



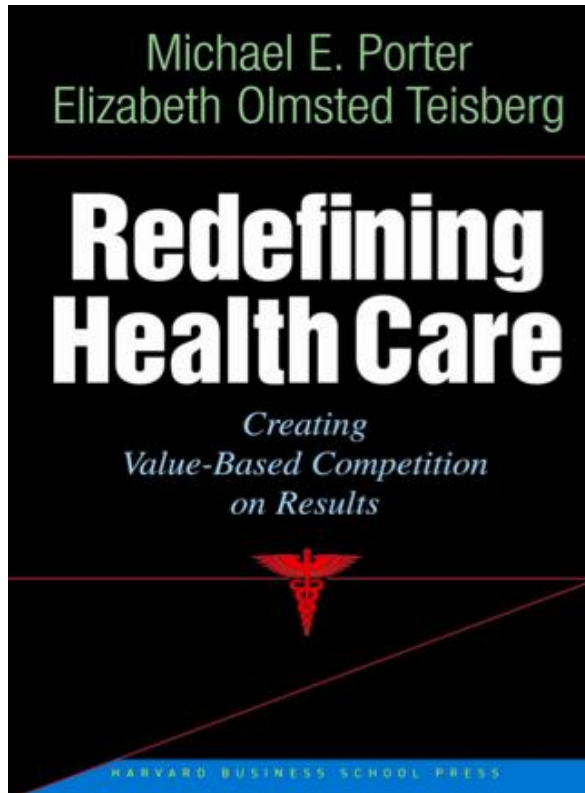
# Opportunities for Value-Based Health Care Delivery in Switzerland

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Professor Elizabeth Teisberg  
Darden School, University of Virginia  
and  
The Institute for Strategy and Competitiveness,  
Harvard Business School

# Improving Value in Health Care



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# What are the problems in health care?

Rising costs

Highly variable quality

Skewed incentives

Fragmented care cycles



# Everyone knows 3 things about U.S. health care:

- Extremely costly per capita
- Fails on equity: 40 million people are uninsured
- Population-wide outcomes are not better

Competition in the U.S. system occurs over cost shifting.  
This Zero Sum competition only divides value.  
Positive sum competition to improve health results ***creates value.***



# Cost drivers: Cautionary U.S. tales

Poorly designed for **chronic care**; often excellent for complex acute care

- Wrong structure drives costs up (80% of costs)
- Employers pay 3x more for poor health than for health care
- **Improving value requires innovation in structure & organization**

Provides **universal access** to emergency room care only,

- less effective
- less efficient
- **Cutting early stage and preventive care ADDS expense**

Committed \$18 billion to **eHealth**


- **Could enable redesign for coordination & measured outcomes**
- OR, May simply automate systems and accelerate spending



# The goal of health care reform?

More care?

Less care?



Cost reduction?



The goal of health care reform?



***BETTER HEALTH***





# Traditional Reform Options: Treat Symptoms, Ignore Health

- Shift costs -- pay for less early stage or preventive care
- Ration later stage care
- Limit supply -- endure waiting
- Change incentives – watch new games emerge
- Require process compliance – neglect health outcomes



**We can do better.**



# Value-Based Health Care

- Improving value
- Value creating solutions for patients and families
- Teams treating medical conditions over the full cycle of care
- Measuring outcomes to accelerate improvement
- Aligning medical and financial success



# Opportunities for Value-Based Health Care Delivery in Switzerland

## I. Improving Value





# Value in Health Care

$$\text{Value} = \frac{\text{Improvement in Health Outcome}}{\text{Money spent}}$$

Efficiency  $f$  Quality





# The Swiss health care system goal IS VALUE.

- The LAMal calls for containing costs *and* mandates ensuring high quality.
- Swiss health care should retain its strength of:
  - uniform and generous coverage package,
  - mandatory universal insurance,
  - per capita contributions, and
  - subsidies for those who need them.




**The challenge is to drive dramatic and ongoing improvements in health care value.**



# The Cost of Quality?

- Is quality affordable?
- Do patients want more treatment?
- Fundamentally, patients want more **health**.

Quality = Health outcomes



# In health care, the best way to contain costs is to *improve* quality

Quality drives efficiency in many, many ways:

- Prevention
- Early detection
- Right diagnosis
- Early and timely treatment
- Treatment earlier in the causal chain of disease
- Right treatment to the right patients
- Rapid care delivery process with fewer delays
- Fewer complications
- Fewer mistakes and repeats
- Less invasive treatment methods
- Faster recovery
- More complete recovery
- Less disability
- Fewer relapses or acute episodes
- Slower disease progression
- Less need for long term care




- Better health is **inherently less expensive** than poor health
- **Better health** is the goal, not more treatment



# Opportunities for Value-Based Health Care Delivery in Switzerland

## **II. Restructuring Care around Patient Solutions**





Health care delivery should be organized  
around **medical conditions**  
over the **full cycle of care**

- A ***medical condition*** is an interrelated set of medical circumstances best addressed in an integrated way
  - What is the patient's perspective?
  - How is value created?
  - Does it leave coordination to the patient?
- The ***full cycle of care*** means coordinating prevention, diagnosis, chronic management, education, acute care & rehabilitation



# Definition of a Medical Condition

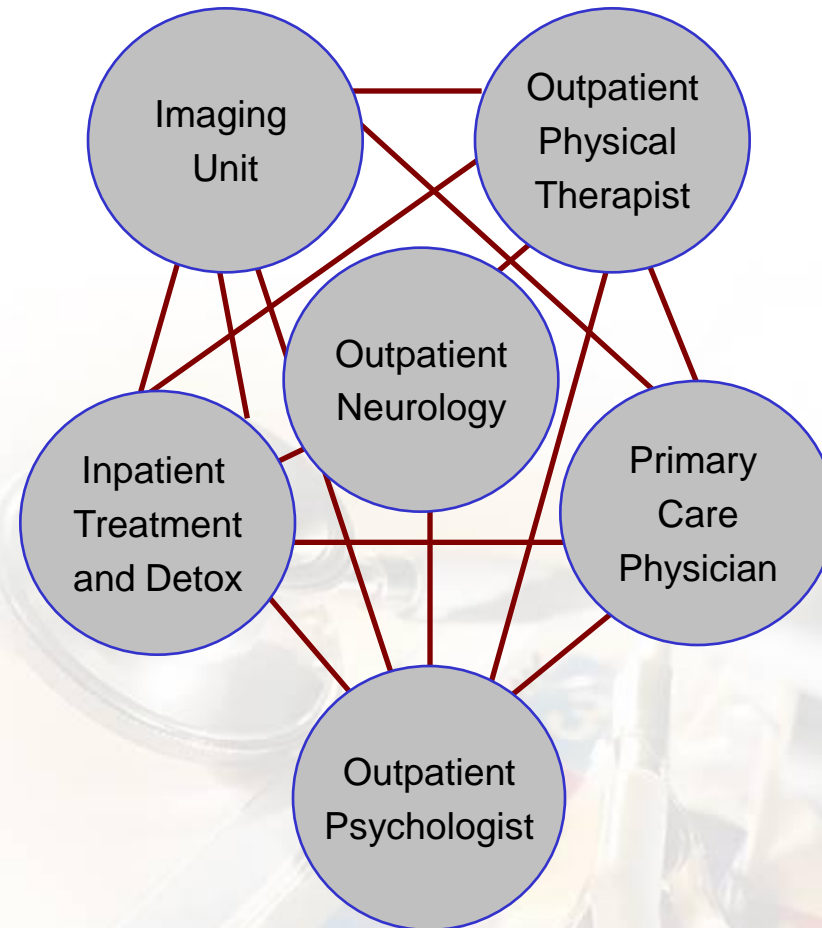
- Includes the common co-occurring conditions
  - Diabetes is not just a disease of the pancreas;
  - Includes multiple diseases that often occur together
- Extends through the full cycle of care
  - Consider breast cancer a medical condition



# Migraine Care in Germany

## Old model

Organized by specialty  
in discrete, fragmented  
services

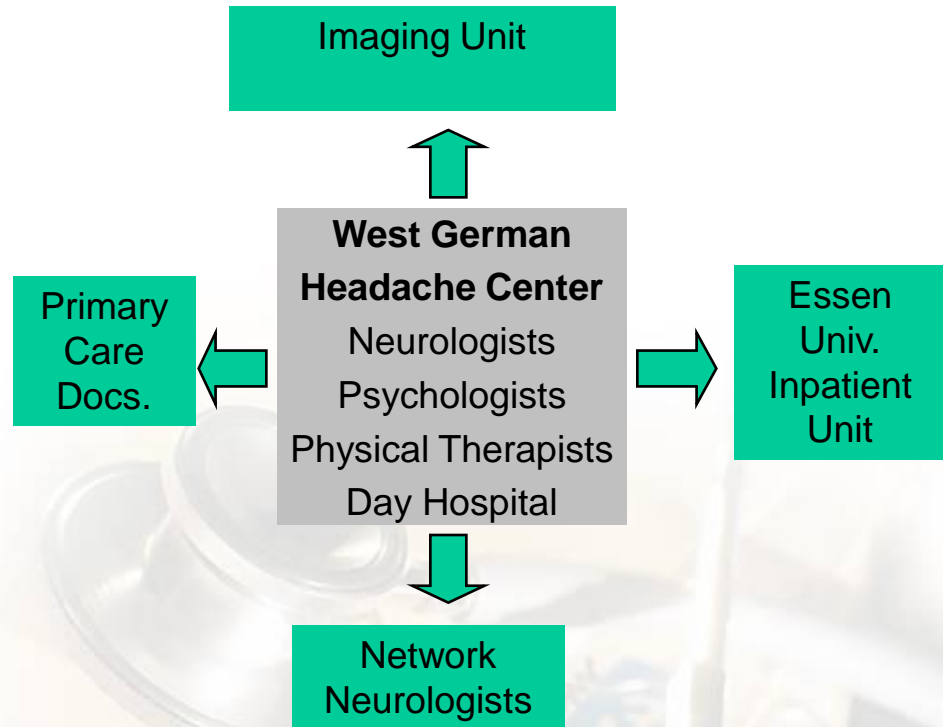


Source: KKH, Westdeutsches Kopfschmerzzentrum

# West German Headache Center New model

## Integrated Practice Unit

*Patient Value is the  
beacon of inspiration for  
organizational innovation.*



Source: KKH, Westdeutsches Kopfschmerzzentrum



# Opportunities for Value-Based Health Care Delivery in Switzerland

## **III. Redesign Teams for Clinical Integration**





# Teams and Medical Conditions

- Define to offer patients and families a solution to their medical circumstances
- Organize for patients
- SUVA



# What is Different with Teams?

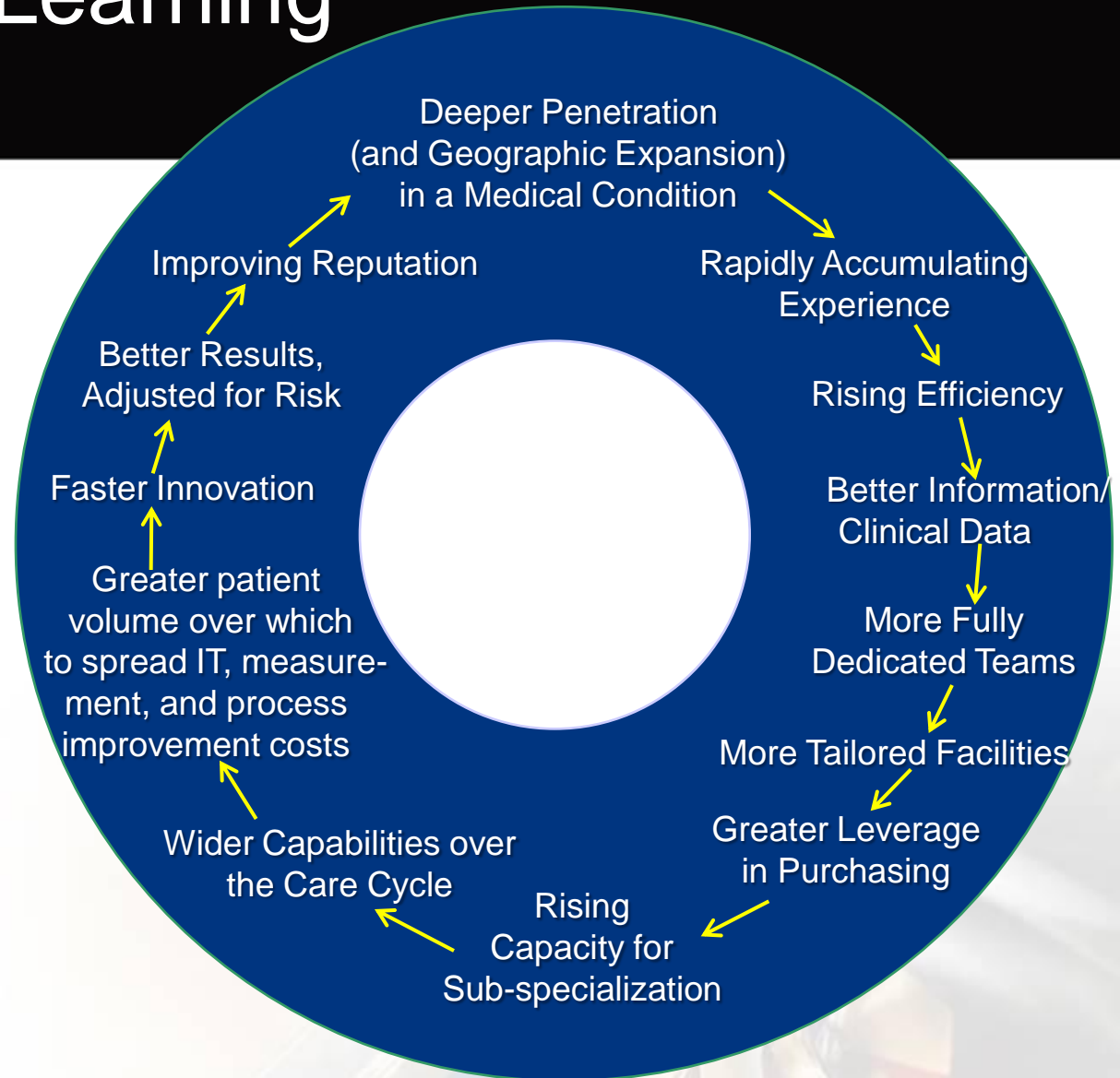
- Learning
- Clinical Judgments
- Health Outcomes
- Coordination
- Efficiency
- Research
- Satisfaction

**Why?**

# Driving Learning

Broad expertise develops over the care cycle for the patient.

Attention to results enables and inspires improvement.






# Opportunities for Value-Based Health Care Delivery in Switzerland

## **IV. Measure Results to Accelerate Learning**






# Outcomes should be universally measured and reported

➤ **For medical conditions over the cycle of care**

- Not for interventions or short episodes
- Not for practices, departments, clinics, or hospitals
- Not separately for types of service (e.g. inpatient, outpatient, tests, rehabilitation)



➤ Results must be measured at the **level at which value is created** for patients



# Measurement of health care outcomes is limited in Switzerland (as in most countries)

To accelerate **learning and improvement**:

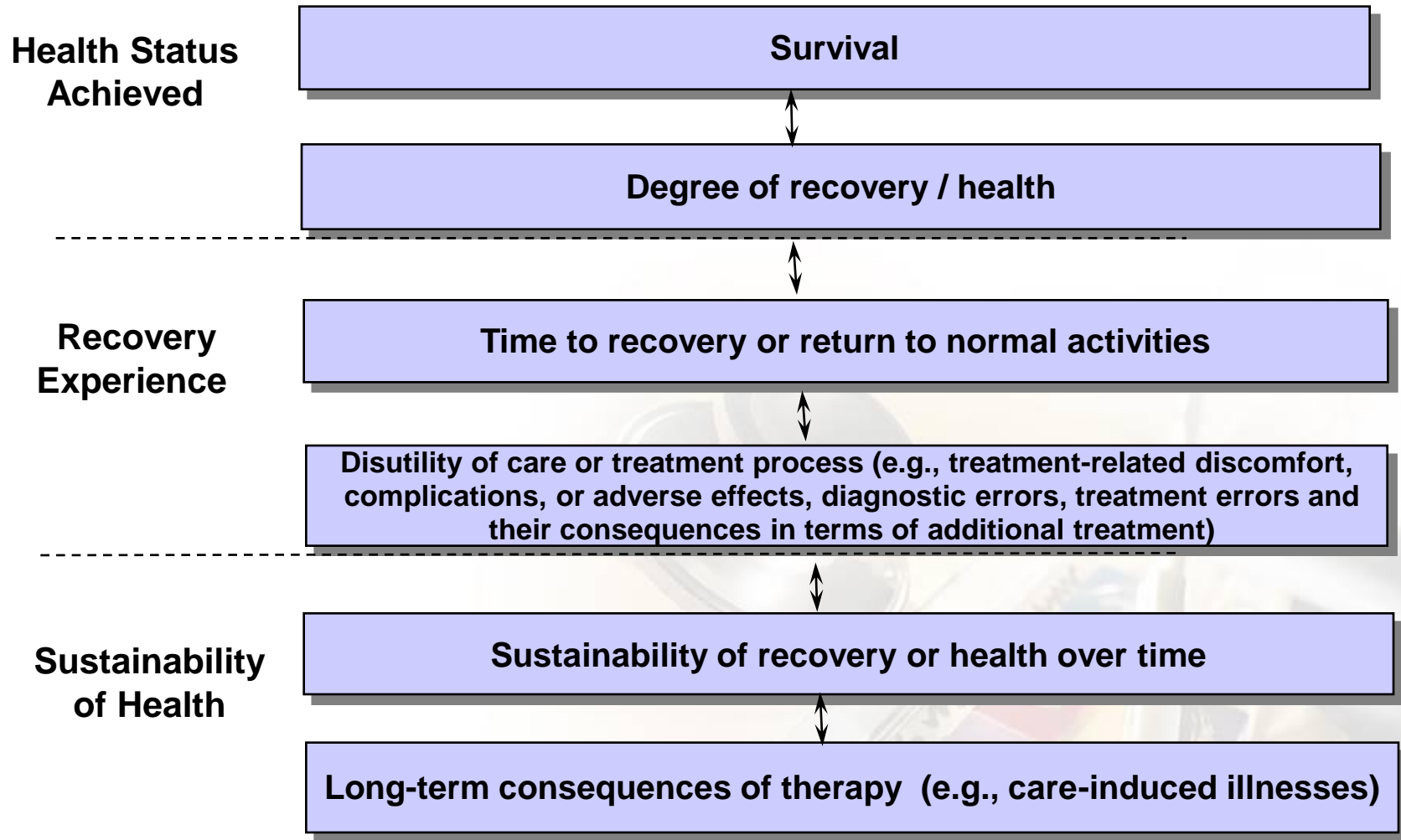
- Measure and report risk-adjusted outcomes by clinical team and by medical condition.

To accelerate **universal measurement** and overcome hesitation:

- The federal government should actively support outcome measurement.



# Outcome Measures have multiple dimensions





# Measuring Value: Essential Principles

- **Clinicians** need to measure results in order to drive value improvement and learning
- Outcomes should be **adjusted for patient initial conditions**
- Outcome measurement should not wait for perfection: Measures and risk adjustment methods will **improve rapidly**
- The feasibility of outcome measurement at the medical condition level has been **conclusively demonstrated**




Failure to measure outcomes will **invite further micromanagement** of physician practice



# Opportunities for Value-Based Health Care Delivery in Switzerland

## **V. Align Medical Success and Financial Success**





# Reimbursement should be aligned with **value**

Financial success of  
system participants  $\neq$  Patient  
success



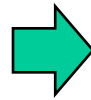
# Swiss health care payment reforms improve incentives but could do more to create a Value-Based Health Care System

- Bundled reimbursement for **care cycles**, by teams.
  - The move to DRGs fixes some skewed incentives, but DRGs tend to be too narrow.
- Pay for **prevention and screening**, not just treatment
  - Outpatient care is still paid separately (though TARMED does try to rebalance payments).
- Pay for **overall management of chronic conditions**
- Adjust for **patient complexity**



# Health Plans should compete on value, not on risk selection

**“Payor”**



**Value-Added Health Organization**

- Health plans should compete on value and measure the health and health care outcomes of their membership. (WGHC)
- Encourage individual responsibility for health, not cost-shifting to individuals.
- Switzerland needs to develop comprehensive electronic health records that are controlled by the individual and that support clinical integration of care and measurement of outcomes.



## VI. Wrap-Up



# Care delivery redefined

- *Patient centric:* Value-creating care solutions
- *Clinician led:* Teams treating medical conditions over the full cycle of care
- *Results driven:* Measuring patient outcomes to accelerate learning
- *Value based:* Paying teams for value

Switzerland is in a strong position  
to accelerate improvement in  
health care value



The Swiss health care system  
**is inclusive**, not suffering  
rationing and not in crisis.

But, the population is aging, obesity is  
rising, and spending is high.

Innovation in structure and organization of care delivery will enable dramatic improvement in value for patients.



Fragmentation of care exists in Switzerland as it does worldwide. **Reorganization of clinical teams** from a patient perspective is needed.


The coming tidal wave of chronic disease makes redefinition of care structures an urgent priority.

# Quality improves Efficiency: Health is less expensive than illness



**Quality of outcomes must be measured by every team** to accelerate learning and improvement in Swiss health care.

Rising costs can be managed by rationing existing care, or by redefining care delivery to improve value.

A close-up photograph of a silver stethoscope resting on a medical chart. The chart has several colorful tabs (green, blue, orange, red) with numbers and letters (1, 2, 3, 4, 5, 6, M) on them. The background is slightly blurred, showing more of the chart and the stethoscope's tubing.

Demonstrated, measured **quality** by clinically integrated **teams** designed from the **patient's perspective** (around medical conditions) would create **renown for Swiss health care.**

Improving value enables better outcomes at lower costs.



# Where to Step First?

- Define the unique value to create
- Measure and quantify some outcome
- Define a medical condition ...and its full care cycle
- Organize a multidisciplinary team