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# viewpoint

## What is value-based care? And can multinationals play a role in providing it for their people?

A lot has been written, discussed and shared regarding the COVID-19 pandemic over the last two years. It's not surprising that a healthcare crisis that has hugely disrupted people's lives the world over has caused us to take stock, look at the way life works and try to adapt. Everything from the workplace to our social lives has been re-evaluated and reshaped to fit a pandemic and post-pandemic world.

Although many people in parts of Asia are still facing strict lockdowns and social distancing, in many countries we are now moving towards "endemic" – a state where the virus is still very much present but not impacting daily life nearly as significantly.<sup>1</sup> Of course, while this is good news, it means we are now faced with more change – balancing the old world with the new, and finding new ways of living post-pandemic.

Naturally, given that healthcare has been so heavily impacted by the two-year (plus!) crisis, it's worth thinking about what the future of these crucial services will look like.

The role of digital services like telemedicine, employee assistance programmes (EAPs), apps and more has been talked about at-length as the true value of these services has definitely been proven to patients and employers. The consensus seems to be that people have enjoyed the flexibility of being able to access healthcare from the comfort and ease of their homes, phones, tablets and computers. Remote healthcare is one of the pandemic trends that looks set to stay.

Aside from remote, digital healthcare, another pandemic trend that looks set to stay is the focus on wellness. With hospitals overflowing with COVID patients, people focused more than ever on their own wellbeing in the hope of avoiding in-person treatment. But should this be the norm? Should we be putting prevention at the centre of everything we do when it comes to our healthcare systems, even in "normal" times?

Wellness and overall patient health is at the core of patient-centred or value-based care (VBC). But what is VBC? And can employers help to deliver value for their people?



## What is value-based care?

Value-based care – or VBC – is by no means a new phenomenon or a reaction to the pandemic. The concept was first introduced by Michael Porter and Elizabeth Olmstead Teisberg in 2006,<sup>2</sup> but it is an idea that has gained traction in recent years and more so than ever now.

VBC is an alternative to the traditional “fee for service” model seen in private healthcare that charges patients for the quantity of healthcare delivered. VBC focuses more on the quality of service. According to one definition: “Value-based care is a type of payment model that pays doctors and hospitals for treating patients in the right place, at the right time and with just the right amount of care.”<sup>3</sup>

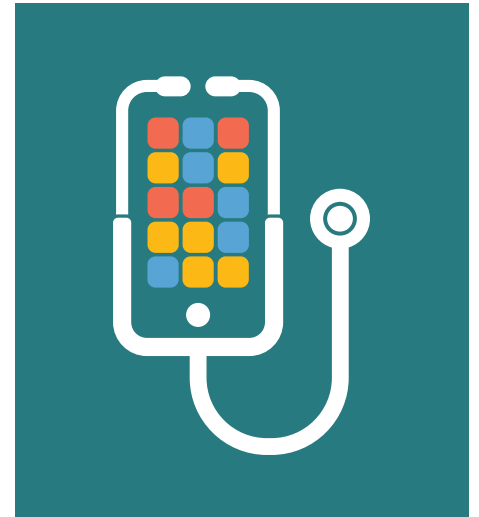
Simply put, a VBC model looks at the overall patient outcome, and healthcare providers are rewarded and remunerated based on this rather than for simply being paid for the services provided. “...In value-based care, doctors and

physicians are incentivized to engage with patients to provide the right care based on the patient’s needs. They are encouraged to invest in new technology and break silos between different doctors, specialists, and surgeons by aligning their efforts with multiple providers.”<sup>3</sup>

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According to Dr Leena Johns, Chief Health & Wellness Officer at MAXIS GBN, VBC is effective at addressing all determinants of health. She said “health is now widely recognised as more than just physical health and absence of disease. Being healthy is about being in a state of physical and mental wellbeing, which is determined by physical,

mental and social factors. Value-based care helps to switch the focus from being reactive, treating conditions as they appear, to being proactive and preventing sickness from happening in the first place.”



## The benefits of VBC for patients

The goal of value-based care is better outcomes for patients. It’s fundamentally based around care delivery and patient engagement. It’s about preventative care for patients – addressing healthcare problems early with proactive measures – with the aim of reducing hospital readmissions and lower healthcare costs for everyone involved in paying for treatment – individuals, employers and insurers.<sup>4</sup>

VBC is all about adapting care and being proactive. It looks at the details of each visit a patient makes to determine what treatments work and which don’t, in order to adjust the care delivery

model accordingly. A good example of this is in chronic disease management. Patients with chronic conditions receive health plans that include proactive health management options. They’re designed to reduce complications and hospitalisation and lower the potential risks associated with chronic disease.<sup>4</sup>

“Rising healthcare costs together with the recent paradigm shift from volume-to value-based health care have focused unprecedented attention on the importance of evidence-based chronic disease management programmes. Such programmes are fundamental to achieving the Institute for Healthcare

Improvement’s ‘Triple Aim’ – namely, the simultaneous pursuit of improving the patient experience of care, improving the health of populations, and reducing the per capita cost of health care.”

Dr Neil Gordon,  
CEO, INTERVENT  
International



## Challenges to VBC

‘That all sounds great – why hasn’t this always been the case?, we hear you cry.

Well, as you might expect, delivering it isn’t quite that simple. To offer a successful system of value-based care, there needs to be true collaboration between different systems and providers. Internal systems that couldn’t work together, differing processes and methods of various providers, and inaccessible paper medical records have been some of the traditional barriers. With not all healthcare providers having access to the same information, it has proved difficult to avoid repeating tests and ensuring a connected journey through the healthcare system for a patient.<sup>5</sup>

However, technology could be helping to break down these barriers. In a tech-first age, with electronic health records, portals where patients have a full view of their care and more, value-based care models are much more achievable.

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But that’s not the only challenge. One of the most important factors in delivering a patient-centred care model is the primary care provider. The role of a primary care provider is not only to be a first line of treatment, but to co-ordinate the care of a patient as they move through the medical system.

As we wrote recently in our global private medical landscape report, in many countries around the world, the primary care model is under-used and often bypassed in favour of going straight to specialist treatment.<sup>6</sup> If VBC is truly going to become a universal model, work needs to be done in some markets to re-incentivise the use of primary care providers and have these as a focal point for co-ordinated care.

### 7 barriers to value-based care<sup>5</sup>

- Lack of system integration
- Outdated practice workflows
- Limited internal resources
- Trouble getting buy-in
- Fragmented care delivery
- Inaccessible clinical data
- Elevated financial risk

Educating doctors will be another difficulty. Chris Chen, CEO ChenMed, explained why: “It’s going to take time to adjust how we train doctors [for a value-based setting]. We tell doctors when they join, ‘We’re going to put you back in fellowship for about a year, and you need to learn how to prevent problems.’ It’s not just about acute care. Pills, procedures, and referrals only contribute about 15 percent to a population’s health. Lifestyles and behaviours are a huge component. Heart failure is the number-one or -two cause for admission in America, and we believe it’s over 90 percent preventable – and not by cardiologists but by good, old-fashioned, inexpensive primary care. And we have to learn how to do that.”<sup>7</sup>

## Value-based insurance design (VBID)

Another interesting area in this discussion is value-based insurance design (VBID). First conceptualised in 2005 at the University of Michigan, VBID is built on the principle of removing financial barriers to essential, high-value clinical services.<sup>8</sup> By “high-value” the University of Michigan isn’t referring to the most-costly treatments, but those that are most effective.

According to the US Centers for Disease Control (CDC), “The goal of VBID is to decrease the cost of healthcare while increasing the effectiveness of health services. Insurers, health care payers, and researchers analyze cost and health outcomes data to determine the relative value of a given service, in terms of both medical outcomes and cost. In some cases, they analyze cost and outcomes data for particular providers or treatment setting.”

More simply put, VBID is about designing an insurance plan that enables patients to access the services that improve quality of healthcare and lower costs. For example, an insurance plan might incentivise people to use primary care and wellness programmes by removing or lowering co-payments or deductibles. Or might choose to work with a particular supplier – one that operates a more VBC system.



## How can you help your employees get value from their care?

Given we are talking about how entire healthcare systems operate and reward healthcare providers and physicians, you might be wondering what impact you, as a multinational employer, can have... But don't worry, there's plenty you can do to ensure your people are getting value from their healthcare. Here are just a few ideas:



### Consider cost drivers

It may sound simple, but the best way to understand the biggest wellness challenges facing your people is to look at your medical cost drivers. These can differ hugely market by market, so drilling down into the data of each country can help you see the specific challenges facing your people. Work with your global employee benefits providers – they can help you dissect and really understand your data.



### Welcome wellness

Providing the best care for the patient is at the heart of VBC. And the easiest way you, as an employer, can help to do that is helping them to be healthy and avoid getting sick in the first place. Employers can run wellness education campaigns to help their people live healthier lives and correct unhealthy lifestyle behaviours that could cause illness or promoting wellness measures to those managing chronic conditions. Even better if proactive measures are put in place based on the data from healthcare claims so the most-costly issues are being addressed.



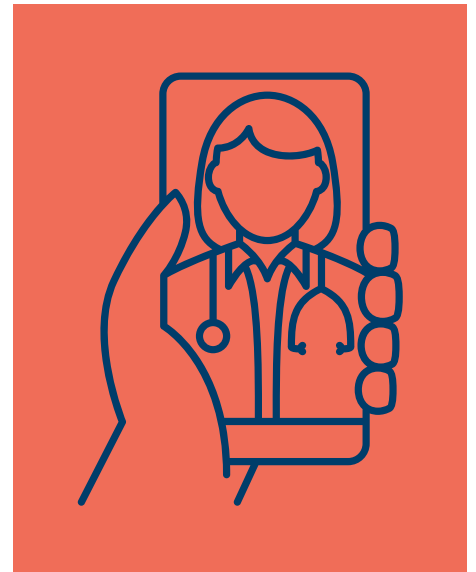
### Work with innovative partners

As we mentioned, one of the biggest blockers to VBC is flow of information. When you're selecting your insurance partners, wellness providers and more, consider how they can share data with your existing providers. Can your telemedicine provider cross-refer your employees to your chronic disease management specialist? Does your insurance provider have an EAP service it can provide locally? Are they innovating and using a "digital first" approach? These are just some of the considerations you should have when choosing a partner.



### Promote primary care

Given the importance of primary care for the co-ordination of treatment, is there something you can do to promote the use of primary care providers? Perhaps consider running a campaign to educate employees on the benefits of primary care. Or, in markets where it is common to self-refer to specialists, add a patient contribution when there's a self-referral – such as a deductible or co-payment – to deter employees from taking this route. Could you take a VBID approach when looking at your plan design?



## A patient-centred future

If we are to see a future where truly patient-centred, value-based care is standard practice, technology will be crucial in reaching that goal. Many of the potential challenges of a VBC system seem possible to resolve using technology and a more centralised approach to healthcare.

Hernaldo Celada wrote in Forbes, "...technology now has the potential to facilitate evolution in the healthcare industry. With technology that allows better up-to-date patient health metrics and predictive analytics, patients can frequently and even virtually collaborate with their primary care physicians about all of their health conditions and adopt preventative measures as needed for exponentially less than the cost of a catastrophic health event.

"In this model, doctors have the tools to become technologists of the human body – and patients will not only have longer lifespans but longer healthspans to show for it."<sup>9</sup>

But it's worth remembering that, as an employer, you can also take a patient-centred approach to your own medical and wellness programmes. It could well be the best way to keep your employees happy, healthy and productive and ensure their need for medical intervention is minimal. And if that's unavoidable, then a patient-centred approach can lead to better outcomes and potentially help to tackle rising medical costs too.

Dr Leena Johns concluded “preventative measures are often less costly than direct treatment for an illness – particularly when it comes to chronic conditions. As the healthcare industry adapts to a more patient-centred, value-based approach, it's worth multinationals embarking on the journey too. Anything that puts patient and employee health first is worth exploring.”



- 1 Anon, American Medical Association <https://www.ama-assn.org/delivering-care/public-health/stephen-parodi-md-shifting-pandemic-endemic> (sourced April 2022)
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- 5 Wendy Bartlett, Intellichart <https://info.intellichart.com/blog/barriers-to-value-based-care-and-how-to-overcome-them> (sourced April 2022)
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- 8 Anon, University of Michigan VBID center <https://vbidcenter.org/about-v-bid/> (sourced April 2022)
- 9 Hernaldo Celada, Forbes <https://www.forbes.com/sites/forbestechcouncil/2021/01/13/how-technology-will-accelerate-value-based-care-in-the-wake-of-the-pandemic/?sh=2c8433452acf> (sourced April 2022)

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