



What Steps are Needed for Value Based Healthcare?



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Tremendous progress has been made in healthcare over the last forty years. However there are still three outstanding problems which are found in every health service no matter how they are structured and funded.

One of these problems is huge and unwarranted variation in access, quality, cost and outcome, and this reveals a further two:

- Underuse of high value interventions which results in failure to prevent the diseases and disability that healthcare can prevent and which may also aggravate inequity.
- Overuse which always results in waste. Specifically, this means anything that does not add value to the outcome for patients or uses resources that could give greater value if used for another group of patients. Such action may also result in patient harm even when the quality of care is high.

In addition, the services will have to cope with rising need and demand without additional resources. What is needed is a focus on value. The meaning of value is different in the U.S. where it is defined by the relationship between outcomes for the patients treated and costs. In every country committed to universal health coverage this would be termed efficiency, with value a broader concept. In NHS England it is termed Triple Value and has the following features:

- Personalised value, determined by how well the outcome relates to the values of each individual.
- Allocative value, determined by how well the assets are distributed to different sub groups in the population.
- Technical or utilisation value, determined by how well resources are used for outcomes for all the people in need in the population.

What is needed to increase value is to continue with the processes that have increased effectiveness and value in previous decades - namely prevention, evidence-based decision making, quality improvement and cost reduction. But more of the same, even better, quality, safer care is not the answer.⁽¹⁾ The focus has to be on value, on better value for individuals and populations. To achieve this we need three new activities:

- Increasing personal value by ensuring provision to patients of information about the risks and benefits of the intervention being offered.
- Increasing value for the population by increasing investment in budgets for populations in which there is evidence of underuse and inequity by shifting resource from budgets where there is evidence of overuse or lower value interventions.
- Developing population based systems that address the needs of all the people in need, not only to deliver high quality care but also to:
 - Ensure the specialist service sees those who would benefit most.
 - Increase rates of higher value interventions (underuse) funded by reduced spending on lower value intervention (overuse). For example, the shift of resources from treatment to prevention or polypharmacy to district nursing.
 - Implement high value innovation (underuse) funded by reduced spending on lower value intervention (overuse).

This is the new [paradigm](#)

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