New Developments of Value-Based Payment Arrangements and Value Demonstration in Latin American Health Systems

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Warm up Welcome and Intro

Introduction
Where we come from and where we move forward

Paying for Volume
Fee for Service (FFS) payments
Incentive to increase utilization of resources

Paying for Performance
Pay for performance on measures
Incentive payments for high quality outcomes

Paying for Value
Shared savings and capitated payments
Incentive to coordinate care across continuum

PAST:
Rewards Volume
- Siloed FFS
- Volume-based rewards
- Limited coordination or shared risk

Moving Forward:
Rewards Value
- Value-based payments
- Public reporting of performance
- Greater focus on care coordination and prevention
Introduction

"Value" vs "Bustle"-based Healthcare

• The very recent past of health care systems shows:
  – More resources invested to treat disease than to prevent it →
  – Higher reward to health care activities than to its results → the "Bustle" →
  – Policy interest more focused to contain costs of inputs than costs of negative outcomes

• Value based health care system rewards positive health outcomes, aligns the incentives of patients, providers, manufacturers, payers and other stakeholders and fosters coordination among them

• One way to define such as system is one that achieves the highest net (?) value per dollar spent.

• Many aspects of current health systems are not conducive to optimize value in health care due to organizational, information and trust restrictions

Introduction

The Value-Based Challenge

• What is the definition of value for each stakeholder?
• How to measure different value perspectives?
• How to weight / align them --- overall net value vs maximizing value of one key stakeholder? (patient? / payer? / MD?)
• How to improve trust/commitment required to gain in healthcare coordination?
• Role of innovative tools to reduce burden of coordination, management and information?
• What are the success / failure factors in recent experiences?
• How far we have advanced in these pathway?
• What is required to move forward?
Objectives

- Provide an overview about performance-based and value-based health care
- Review key trends and experiences from the global, US and EU perspective
- Describe the key learnings from previous experiences
- Present the current state of Latin America in this pathway
- Discuss the key opportunities, challenges and next steps in the region

Agenda

Overview and the New Trend of Value-Based Healthcare
Louis P. Garrison, Jr., PhD, Professor, Pharmaceutical Outcomes Research and Policy Program, School of Pharmacy, and Adjunct Professor in the Departments of Global Health and Health Services, University of Washington, USA

Value-Based Healthcare Experiences in the USA and Europe
Ramiro E. Gilardino, MD, MSc, Director, Global Networks - Latin America, ISPOR, USA

Value-Based Healthcare Trends, Opportunities and Challenges in LATAM
Boxiong Tang, MD, PhD, Sr. Director Global Health Economics and Outcomes Research, Teva Pharmaceuticals, USA