Value-based Healthcare (VBH): Recent development and initiatives in Thailand

Jiruth Sriratanaban, M.D., Ph.D.

Department of Preventive and Social Medicine,
and Thailand Research Center for Health Services System (TRC-HS)
Faculty of Medicine, Chulalongkorn University
Bangkok, THAILAND

13/04/2021

Today's topics

- UHC in Thailand and "SAFE" goals
- Thailand Approaches for Value-based healthcare
- VBH initiatives under the National Health Reform Plan

UHC in Thailand: Now

- Achieving universal coverage in 2002, through three major compulsory publicly-run health security schemes

Health Schemes	*Who?*	*By whom?*	*Finance*	*Provider networks*	*Annual budget (Approx. PPPY)*
CSMBS (1978-) + Local gov.	4.4 mil. CS +families (+0.6mil. LG)	Min. of Finance	Tax (Semi-open-ended budget)	Any public hosp., Selected private hospitals for elective surgery	14,940 baht US$ 498
SS (1992-)	15 mil. private employees	Min. of Labor	Tri-partite contribution	Participating public and private main contractor hospitals and their network	3,959 baht US$ 132
UCS (2002-)	The rest of pop. 47 mil.	NHSO	Tax (Close-ended fiscal budget)	Primary-care providers, Referral networks of hospitals, Public > Private	3,719 baht US$ 124

Key challenge: Increasing healthcare expenditure

Fiscal Years:	2018	2022	2037
Civil Servants Medical Benefit scheme	78,175.2	90,687.2	137,607.19
Social Security Scheme	48,117.1	58,262.6	64,128.5
Universal Coverage Scheme	204,592.2	245,378.4	450,271.1
Other public health benefits	163,145.0	189,270.3	356,830.8
● Net public health expenditure (1)	494,029.5	583,598.5	1,008,837.6
Private health insurance (2)	143,200.9	177,341.7	376,323.5
● Total health expenditure (1) + (2)	637,230.4	760,940.2	1,385,161.1
● % Health expenditure / Total Public expenditure	18.97%	20.52%	25.54%

Proposed strategic goals for UHC reform

Sustainability

Long-term financial sustainability for the Government, providers, And households

Adequacy

- All can access health care, and be protected against bankruptcy from healthcare expenses.
- Providers are sufficiently funded to provide necessary health services.

SAFE

Fairness

- Increase equity in UHC, both In terms of cost bearing and service access

Efficiency

- Resource allocation and investment
- Health service provision

Proposed UHC reform initiatives

Sustainability

Monitoring and taking actions
to control healthcare cost increases
relative to national GDP growth
and to balance healthcare budgets
and total government budgets

Adequacy

- Gov. tax base expansion
- New sources of fund for healthcare,
  EG. Local government, patient cost sharing

SAFE

Fairness

- Health benefit package design for all three schemes
- Reduction of effective gaps of financial contributions

Efficiency

- Strategic purchasing
- 6 target areas:
  EG. rational drug use
- Value-based healthcare

Approaches for Value-based healthcare (VBH)

- Strategic purchasing for UHC
- VBH healthcare reform initiatives
- Area-based and provider-level applications of VBH concepts as approaches for healthcare improvement

Strategic purchasing

What to buy:

- Inclusive healthcare benefits
- Health-need based and Cost-effectiveness consideration:
  - Health technology assessment (**HTA**) for high-cost care
  - **Primary care** and **referral systems**

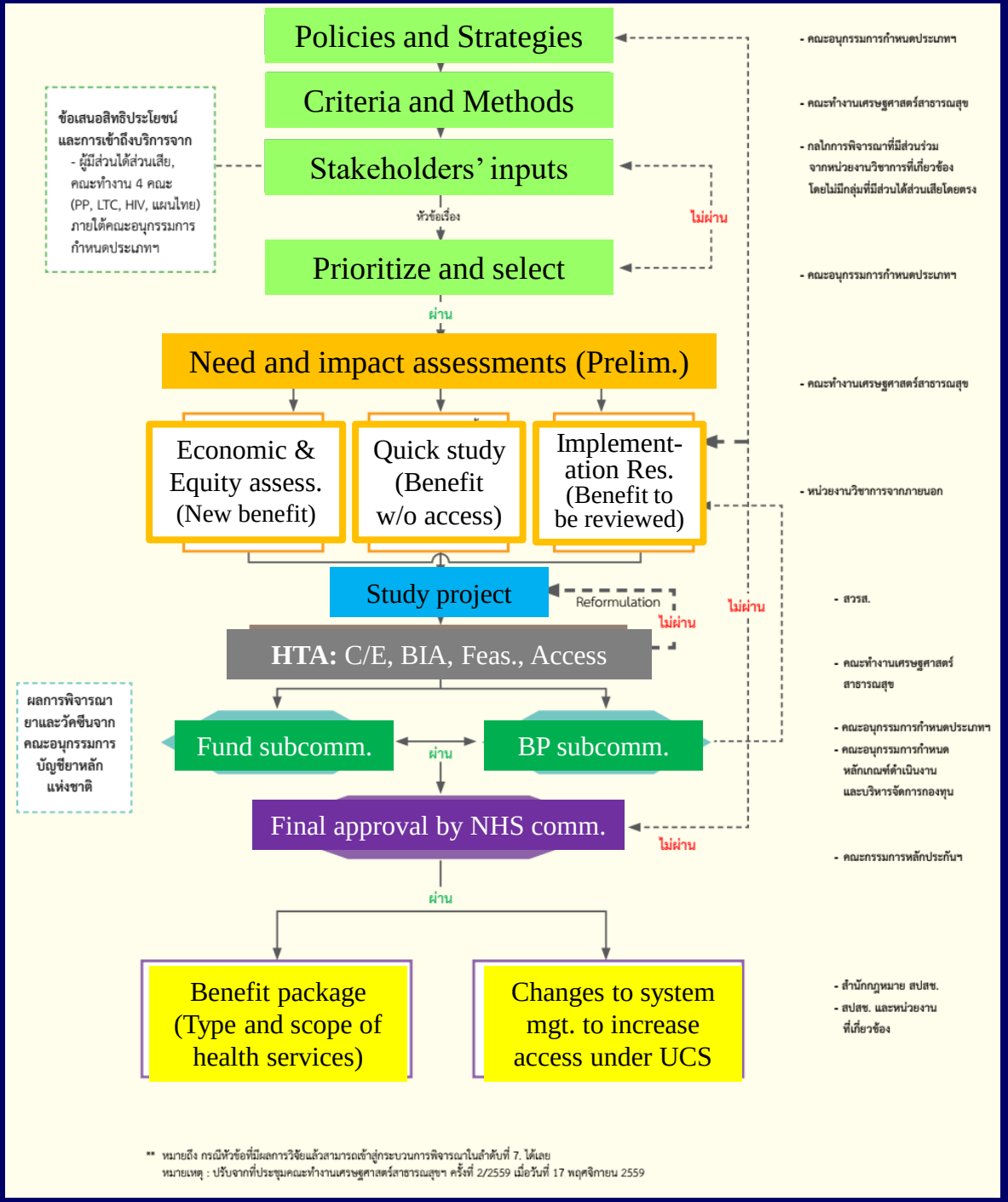
How to buy:

- General *vs.* Selective contracting for health services
- Central purchasing for selected high-cost drugs & supplies
- *Prior authorization programs: OCPA, RDPA, DDPA (CSMBS)*

How to pay:

- Close-ended payments (Capitation, DRG w. GB, Bundled)
- Selected incentives to promote access and quality (P4P)

What to buy: Value consideration in determination of health benefits in the UCS

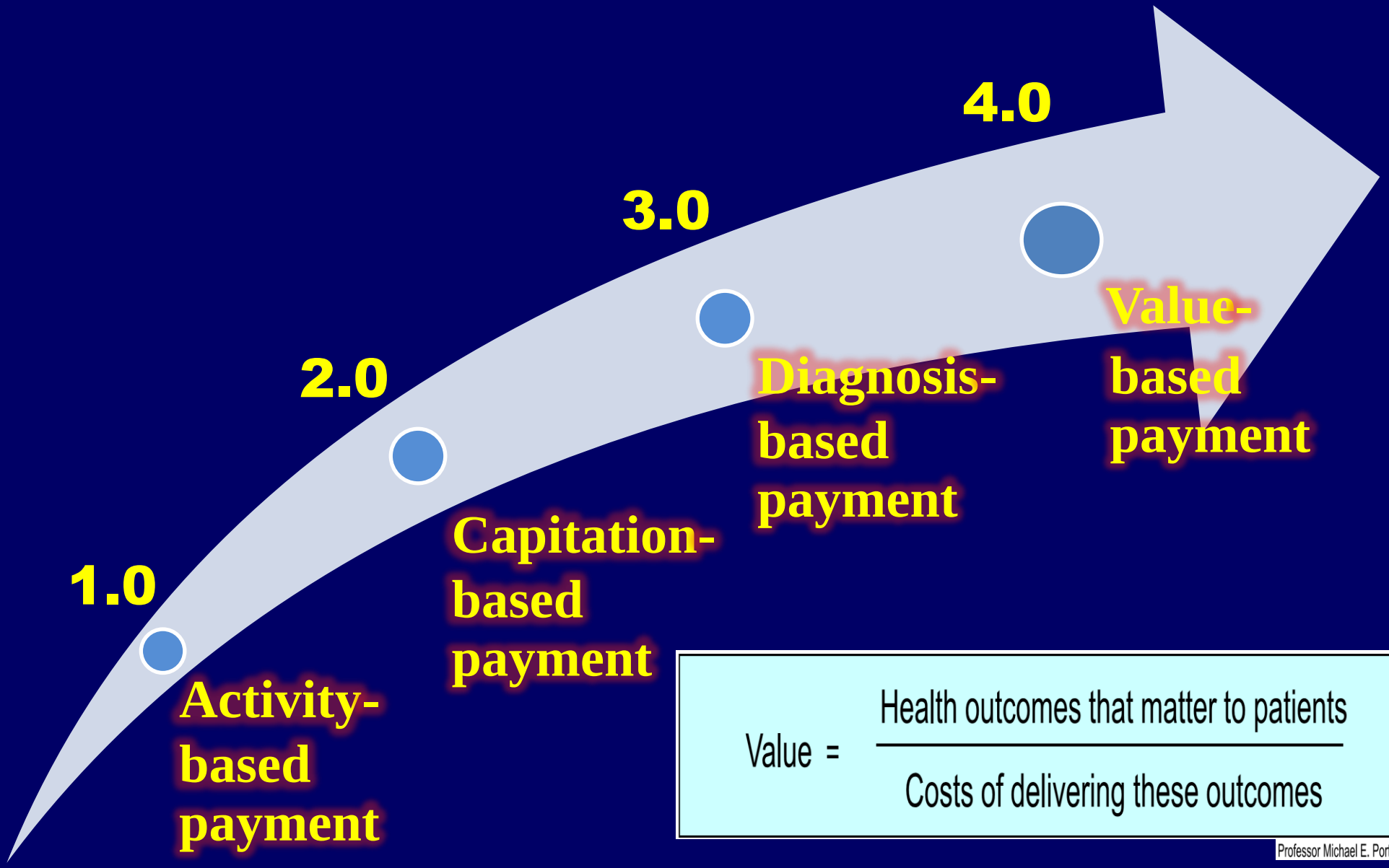


Examples
(UC Benefit package project)

Interventions (Indication)	Cost-effectiveness	Budget impact	UC Scheme coverage
Lamivudine (Chronic hepatitis B)	Yes	Low	Yes
Cyclophosphamide + azathioprine (Severe lupus nephritis)	Yes	Low	Yes
Implant dentures **[problem in delivery & equity concern]**	Yes ICER= 5,147	Low	No
Peg-interferon alpha 2a + ribavirin (Chronic hepatitis C)	Yes ICER=86,600	High	No
Adult diapers (Urinary and fecal incontinence)	Yes ICER=54,000	High	No
Anti IgE (Severe asthma)	No	High	No

Note: * THB per QALY; Threshold: ICER ≤ 1 GDP per capita/QALY; GDP per capita =130,000 THB

Re-designing payment models



$$\text{Value} = \frac{\text{Health outcomes that matter to patients}}{\text{Costs of delivering these outcomes}}$$

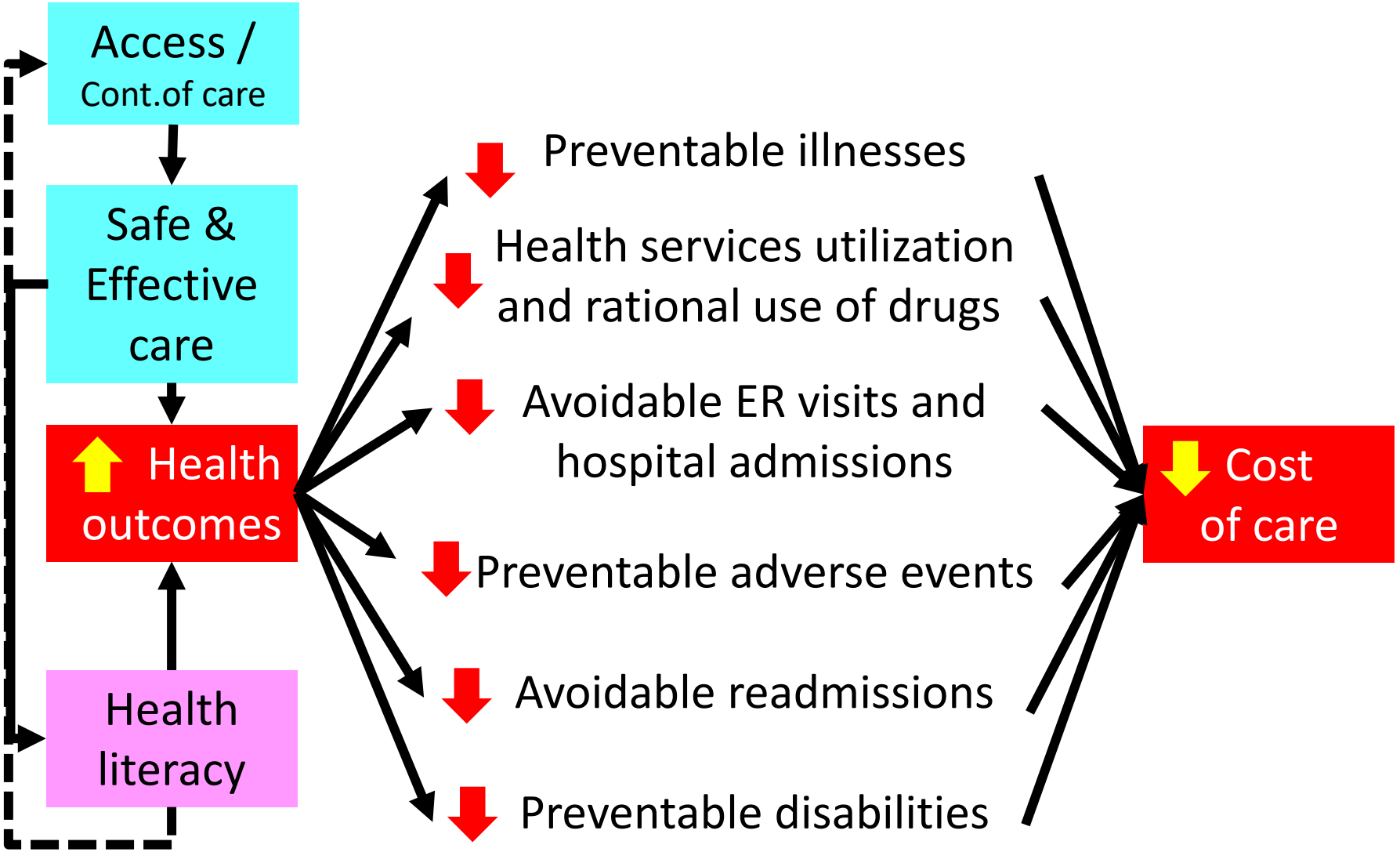
Professor Michael E. Porter

Combination of payment programs and initiatives

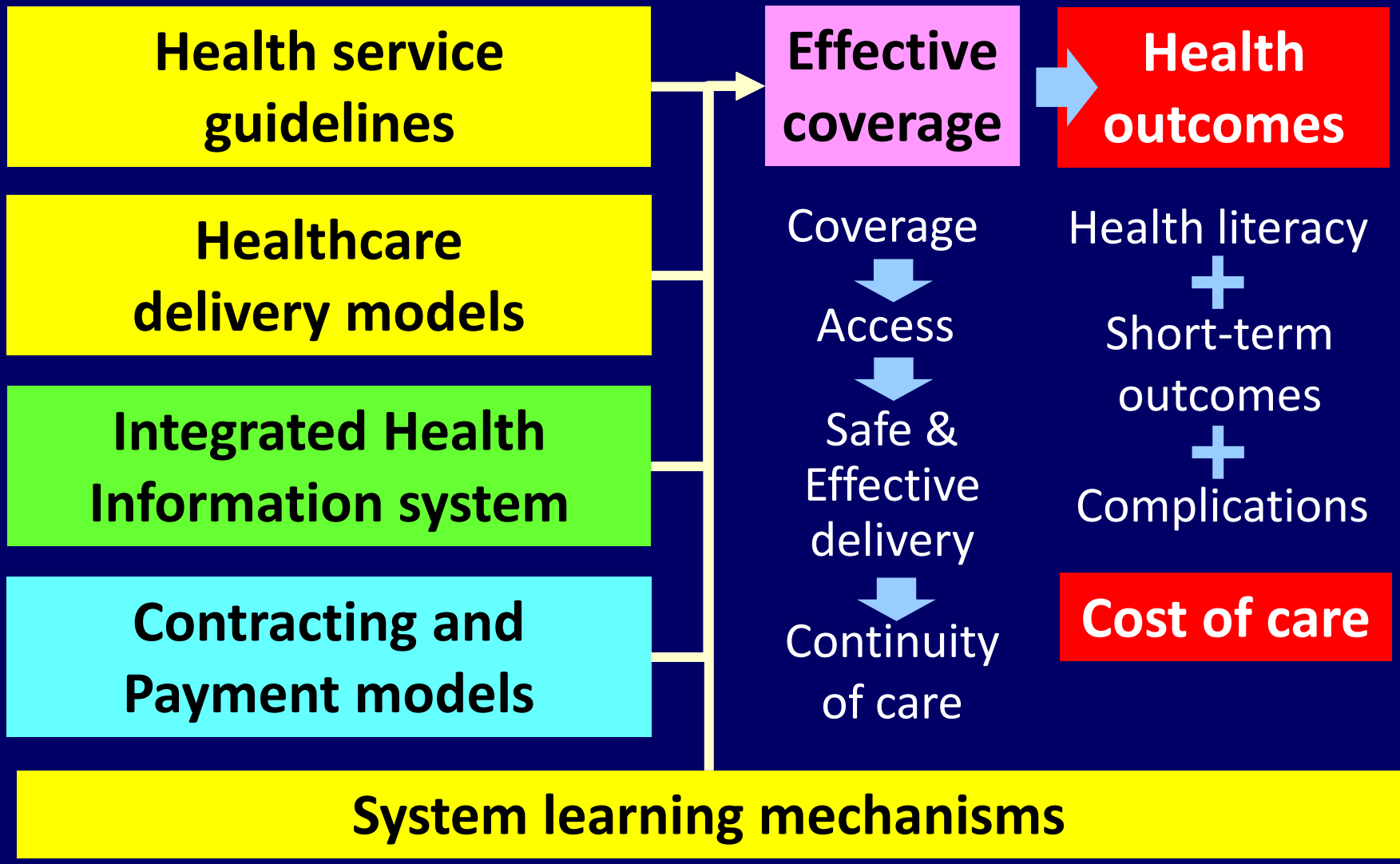
Healthcare	Components	Considerations	Payment methods
Outpatient	Baseline	Different health needs by area	Risk-adj. capitation
	Performance	Outliers in service load	Pay by service load
	QOF	+ Quality of care	P4P by KPIs
Inpatient	Baseline	Case-mix and volume	DRG w. GB
	QOF	+ Quality of care	P4P by KPIs
Central reimburse-ment	Guideline-based care, High-cost drugs & supplies	+ Financial risk protection + Quality of care + Access	Fee schedule by point system w. GB, “Drug” reimburse.
Health promotion and disease prevention	Basic services	+ Access	Age & Performance adjusted capitation
	QOF	+ Quality of care	P4P by KPIs
	Area specific	Policy, Local health needs	Project-based
Rehabilitation services	Performance	+ Access	Fee schedule by point system w. GB

Healthcare Reform VBH initiative:

Creating value by improving outcomes while reducing costs



Value-based payment initiative in Primary care



Jiruth Sriratanaban

Roadmap of VBP initiative in Thailand

1. Select disease conditions

- Health service guidelines
- Care pathways

2. Performance matrix

- Effective coverage
- Outcomes
- Costs

3. Payment modalities

- Capitation
- P4P
- Fee schedule

4. Integrated info. system

- Disease registry
- Cloud
- Applica-tions

5. Delivery labs

- Pilot areas
- Monitoring & Evaluation
- Improve-ment

BKK pilot initiatives (work in progress)

- What to buy: Primary care for Type-2 DM patients
- What to measure: What "Value" do we get?
  - Outcome = Glycemic control, DM admission, Patient acceptability
  - Process = Access / Effectiveness / Safety / Continuity
  - Cost = Cost (PPPY) (primary-care & total of each pt.)
- How to buy: Integrate into primary-care contracting
- How to pay: Bundled payment based on disease-specific capitation + P4P adjustment + fee schedules
- Waiting for pilot implementation

Designing DM patient journey

จัดทีมสหวิชาชีพและ
กำหนดคลินิกเบาหวาน

ประเมินทางคลินิก
(กรณีผู้ป่วยใหม่หรือได้รับการ
วินิจฉัยครั้งแรก)

ลงทะเบียนผู้ป่วย
จัดทีมรับผิดชอบดูแล

- E-Referral
- Tracking system

ตรวจและวางแผน
การรักษา

- ข้อมูลสุขภาพผ่าน Application

Case Manager

- care plan

ประเมินปัญหารายบุคคล
ปรับพฤติกรรม

- Counselor
- Case Manager

นัดพบแพทย์
และ counselor

- ที่หน่วยบริการ / Telemedicine
- แบ่งกลุ่มตามผลลัพธ์ทางคลินิก

Home Visit / HHC

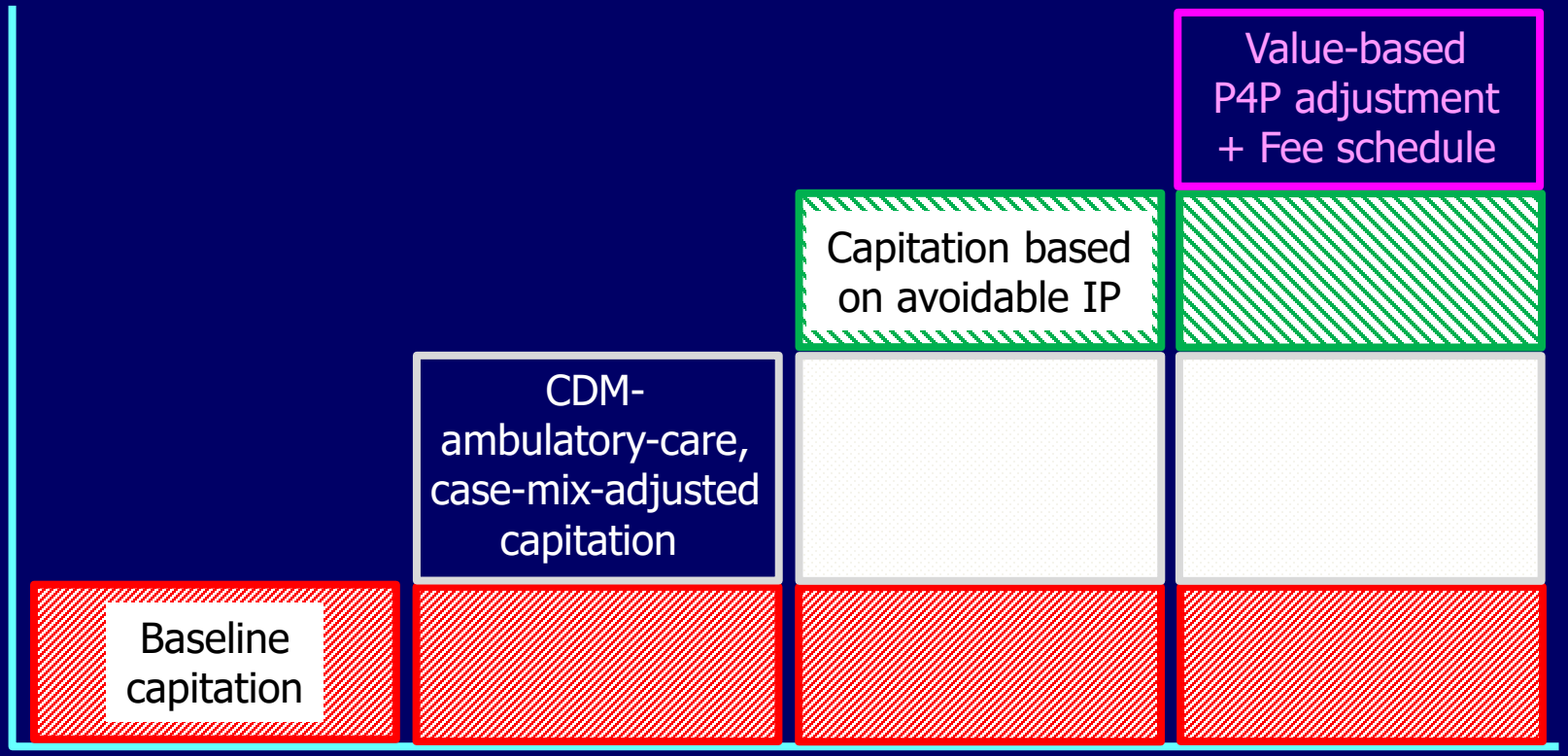
- Lab / Medicine
- ระบบติดตามภาวะแทรกซ้อน

ประเมินและติดตามประจำปี
Lab , Eye exam , Foot exam
Urine protein , ตรวจฟัน
(กรณีโรคแทรกซ้อน ต้องมีระบบส่งต่อ)

Case Manager
ประเมินผล/ปรับแผนการดูแล

- มีระบบวางแผนและการ
ใช้ข้อมูลร่วมกัน

Proposed Payment design



Adjusted for CDM
(-)

\+
Incremental cost of guideline-based care

\+
Incentive for better short-term outcomes

- *No additional pay for CDM-DRG*
- *Need UR for DRG creeping*

\+
Incentive for other Value-based KPIs, e.g. focused guideline-based performance

Examples of other initiatives using “VBH” concepts

- Integrated MCH programs by the Health Area #2 (Locally initiated)
- Intermediate-care ward (MOPH policy)
- Home-based palliative-hospice care (MOPH policy supported by NHSO reimbursement)
- Personal health data on cloud (Locally initiated + National by MOPH and MDE)

Example: Value-based MCH program framework

6 MCH program outcomes

Service redesign and innovation

Integrated Practice unit

Health service arrangement

1.Integrated service system
2.Provider coordinated
3.Lower Cost
4.Better quality (focus)
5.Positive patient experience (People center)
6. Care cycle 4มิติการให้บริการ

1

Integrated = shared resources (คน ของ) coordinations

Determine

Effective measurement :
1.cost
2.outcomes
3.pt. Experience

1

3

Design Bundle payment

2

Design IT Platforms

Integrated information system

- **Share and exchange information**
- **Eliminate duplication**

Question & Answer