BDO

Outcome-driven healthcare

INSIGHTS FROM THE BDO GLOBAL CENTRE FOR HEALTHCARE EXCELLENCE & INNOVATION

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Introduction

Scarce financial resources, demographic developments and growing staff shortages are rapidly putting pressure on the healthcare system and subsequently, on healthcare organisations. Simply working harder, faster, or longer is not enough to offset increasing expenses.

As a result, restructuring healthcare organisations, services, and reimbursement seems unavoidable. Right now, the main challenge is achieving the industry's 'triple aim' — finding the equilibrium between services, costs, and patient health.

Outcome-driven healthcare is one solution with the potential to alleviate pressure and create benefits for various types of provider organisations. While overhauling your organisation's current operations can seem overwhelming, the advantages may be worthwhile and there are simple ways to begin implementing changes.

WHAT IS OUTCOME-DRIVEN HEALTHCARE?

Outcome-driven healthcare, also known as value-based healthcare, is a concept defined by Porter (2013) that aims to enhance value for patients by improving the quality of care and patient experience, while simultaneously reducing costs. Porter defines it as "the health outcomes achieved that matter to patients, relative to the cost of achieving these outcomes" .

Figure 1. Porter's formula of outcome-driven healthcare.

Figure 1. The Strategy That Will Fix Health Care by Michael E. Porter and Thomas H. Lee, Harvard Business Review, Oct 2013

Provider organisations are facing big challenges

Providers need ways to simplify workflows, as patients want to take charge of managing their care while organisational leadership is trying to find the budget and the staff to make it all work. Strain on the healthcare system is multifaceted.

+ Quality of care vs. labour strains: As the population ages and more people suffer from chronic diseases, the need for complex and expensive care rises. At the same time, healthcare organisations are struggling to provide suitable care because of ongoing labour shortages.

+ The era of patient-centred care: Based on the principle of shared decision-making, patients increasingly want to be involved in their care. Patients are more empowered than ever before to understand their options, but still expect a healthcare professional to help them decide on optimal treatment. Healthcare professionals can base the decision-making process on the outcomes of other patients with similar diseases or illness profiles, also known as 'patients like me.'

+ Thin profit margins: Financial sustainability of healthcare organisations is fragile, as revenues drop and expenses grow. organisations that want to invest in innovation or other potentially high-risk, high-gain investments, may need to prioritise opportunities with the highest probability of the quickest ROI, and postpone others.

+ Transforming data into valuable insights: Healthcare organisations are increasingly equipped with systems for electronic health records (EHR) and enterprise resource planning (ERP). These systems house enormous amounts of data on interventions and outcomes, as well as monitor disease progression and associated costs. This information can be incredibly powerful, but only if an organisation knows how to unlock value from the data. Once that challenge is overcome, the insights can serve as a foundation for outcome-driven healthcare and support both healthcare professionals' and providers' decision-making.

+ Unlocking the potential of technology: Healthcare innovation is thriving, but technologies such as artificial intelligence (AI), machine learning (ML) and robotics still play a relatively small role in the industry. Technology's potential in healthcare and life sciences has yet to be fully realised, as organisations struggle to incorporate it into their regular routines and processes. Beyond the roles these technologies can play in an operating room or a biology lab, they also have the potential to uncover inefficiencies, improve workflows and increase visibility into an organisation's financials.

Outcome-driven healthcare can help

Several challenges healthcare organisations are facing can be at least partially overcome by implementing outcome-driven healthcare. Some of the benefits will be immediately realised.

+ Better patient satisfaction: Outcome-driven healthcare is inherently patient-centred and in line with the concept of P4 medicine: predictive, preventive, personalised and participatory. Services should be tailored to the needs of the patient using available data on patient characteristics, medical intervention and associated outcomes. Together, patients and doctors can use this information to decide which treatment or plan is the best fit and manage expectations regarding outcomes. By deciding together, patients feel more empowered about their care, which can result in better adherence to an agreed-upon treatment plan, such as improved medication compliance.

+ Improved quality of care: Data on treatments and outcomes enables benchmarking on regional and national levels. Providers and healthcare professionals can use this information to compare treatment protocols and further optimise the care they provide to improve outcomes and patient satisfaction.

+ Transparency leads to cost reduction: When organisations can use data to monitor healthcare costs as they relate to patient outcomes, the costs for treatments become more transparent. Furthermore, this enables organisations to determine which treatments are proven to be ineffective and eliminate them to reduce costs. When outcome-driven healthcare is implemented on a national level, it has the potential to reduce rising healthcare expenditures.

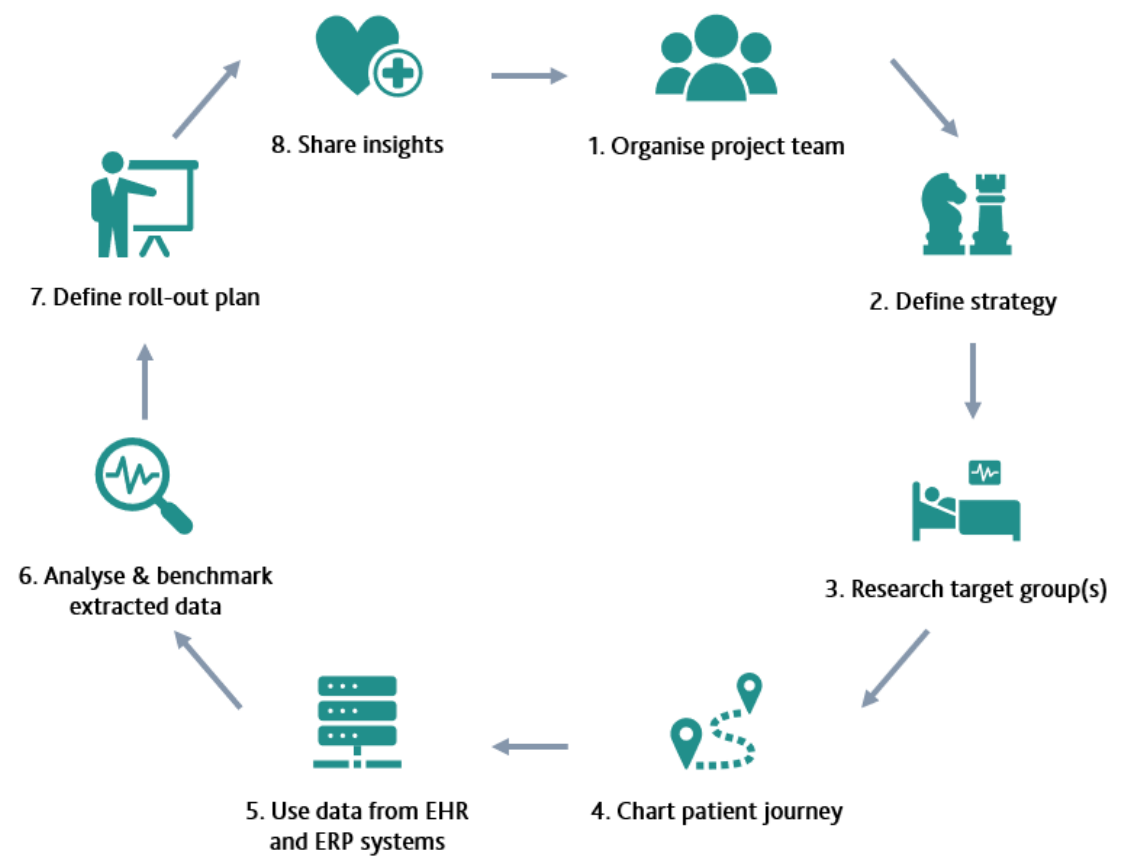# Implementing outcome-driven healthcare

Figure 2. Main steps for implementing outcome-driven healthcare.

Organisational change management of this scale may seem daunting. That's why BDO is dedicated to helping healthcare organisations with the transition, putting outcome-driven healthcare into practice, and overcoming any obstacles along the way. We advise healthcare organisations of all sizes to start small and scale up by taking the following steps:

1. **Organise a project team:** The best project teams incorporate insights from every facet of an organisation. Assemble a cross-functional team with a minimum of one doctor, one nurse, an IT manager, and a project manager to work alongside organisational leaders.

2. **Define strategy and goals:** After setting well-defined goals for making this change, the team should develop a strategy using the principles of outcome-driven healthcare as a framework to support reaching them. Once the strategy is ready, present it to the organisation's board and other healthcare professionals to get the necessary approvals and commitment.

3. **Research target group(s):** Certain patient groups may yield more value from outcome-driven healthcare than others. For example, patients with a disease that is common and has uniform treatment, such as cardiovascular diseases, arthritis or diabetes may be interesting to focus on. The project team should determine which group(s) could benefit most.

4. **Chart the patient journey:** Set expectations for relevant patient outcomes, including diagnosis treatment combinations (DTC). Map the entire patient journey taking patient satisfaction and experience into account.

5. **Use data from EHR and ERP systems:** Extract data from available databases and IT systems to compare outcomes with treatment costs. Parse results by patient characteristics for insight into costs per treatment and results of different types of treatment.

6. **Analyse and benchmark extracted data:** Evaluating the quality of care against treatment option costs allows organisations to assess treatment benefits versus the cost of care, to understand value. On a regional or national level, healthcare professionals and providers can also benchmark insights and learn from each other to optimise their services.

7. **Define a roll-out plan:** Implementing outcome-driven healthcare requires steps that consider everyone in the organisation's understanding, support, and preparation. One of the most critical parts of a roll-out plan is developing a communication strategy about upcoming changes for healthcare professionals and patients.

8. **Share insights with providers**: Both patients and doctors should benefit from outcome-based healthcare insights. Sharing information learned with doctors enables them to have additional data to inform their perspectives, so they can decide together with their patients what course of treatment is best.

Powered by BDO: Worldwide outcome-driven healthcare

BDO helps healthcare organisations around the globe implement and benefit from outcome-driven healthcare. Our team of professionals is experienced in organisational change management to identify challenges and opportunities, reduce or eliminate inefficiencies, and unlock value.

Digitalization of medical records as a base for data-driven healthcare

A faculty hospital in Prague with more than a thousand beds was using an outdated hospital information system (HIS) with primarily physical paperwork.

THE CHALLENGE

The hospital planned to implement a new HIS to fully digitise paper medical records, streamline processes and workflows and share records across all departments. Its several, low-security, outdated systems posed integration challenges. The new hospital information system enables the acceleration of the analysis of data to provide better insight into patient outcomes. BDO was asked to perform a technical analysis of its digitalization plans, prepare a feasibility study and organise complex tender documents.

OUR SOLUTION

We comprehensively analysed the hospital's processes to propose possible solutions for digitising its medical records and completing its overall digitalisation. Our team determined IT architecture needs and specified functional and non-functional requirements for the new HIS, including security standards. We also defined requirements for a new enterprise service bus (ESB). An ESB is a communication system that enables separate systems to interact with each other and share information. We also assisted the hospital with digitising all COVID-19 files and vaccine paperwork using a robotic process automation (RPA) platform.

THE RESULT

Working with our team, the client implemented a new HIS, an RPA platform, an ESB and an advanced document management system. This enabled the organisation to ease resource constraints, better share information and streamline workflows. The organisation is experiencing benefits such as:

- ► Substantial reduction of paperwork
- ► Upgraded medical record security
- ► Improved patient care
- ► Increased access to record sharing among different departments
- ► Improved quality of data

40%
reduction in paperwork by implementing RPA to digitise all COVID-19 files

Creating a national standard for outcome-oriented healthcare

The outcome-based care programme in the Netherlands, known as 'Uitkomstgerichte Zorg', aims to promote learning and decision-making based on patient outcome data, and investigate the impact it has on patients.

THE CHALLENGE

A good treatment plan fits the personal situation and needs of a patient, but unfortunately, this is not a global standard of care. Outcome-based healthcare empowers the patient to decide, in conjunction with their provider, on the best treatment option to fit their needs and lifestyle. There are several benefits for patients and providers, and patient care optimisation also has the potential to improve a person's quality of life. However, persuading healthcare systems and provider organisations to adopt a new way of providing care, one which will have an impact on operations and finances, can be challenging.

OUR SOLUTION

Because the programme is the joint responsibility of several umbrella organisations for different medical specialties, we worked in conjunction with several other organisations. Our team supervised working groups for various diseases (e.g., chronic kidney disease, inflammatory bowel disease, knee osteoarthritis) in which IT experts, medical specialists and patients participate to define a relevant set of indicators for diseases. This enabled the organisations to use these data sets as proof of concept, to validate the diagnoses and promote the benefits of outcome-oriented healthcare.

THE RESULT

We defined a set of indicators for various diseases that are relevant for measuring a patient's outcome, in conjunction with the teams we supervised. In addition, our team created and a delivered a strategic and tactical framework to facilitate the exchange of outcome-related data. The indicator sets and framework will be implemented nationally.

Creating an experience for women's cancer care

A major regional nonprofit hospital in the United States wanted to grow awareness around its cancer care for women.

THE CHALLENGE

The hospital sought to establish credibility as a comprehensive oncology services provider in its community and surrounding areas. It planned to enter the women-centred cancer services market by launching a branded cancer care experience but lacked a long-term strategy. The organisation asked BDO to assist with a strategy to easily transition into targeted growth and expansion of the oncology service line. We worked with the hospital from the foundation stage through deployment and continue to provide ongoing support.

OUR SOLUTION

Our team assessed the organisation's existing cancer care services and resources, then conducted a market evaluation to better understand the competitive landscape and referral channels. We determined the hospital needed a strategy for the creation of the programme's vision and to determine its differentiation from competitors for brand distinction. After creating a strategy, we developed and executed a plan to meet those objectives and launch the organisation's branded women's cancer care programme. Following the programme launch, our team worked on a long-term initiative to mature the brand and continue to grow awareness.

THE RESULT

Our support and activation assistance for these and other priority initiatives enabled the organisation to launch its programme with both a short- and long-term vision. The programme strategy and plan resulted in:

- Stabilisation of turnover rate for cancer programme staff by >50%, with a 0% attrition rate during the last 8 months of the engagement.
- Identified and onboarded a Director of Oncology Services.
- Improved surgical outcomes by assisting breast surgeons in obtaining hidden scar certifications.
- Implemented a robust RN Navigation programme to support cancer patients through the treatment journey.

27%
growth in
radiation volume

The bottom line

Adopting outcome-driven healthcare is an important step for provider organisations and healthcare systems toward delivering patient-centred care and unlocking value for organisations and patients.

Without a significant overhaul of the current global healthcare system, implementing outcome-driven healthcare may not be an option for long - and instead, could become compulsory. Many organisations with antiquated processes may find making the transition unavoidable, in order to stay financially viable and to keep their workflows and staffing as resilient as possible.

Organisations should start their implementation of outcome-driven healthcare on a small scale, by focusing on patient groups who can benefit most. From there, organisations can scale up deployment to other patient groups or specialties.

Ready to enhance patient care and outcomes?
Contact BDO to transition and implement
outcome-driven healthcare today.

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