

# Improving outcomes in partnership with Industry

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# A new paradigm for healthcare?

## Making prudent healthcare happen

### Welcome

The 'Making prudent healthcare happen' resource has been designed to explain some of the key concepts behind prudent healthcare. It captures perspectives of those working in or using health and social care services in Wales about what prudent healthcare means to them and its potential for Wales.

### Before you start

Read the welcome from Minister for Health and Social Services, Professor Mark Drakeford AM.

Scroll over the images below to view the article title, or click to here to see a full list of articles on this site.

Click here to read the "Securing Health and Well-being for Future Generations" document



Mark Drakeford  
Minister for Health and Social Services



## The 4 principles of prudent healthcare

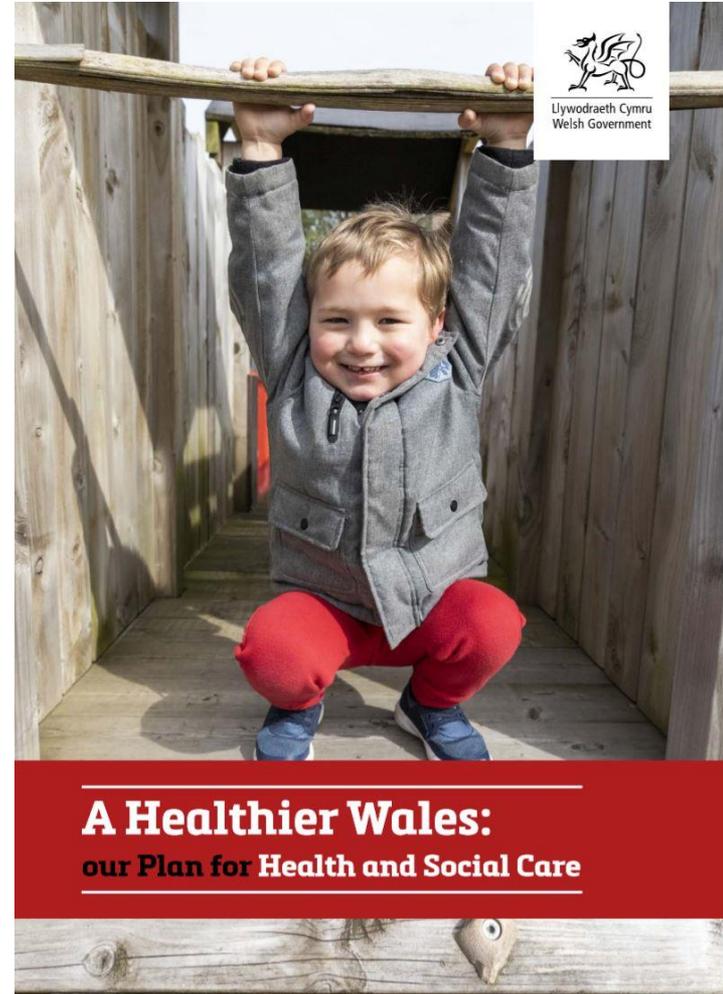
Public and professionals are **EQUAL PARTNERS** through **CO-PRODUCTION**

**CARE FOR** those with the greatest health need **FIRST**

Do only **WHAT IS NEEDED** and do **NO HARM**

Reduce **INAPPROPRIATE VARIATION** through **EVIDENCE-BASED** approaches

For further information visit [www.prudenthealthcare.org.uk](http://www.prudenthealthcare.org.uk)



Llywodraeth Cymru  
Welsh Government

**A Healthier Wales:**  
our Plan for Health and Social Care

# A Healthier Wales:

## *our Plan for Health and Social Care (2018)*

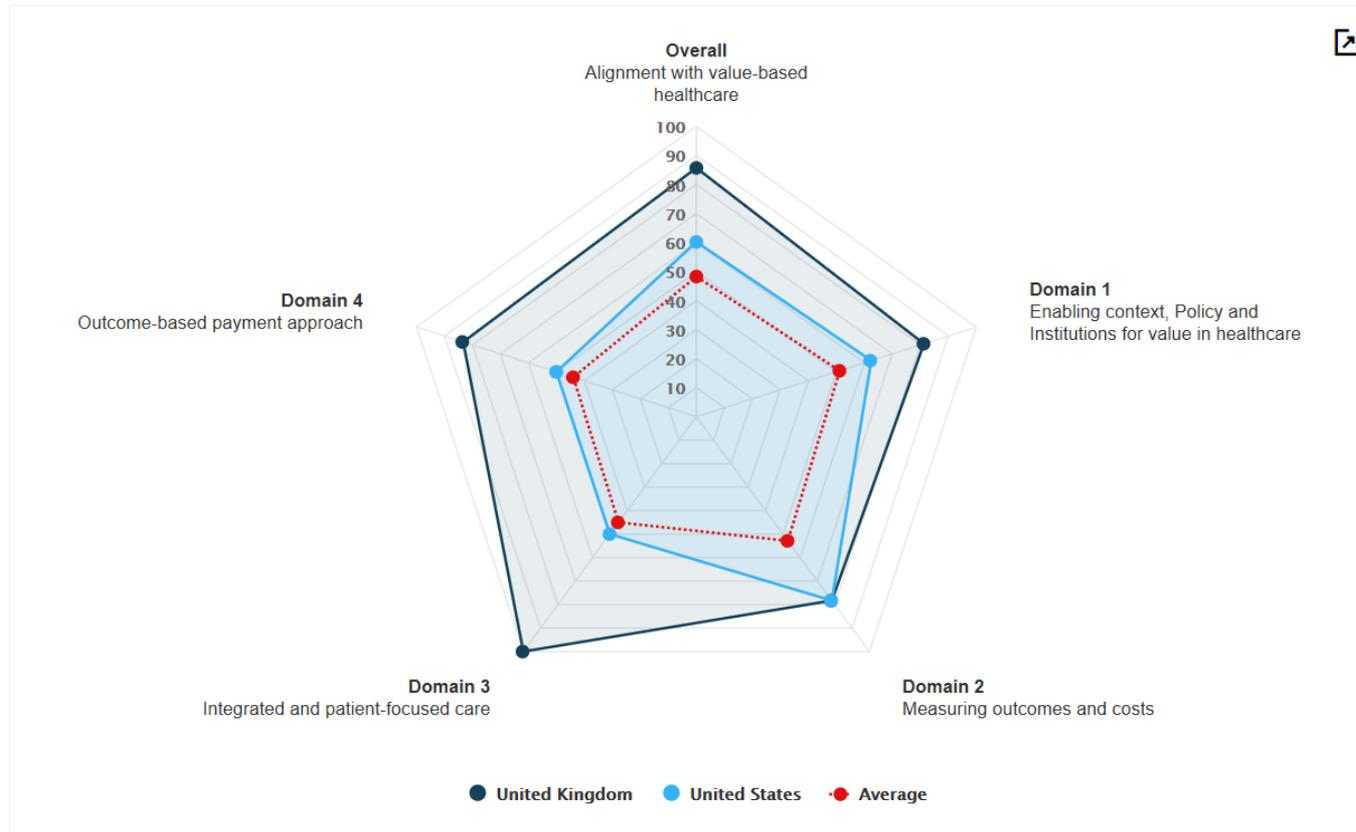
### The Quadruple Aim

(4): “increase the value achieved from funding of health and care through improvement, innovation, use of best practice, and eliminating waste”.

### Ten Design Principles

(7): “Higher Value – achieving better outcomes and a better experience for people at reduced cost; care and treatment which is designed to achieve ‘what matters’ and which is delivered by the right person at the right time; less variation and harm”.

# VBHC “readiness” by country



Source: Economist Intelligence Unit Report <http://vbhcglobalassessment.eiu.com/>

# How can the NHS invest for better value?

By measuring the *outcomes that matter to patients* and then:

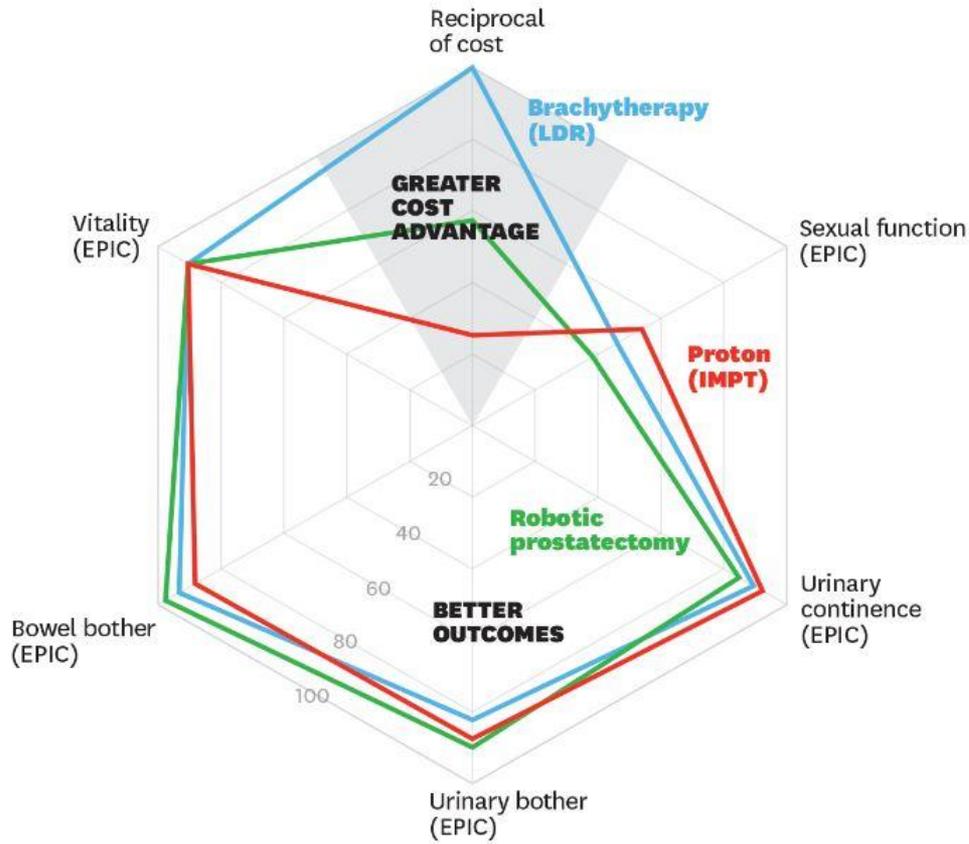
- Investing for best value for our population: *allocative efficiency*
- Ensuring best value in clinical pathways: *productive efficiency*
- Delivering best value when procuring services, medical devices and medicines: *Outcome-based contracting*

# A new paradigm for healthcare

- Focussing on **Outcomes** *not* **Inputs**
- Outcomes that **matter** to patients
- Understanding **costs**
- Moving from **Volume** *to* **Value**
- Measuring across **whole pathways**
- Dealing with **unwarranted variation**
- Breaking down budget **Silos**
- A new relationship with **Industry**

# Comparing the Value of Three Alternative Prostate Cancer Treatments

A score of 100 represents the ideal performance.



# Outcomes-based contracting



**Placing Clinical  
and Patient  
Reported  
Outcomes at  
the heart of the  
procurement  
decision making  
process**

Procurement professionals explicitly told researchers that they don't directly consider patients.....

*Source: BCG/Medtech Europe*

70%+ of global Medtech sales are via public procurement processes  
70%+ of tenders determined by up-front costs (prices)

# Outcomes-based contracting



“Cheap” is not always best value



# Outcomes-based contracting



- Is a whole new way of working
- Involves sharing of risk
- Requires trust between partners
- Needs openness and honesty about objectives
- Must be structured around getting better value for the patient, so that everyone wins



# Outcomes-based contracting

## Key success factors

- Shared accountability for delivering outcomes
- Measure outcomes at every stage
- Deliver value through innovation
- Create new business models and payment systems that align financial incentives to deliver value
- Costs across the whole pathway
- Stop doing things that don't deliver value



Blog

<http://bit.ly/2BCGFii>



# Outcomes-based contracting

## What does it mean for Pharma?

- Agree the outcomes
  - Measure the outcomes
  - Deal with confounding variables
  - Manage poor compliance
  - Costs across the whole pathway
  - Agree the pricing mechanism
  - Target the patients who will benefit at the right time
  - Stop prescribing things that don't deliver value
  - Continue to innovate
- 
- Work with NICE (and AWMSG) on new approaches to HTA



# Some examples of how it can work

**Cardiac Catheter labs:** Equipment provider is required to support the optimisation of the use of the labs, increasing productivity , reducing Waiting Lists and WLIs and getting better value from the infrastructure investment

**CT/MRI:** The scanner designers develop a trolley that reduces the time to transfer patients on and off the scanners and which works for CT and MRI machines. Less down-time and more productivity through “added value”

**Device infection sheath:** An antimicrobial coating is applied to devices to reduce infection and its associated cost. Payment for the coating is dependent on the clinical outcomes and PROMs.

# Some examples of how it can work

**Cardiac amyloidosis & Heart Failure:** Pathway redesign to detect potential patients earlier with targeted imaging and then offer correct treatment reducing ineffective admissions and worsening outcomes

**Vaccination:** Deliver a vaccination programme with payment dependent on clinical and PROMs (eg improved QoL and reduced admissions)

**Gene therapies:** Payment for these “curative” therapies is dependent on clinical and PROM milestones. These could include wider family/carer and societal outcomes.

# *Value-Based contract for BRILINTA® (ticagrelor) improves member access to the medicine and uniquely includes two-sided financial risk*

**UPMC Health Plan Announces Innovative, Value-Based Agreement with AstraZeneca**

**PR Newswire**

**January 28, 2019**

UPMC Health Plan and AstraZeneca today announced the initiation of a pioneering value-based contract effective Jan.1, 2019 for UPMC *for Life* Medicare members who are prescribed BRILINTA® (ticagrelor), a medication used to lower a patient's chances of having another heart attack or dying from one in the 12 months following a heart attack.

The goal of the contract is to align the incentives of the manufacturer, AstraZeneca, with UPMC Health Plan by connecting reimbursement for BRILINTA® to clinical outcomes in a real-world population. Specifically, reimbursement for the medication will be linked to cardiovascular outcomes for people treated with BRILINTA® following a recent hospitalization for heart attack or unstable angina.

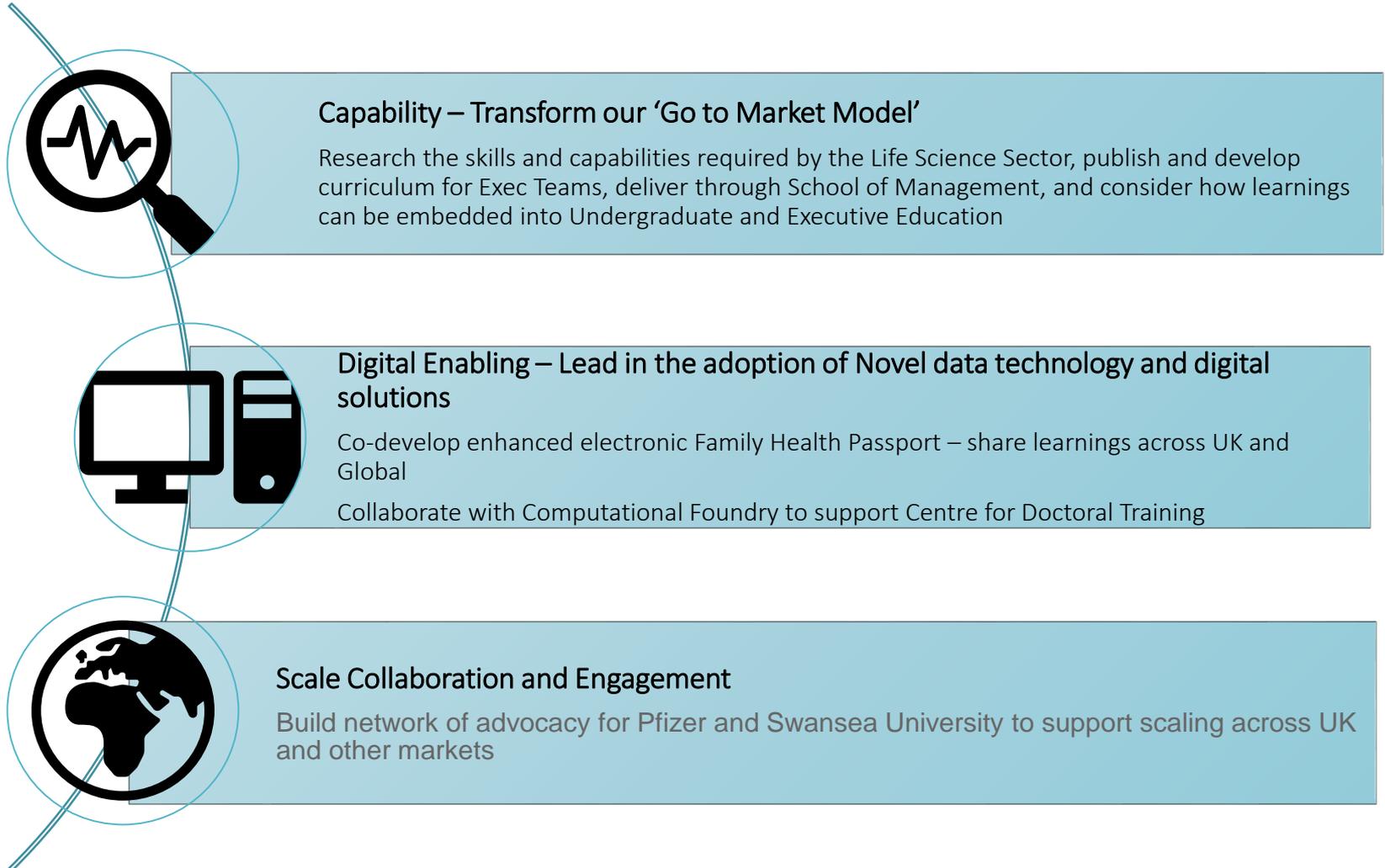
# Swansea – Pfizer Partnership

- Major VBHC programme of work with Pfizer Global and UK
- Approximately \$1M investment so far for first 3 years
- Additional funding from ACCELERATE (EU)
- Senior secondment from Pfizer UK to School of Management

Together with NHS and digital partners we are evaluating

1. How best to capture outcomes that matter to patients
2. How to use those outcomes to define value
3. Frameworks for outcome-based pricing
4. How to construct and operate outcome-based contracts for medicines at scale

# Further Embed and Augment Partnership working through jointly funded 12 month secondment – Value Based Health Care Director



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