



Hinduja Healthcare Management Conference

# Value based care delivery: A blueprint for change

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# What is 'Value Based Care'

Relatively new concept – organising hospital operations around patients and their outcomes

Unlike traditional approach of focussing on procedural outcomes and process compliance, Value Based Care focusses on outcomes for specific disease conditions

Focus on value and outcomes helps converge goals of administrators and clinicians to enable greater collaboration

$$\text{Value} = \frac{\text{Outcome of patient care}}{\text{Cost of patient care}}$$

# What's the need for a new operating model

**Rising costs** – Globally, hospitals struggling with costs, quality variations

**Increasing competitive intensity** – imperative for hospitals to differentiate themselves and demonstrate value

**Addressing these challenges** calls for a convergence of stakeholder goals to enable high levels of collaboration

**Value based care** – provides common goal & cost optimisation framework, enabling clear view of costs & means to determine benefits to improve patient outcomes



# Value based care – case studies

# Provider case studies

## Mayo Clinic

- Surgeons performing lumpectomies work along with Path Labs during the op - Achieves analysis in 20 min
- **Benefits:** Results available sooner to patients; Eliminates repeat lumpectomy in 96% of patients.
- 30-day reoperation rate was 3.6% at Mayo, Rochester compared with 13.2% in US.
- **Result:** Costs for surgery higher in short term, with less revenue from follow-up operations; **Reduces overall medical costs, quicker patient peace of mind**

## Intermountain Healthcare

- Care-process model for febrile infants – guidelines for physical exams, lab tests, antibiotics, and discharge.
- **Benefits:** More infants with infections/ viral illnesses identified and appropriately treated, fewer infants at low risk for serious bacterial infections received antibiotics unnecessarily.
- **Result:** lower patient revenue however, infant outcomes improved, hospital stays shortened, no increase in readmissions, **overall costs declined**

## Strategy justifying move to value based care

Process improvements – better outcomes, enhanced experience, lower anxiety, less wasted time, fewer health risks

Efforts fostered pride and teamwork, lowering employee turnover

Improving value more important than short-term fee-for-service profit

Redesigned care to provide value to all patients

Source: Turning Value-Based Health Care into a Real Business Model, Harvard Business Review, October 2015



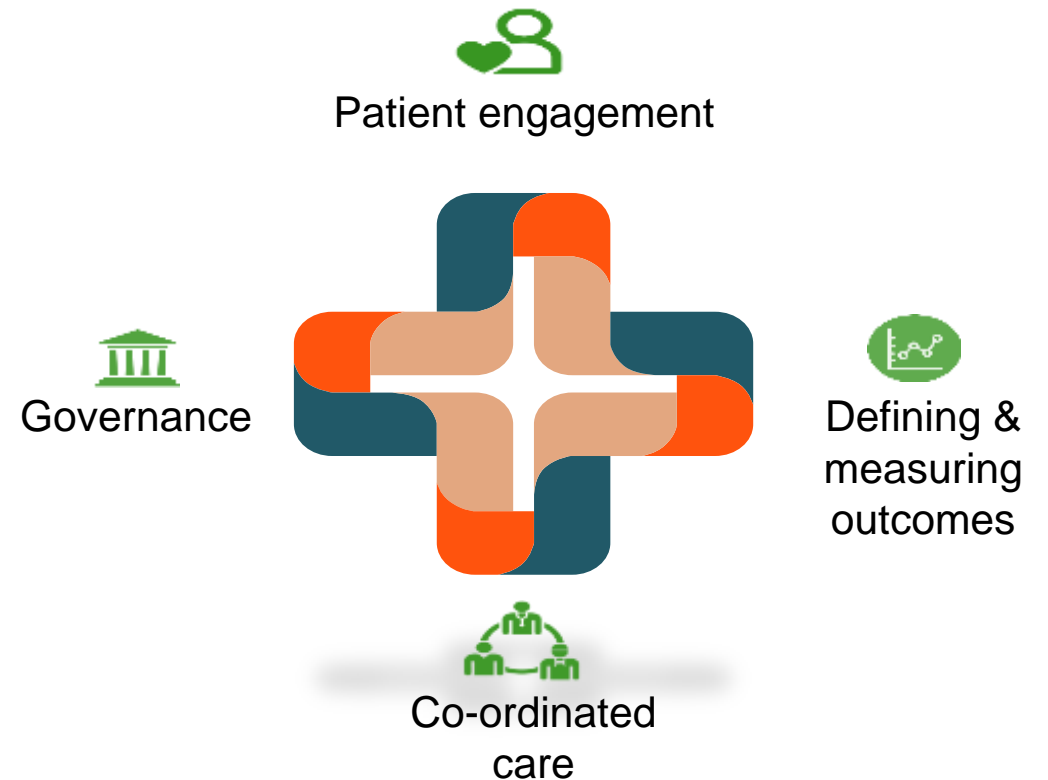
# The building blocks for value based care

# Transitioning to a value based care delivery environment ...

It is critical to recognize that pursuing the goal of Value Based Care delivery is not an event . . . but a journey:

1. One that's taken years to achieve, even for pioneering hospitals
2. One that calls for fundamental changes in the way care is organized, delivered and measured . . .

## Building blocks for Value Based Care Delivery





# Encouraging and facilitating active patient involvement in care delivery ...



# Informed patients make better choices leading to improved outcomes

## AIDA framework for patient engagement

### Attention

Decision and action to be made driven by the outcome desired by majority of patients and other healthy habits.

### Action

Consistent feedback loops to minimize risk and refine engagement, continuously testing assumptions.



### Information

Data/ information required by patients to arrive at educated choices.

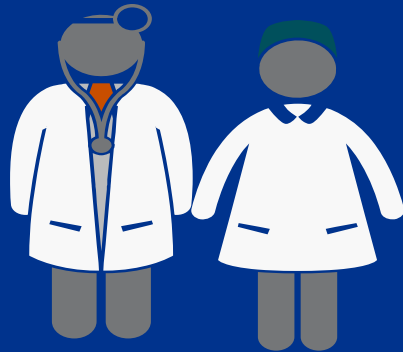
### Decision

Strategy and behavioural economics to understand how to drive decisions based on understanding of patient desired outcomes

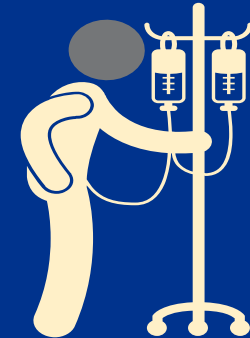


# Paradigm shift towards patient centric outcomes

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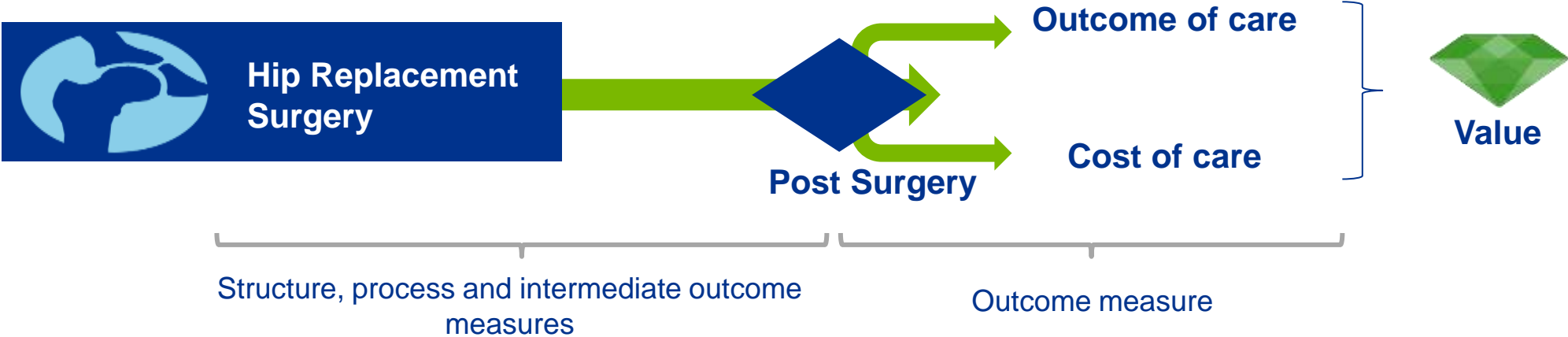


What matters  
to medical  
teams?



What matters  
to patients?

# Case example – from process-based to outcome-based measures



## Shift Focus from . . .

% adequate Venous Thromboembolism (VTE) prophylaxis

% adequate antibiotic prophylaxis

% adequate physiotherapist treatment

Physiotherapy/ medical specialist fees

## . . . To more focus on

% adequate scores on patient reported outcome measures (PROMs) – health status, recovery process, post-operative pain

% of patients requiring revision surgery

Total cost of hip-arthrosis related care

# Creating uniform outcome measures requires clearly outlining parameters that matter to patients

Define parameters that patients can use to measure outcome of services

Adopt tools to measure outlined parameters

Set outcome measures, inclusion/ exclusion criteria, impact on patients



# Building an integrated unit for creating 'value'

# Healthcare services should be restructured around patients' needs throughout the care cycle

## 1 Focus clinics

Patients with a single ailment condition and in need for a focused treatment approach

## 2 Embedded structures

Local providers partner with preferred care providers to coordinate care for specific health conditions

## 3 Coordinated care

Works in a close knit manner helping patients suffering from multiple health conditions and chronic diseases

# Success factors for integrated care model

Sole responsibility for patient care

Integration of care knowledge & support services

Seamless information exchange – providers & patients

Clear and measurable quality standards

Financial incentives aligned with desired outcomes



**... And, finally, the need for  
robust governance**



# Strong governance is key to successfully adopting and delivering Value based Care

**Articulate organizations' approach and course**

**Launch a cohesive culture among multidisciplinary teams**



**Align physicians & hospitals towards a common goal and objective of value based care**

**Monitor centrally but De-centralize decision-making!**

**Strong value-based governance linked to better financial and organizational performance**



# KPMG International's Maturity Matrix - directing healthcare systems towards value based care

# KPMG's Maturity Matrix is a guide for healthcare systems to achieve higher level of maturity and establish integrated care

Success Factors	5	4	3	2	1	0
<b>Patient engagement</b>	Patient as co-creator	Patient as partner	Patient as valuable source	Patient as soundboard	Patient as client	No patient involvement
<b>Defining and measuring outcomes</b>	Population health based	Long-term outcome based	Outcome based	Partly outcome based	Process/structure measure based	Input based
<b>Coordinated care</b>	Community-based coordinated care	Segment-based coordinated care	Segment-based multi-disciplinary care	Provider-based multi-disciplinary care	Fragmented care with basic data sharing	Fragmented care
<b>Governance</b>	Vertically integrated governance	Coordinated governance	Single provider: coordinated governance	Single provider: quality-based governance	Single provider: ad hoc quality-based governance	Single provider: no clinical governance



**“We can all make a difference in the lives of others in need, because it is the most simple of gestures that make the most significant of differences”**

**- Miya Yamanouchi**



# Thank you

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