

HERC

Health Economics
Research Centre
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Transforming the structure of financial incentives to integrate care

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Facilitators and barriers

	Facilitators	Barriers
Pay-for-coordination	<ul style="list-style-type: none"> Stakeholder cooperation (AUS, GER) Patient demand (AUS) Adequate financial incentive for GP engagement in DMPs (DEN) 	<ul style="list-style-type: none"> Gaming (GER) Misaligned incentives between stakeholders (AUS) GP Opposition (AUS,GER, FRA) Virtual budget (AUS) Inflexible task allocation (AUS)
Pay-for-performance	<ul style="list-style-type: none"> Adequate financial incentive for GPs (ENG, FR) 	<ul style="list-style-type: none"> Gaming (ENG) Defining performance indicators (ENG)
Bundled Payment	<ul style="list-style-type: none"> Stakeholder cooperation (NL) Flexible task allocation (NL) 	<ul style="list-style-type: none"> Gaming (NL) Lack of transparency (NL) Lack of comprehensive means to address multi-morbidity (NL)
Global Payment	<ul style="list-style-type: none"> Adequate financial incentive for engagement (GER) Stakeholder cooperation (GER) 	<ul style="list-style-type: none"> Misaligned incentives in short versus long-term(GER) Gaming (GER) Political investment (GER)



Incentivize different stakeholders

- Purchasers/payers:
 - What: the allocation of resources towards coordination and more integrated care delivery
 - Examples: 'Accountable Care Organizations' with population based payment or earmarked payments
- Providers:
 - What: provision of coordinated/integrated care
 - Examples: global payments, pooled funds, bundled payments, pay-for-coordination, pay-for-performance
- Patients:
 - What: patient compliance, prevention and self-management
 - Examples: personal health budgets or waivers/reductions of out-of-pocket contributions
 - Supplemented by preventive and health promoting measures such as discount for gym membership and privileged access to physicians outside normal hours
- Incentives for different stakeholders should be aligned!



Measuring value

- We need a consensus about the most suitable outcomes
- Use outcomes in a systematic manner to provide robust evidence
- Outcomes should be used in redesigning and implementing
- Outcome to be used as indicators to improve performance at individual, organizational and national level.

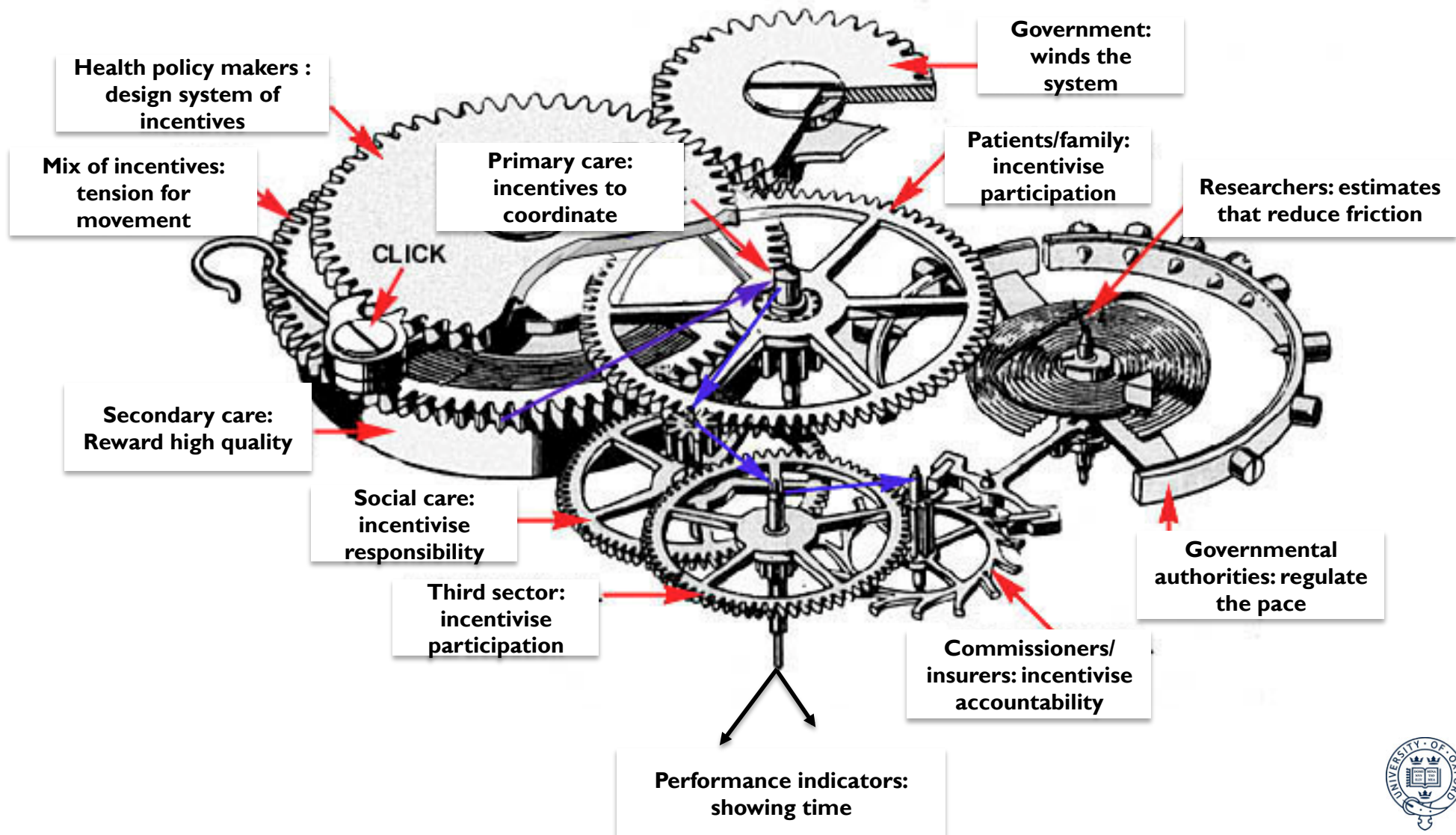


Take home messages

- Payment models are potentially powerful tools to stimulate integration of care
- They should be used as a means to extend the cost-effective potential of integrated care rather than as cost-containment policies
- Consider experiences from countries that have comparable health care systems and context
- Strong willingness and commitment of the health authorities to re(design) financial incentives
- Need to find an optimal mixture (type and size) of financial incentives
- Guided by evidence from high quality evaluation studies



Clockwise system of financial incentives



Examples for Australia?

- Primary care:
 - Partial capitation
 - P4P based on performance indicators

- Secondary care:
 - Payment by results

- Primary and secondary care:
 - 5% of State budget to be allocated to LHDs for innovation
 - Virtual (pooled) budgets



Thank you for your attention!

Questions?

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