

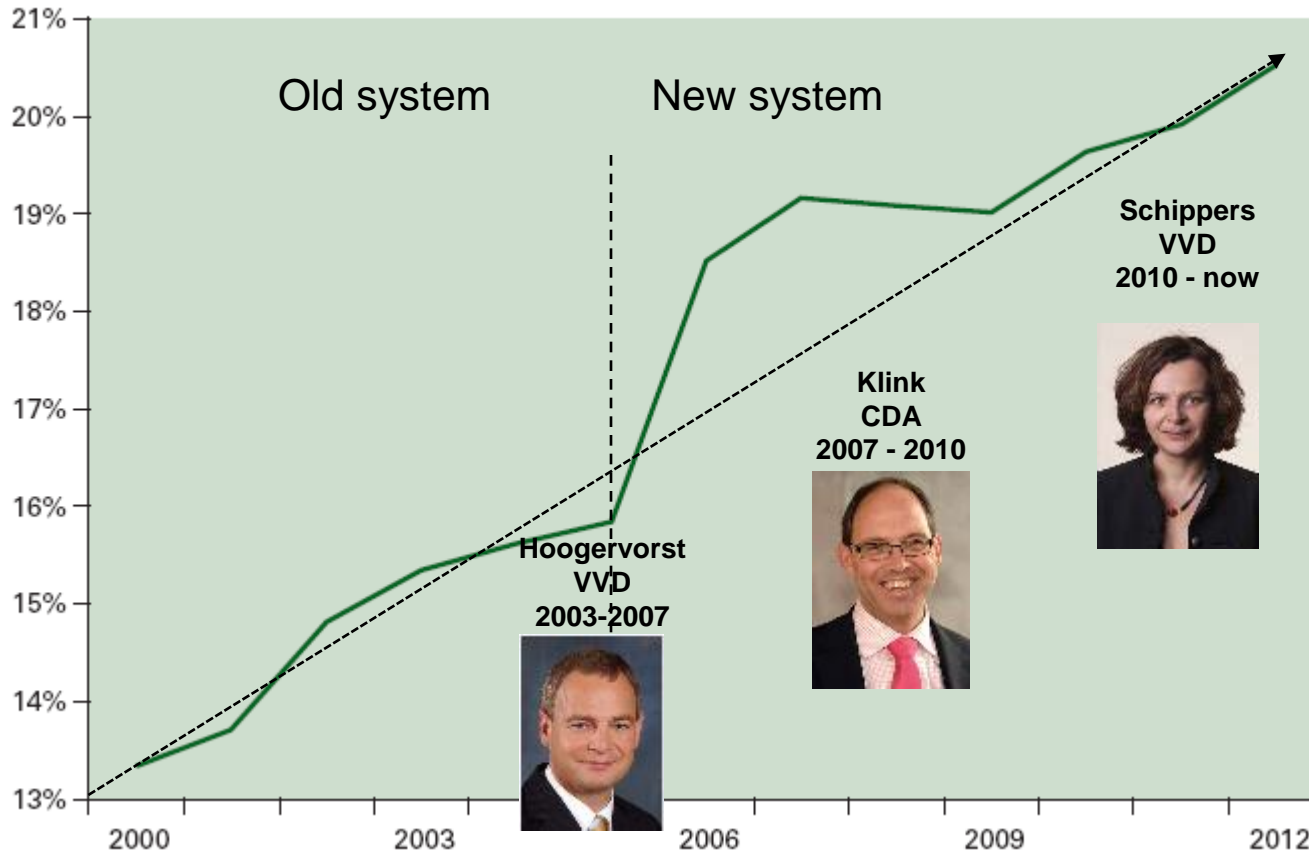
Better outcomes require new contracts which share the resulting cost savings

World Healthcare Forum
2nd December 2014

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As in most countries in NL healthcare 'share of wallet' is increasing

Figuur 1.13 Healthcare cost as share of government spending



Budget 2014:

€ 77,8 billion

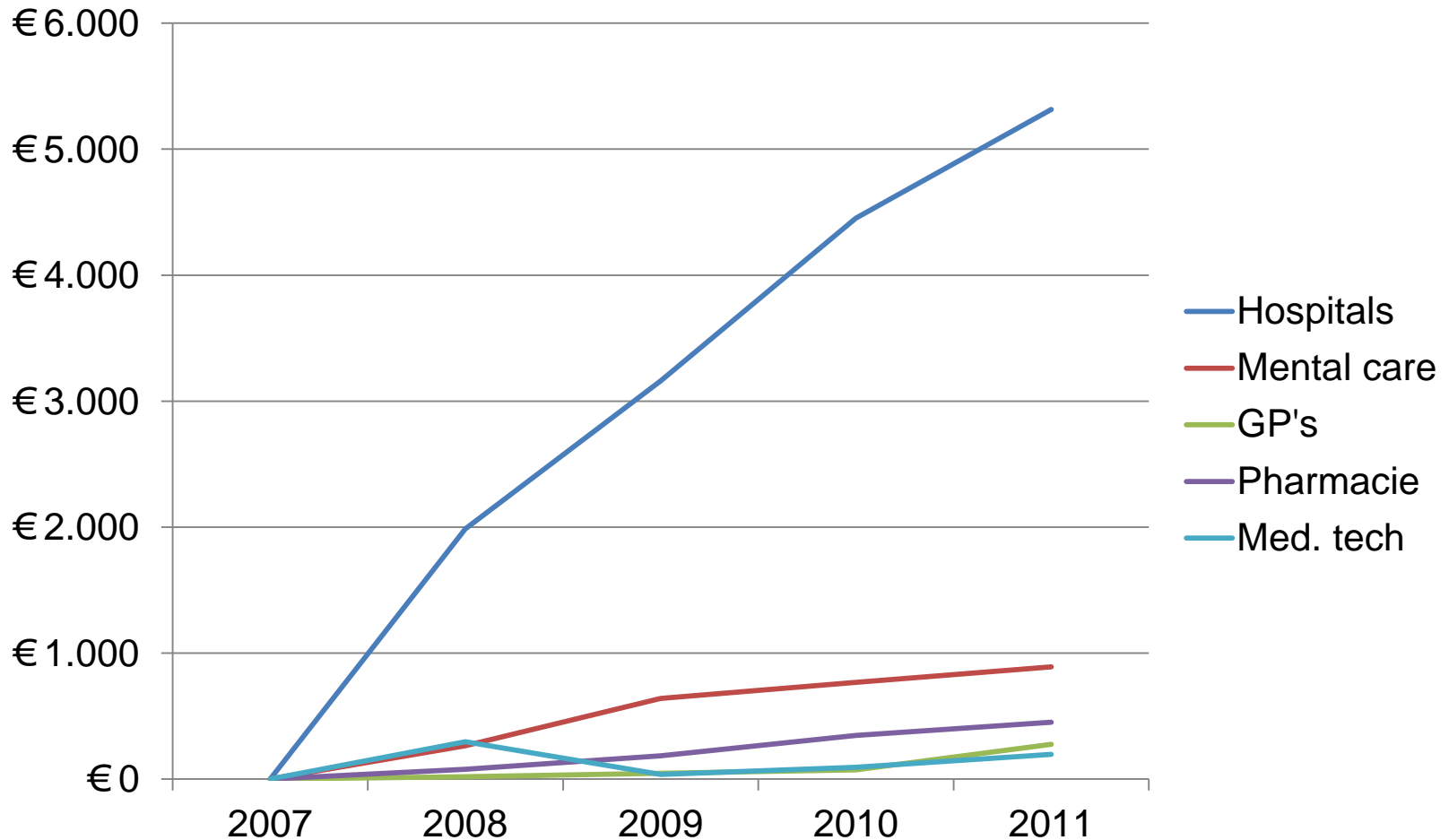
>20% of government spending of €267 bln

13% of GDP,
15% incl all payments

23% of a middle class household income

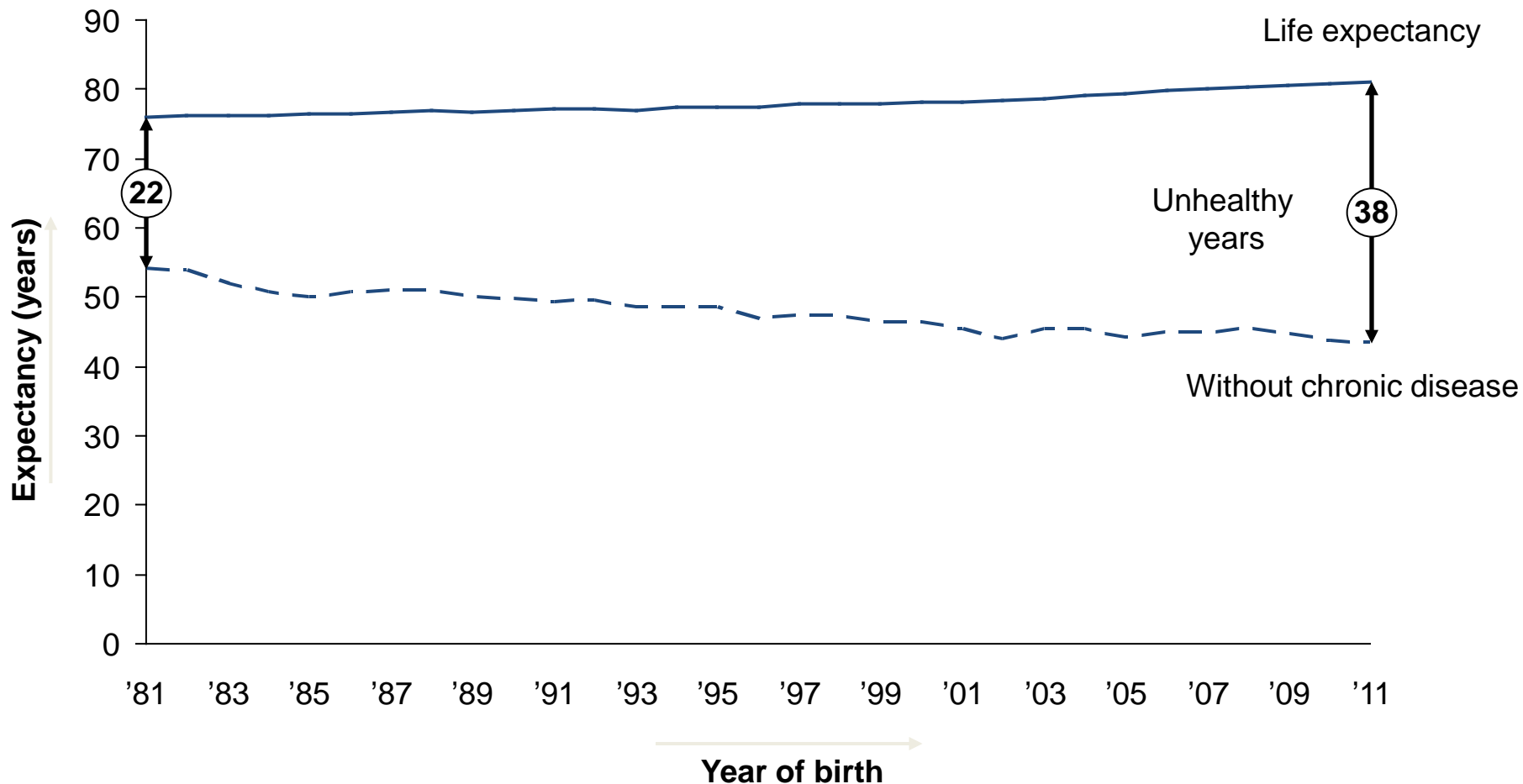
... with GP's by themselves unable to contain secondary care growth

Growth in HC cost since 2007 € mln



... with decreasing returns of healthcare: more but unhealthy years

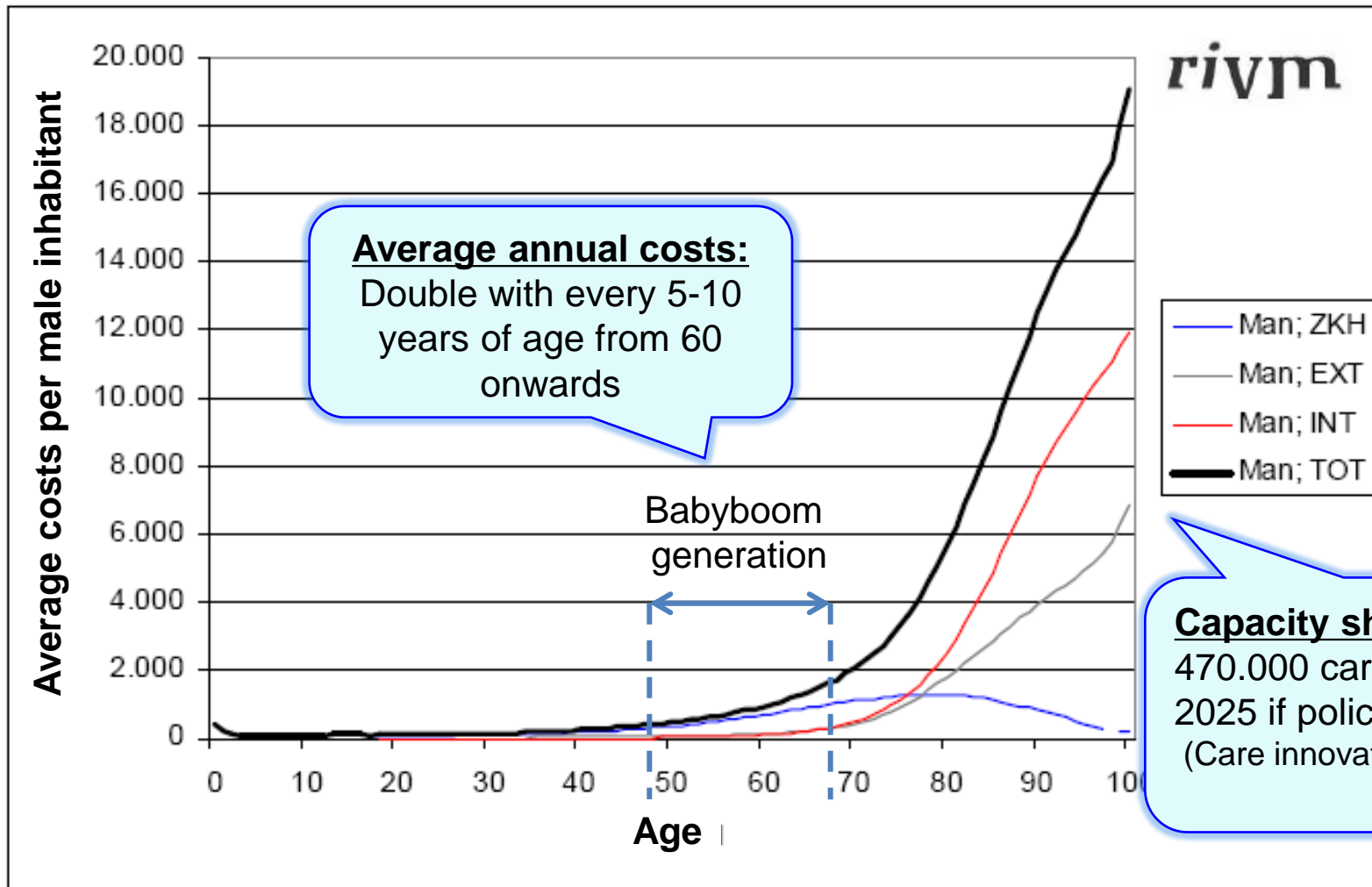
Life expectancy (without chronic disease) Netherlands



Noot: onder chronische ziektes zijn begrepen Astma/chronische bronchitis, Hartafwijking, Beroerte, Hoge bloeddruk, Maag-darm stoornissen, Suikerziekte, Rugaandoening, Reumatische/gewrichtsaandoeningen, Migraine en Kanker

Bron: CBS

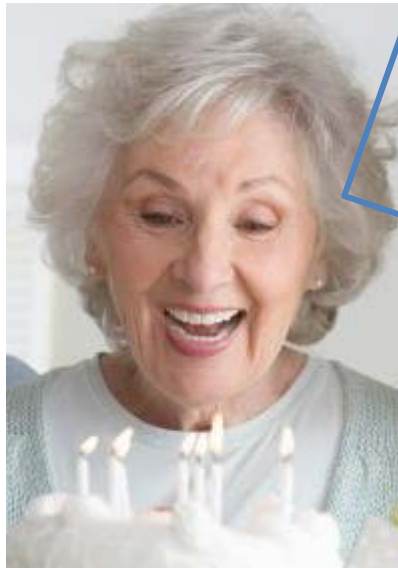
... at the start of the 'babyboom' in healthcare!



Coping with demand of care requires multidisciplinary collaboration

Bundling of care delivery and financing around the patient is needed

- Diabetes
- Cardio vascular
- COPD/Asthma
- Emergency care
- Dementia
- Bones/joints
- Loneliness
- Depression

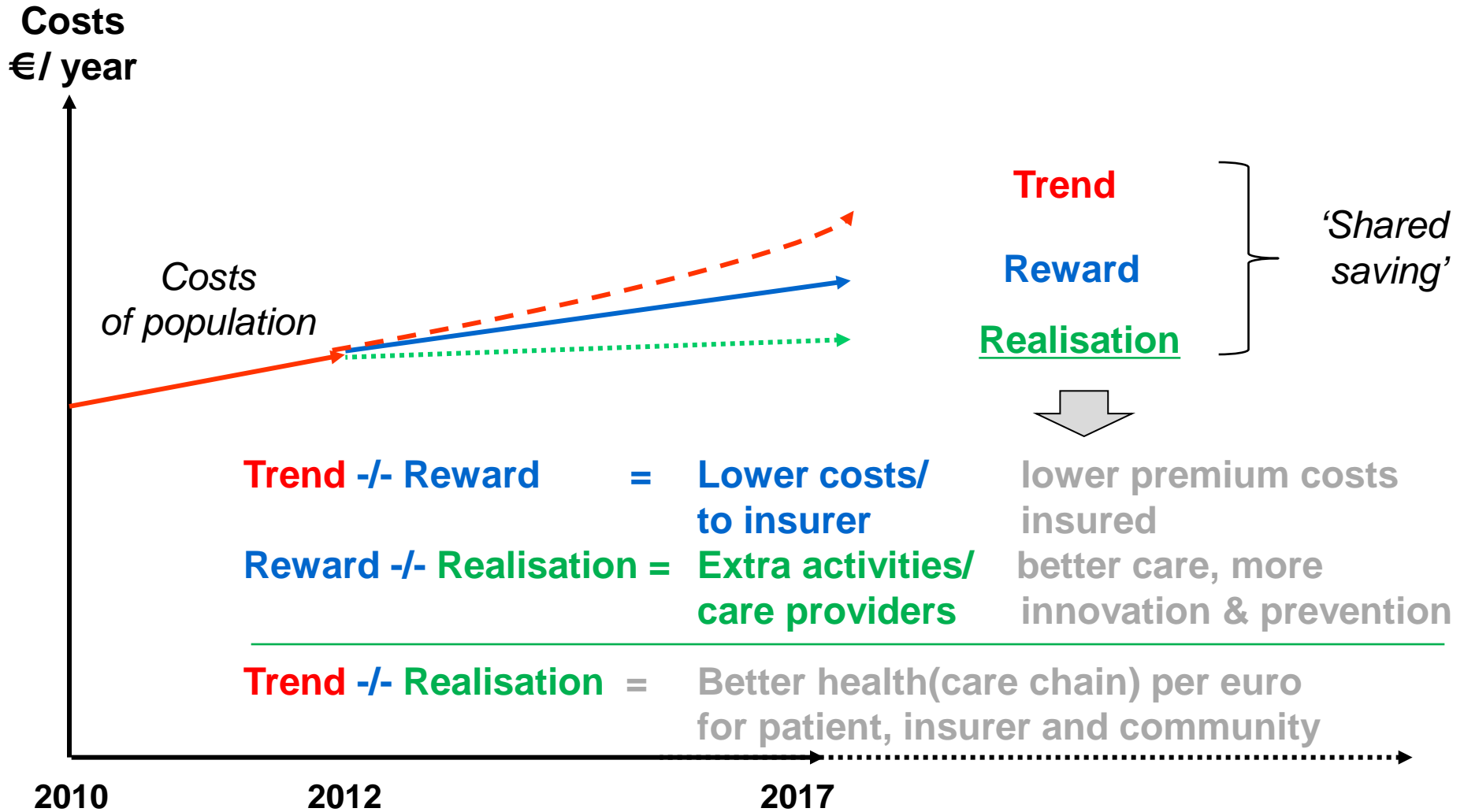


- GP
- Homecare
- Relatives
- Geriatrist
- Elderly home
- Psychologist
- Pharmacist
- Paramedics

- HCI basic
- HCI extra
- LTC
- Municipality
- Subsidy
- Own payment
- ...?

to make significant improvements in care, health and thus costs: triple aim!

... and rewarding the resulting cost growth reduction....



.... as structural financing of 'health return on costs' improvements

Prevention

Self management/service

Disease management

More effective care

Lower costing care

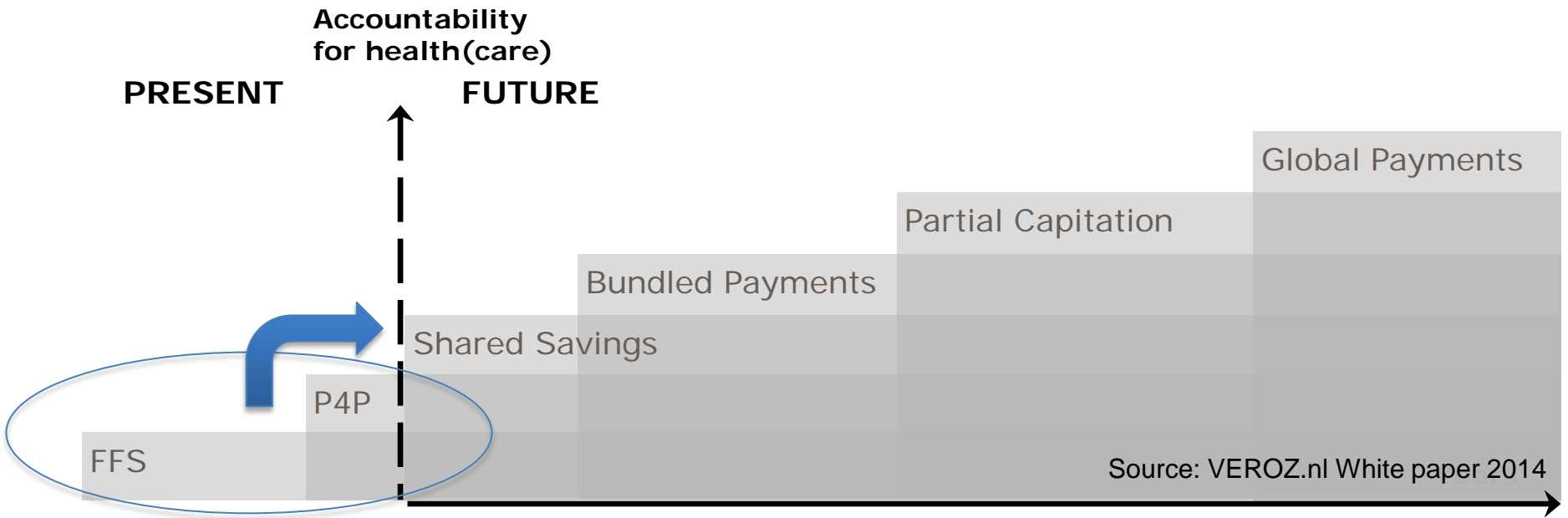
Undoubling of care

Scale cost advantages



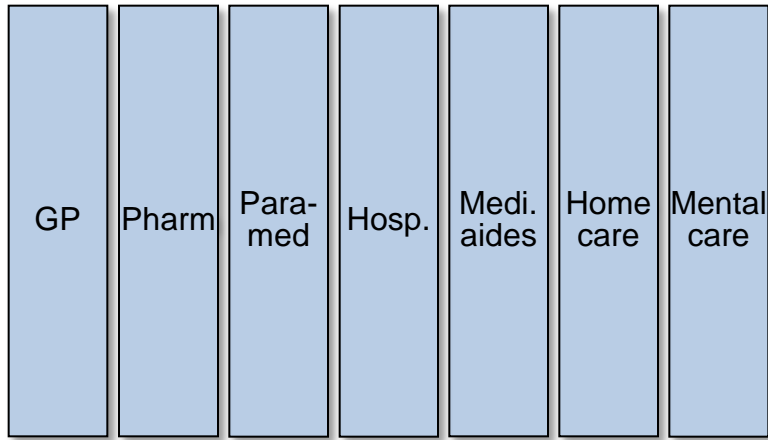
More than enough opportunities **if** care providers are rewarded for **reducing** care consumption instead of **increasing** care production

....in new contracts that share the resulting savings

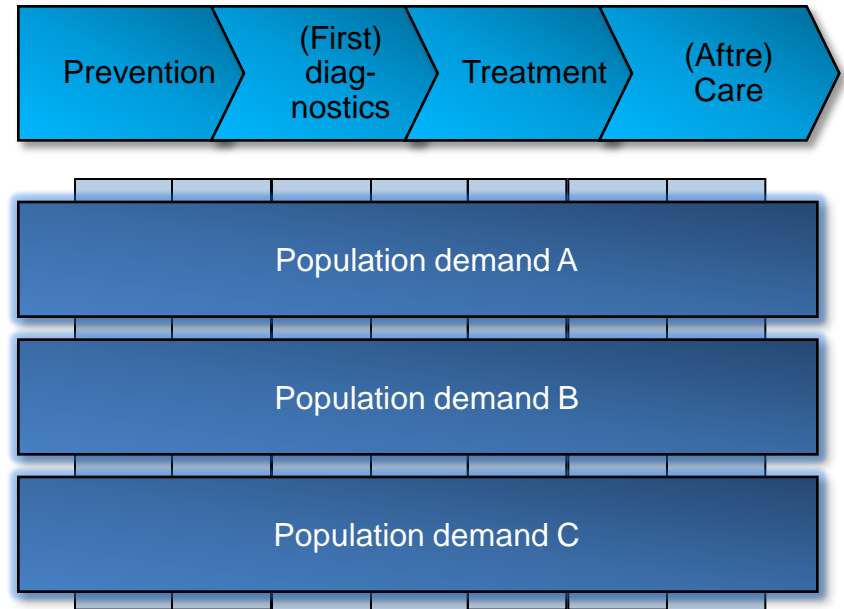


- **Fee For Service:** per consultation, diagnostic test, hospital day, medication, etc.
- **Pay for Performance:** payment for extra activity *expected* to have positive health impact
- **Shared Savings:** *difference* between trend and actual between insurer and HCP's
- **Bundled Payments:** fixed fee per *patient* for complete care pathway and result
- **Partial Capitation:** fixed fee per *insured* per year for specific disease treatment
- **Global Payments:** *total* budget per *person* per year for *all* care for that person

Better outcomes require new contracts which share the resulting cost savings



Vertical *annual* contracts do NOT reduce growth of *costs* because they still reward *production*



Horizontal *multi-year* contracts WILL reduce growth of *demand* by sharing the *savings*

Questions?

