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Strategic purchasing for better NCD outcomes

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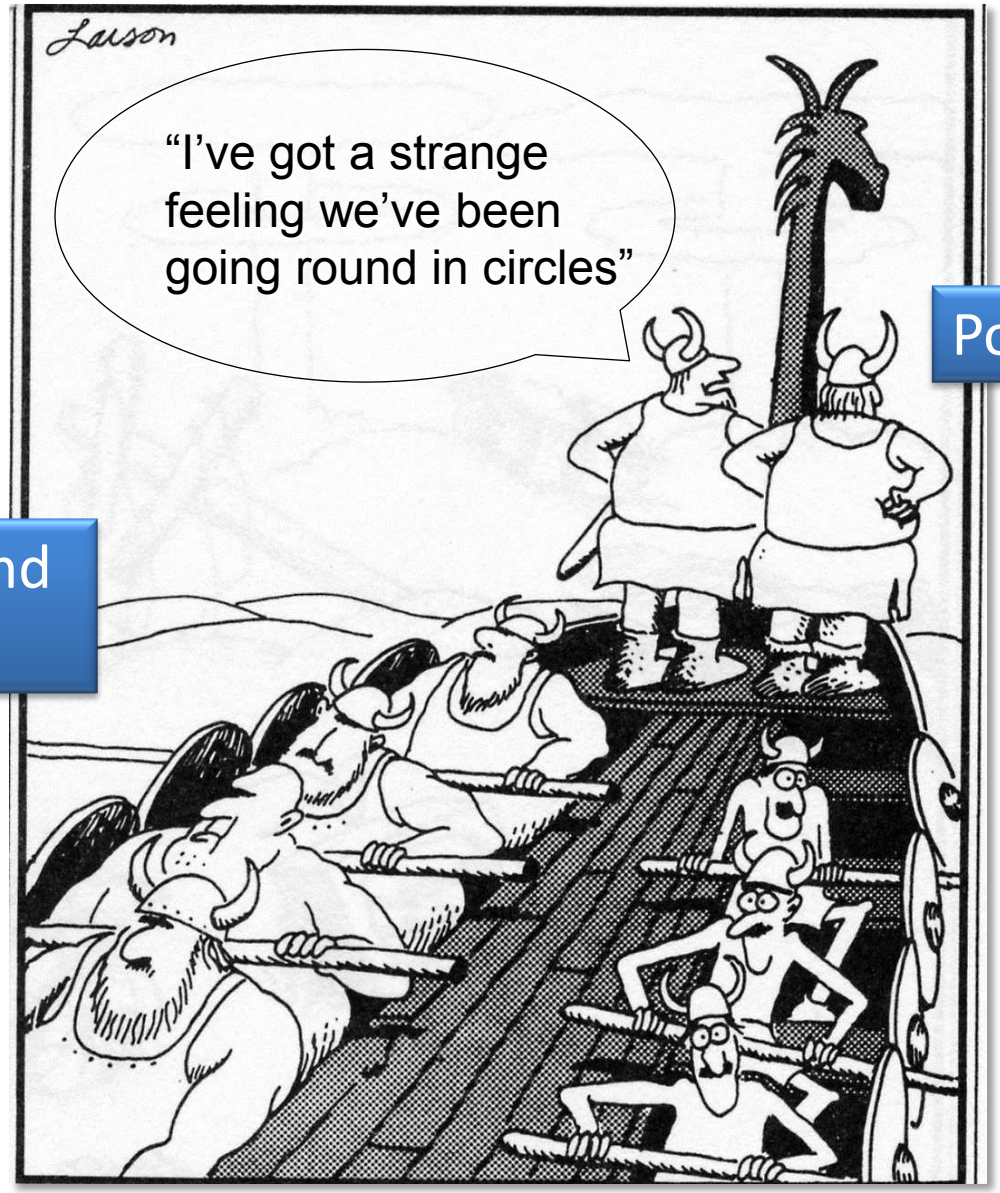


Policy makers

Providers and industry

Purchasers and patients

Source of slide: A. Maynard

What is strategic purchasing?

- Strategic purchasing means active, evidence based engagement in defining the service-mix and volume, and selecting the provider-mix to maximize societal objectives
- A strategic purchaser makes choices based on

Moving from passive to strategic purchasing

Passive → Strategic

- "Passive"
  - no selectivity of providers
  - no quality monitoring
  - price and quality taker

- "Strategic"
  - selective contracting
  - quality improvement and P4P
  - price and quality **maker** purchaser

Key issues across Europe

Structure of service delivery

- Over-investment in secondary & tertiary and under-investment in outpatient / PHC
- Payment systems do not facilitate reconfiguration of infrastructure and managing the interface across levels

Clinical practice

- Reflects focus on acute care and less attention to early diagnosis, disease management, and prevention
- Continuity and coordination of care mostly missing
- Uncontrolled variation and poor information transfer

Patient preferences

- Patients have become more informed, but focus is still on curative care
- Doctors/industry generated myths prevail: generics versus branded medicines; more is better; more expensive is higher quality, higher level of care is better etc.

The main challenge for the future is managing the interface across care levels

Choosing the "right" provider payment mechanism for each level of care is not enough

Need to strengthen prevention and chronic disease management

Requires new payment incentives and organizational modalities to improve coordination between primary and secondary care

Four conditions for improving care coordination

1. Improved information transfer
2. Better incentives for care coordination
3. Rebalancing spending towards ambulatory care
4. Breaking down regulatory and organizational barriers to care coordination

Adapted from Maria Hofmarcher, OECD

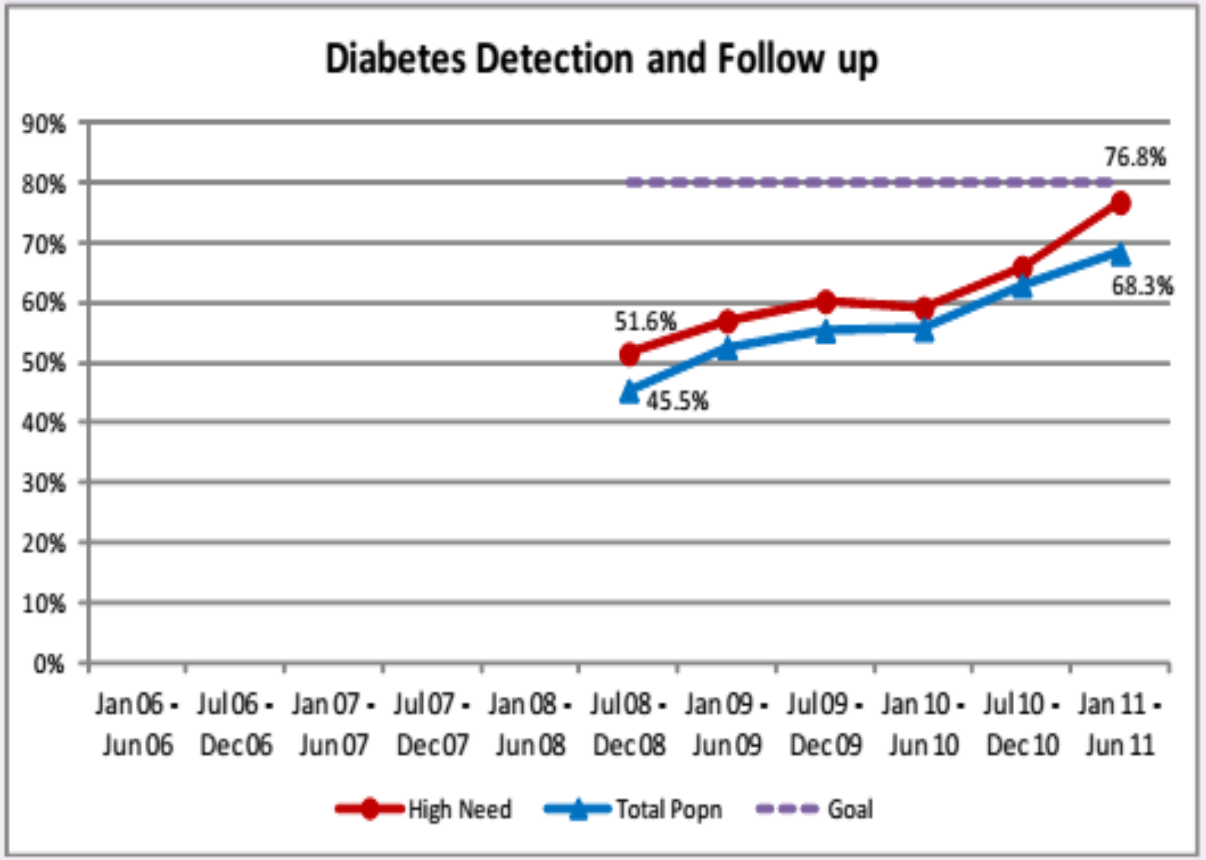
Country examples worldwide

USA	• new “Value-Based Purchasing” initiatives accompanied by Accountable Care Organizations and Medical Home models
Netherlands	• new “care groups” receive bundled payments to manage chronic conditions
Germany	• Gesundes Kinzigtal: a population-based integrated care model with gains sharing arrangement between insurer, provider and care coordinator
UK	• Integrated care pilots and proposal to make GP practices main purchasers (again)
New Zealand	• group practices in primary care join to better address population health needs accompanied by P4P for chronic disease management

Performance incentives work

Estonia	Lithuania	Hungary	New Zealand

Figure 8: Percentage of people with diabetes, aged 15 to 79 years, enrolled in general practice in New Zealand, who have received an appropriate diabetes review at least annually



Challenges to implementing ACOs (US)

	% reporting somewhat or very challenging
Changing the mindset of doctors and providers	91
Facilitating data exchange	91
Build EHR for population health management	88
Coordinate use when patient prefer to seek care elsewhere	97

Source: Professor Ashish Jha, 2015.

How to move forward?

Incentivize providers to reduce inefficiencies across levels of care

- Coordinating patient pathways in the system

Consider new organizational modalities

- To break down barriers to better care coordination

Make use of peer pressure through sharing comparative performance information

- The sense of duty is still at work and inexpensive

Use innovative IT solutions

- Electronic health records and E-health for Estonia

…and don’t forget what EE stands for

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- Established in 1999
- Supported by the Government of the Autonomous Community of Catalonia, Spain
- Focuses on health systems financing: analytical work and capacity building
- Staff work directly with Member States across the European Region
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