

Ensuring the sustainability of the health system is a prevalent, ongoing concern in the Australian healthcare context. Health system sustainability must be addressed by shifting away from volume-driven healthcare approaches to a value-based model which promote outcomes that matter to people and communities. The global value-based health care (VBHC) movement provides a lens through which we can examine the wicked issues undermining health system sustainability. VBHC implementation in Australia must promote equity and sustainability (environmental, social, financial); and recognise the particularities of our unique universal healthcare system, involving a complex mix of federal and state/territory government funding responsibilities and both public and private providers of care.

## BACKGROUND

VBHC aims to improve the outcomes that matter to people and communities, across a full pathway of care, through the equitable, sustainable, transparent and appropriate use of resources.

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 VBHC approaches, including joint planning and funding at a local level, enhanced health data and paying for value and outcomes.

## AHHA POSITION

- National policy is needed that supports integrated health care that is organised around people and communities, 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. 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 level of the individual (micro), the care pathway (meso) and the population (macro).
- Investment is needed in the development of evidence-based patient reported measures (PRMs), to support consistent and coordinated implementation with a national standard operating model.
- A National Framework for Health Technology Assessment is needed that incorporates VBHC principles. It must recognise technology as one part of a pathway of care, with health outcomes and value gained dependent on its use in the real world being consistent with that in evaluation. Real world data and evidence is needed that triangulates outcomes, cost and context to inform decision-making in ensuring value and equitable access is achieved.
- 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 people and communities.
- 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 local needs, while still recognising that models of care must be sustainable and attractive to health service providers.
- Mixed and alternative funding models should be explored and implemented. Given the complexity of developing value-based payment models, state, territory and federal governments must develop a 10-year plan that provides a structured and supportive policy environment around the intent to trial and evaluate ongoing models nationally.
- Investment in digital infrastructure and linkages across the hospital, primary care, 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, scaled up, sustainable and increase healthcare access.
- Support for VBHC 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.
- Funding structures and accountability processes must enable self-determination within communities, allowing people to collaboratively develop solutions to the problems that impact their lives.
- Investment is needed in a coordinated, networked model of VBHC implementation focused on harnessing and connecting existing expertise and infrastructure with grassroots implementation experience to effectively align data, evidence, policy and practice.