

# Volume to value: implementing value-based care



” I want health professionals who understand my needs and help me advocate for the best possible outcome. ”  
- Community member

**Value-based health care** is focused on the outcomes that matter to patients relative to the costs required to achieve those outcomes. ‘Fee for service’ is the most common health care payment method in Australia and creates incentives to increase service volume rather than improvements in longer-term health outcomes. Shifting to value based payment models can help move the health care system from volume to value.

**Benefits of value-based health care include:**

- Promotes patient-centred care and improves patient satisfaction
- Clinicians focus on their area of expertise, leading to increased job satisfaction and less burnout
- Decreases the need for ongoing or high intensity care and reduces spending on low value care
- Increased focus on preventative care and holistic disease management
- Works towards the Quintuple Aim of effective primary care (Figure 1)

### THE QUINTUPLE AIM OF EFFECTIVE PRIMARY CARE



Figure 1. Quintuple Aim at Gippsland PHN.

## Health system changes



### The Australian Healthcare and Hospitals Association's recommendations to move towards value-based payment models include<sup>1</sup>:

- Develop a **cohesive vision and ambitious national 10-year plan** for value-based payment integration into the healthcare system.
- **Create an independent national payment authority** to implement the national plan through strong relationships with government agencies.
- **Improve cost and outcome data collection, analysis and access** among government and providers.
- **Support provider education and innovation** by investing in information technology infrastructure, identifying and promoting best practice care, developing provider tools and promoting peer-to-peer learning.
- **Incentivise providers** to change their services to deliver on outcomes that matter to consumers.
- Enable access to **clear, accurate and timely health data** on populations providers are caring for to assess their care needs and project their expected health expenditure.

Recent Commonwealth Government **Strengthening Medicare** reform activity aligns with value-based healthcare principles.

*To be effective and efficient, health care should be organised around segments of patients with a shared set of health needs, such as “people with knee pain”. (Teisberg et al., 2020)*



Figure 2. Teisberg, Wallace and O’Hara (2020) Strategic framework for value-based health care implementation to achieve better patient outcomes.

” I want one person who oversees my case. Too much information is lost between professionals. ”  
- Community member

<sup>1</sup> Cutler, H. (2022). A roadmap towards scalable value-based payments in Australian Healthcare. Deeble Issues Brief 49. Australian Healthcare and Hospitals Association, Australia  
Woolcock, K. (2022). Planning for scalable value-based payments in Australia. Australian Healthcare and Hospitals Association, Australia

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## Gippsland PHN: Building a Theory of Change for a Measurably Healthier Community



Gippsland PHN is committed to improving health outcomes for the people of Gippsland.

Our Theory of Change to embed value based healthcare principles into what we do will allow us to work with community to achieve a measurable improvement in health outcomes, fostering a healthier and more vibrant population with reduced health disparities. We understand that:

- Health is influenced by various interconnected factors, including environmental conditions, social determinants and individual behaviour.
- Collaboration and engagement between community members, organisations, and public agencies are essential for sustainable change.
- Access to healthcare, education and resources plays a critical role in promoting health equity.

## Where to from here for Gippsland PHN?

- Embrace reforms at individual, organisation and system level
- Start small and develop a value-based care culture
- Advocate increased regional health workforce support and investment
- Advocate for improved State and Commonwealth coordination
- Embed enabling technology platforms and use data to measure and drive improvements
- Support and steward aged care, allied health and disability sectors in the same way we do for general practice, with an early intervention focus
- Demonstrate leadership for change
- Measure performance based on quality care (not quantity) and outcomes over activity
- Expand well-functioning services across geographies and populations

### Gippsland PHN Theory of Change for Value-based Health Care

#### STEP 1: Community Needs Assessment

Conduct a comprehensive assessment of the community's health needs.

#### STEP 3: Develop a Multi-Faceted Intervention

Based on the needs assessment and stakeholder input, design a multi-faceted intervention that addresses various determinants of health.

#### STEP 5: Evaluate and Learn

Conduct regular evaluations to assess the effectiveness of the intervention and identify areas for improvement. Adapt the intervention accordingly.

#### STEP 2: Engage Stakeholders

Involve a diversity of stakeholders to actively participate in identifying health priorities and potential solutions.

#### STEP 4: Implementation and Monitoring

Implement the intervention with a clear timeline and measurable indicators to assess progress regularly.

#### STEP 6: Scale and Sustain

Based on positive results and lessons learned, scale up successful interventions and seek sustainable funding sources to ensure the continued success and long-term impact on community health.

#### STEP 7: Continuous Community Engagement

Maintain ongoing engagement with the community to ensure that initiatives remain responsive to evolving health needs and community priorities.

*“ We need a change in thinking so that the person is seen and the outcomes they want to achieve are always central. ”*  
- Latrobe Health Advocate

*“ We must move away from a supply-driven health care system organised around what physicians do and toward a patient-centred system organised around what patients need. ”*

- Porter and Lee, 2013

Figure 3. Gippsland PHN Theory of Change for Value-based Health Care.