

Value-Based Procurement: Theoretical Approach

Dr. Helen Yu

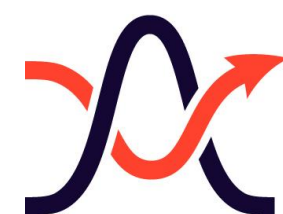
Professor Hamish Laing

Value-Based Health and Care Academy

Swansea University. Wales UK



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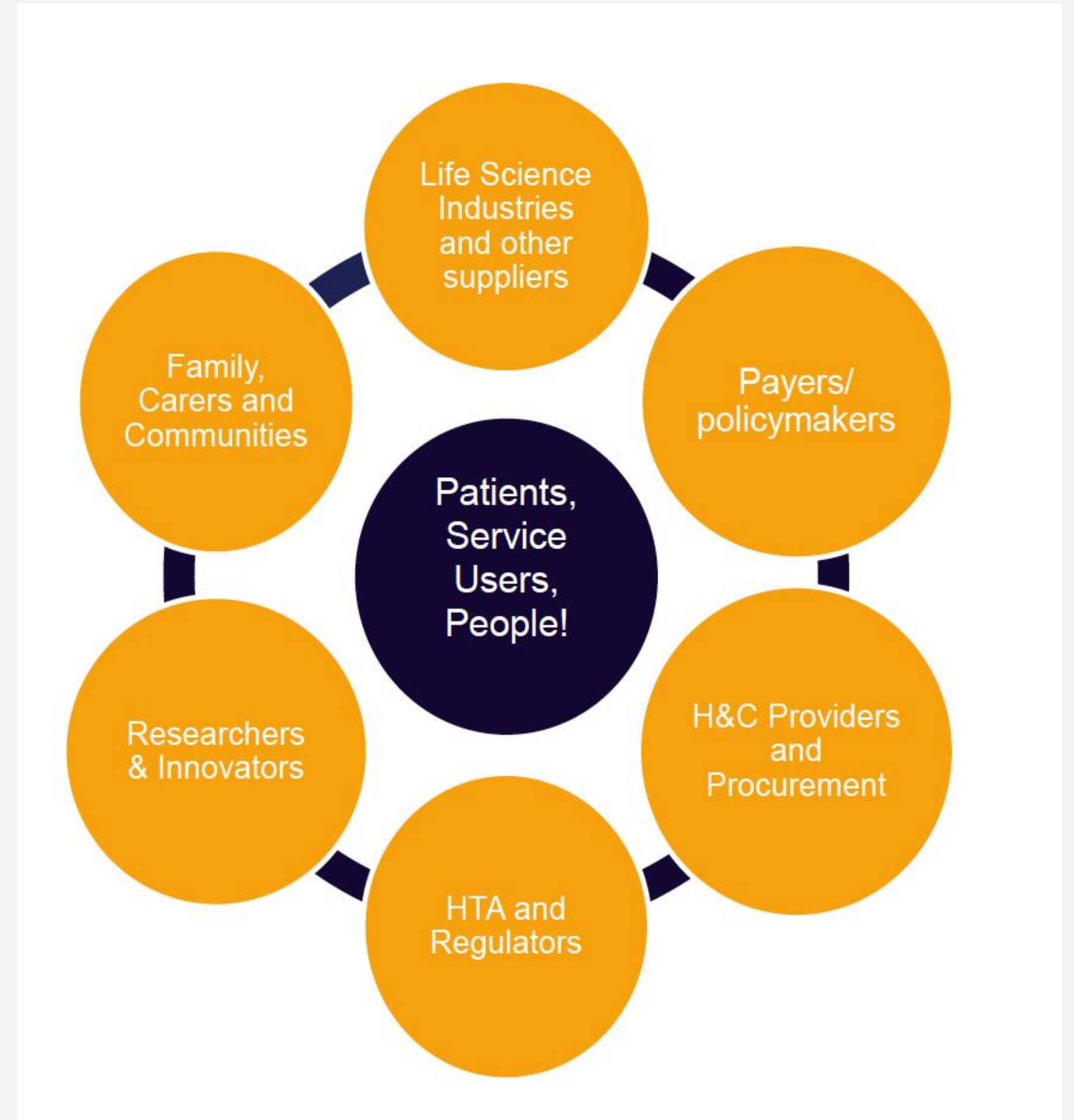
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VBHC WG: Putting Value-Based Procurement into Action

Introduction

Value-Based Health and Care moves the prioritisation from volume to value:

- Emphasis on outcomes that matter most to patients/clients (**personal value**)
- Allocation of resources to interventions that create the greatest value, whilst disinvesting in activities that are of little or no value (**allocative value**)
- Directs attention to the efficiency of care delivery (**technical value**)
- Includes wider social considerations, such as environmental impact and the impact of illness on the contribution people make (**societal value**)





VBHC WG: Putting Value-Based Procurement into Action

Value-Based Procurement (VBP)

The procurement of innovative technologies is well suited to VBP. This framework has been developed to support the wider implementation of VBP for Health Care in Europe.

The framework is in two parts:

1. The Value-Based Procurement approach drive tender criteria and the outcomes-based agreement: open call for market proposals; proposal evaluation; tender design and execution
2. The steps required to design an outcomes-based agreement (OBA)



Outcome-Based Agreements (OBAs):

Key Success Factors

1. Set in the context of *Partnerships for Value*
2. Shared accountability for delivering outcomes
3. Measure outcomes at every stage
4. Deliver value through innovation
5. Create new business models and payment systems that align financial incentives to deliver value
6. Capture costs across the whole pathway
7. Stop doing things that don't deliver value
8. Require Trust between the partners





OBA: Design Steps

Things to consider:

1. Is the product feasible/suitable for an OBA
2. Define the eligible patient population / cohort
3. Agree the outcomes for inclusion (CROM, PROM, resource utilisation)
4. Define how each outcome will be measured. Sub-cohorts?
5. Determine outcome benchmark
6. Agree how outcomes will be aggregated



OBA: Design Steps

More things to consider:

7. Agree the terms of contract and outcome-measurement timeframe
8. Agree direction of payment: Reward or rebate (bonus or malus) contract?
9. Agree the proportion of price subject to OBA. All or just a %
10. define how outcome performance metric converted to payment
11. Make provision for contract parameter updates
12. Do you need a trusted third-party for contract and data management?



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*This project has received funding from the European Union. GA 101057209.
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