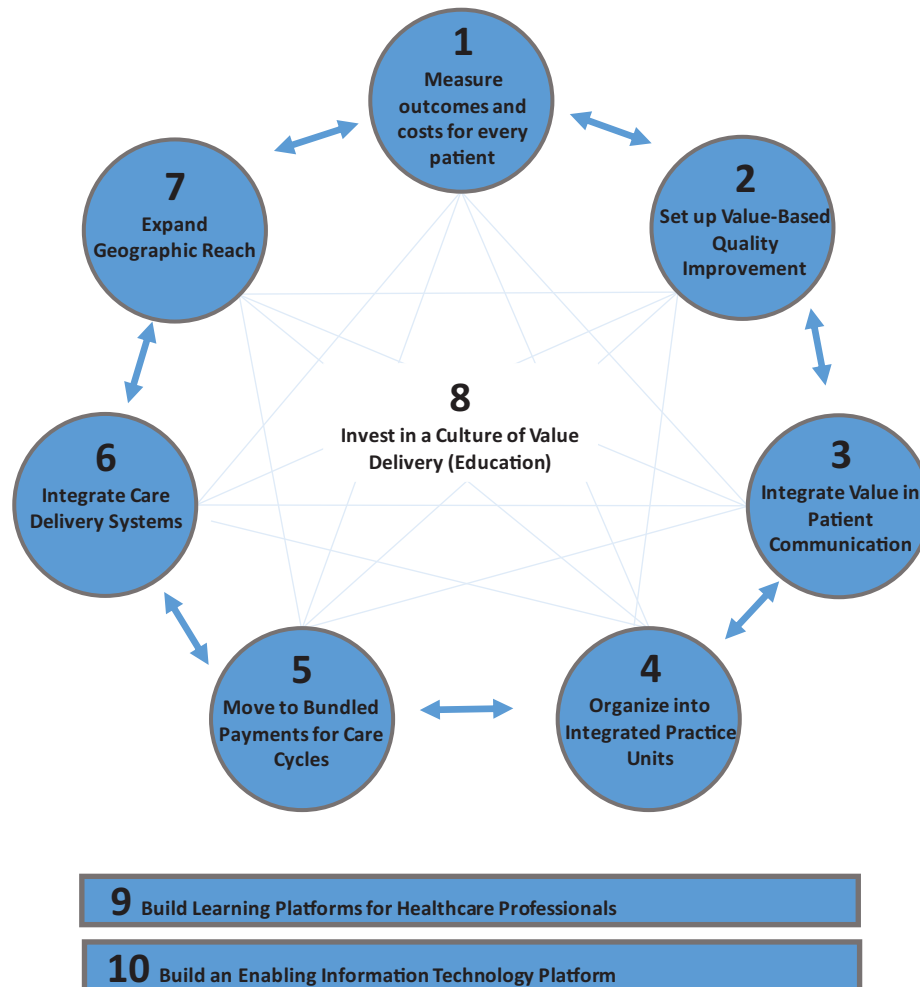
Communication on value, and specifically on outcomes that matter to patients is essential to a successful implementation of value-based healthcare. First, and most importantly, information on treatment outcomes should be part of the conversation between the patient

and the physician when treatment options are discussed. This is where shared-decision making and value-based healthcare overlap. Experts in both fields advocate the use of PROMs and clinical outcomes in shared-decision making as an opportunity to strengthen value-based healthcare.<sup>9,10</sup> In the Netherlands, national quality registries such as the Dutch Institute for Clinical Auditing (DICA) and the NHR, which use outcome measures for benchmarking between healthcare providers and are based on VBHC principles, have low response rates for PROMs. Santeon, using data from both registries, has set up an initiative in 2019 to embrace SDM within the VBHC program. The outcome measures in the VBHC program are used to support SDM, which in turn aims to improve response rates for patient questionnaires. First results have been presented for chronic kidney failure, breast cancer, and stroke.<sup>11</sup>

Second, outcome information should be an integral part of all the information a patient receives. Thus, a

complete information package with information on the disease, the treatment, the healthcare team and the treatment outcomes. Preferably not only information on treatment outcomes from (inter)national intervention studies, but the real-world outcomes of the healthcare provider where a patient receives care. Real-world outcomes can give better insight in the local quality of care delivered. For instance, a recent study shows that real-world outcomes (survival) of systemic treatment for lung cancer are worse compared to the clinical trial results.<sup>12</sup> The Cleveland Clinic – one of the first best practice examples on VBHC implementation – is one of the healthcare providers that already for many years offers information on treatment outcomes to patients on its website. However, this is still far from common practice.

Third, communication on outcomes of a healthcare provider in comparison with other providers is an important part of patient communication within VBHC. That is, if there are differences in patient-



**Figure 1.** The new strategic agenda for value transformation. Four elements are added compared to the earlier agenda: ‘Set up value-based quality improvement’ (2), ‘Integrate value in patient communication’ (3), ‘Invest in a culture of value delivery (education)’ (8), and ‘Build learning platforms for healthcare professionals’ (9).

relevant outcomes, then this information should be readily available and presented in an understandable manner to patients.

### Invest in a culture of value delivery

Essential for a successful implementation of value-based healthcare is that healthcare professionals take on joint responsibility for their patients. Across disciplines, across departments and across institutes. As a physician, you are not only responsible for your part of the care chain, but also for the overall quality of care. This should be the ‘new normal’. Continuous reflection on your performance in terms of outcomes – both as an individual and as a multidisciplinary team – is part of being a good healthcare professional. It requires a culture change. A safe environment and trust between healthcare professionals is required in order to create a culture in which professionals can work as a team for the patient, dare to be vulnerable, openly reflect, and continuously improve. Investing in a culture of value delivery is not just an extra element in the value agenda: if the technical implementation of value-based healthcare (all other elements) does not come hand in hand with an investment in this culture change, value-based healthcare will fail. One of the few examples of implementation of VBHC at the healthcare provider level for which the implementation process was scientifically evaluated is the Swedish Sahlgrenska Hospital. It was stressed that clinical leadership as advocated by Porter should be complemented with efforts to accomplish wide staff involvement.<sup>13</sup> The importance of and demand for education on VBHC is clearly visible in The Netherlands, where in parallel with healthcare organizations adopting VBHC, a rise is seen in the number of initiatives regarding VBHC education.<sup>14–16</sup> Recently, the national Linnean Initiative – set up to accelerate VBHC implementation in the Netherlands – advised to embed VBHC as a standard topic in the education of healthcare professionals.<sup>17</sup>

### Build learning platforms for healthcare professionals

Finally, Porter’s model should be complemented with platforms where healthcare professionals can learn from each other and can inspire each other. Several of the best practices on VBHC involve networks of healthcare providers, such as the German Schön Kliniken, and the Dutch NHR and Santeon.<sup>18</sup> Most of the European best practices on VBHC implementation describe some form of outcome-based learning environment.<sup>4</sup> These network examples illustrate that healthcare professionals want to meet and openly discuss their work in a learning environment of peers outside of their own organization.

Physicians and nurses are enthusiastic about this way of learning. Many international standard sets of outcome measures have been developed in the last few years, driven by among others the International Consortium for Health Outcomes Measurement. The dream scenario is that all over the world healthcare providers measure outcomes in the same way such that outcomes can be compared. This will only have a large impact if the outcome measurements are combined with learning platforms in which healthcare professionals from different institutes openly reflect and discuss their performance and way of working.

In conclusion, a new strategic agenda for value transformation is proposed (Figure 1) that combines the vision of the founders of value-based healthcare with implementation experience in order to support healthcare providers in their shift to become value-based.

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