

Aiming for Value in Health

The need to ensure health system sustainability is a prevalent, ongoing concern in the Australian healthcare context.

Value-based health care offers an approach to transform health system focus, narrowing the gap between need and demand on one hand, and resources on the other.

Value in health care has been defined as the health outcomes that matter to patients relative to the resources or costs required.

Health outcomes that matter are multidimensional, including factors much broader than traditional clinical indicators. Resources or costs reflect the actual costs of care, not the fees charged.

Both measures must capture a full cycle of care, recognising that a cycle of care can be provided by multiple providers over time, involving multiple episodes of care.

Further, within Australia's universal healthcare system, the concept of public or social value is a defining feature, with consideration of objectives relating to equity and affordability integral to ensuring value.

Intent expressed in the *2020-25 Addendum to National Health Reform Agreement* provides opportunities to progress value-based health care approaches, including joint planning and funding at a local level, enhanced health data and paying for value and outcomes.

AHHA POSITION:

- ✧ Health system sustainability must be addressed by shifting away from volume-driven healthcare approaches to value-based approaches which promote outcomes that matter to patients.
- ✧ Value-based health care implementation in Australia must promote equity and recognise the particularities of our unique universal healthcare system, involving a complex mix of federal and state government funding responsibilities and both public and private providers of care.
- ✧ National policy is needed that supports integrated health care that is organised around patients, along with sustained cultural change and cooperation at all levels and across all sectors.
- ✧ A nationally consistent data governance framework is needed that incorporates measurement of patient outcomes and costs of care.
- ✧ To meet the needs of different audiences and prevent unintended consequences, measures and indicators must be evidence-based, fit for purpose and suitably chosen to ensure incentives or disincentives drive value and are linked to desired outcomes at the patient, service design and system level.
- ✧ A National Framework for Health Technology Assessment is needed that incorporates value principles and patient reported measures to ensure new technologies enhance patient outcomes at an efficient cost.
- ✧ Healthcare professionals must be enabled to work to their full scope of practice within high functioning integrated teams that practice shared care coordinated around outcomes that matter to patients.
- ✧ A national workforce strategy that supports flexible local implementation of value-driven models of care is needed.
- ✧ Pooling of Australian government, state and territory funds at the local level must be prioritised. This will enable cross discipline and cross sector collaboration and planning, facilitating service integration across a full cycle of care.
- ✧ Coordinated regional health services funding agreements should be centred on patient needs while still recognising that models of care must be sustainable and attractive to health service providers.
- ✧ Coordinated funding should incentivise the development of evidence-based patient-reported measures (PRMs), to support outcome-based payments which incentivise gains in equity, quality, safety, and patient centredness.
- ✧ Mixed and alternative funding models should be explored and implemented.
- ✧ Investment in digital infrastructure and linkages across the hospital, social and other sectors is needed to enable real-time, value driven, shared decision making.
- ✧ Funding for 'proof of concept' programs, built on high quality outcome data, is needed to build an evidence base that ensures value driven initiatives are shared and scaled up, facilitating increased patient access.
- ✧ Support for value-based care trials through research funding mechanisms (e.g. MRFF, NRMRC) should be encouraged.
- ✧ Deliberate efforts to address health disparities should form a basis of health commissioning, with key learnings and evaluations shared to enhance the development of new equitable funding models.