



UBC CENTRE FOR
HEALTH SERVICES AND
POLICY RESEARCH



CHÉOS

Centre for Health Evaluation
& Outcome Sciences

Value-based healthcare:

Implications of patient-reported outcomes for DRG payment policy

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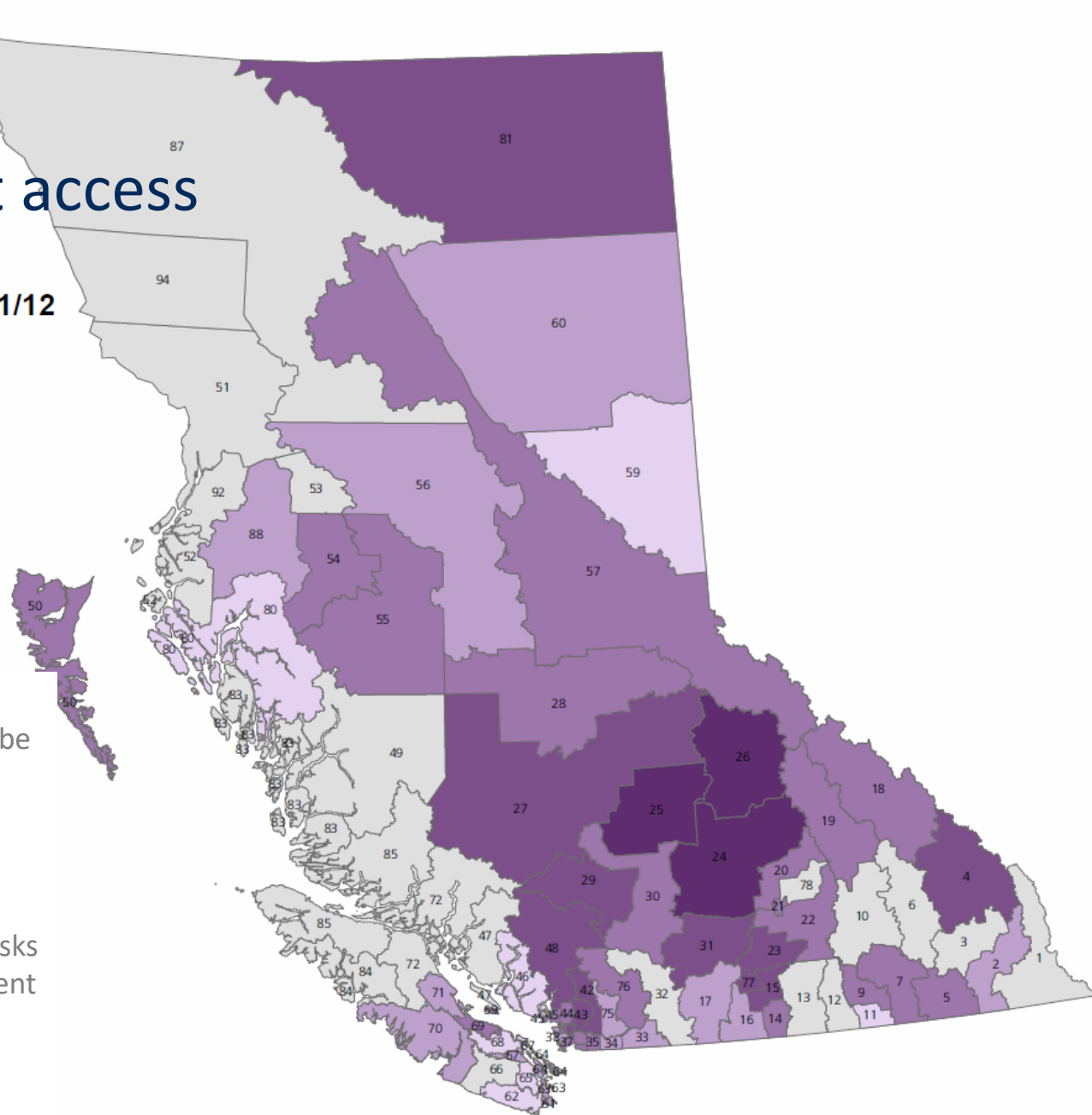
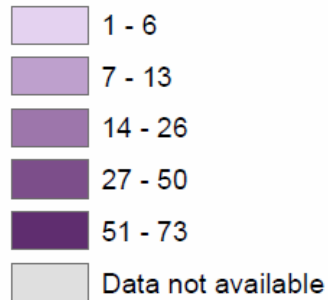
October 10th, 2017

Context

- Diagnosis-related groups (DRG) are based on funding hospital volume
 - Incentive for increasing volume of services
 - No incentive for relative effectiveness or increasing quality
 - No alignment with population need or gain in health
- Canada 2016:
 - Health care spending: \$228.1 billion
 - \$6,299 per Canadian
 - 11.1% of GDP
- Public spending on health care: ~47% of provincial government's budget
 - Hospitals are the largest and most costly segment
 - Crowding out other sectors of public spending: Education

Variations in otolaryngologist access

Nasal septum reconstruction, 2011/12 Age-standardized rate per 100,000

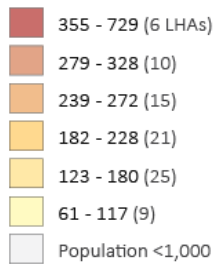


- Warranted variation: Natural variations in how patients want to be treated
- Professional model that rewards autonomy
- Inadequate information on:
 - Patient characteristics and risks
 - Risks and benefits of treatment choices
 - Processes of care and outcomes

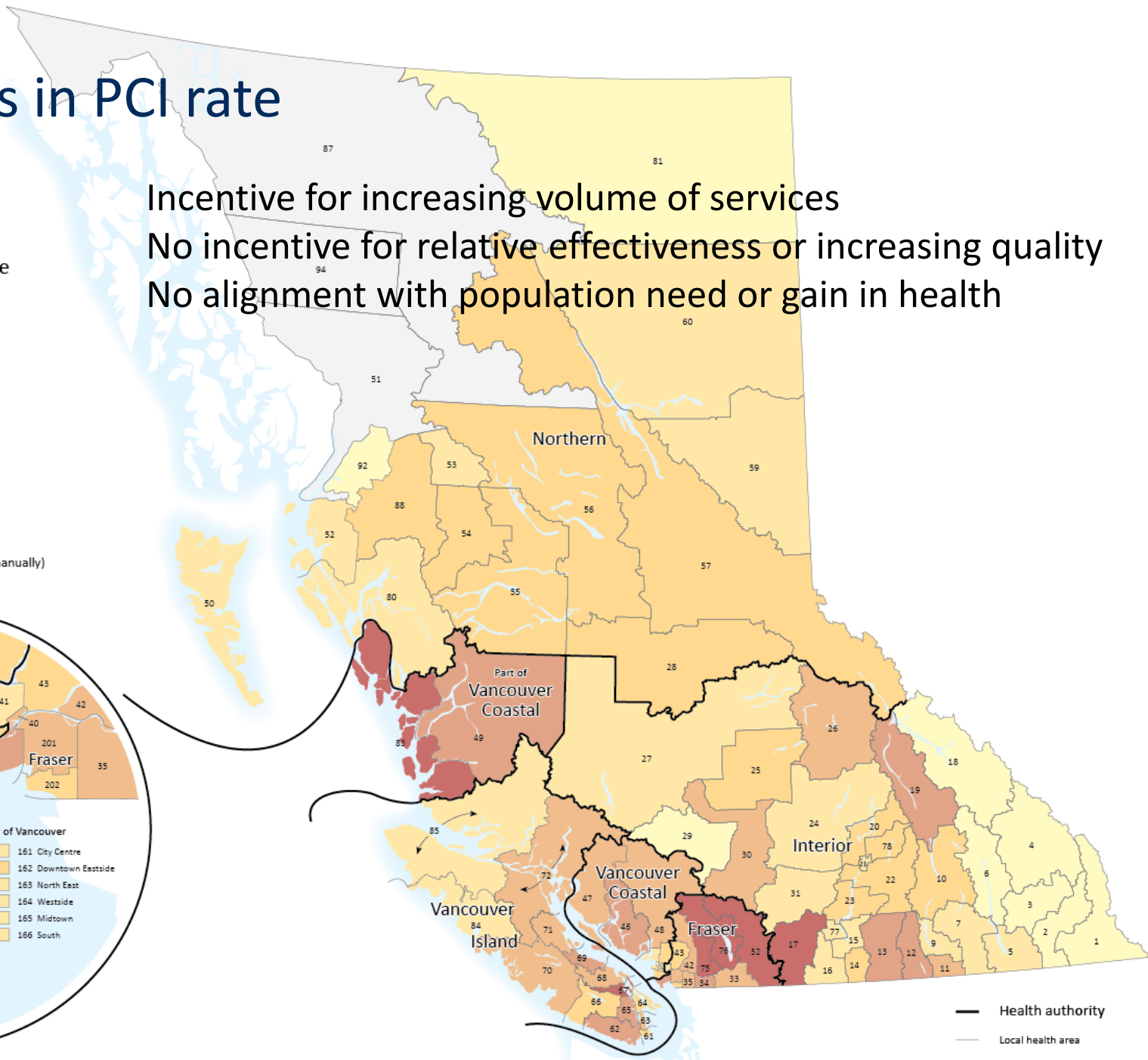
Variations in PCI rate

Incentive for increasing volume of services
 No incentive for relative effectiveness or increasing quality
 No alignment with population need or gain in health

Age/sex standardized PCI rate
 per 100,000 population
 Local health area, 2016/17



Categorization: Natural breaks (adjusted manually)



— Health authority
 — Local health area

Context

- Understanding variations in preference sensitive care
 - “Preference-sensitive care comprises treatments for conditions where legitimate treatment options exist - options involving significant tradeoffs among different possible outcomes of each treatment” (Dartmouth Atlas, 2017)
 - Bunion repair, carpal tunnel release, chronic rhinosinusitis
 - Colon resection for ulcerative colitis or diverticulitis
- Patients’ preferences for treatment modalities
 - Assessment of risks and benefits of treatment
- Decision quality
- Physician practice style and available health care structure and processes
- Outcomes and gain in health

Measuring health

- Measure outcomes of preference sensitive surgery
 - Patient-reported outcomes (PROs)
- Elective (planned) inpatient and outpatient surgery
- High volume and cost (~20% of hospital cost)
- Access is a policy imperative
 - Wait times
- Relative gains in health unclear

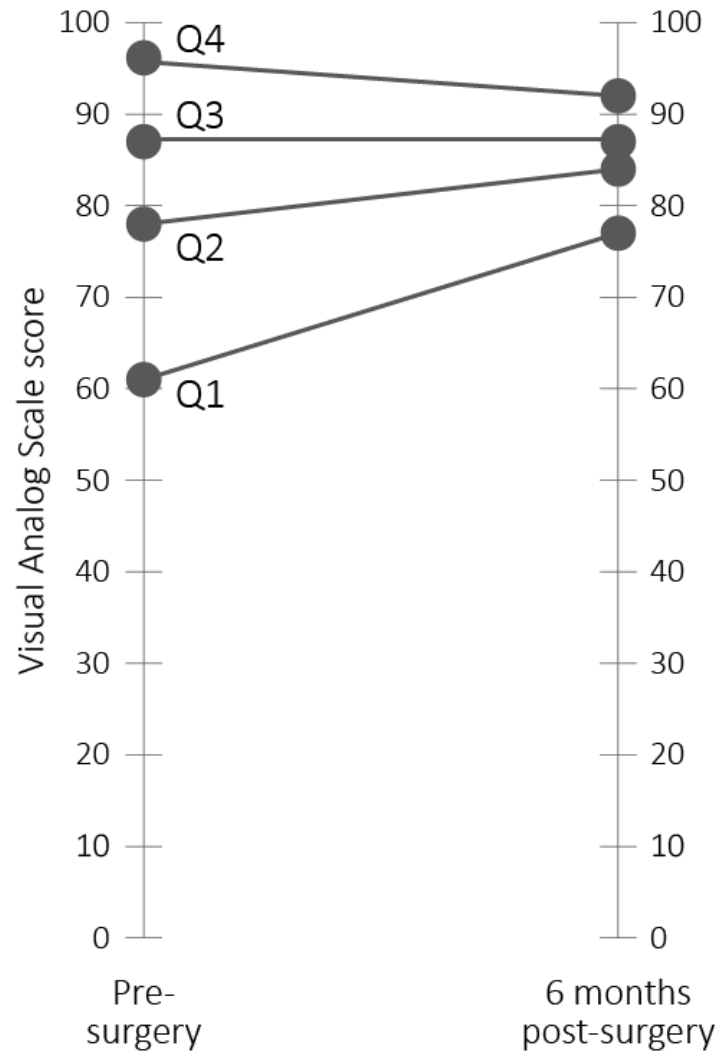
Measuring health

- Methods
 - Preference-sensitive care conditions
 - Collect population-based patient-reported outcomes
 - Pre-operatively and post-operatively
 - Link to hospital data
 - Validated instruments
 - EuroQoLs ED-5D
 - Published value sets
 - Calculate gain in health attributable to elective surgery
- Ongoing work in eight surgical specialties in 6 hospitals
 - ~7,000 patients

Variation in patient-reported surgical outcomes

DRG/CMG

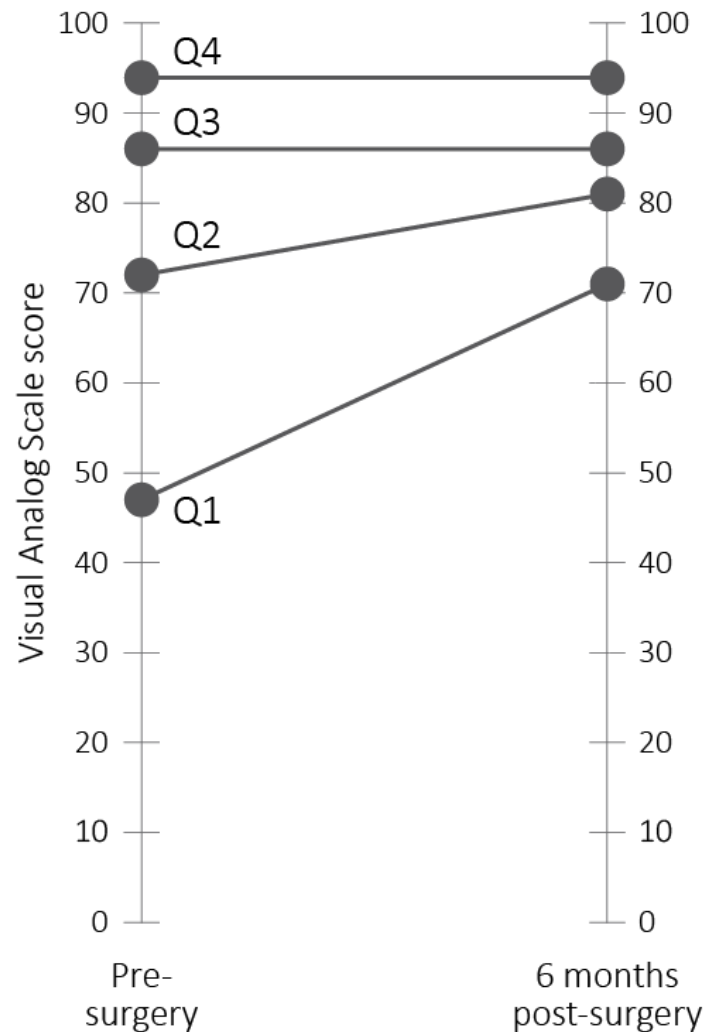
Hernia – Open
Approach



Variation in patient-reported surgical outcomes

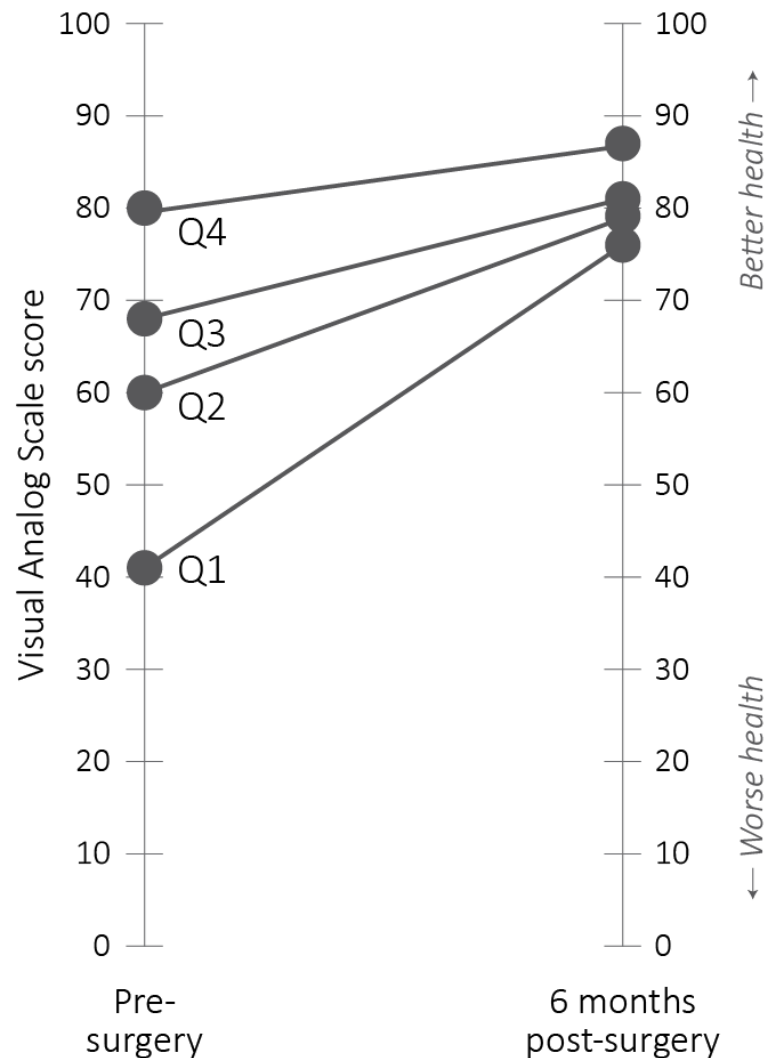
DRG/CMG

Sinus surgery
(benign)



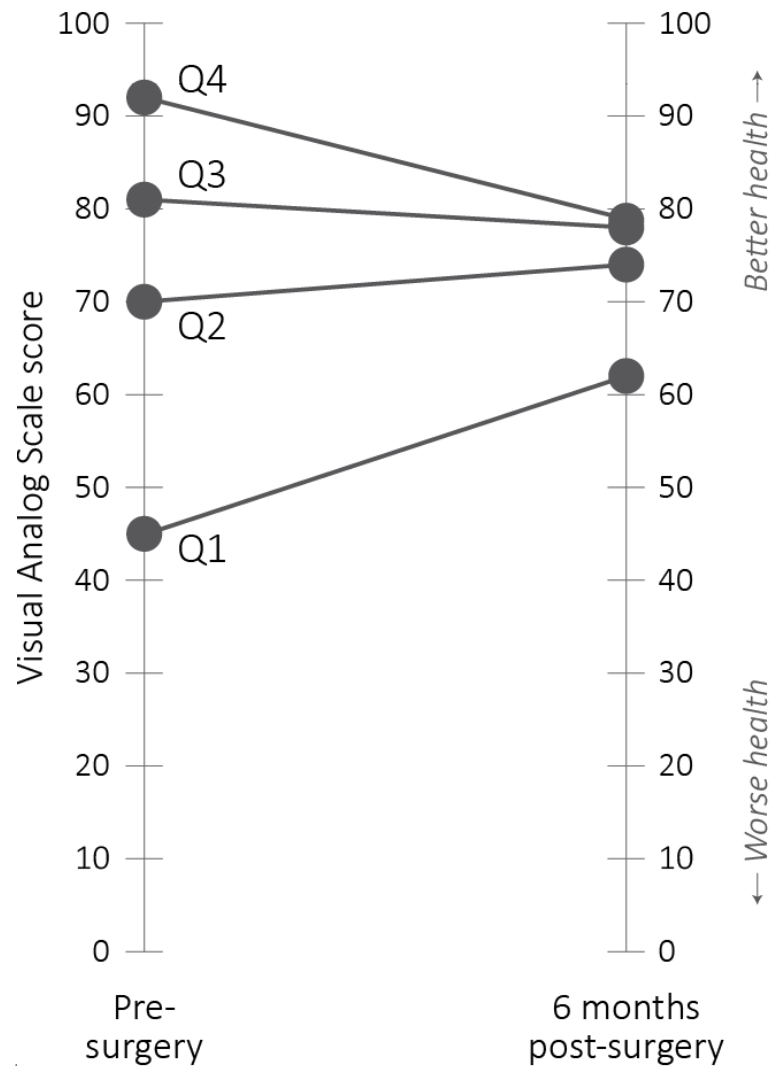
Variation in patient-reported surgical outcomes

DRG/CMG
Reduction
gastroplasty
without bypass



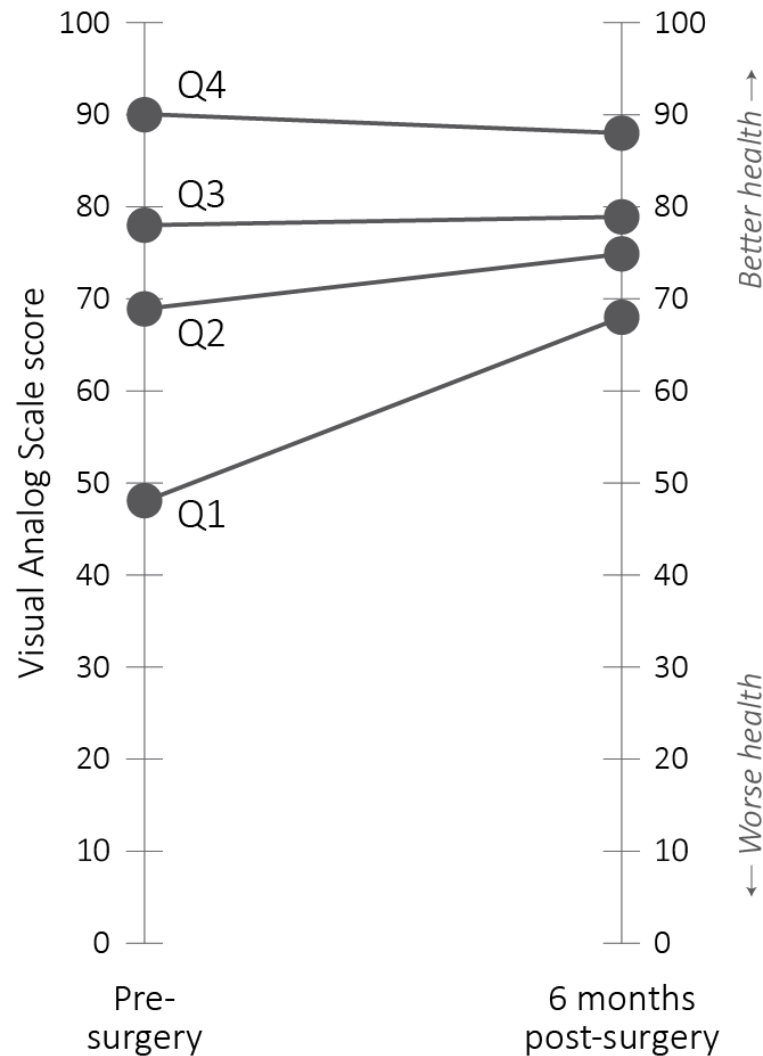
Variation in patient-reported surgical outcomes

DRG/CMG
Colostomy/
enterostomy

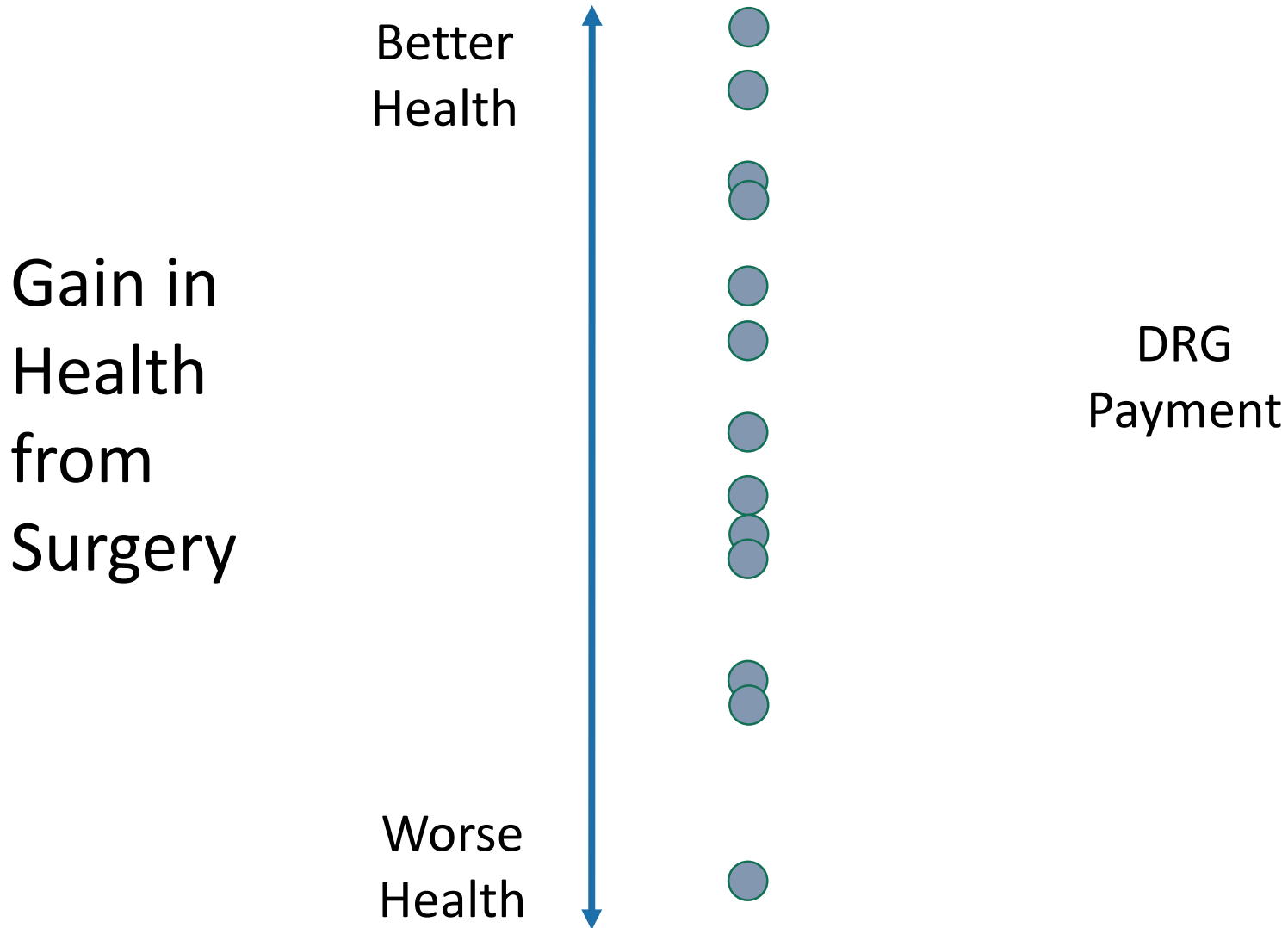


Variation in patient-reported surgical outcomes

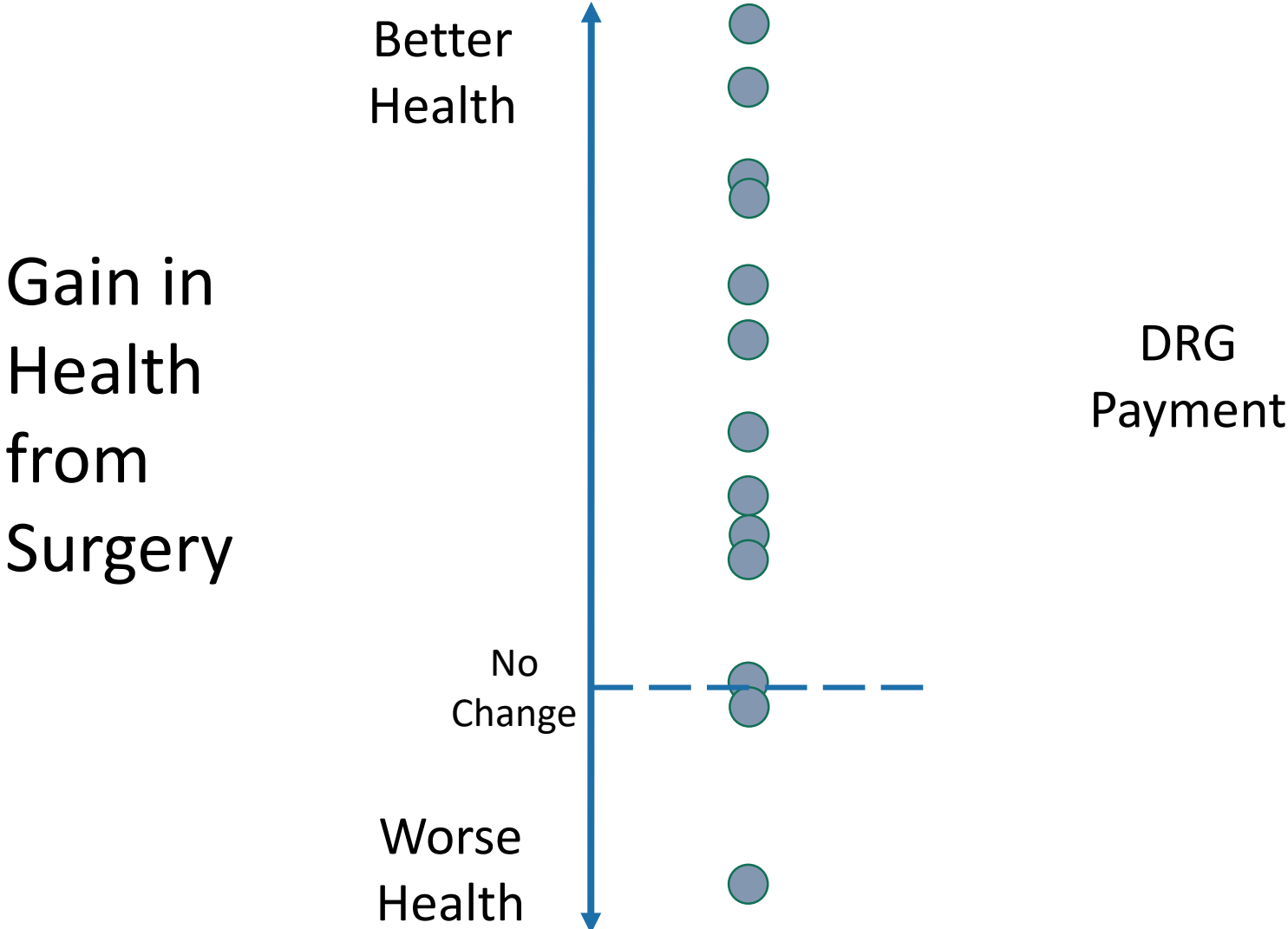
DRG/CMG
Non-major
excision/repair of
upper GI tract,
planned



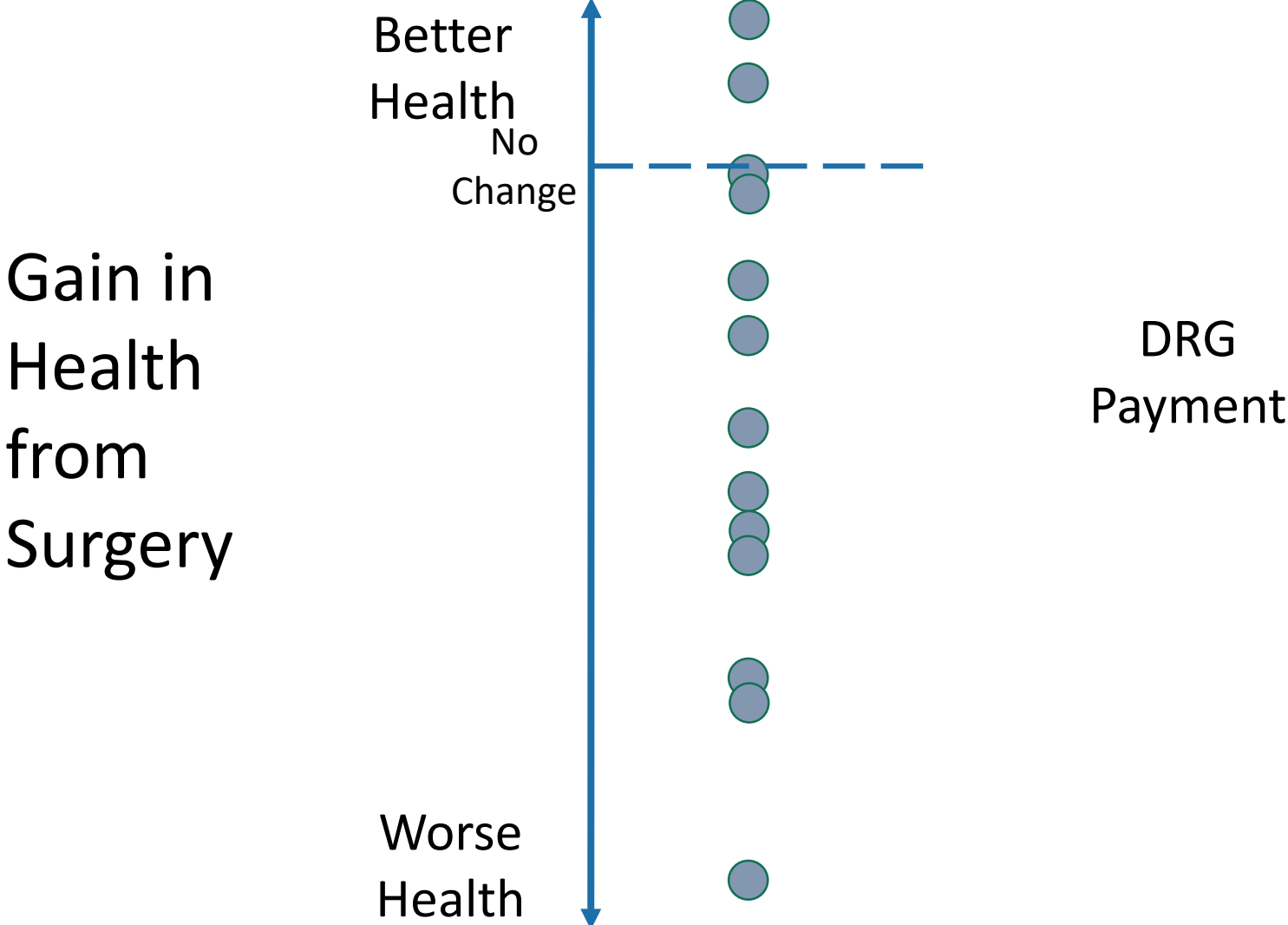
DRG payment policy – The payer’s perspective



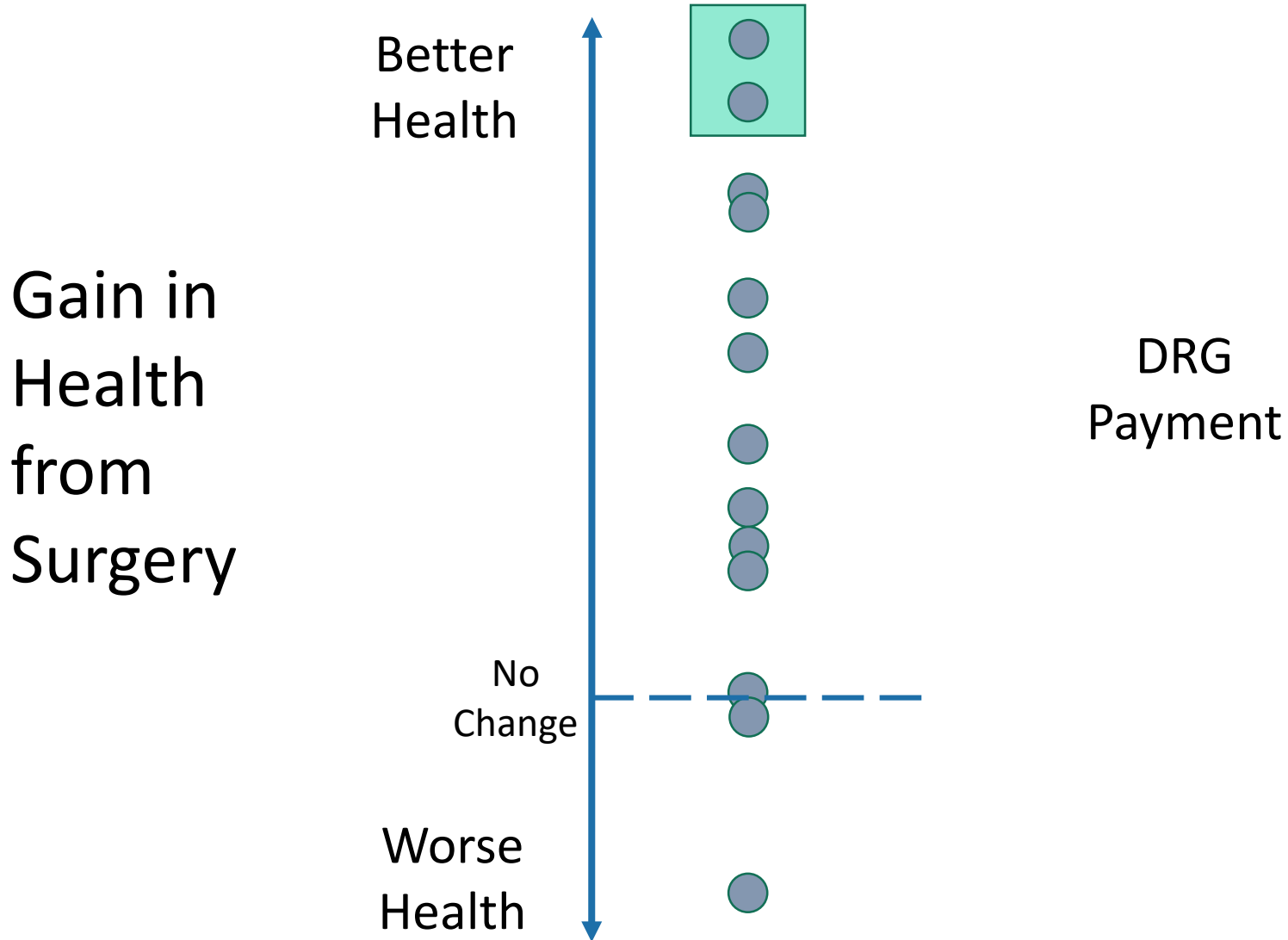
DRG payment policy – The payer’s perspective



DRG payment policy – The payer’s perspective



DRG payment policy – The payer’s perspective



Summary

- Paying for health – or paying for quantity?
 - Patient-reported outcomes opens opportunities to measure health
- Surgeons not threatened
 - Provides many opportunities for training and scholarship
- International trend: Measuring gain in health
 - Our system is similar to others experiencing pressures
 - Provinces/regions hold policy levers
 - Physicians play a key role
- Many opportunities for aligning funding with health



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Advancing health services and policy research and training