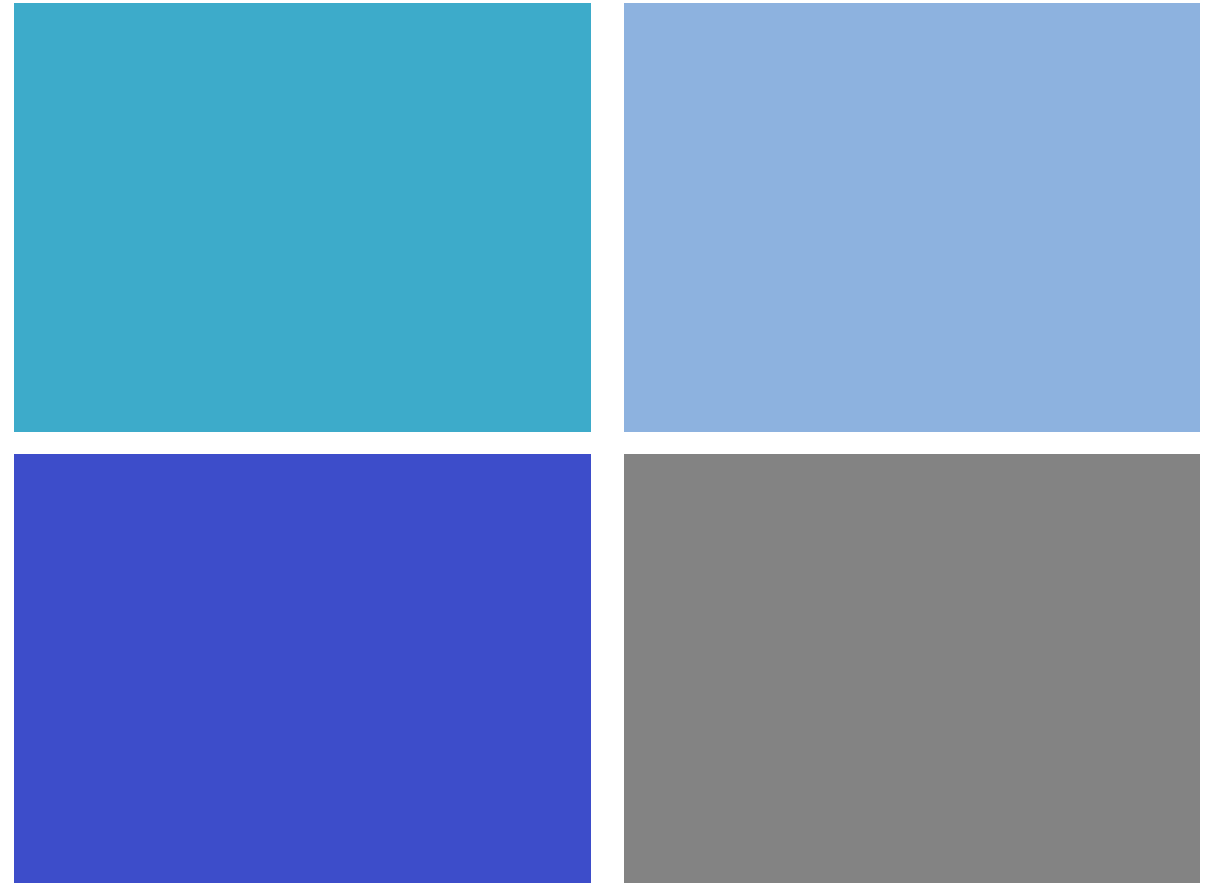


Innovation and Improvement Center



*Emergency Medical Services for Children*



## Value Based Care

Moderator: Charles G Macias MD, MPH

Speaker: Kathleen E. Carberry, RN, MPH

Assistant Professor, Dept of Medical Education

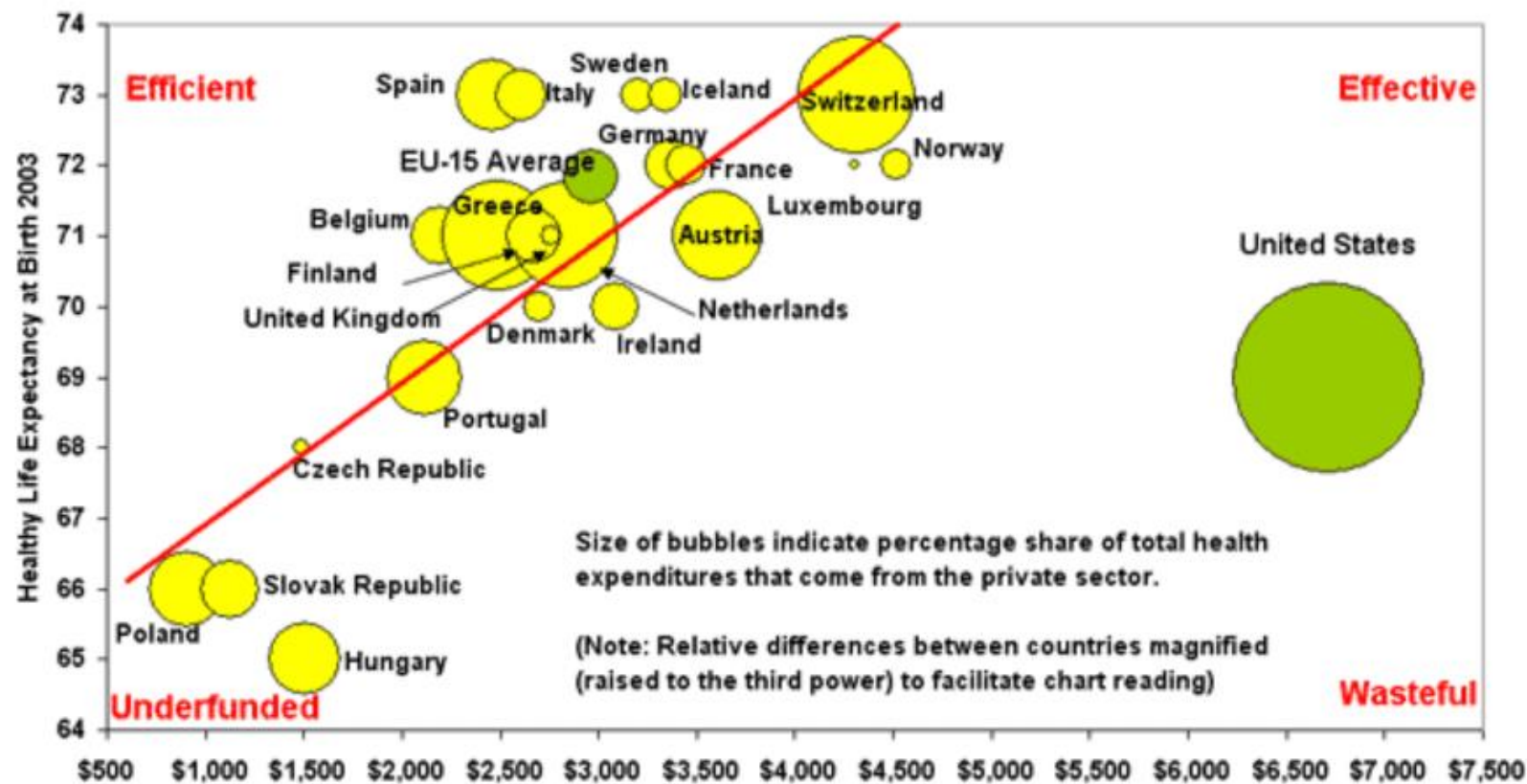
Outcomes Program Officer, Value Institute for  
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August 2019

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# Healthy life expectancy total population and total healthcare expenditure/capita



# Driving transformation through value



# The healthcare value equation

$$\text{Value} = \frac{\text{Quality}}{\text{Cost}}$$

We lack the ability to create mandates...so must articulate value.

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Quality Improvement  
and Value in Healthcare

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Raina Paul, MD, MBA and George Verghese, MD, MBA

*GUEST EDITORS*

*Published by W. B. Saunders*

# Value in the EMS continuum: ET3 model aims



## Quality –adjusted payments for EMS innovations

- Payment options for transport/treatment following 911
- Payment for performance for quality

## Support for aligned regional markets

- Cooperative agreements to governments/entities over 911
- Funding to establish triage lines for appropriate EMS use

## Enhanced monitoring and enforcement

- Monitor specific quality metrics/adverse events
- Robust enforcement for program integrity and patient safety

# Creating Value in Health Care

Kathleen E. Carberry, RN, MPH  
Assistant Professor, Dept of Medical Education  
Outcomes Program Officer,  
Value Institute for Health and Care



The University of Texas at Austin

Value Institute for Health and Care

*Dell Medical School & McCombs School of Business*





# Where are we today in health care?

Highly variable outcomes

Increasing costs

Slow innovation

Smart, caring, hard-working professionals



# **Everyone Has a Story**

## **Quality of life and dignity of death**

# Why Is Health Care So Stuck?

# Spend More or Ration More

False Dichotomy

Third Choice:  
Improve Health Care Value

**Value is created when a person's health outcomes improve relative to the cost of delivering the care**

$$\text{VALUE} = \frac{\text{OUTCOMES/QUALITY/PATIENT EXPERIENCE, ETC.}}{\text{COST}}$$

# Cost Reduction is Necessary ...and not Sufficient



Low cost ticket to the  
wrong destination?

Results matter



$$\text{VALUE} = \frac{\text{OUTCOMES/QUALITY/PATIENT EXPERIENCE, ETC.}}{\text{COST}}$$

**What is the purpose of any  
business or service?**

# Healthcare

The purpose of health care is health

More treatment is not the real goal

# The Goal

Achieving better health outcomes  
for individuals and families

# Value is Created When A Person's Health Outcomes Improve

One person or family at a time  
In a caring relationship



$$\text{Value} = \frac{\Delta \text{ Health Outcomes for the Person or Family}}{\text{Cost of Full Cycle of Care}}$$

**Drive dramatic and ongoing improvements in value**

# Poor Health Drives Spending

Living in good health is inherently less expensive than living in poor health.



# What Outcomes Matter?

- Luxury hotel?
- Amusement park?
- Favorite pub?
- Lasting memories
- A wild ride!
- A place to hang out

Your health care?



# **What Outcomes Matter in Health Care?**

# Find out from the patients and their families



# Good Health Outcomes for Individuals and Families



Capability



Comfort



Calm

# Design for Health Outcomes

Respect, dignity, and safety  
must be the floor, not the  
stretch goal



# Create value for the people you serve

## Business Insight

Organize production or service  
delivery around how you create  
value for those you serve



# Different Needs, Different Segments



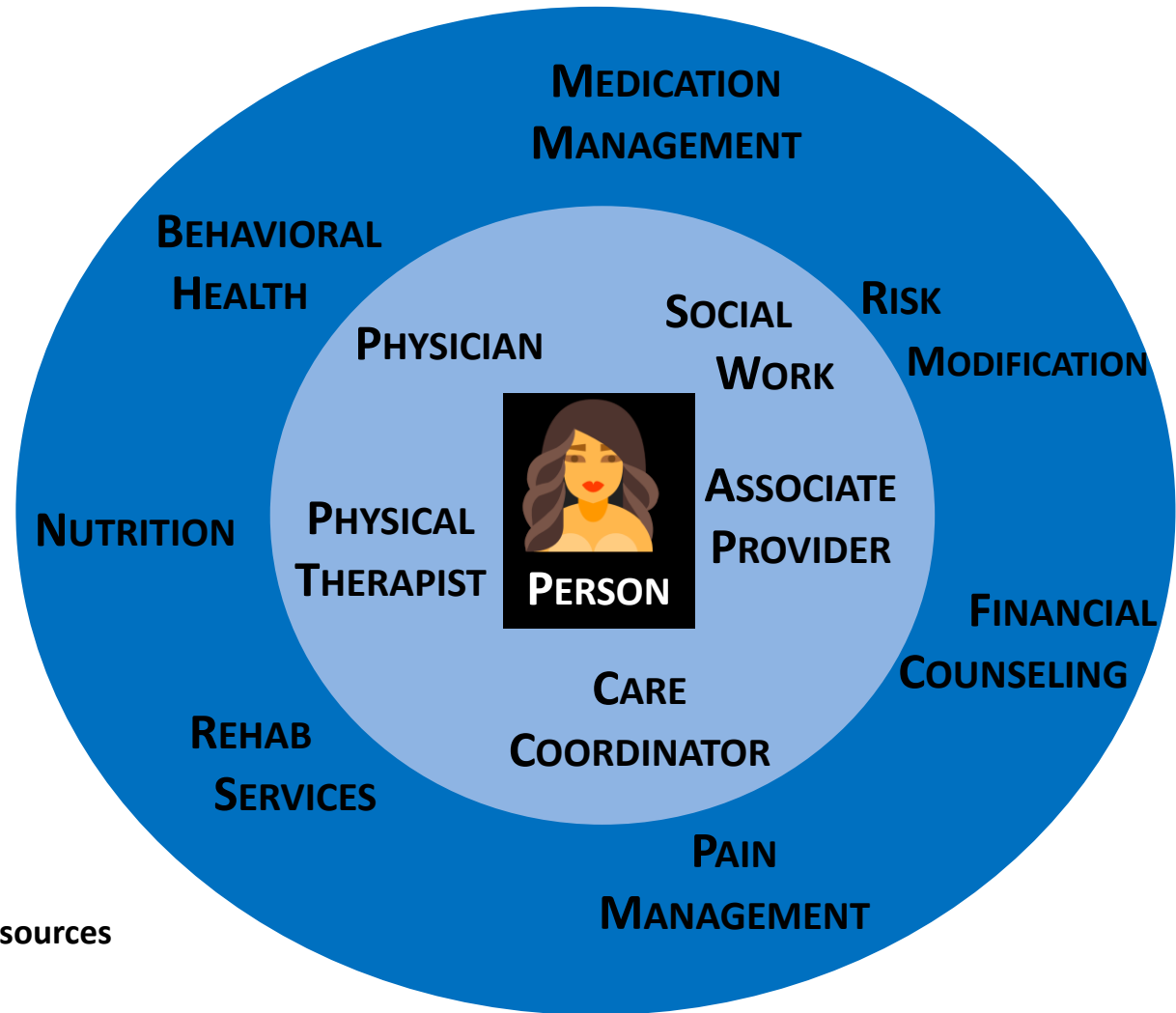
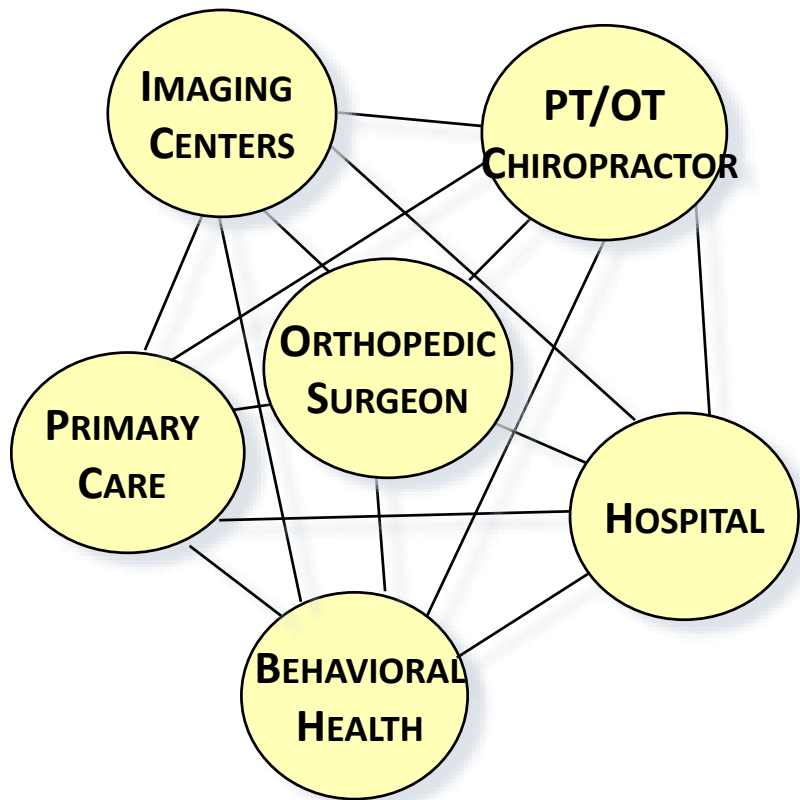
# High-Value Solutions Enable

Better health outcomes

At lower costs

Serving more people

# Joint Pain Care Designed Around Value for Patients & Families





**Measure at the level where value is created for individuals and families**

Outcomes for each patient

Costs for each patient of the activities & resources used

# Align Payment

Value creation for patients

Work people actually do

Enabling innovation

Actual costs plus a margin

**Value Aligns Interests**



**Purpose**

**Professionalism**



# Transformation



# How?



# Transformation Braid

— Culture sets aspirations.

— Strategy focuses and aligns activity.

— Measurement enables improvement.

— Culture accelerates learning.

— Strategy acts on learning.

— Measurement raises aspirations.



# MS Health Care Transformation Class of 2020





**We can't solve problems by using  
the same kind of thinking we used  
when we created them.**

**Albert Einstein**

**Rethink**  **Everything**

**Thank You and Stay in Touch!**

**Value Institute for Health and Care  
Nexus for thought leadership and community  
implementation of high-value care**

**<https://valueinstitute.utexas.edu>**