Resource sheet: values-based healthcare and Experience Led Care

Context

The Experience Led Commissioning process is designed to provide a strategic framework to mobilise values-based, person-centred care healthcare at scale. It provides a systematic way of commissioning that is aligned to achieve better outcomes because we deeply understand and respond to what matters to people.

Where does values-based healthcare fit with ELC?

A decade of research into organisations that have achieved better outcomes while often lowering costs demonstrates that they consistently work within a strategic framework that has three pillars.

1. **Understanding what matters:** values-based healthcare begins with identifying and deeply understanding patients so that you can describe a consistent set of needs determined by their health and related life circumstances. This equates to the ELC Discover stage
2. **Collaborative delivery:** interdisciplinary teams of caregivers work together to design and deliver comprehensive solutions for patients that meet those holistic needs. This equates to ELC Dream and Design stages; although ELC takes this stage to a higher level of participation as people and families who use services codesign with providers
3. **Measuring what matters:** system leaders need to align health care organisations around a common purpose. Health outcomes are the focus in a values-based healthcare system. Meaningful measurement of outcomes is thus fundamental to values-based healthcare. It is also essential to understand and capture the cost of its care for each patient. The outcome measures need to support providers to address what matters most to people and help them to understand what is enhancing their health and what is getting in the way of their recovery or self-management of long-term health issues. This requires a holistic approach were non-clinical, psycho-social interventions may be as important as medical care. Information drives improvement, the insights developed through the ELC process can provide the foundation for bespoke person-centred outcome measures that support this pillar

Working in a values-based way is, by default, experience-led and reconnects clinicians with their core values and purpose as healers.

Values based healthcare demands that everyone thinks differently about their role within the health and care system and about the design of services provided for people and families.

Value-based health care is a path to achieving the aspirational goals of the Institute for Healthcare Improvement's "quadruple aim"—improving patient experience, improving caregiver experience, improving population health, and reducing the per capita cost of health care. Population health improves and costs reduce when the health outcomes of many individuals improve. This is the focus of value-based health care. ELC also achieves this quadruple aim.

ELC is aligned with the values based health care strategic framework and supports health and care systems to realise this shift in culture and practice by providing a systematic approach that delivers all the essential elements of system planning in one, tried and tested, evidence-based process.

It is also aligned with the quadruple aim and provides a systematic approach to delivery of improvement.

What is value in healthcare?

Value in health care is the measured improvement in a person's health outcomes weighed against the cost of achieving that improvement[1].

Value is not about cost reduction, quality improvement nor patient satisfaction.

Value is primarily about improving peoples' health outcomes. By focusing the whole system on achieving the outcomes that matter most to people, values-based healthcare automatically drives providers to understand and respond to peoples' experiences of living with health issues.

This is the fundamental premise that Experience Led Commissioning (ELC) is built on; hence the name **Experience Led Commissioning ™**

What is values-based healthcare?

Value-based healthcare is a whole systems approach. It is a healthcare delivery model where providers are paid for improving health outcomes and for helping people to improve their health. Thus, the system reduces the effects and incidence of chronic disease in an evidence-based way, and people live healthier lives.

In a purely value-based health and care system, providers are no longer paid for the number of healthcare interventions or services they deliver. Instead, they are rewarded when they succeed in improving outcomes in a cost-efficient way and the system's focus is on measuring health outcomes against the cost of delivering those outcomes.

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[1] Porter ME, Teisberg EO. Redefining Health Care: Creating Value-Based Competition on Results. Boston, MA: Harvard Business School Press; 2006.

What are the benefits of values-based healthcare?

The benefits of a value-based healthcare system extend to all stakeholders: people and families, providers, payers, suppliers, and society.

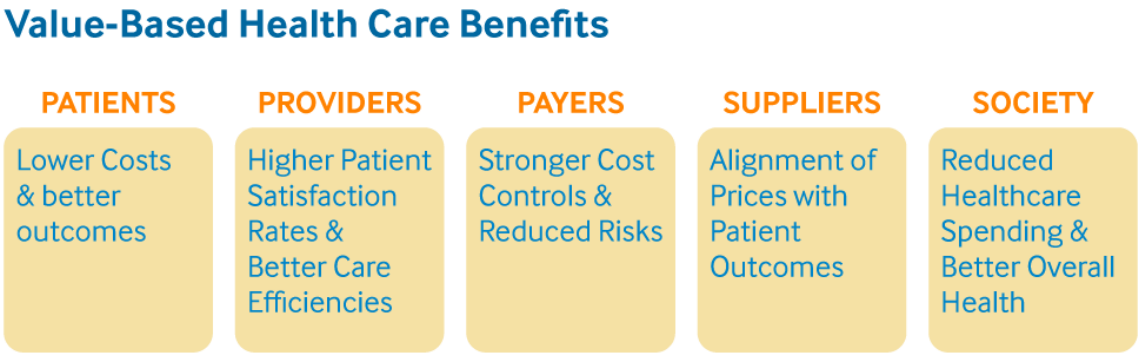
1. Patients achieve better health and invest less in keeping well: managing a chronic disease or condition like cancer, diabetes, high blood pressure, COPD, or obesity can be costly and time-consuming. Because value-based care is grounded in understanding what matters to people and families, it increases the likelihood that the services provided are more effective at helping people to take control, successfully self-manage their health issues and recover more quickly from acute episodes of illness, injuries, or operations, see improvement and avoid deterioration of chronic diseases. As well as keeping well and being able to live fulfilling lives, as a result, people need fewer medical appointments, medical tests, and procedures, and spend less money on prescription medication.

2. Providers achieve efficiencies and deliver greater patient satisfaction: when values-based health is working at scale, providers focus most of their time on prevention-based healthcare and less on chronic disease management. Quality and patient engagement measures improve. Providers are rewarded for the value they add to episodes of care, which evens the playing field and mitigates against large providers dominating because those who generate higher value per episode of care are rewarded the most.

3. Payers and commissioners control costs and spread risk: for those who pay (commissioners), values-based healthcare spreads risk across the patient population. A healthier population costs health and care systems less and makes services and healthcare systems more sustainable. Value-based payment also supports commissioners to increase efficiency by bundling payments across a full cycle of care, or for chronic conditions, across a whole year or even longer time frame.

4. Suppliers align with patient outcomes: suppliers benefit from being able to align their products and services with positive patient outcomes. For instance, many healthcare industry stakeholders are calling for pharmaceutical manufacturers to tie the prices of drugs to the value they add. This process will become easier with the growth of individualised drug therapies.

5. Society becomes healthier. Overall healthcare spending reduces when values-based healthcare is working at scale, society needs to spend less on helping people manage chronic diseases, on hospital visits and on medical emergencies because people are healthier and know how to keep themselves well. Value-based healthcare holds the promise of significantly reductions in overall healthcare spending and mitigates against the current trend towards continually increasing demand and costs in most health systems.



Values-based healthcare delivery models

Values based healthcare delivery models always stress three features:

- A team-oriented approach
- Systems that facilitate shared patient data so that care can be coordinated
- Easy to measure outcomes.

Here some familiar examples of values-based healthcare delivery models:

Patient centred medical homes (PCMH)
In this model, primary, specialty, and acute care are integrated.

Commonly known as the patient centred medical home (PCMH), it is not a physical building. Rather, it is a network of coordinated patient care and support, led by a patient's primary care doctor who directs each patient's bespoke care programme and acts as the "conductor" of an orchestrated support package.

PCMHs are predicated on the ability to share electronic medical records (EMRs) across all providers so that crucial patient information is at each provider's fingertips, and individual providers can see results of tests and procedures performed by others in the team. This data sharing also has the potential to reduce redundant care and associated costs.

Accountable care organisations (ACOs)
In this model, primary care doctors, hospitals, and other healthcare providers work as a networked team to deliver the best possible coordinated care at the lowest possible cost. ACOs also prioritise coordination and data sharing among team members.

Providers share both risk and reward, with incentives to improve efficiency, access to care, quality of care, and delivered desired patient health outcomes. Being part of an accountable care organisation disincentivises providers from maximising volume, from ordering more tests and procedures and from managing more

patients, regardless of the outcomes they achieve. This is because they are paid based on outcomes rather than activity.

Like PCMHs, ACOs are person-centred organisations and patients and providers are equal partners in decisions about care and treatment and focus on support that improves outcomes across their entire patient population.

A strategic framework to support transition to values-based healthcare

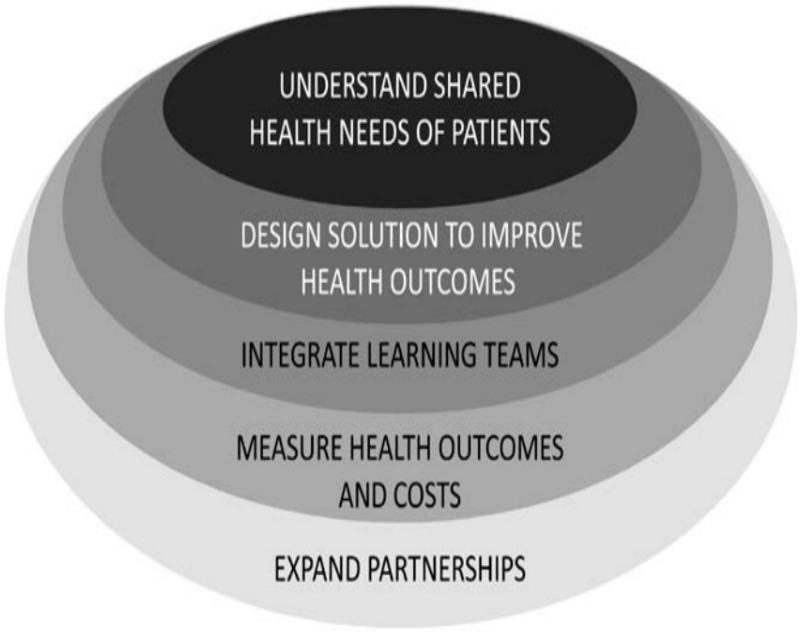


Figure 1 Strategic framework for value-based health care implementation to achieve better patient outcomes.

Teisberg et al[2] have found that to be effective and efficient, healthcare should be organised around segments of patients with a shared set of health needs, such as "people with knee pain" or "older people with multiple chronic conditions". They have forwarded a strategic framework for implementing values-based healthcare. It is summarised in Figure 1 above. From analysis of successful organisations who have made the transition, the authors have determined 5 key steps in the transition towards values-based healthcare. They are as follows:

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[2] Teisberg E, Wallace S, O'Hara S. (2020) Defining and implementing values-based: a strategic framework. Academic Medicine. 95 (5): 682 – 685.

1. **Understanding the shared health needs of one target group of patients:** the transition to values-based healthcare starts when a healthcare system seeks to understand the holistic needs of a specified segment of the population. This work produces a narrative that describes a consistent set of needs that providers can respond to and aligns payment for care around that patient group's outcomes. These insights also describe, identify, and address the gaps or obstacles that are undermining patients' health results. This first step maps to the **ELC Discover** process
2. **Designing solutions to improve health outcomes**: drawing on the insights generated; shifting the goal of care away from treatment of illness and towards solving needs; broadening and integrating services to address gaps or obstacles that are undermining patients' health results and understanding routine care needs allows clinical teams to anticipate consistent demand, provide planned, high quality routine care efficiently. This frees clinicians from scrambling to coordinate routine services and adds bandwidth that allows providers to personalise services for individual patients in line with their different needs. Values-based healthcare hands over to dedicated, co-located, multidisciplinary teams of caregivers at this point and supports them to work together to design (and deliver) comprehensive solutions that address what matters to people and families. In ELC, we take this step even further than the authors describe. We introduce co-production and codesign so that caregivers work directly with the community of interest and their families, and all affected people imagine and co-design solutions to both clinical and non-clinical needs. This happens through the **ELC Dream and Design** stages.
3. **Integrating learning teams:** the workforce evolves to respond to the different kinds of support that addressing both clinical and most holistic non-clinical needs requires. The values-based workforce draws on an array of disciplines, many of which are not typically viewed as medical e.g. health coaching, social prescribing. Co-location enables team members to cement working relationships. Frequent informal communication supplements formal channels of communication and ensures effective, efficient, integrated care. To support improvement in personalised care and health outcomes, teams reflecting and learning together is critical. By bringing all providers together with people who use services within the ELC process and giving frontline teams the autonomy to codesign service solutions with people and families, the **ELC 4D process** supports the development of integrated learning teams
4. **Measuring health outcomes and costs:** measurement allows teams to know they are succeeding. Integrated teams measure health outcomes for each patient. These outcomes reflect what matters to each person. The costs of the support and services is also captured. The team uses both sets of data to learn and improve quality of care and efficiency. Lack of either accurate health outcomes or cost data impedes adoption. Although providers currently reporting reams of information, they rarely consistently track the health outcomes that matter most to patients and thus to frontline clinical teams. This is an area where there is a need for new thinking and innovation. When there are accurate processes in place to capture cost and health outcomes data, commissioners can also pay for condition-based bundled payment models. When these bundles

are not over-specified and focus on delivering outcomes, it restores professional autonomy and empowers teams. They feel trusted and able to practice clinical judgment. These are integral elements of professional satisfaction that support retention and are powerful antidotes to burn out.

Measuring health outcomes does not need to be complex. Routine clinical practice cannot support the voluminous health outcome measure sets used in clinical research. Instead, front line teams can focus on measuring the outcomes that define health for their patients. Those outcomes will cluster by community of interest. For instance, the outcomes that matter most to people living with congestive heart failure are strikingly consistent and markedly different from the outcomes that matter most to women who are pregnant. The insights generated through the **ELC process** describes these consistencies and differences across communities of interest.

At individual level, the provider team works with the person and family to define what good health means for them. ELC had developed a framework for this process, called the **ELC Life Improver Score™ .** Life Improver Scores for different communities of interest are developed from the insights generated by the ELC process and can be embedded into information systems so that health outcome data is generated automatically.

5. **Expanding partnerships:** once a health and care system has completed its "demonstrator" programme, it has an exemplar and prototype available to galvanise others to organise care around patients with well-defined needs. This creates opportunities to build support and momentum, enlist contribution, expand partnerships with community stakeholders and thus further improve health outcomes for more people. For example, armed with evidence that outcomes focused care leads to fewer complications and allows employees to return to work more quickly, employers may be willing to contract directly with healthcare providers and pay more per episode of care than previously because faster and fuller recovery reduces other employer costs such as absenteeism. Evidence of impact also galvanises others within the health and care system to adopt a values-based contracting model. Because everyone is focused on the shared goals and purpose of creating value and achieving the health outcomes that matter to people, all stakeholders are united, **ELC Dream and Design** stages bring together all stakeholders to determine the shared vision and purpose – and this assures engagement from the start.

Health outcomes, costs and caregiver engagement

Although providers often report reams of information, they rarely consistently track the health outcomes that matter most to patients.

When there are accurate processes in place to capture both cost and health outcomes data, teams can start to care for individuals with similar needs collectively

and develop expertise and efficiency. Lack of either accurate health outcomes and cost data impedes adoption of values based care.

When the system is operating optimally, commissioners can pay for condition-based bundled payment models When these bundles are not over-specified and focus on outcomes, rather than forcing teams to focus on rationing and cost containment, decisions about how to deliver care are back in the hands of the clinical team and the patient. This signals that commissioners support and recognise the expertise and professionalism of clinicians and the power of clinician–patient relationships to agree effective and appropriate care. This restores a sense of autonomy and empowers teams. They feel trusted and able to practice clinical judgment; integral elements of professional satisfaction that support retention and are powerful antidotes to clinician burn out. In this way, value-based health care connects clinicians to their purpose as healers and aligns clinicians with their patients. That alignment is the essence of empathy.

As well as accurate data systems, values-based health care requires a significant change in practice. Integrated teams measure health outcomes for each patient. These outcomes reflect what matters to each person. The costs of the support and services is captured. Clinical teams use both sets of data to learn and improve quality of care and efficiency.

Improvement in health outcomes demonstrate clinicians' ability to achieve results with patients and families and drive improvements and the results that matter most to both patients and clinicians. This intrinsic motivation is often missing in the health care system, where clinicians are directed to spend countless hours on tasks that do not impact their patients' health.

Longer term improving outcomes and slowing disease progression reduces spending and decreases the need for ongoing care. For instance, a patient whose diabetes does not progress to kidney failure, blindness, and neuropathy is, over time, dramatically less expensive to care for than a patient whose condition continually worsens.

What Is the future of value-based healthcare?

Moving from a fee-for-service to a fee-for-value system takes time. A preventative, proactive care approach leads initially to short-term cost increases before longer-term costs decline, which means that providers may resist the change.

However, the transition from fee-for-service to fee-for-value has been embraced as the best method for lowering healthcare costs while increasing quality care and helping people lead healthier lives, and that is why so many health and care systems are working towards a values-based approach to health system management.