

The Search for Improving Value in Canadian Healthcare: Holy Grail or Steady Progress?



INTRODUCTION

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Canada is one of the world's highest per capita spenders on healthcare. Yet provinces consistently boast lackluster performance on important measures of their population's health and access to healthcare (Davis et al. 2014; Doty et al. 2020). Spurred by public reporting, unease among governments about how to fix the problem and the lack of obvious solutions, much discussion focuses on improving the "value" of spending on healthcare (Papanicolas et al. 2018; Shrank et al. 2019).

Healthcare Papers has engaged with scholars, practitioners and other experts to publish a series of articles that define value, survey the healthcare ecosystem, delve into management and information needs, describe exemplars and conclude with prospects and recommendations for provincial organizational and delivery networks. The series is aimed at healthcare policy makers wherever they may be but is also

intended to inform providers and their organizations, healthcare associations and institutes, researchers, students of healthcare and the interested public.

Given the importance of value from healthcare and clear relevance to provincial and regional policy makers, one would surmise that there is a clear vision and strategic plan to address provinces' problems with organizing, delivering and funding healthcare. However, a quick tour of provincial ministry of health websites reveals that there is neither an articulated vision nor a plan to increase the effectiveness of spending on residents' health or healthcare.

Wringing better value from massive government spending on healthcare should be a very high priority for provincial governments. As described by the issue's various authors, there is a lot to wring out and a lot of work to

be done. Without reform, governments will face unpalatable choices of: raising taxes to pay for healthcare, healthcare claiming larger shares of other ministries' funding, further rationing of access to care or reducing the "basket" of publicly funded healthcare services and products. The Sisyphean task of balancing these choices is avoidable if provincial governments focus on improving value from healthcare.

No country has cracked the code of "value," and all are experimenting with different policy levers in different cultures with different value sets and using various incentives to move in that direction. There are, however, some promising signs: a number of provincial agencies have adopted value frameworks, but they are not enforceable and lack the ability to shape delivery network policy to achieve their framework's aims.

Value from Healthcare

According to the Institute of Medicine (2010), value is represented by cost, quality, safety, outcomes and innovation of healthcare. Other, less complex, interpretations of value are also used, measuring value as the ratio of health benefits to cost (Porter and Teisberg 2006). Canadian interpretations have been broader, and differences in defining and measuring value from healthcare reflect Canada's inclusion of caregivers, providers and provider organizations (Kuluski and Guilcher 2019; Wodchis 2019).

Although there is yet no uniform definition of value from healthcare, it certainly starts by including cost and health outcomes. Depending on whose perspectives are being considered, elements of value can include expectations, treatment preferences, satisfaction, effectiveness of treatment and innovativeness, among others.

Measuring Value

Extrapolating from the elements of value, it is clear that, in almost all sectors and aspects of healthcare provided in Canadian provinces, the data upon which to measure value are sparse. Other than a small number of condition-specific initiatives, there are no examples of system-wide initiatives to measure patients' expectations or preferences or the effectiveness of their treatment.

As recently noted, provinces focus their effort on counts of services, such as hospital discharges or emergency department visits, but collect a dearth of information measuring whether these encounters met patients' expectations or achieved their or their families' treatment preferences or desired outcomes (Raveendran et al. 2019; Wong et al. 2019). This represents a significant mismatch between what is currently measured and what is needed to measure value. Multi-pronged and made-in-Canada strategies to address these systematic gaps in data are needed (Horne and Manion 2019).

Is Innovation the Answer?

Will innovation allow provinces to "outgrow" their collective inefficiencies and overcome structures that cause their high-cost, low-performance predicament? Blue-ribbon scholars have provided advice on how to innovate effectively (Forest and Martin 2018; Health Canada 2015), although provincial and federal governments have been slow to move forward. Instead, as innovation has flourished only in pockets, improving value may lie with focusing on substitutive innovation rather than incremental progress (Cahan et al. 2020).

Is Technology the Key?

Health technology is considered a key element of improving value through improving between- and within-sector care coordination,

engaging patients and their caregivers in the process and experiences of care, prospectively monitoring outcomes and health status and providing clinical decision assistance and readily accessible best practice information. In Canada's fragmented network of healthcare providers, realizing the benefits of health technology needs to be accelerated as interoperability among all providers, organizations and patients is extremely immature and unable to provide most of the elements to measure value in an actionable manner.

Mobile technologies are focusing increasingly on healthcare. Although gains in a patient's physical or mental health are purported by the applications, the effectiveness of these technologies, as well as under what circumstances they are effective, is unclear, and how they integrate their users' personal and health data with their health professionals' data has yet to be resolved. Nonetheless, provided that technical, regulatory and ownership issues can be resolved, given their flexibility, nascent mobile technologies to support physical and mental health and healthcare offer significant opportunities for positive and disruptive innovation, such as routine collection of patient-reported outcomes for screening symptoms of depression.

The Role for Financial Incentives

Financial incentives have a complementary, though not singular, role to play in provinces' efforts to improve value. Financial incentives can reward the outcomes, quality and efficient use of effective services and products, including those for high-cost users with complex comorbidities. Examples include bundled payment approaches for episodic care or the value-based contracts now appearing in other countries for expensive pharmaceuticals (Branning et al. 2019). Outside of the fee-for-service physician remuneration models

prevalent in most provinces, where incentives are explicitly defined in terms of counts of services, provinces have been reluctant to use financial incentives to nudge provider organizations or providers to deliver higher-value care.

Basket of Insured Services and Social Care

An open question is whether substantive improvements in value can be achieved without considering a broader set of insured services. Contemporary discussions have centred on expanding the basket of publicly insured healthcare to include drugs on the basis of improving accessibility and affordability (Advisory Council on the Implementation of National Pharmacare 2019).

A broader consideration of factors associated with health and healthcare is warranted. A very modest expansion would include allied health services, such as physical and occupational therapies. Moderately ambitious expansions would include dental services, accessible stepped care for addressing mental health issues and long-term/residential care.

Changing the basket of insured services is easier said than done as there are many political, regulatory, policy and financing barriers. We have witnessed these challenges in the national pharmacare deliberations, where governments, patients, pharmacists, private insurers, manufacturers and distributors all have something of value at stake.

Perhaps the most sensible starting point is to break down the silos between healthcare and social care. Although initiatives to meaningfully integrate healthcare and social care are under way in a number of countries (Drewes et al. 2017; Harlock et al. 2020), similar policies have failed to gain traction in Canada's provinces, although there are some indications that Ontario's *The People's Health Care Act, 2019* (Bill 74) is setting the stage for

community-based integration of healthcare and social care providers (Downey et al. 2020; Woods 2020).

The Mission

In many circles and in many provinces, there is unanimity that something must be done to improve the value from healthcare. Outwardly, there are few indications that a sense of urgency is permeating provincial ministries of health. With provincial ministries currently reeling from service disruptions and budgetary holes attributable to COVID-19, governments and ministries of health appear focused on “righting the ship” rather than resetting it.

The challenges to improving value from healthcare are myriad and complex. Drawn from experts and the experiences of Canadian scholars from a range of fields, this issue of *Healthcare Papers* is dedicated to exploring potential options for policy makers.

In This Issue

This issue of *Healthcare Papers* is a capstone of the previous three issues examining policies for, barriers to and exemplars for improving value from healthcare in Canada. In the first issue, a number of authors defined the concept of value in the context of provincial health systems. In the second issue, the authors discussed the data needed to measure, evaluate and improve value. In the third issue, the authors presented recent successes and failures in their efforts to improve value.

This fourth issue includes four thematically linked articles that build on the themes of the first three issues. The articles in this issue propose opinions on and strategies for improving the value from healthcare in Canada. The authors have staked out positions regarding priorities and policy options for provinces; some are incremental, whereas others are controversial. Each position deserves a very careful consideration of its benefits.

Each of the four articles offers complementary perspectives. One article articulates a need to develop programs and policies that emphasize improving population health as a route to better value. Another proposes a rethinking of the principles regarding our delivery systems and the relative roles of the systems’ participants. A third article proposes practical policies for improving value from our highest-cost sector, the hospital. The final article articulates a need for active and engaged policy research to support refinement and redirection of the efforts of healthcare communities.

In the first commentary, the authors assert that improving value from healthcare should be driven through initiatives improving population health (Wodchis and Reid 2020). This means that governments, healthcare policy makers and providers/organizations need to extend beyond the people they treat and consider the health and wellness of everyone in their community, recognizing their different needs and contexts. The authors thoughtfully describe seven attributes of health systems that improve value, including focusing on integrating healthcare and social care, devolving power over healthcare and social care funding to local levels, challenging sector-based organizations to work more collaboratively and rewarding learning and adaptation.

The second commentary begins by proposing authentic engagement between the public, patients, health providers, healthcare organizations, regulators and government to reset the objectives of provincial health systems (Strumpf 2020). The author emphasizes that once the objectives are determined, governments should act like insurers and use policy levers, including financial incentives and expanded outcomes evaluation, to improve value. The article describes a number of practical steps to improving value: reimagining how physicians engage as providers,

measuring more meaningful outcomes, continuing to evaluate progress on improving value and be willing or able to pivot in new directions.

The authors of the third commentary propose that there are significant opportunities for provinces to design financial incentives to achieve objectives other than cost control or volume from their hospitals – the largest single source of government healthcare expenditures (Trenaman and Sutherland 2020). Drawing from case studies of Australia and the US, as well as earlier Canadian analyses (Hellsten and Dhalla 2019), the authors describe how hospital funding policies have evolved over the past 10 years in other countries, reflecting on the mechanisms other countries have crafted to incorporate other dimensions of value, such as quality, safety and experience. The authors conclude by linking existing provincial value frameworks with practical options for improving value from hospital spending.

The series concludes with the final commentary – drawing from Donabedian (1973), the author describes the dynamic forces, and the tensions between them, that shape healthcare: health needs, health services and health resources (Forest 2020). The author proposes that strategies to increase value require that each element – such as robust health resource planning, social valuations of health needs and strong governance – be focused on simultaneously. The article concludes by describing the wariness with which government policy makers, tasked with keeping provincial healthcare systems running steadily, engage with researchers and research that uncover inequities, unmet needs and demands for new resources.

Conclusion

As this series of four issues by *Healthcare Papers* on value from healthcare concludes,

there is no doubt that value from healthcare can be improved. The themes developed by the authors have remarkable consistency: patients' perspectives on their health and healthcare are needed, the achievement of interoperability among all providers' and organizations' electronic health and medical records that generate improvements in effectiveness and quality, and clear leadership is required by provincial governments to enable fundamental change to occur within delivery networks. Fortunately, there are many patients, caregivers, providers, organizations and researchers who engage with the delivery system and provide thoughtful, meaningful ideas for improving value from healthcare.

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