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Demystifying Value Based Healthcare

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WELCOME



Join us at our booth near the food station

With you today



Dr Elisabeth Aloy

LIFE SCIENCES STRATEGY PARTNER
DELOITTE CONSULTING SWITZERLAND

Agenda

1

Why is value-based healthcare urgent and important?

2

Can Med Tech be the catalyst of value-based healthcare?

3

What does it take to succeed in value-based healthcare?

With skyrocketing healthcare expenditure and global health systems near breaking point, value based healthcare is a necessity



Healthcare expenditure is rising...

\$9 trillion
spent on healthcare in 2020¹



...however, healthcare is not affordable

1/3
of households below the poverty line in the EU struggle to afford healthcare³



Meanwhile, a significant proportion is wasted...

~30%
of healthcare spending is considered wasteful²



...and patient outcomes are not always satisfying

32%
of patients experience preventable adverse events due to a mistake in the course of treatment⁴

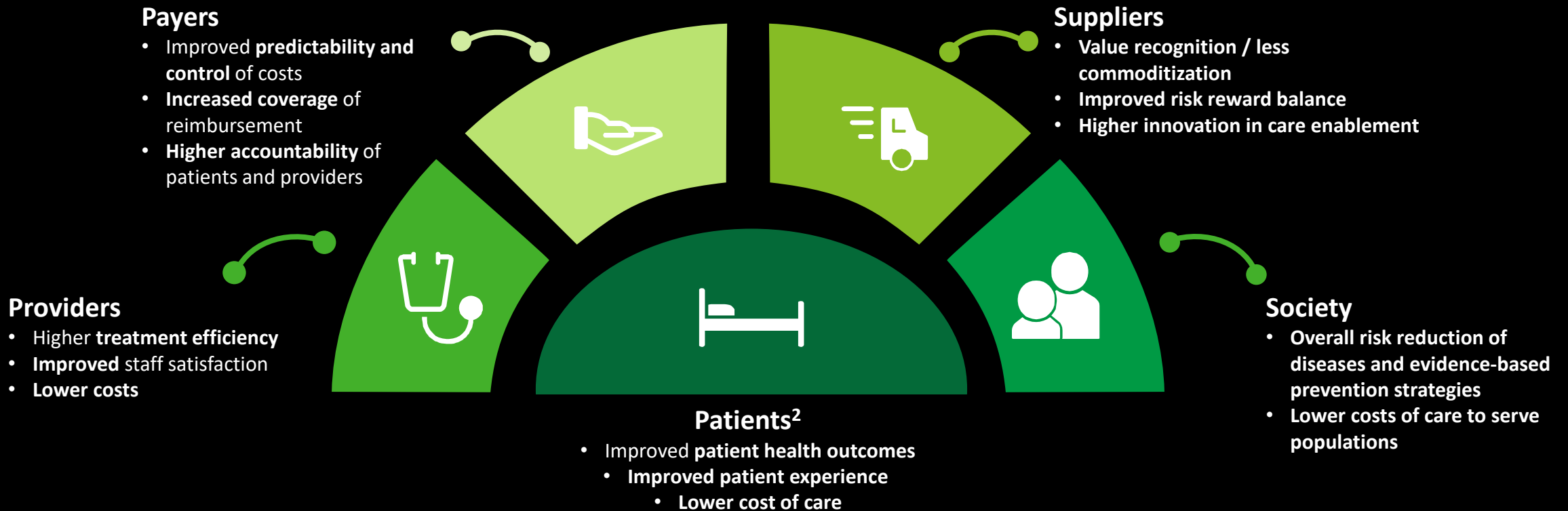
The global healthcare community urgently needs to find solution to transform its paradigm and ways of working

References:1: WHO, Global spending on health: rising to the pandemic's challenges, 2022 | 2: JAMA, Waste in the US Health Care System: Estimated Costs and Potential for Savings, 2019 | 3: OECD, Health for Everyone? : Social Inequalities in Health and Health Systems | 4: WHO, Patient Safety

Is Value based healthcare the silver bullet solving for healthcare expenditure and patient outcome?

“ Value-Based Health Care is a framework for restructuring health care systems around the globe with the overarching goal of value for patients¹. ”

$$\text{Patient Value} = \frac{\text{Patient-relevant outcomes}}{\text{Cost per patient to achieve these outcomes}}$$



References:1: Value-Based Health Care - Institute For Strategy And Competitiveness - Harvard Business School (hbs.edu) | 2: NEJM Catalyst, What is value-based healthcare?

The different roles the MedTech industry can play as catalyst of value based healthcare

Disease owner

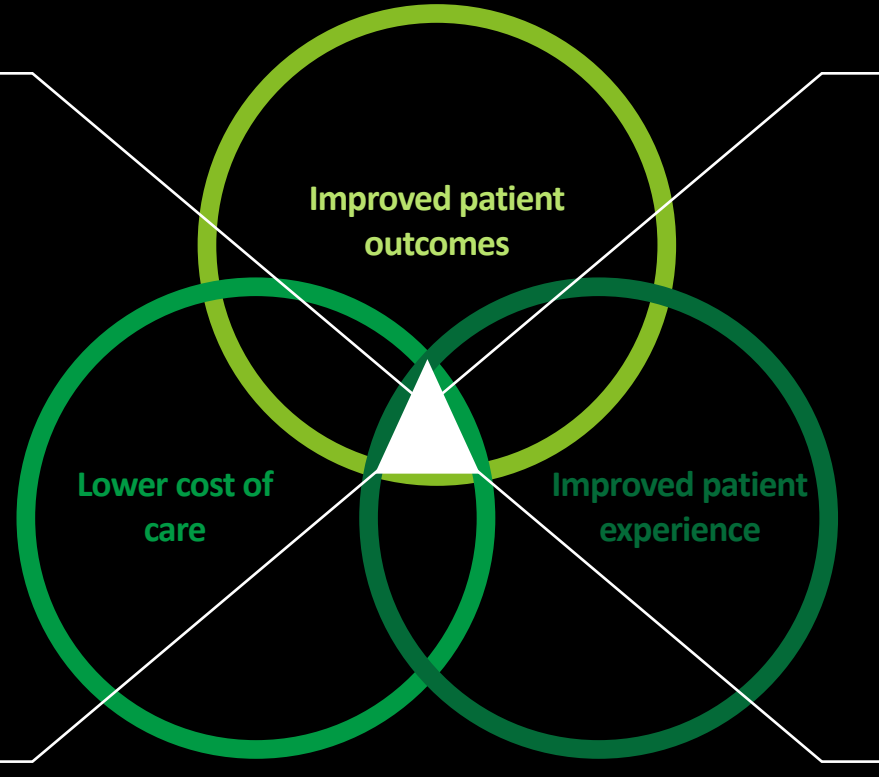
Provision of superior care coordination as one-stop shop portfolio of devices, digital tools, services to treat or manage a specific disease across the patient journey, from diagnosis and treatment to ongoing monitoring



Smith+Nephew

Ecosystem data and informatics provider

Emerging role to collect, aggregate, curate, analyse, and interpret data from various sources— and enable data interoperability— to generate superior insights and recommend actionable next steps for providers to deliver superior care



“Medical-solutions-as-a-service”

Elevating the transaction-based product supplier role to a customer business partner via data-driven delivery of holistic solutions, including hardware, software, and professional services e.g., clinical workflow consulting, management enabling customers to optimize clinical, operational, and economic outcomes on a per-patient basis



Consumer health enabler

Provision of device, applications and platforms for virtual preventive and wellness services and care management. To succeed as a consumer health enabler, MedTech companies will need to shift from a provider-centric to a consumer-centric business model



If value-based healthcare is a solution to improve the healthcare paradigm, why is it not yet institutionalised?



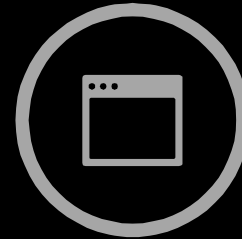
People-related limitations

- Fear of overpaying or facing disguised discounts
- Lack of control over volumes
- Transparency on performance and inefficiencies
- Incentives not linked to outcomes



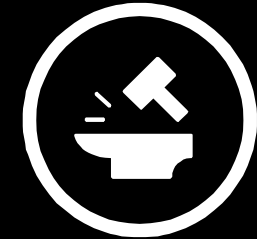
Financial limitations

- Traditional pay for service reimbursement / payment systems based on volumes, not health outcomes
- No financial agreement for prevention as defined as avoidance of a health condition



Data-related limitations

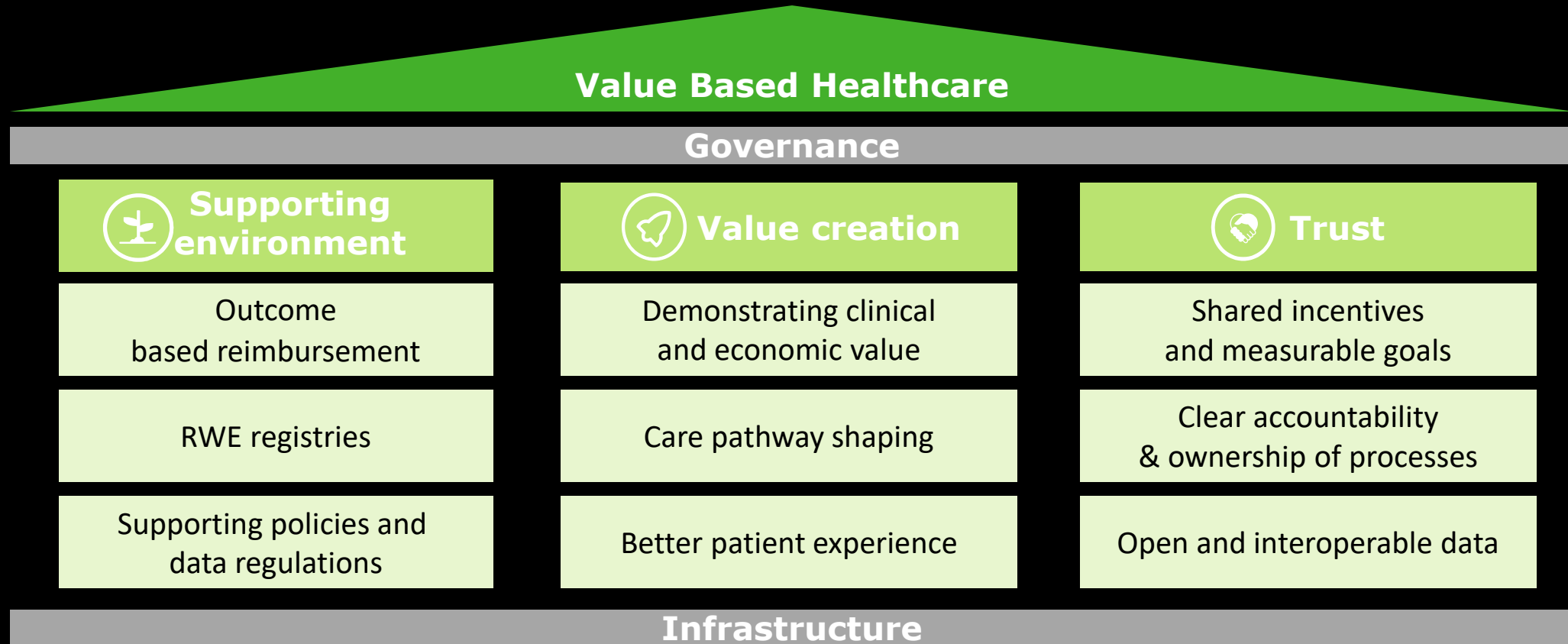
- Data capture and exchange fragmented
- Lack of common data infrastructure
- EMR driving admin burden and low data usage for clinicians



Regulatory limitations

- Lack of governmental and policy framework to support the healthcare reform
- Data privacy / GDPR

What does it take to succeed in value-based healthcare? Lessons learned from the industry



Now is the time to adopt VBHC at scale