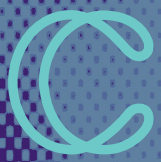

الصحة الحكيمة
value in health

Definition of value in health in Saudi Arabia

A policy perspective on the definition of value in health in Saudi Arabia by the Center for Improving Value in Health

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valueinhealth@phap.sa

By Dr Reem F. Bunyan and Issra Bargo
With contributions from Dr John McGhee,
Dr Sara Al Munif and Craig Barratt

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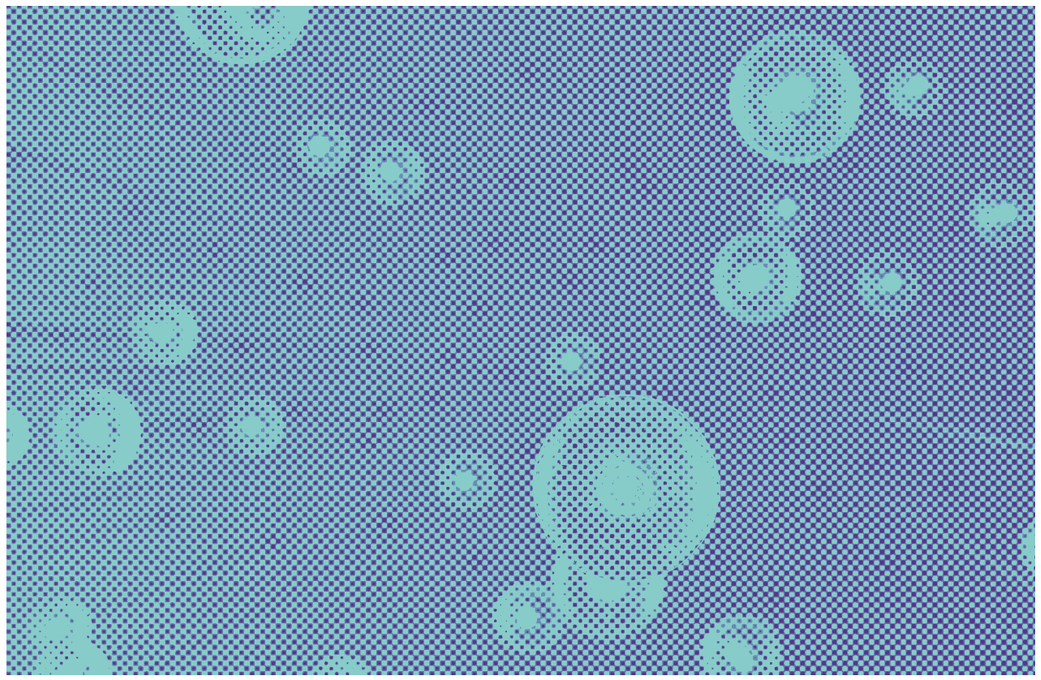
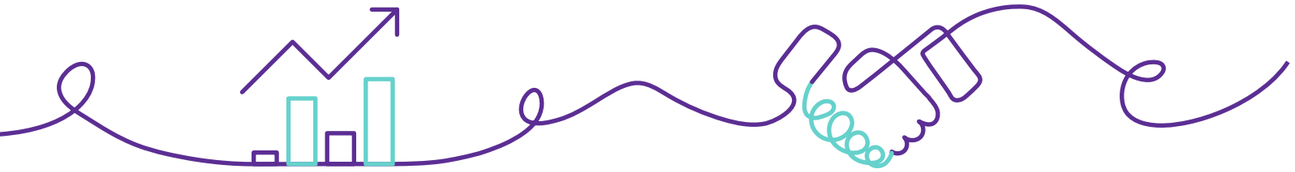


1. Key messages



The concept of “value” is becoming increasingly prominent in health policy. Several definitions of value in health have been proposed and are applied in different national health systems, to varying levels of success.

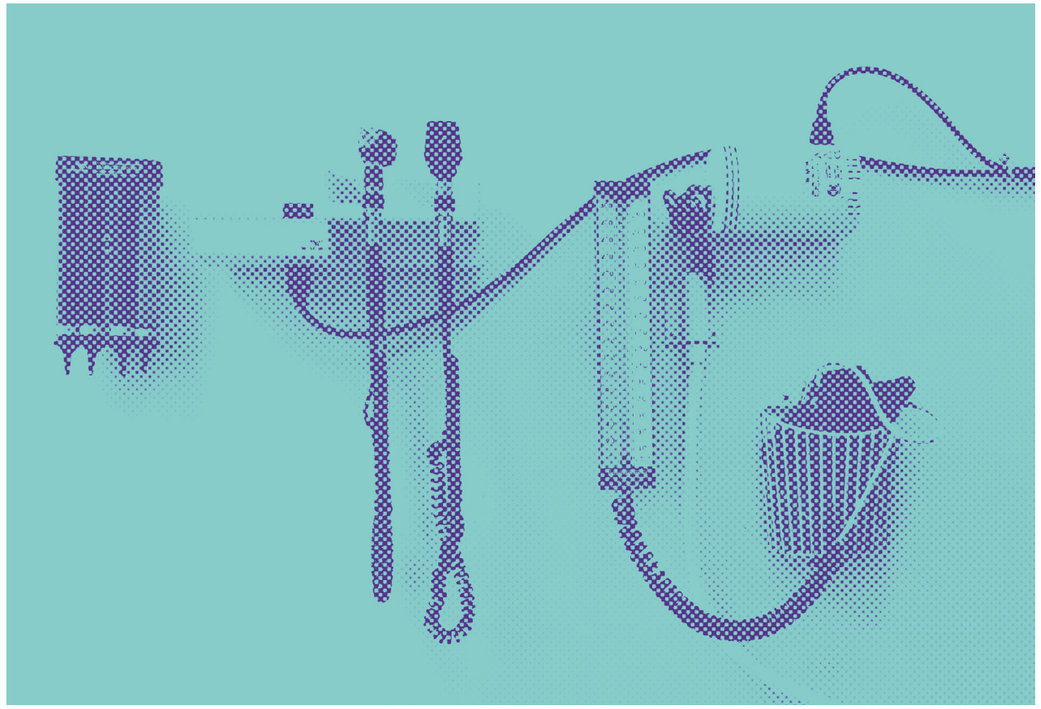
Policymakers, clinicians, executives, and other stakeholders in the Saudi health sector would benefit from a common definition of value in health. The Saudi definition of value in health must align with its health system goals.

For Saudi Arabia, a multi-dimensional definition of value in health is proposed:

Improving Value in Health is achieving the best health outcomes with the optimal and fair allocation and best utilization of resources where“outcomes”relate to benefits delivered for individuals, communities and the population; and, “resources” include all human, capital and natural resources

2. Preface

The Centre for Improving Value in Health is pleased to present this policy perspective. The paper proposes a definition of value in health for the Kingdom’s national context, developed in consultation with national and global experts, to generate a common understanding of the concept among all stakeholders, including policymakers, clinicians and executives in the Saudi health system. Finally, a value-based approach requires consideration of meaningful outcomes achieved and resources used. It is insufficient to deliver good outcomes or higher quality, or to deliver at a more sustainable cost. What needs to be known is the outcomes delivered for the resources invested. Integrated measures of value are needed, beyond the typical emphasis on either outcomes (including clinical outcomes and quality) or costs in existing measurement frameworks.



3. Context

The concept of "value" is becoming increasingly prominent in health policy; different definitions have been proposed

Health systems face similar threats to their financial sustainability. Rising costs caused by aging populations, increasing multi-morbidity, rising expectations and new technologies seem inexorable. Waste and unwarranted variation in clinical activities persist.

Various frameworks to address health system sustainability that took value as their central concept emerged since the early 2000s. Proposed by academic and other bodies, these frameworks vary in focus, scale, scope and definition of value. They do not directly contradict one another but address different perspectives and dimensions. Two main sources can be identified:

1) Value-based health care – Michael Porter[1]
The first framework, articulated by Professor Michael Porter and researchers at Harvard Business School, defined value as outcomes that matter to patients per the costs to achieve those outcomes throughout the care cycle. The definition focuses on value at the level of individual patients presenting for treatment. This disease-specific approach to VBHC aims to improve care in meso-systems* and optimize clinical micro-systems* for defined populations with identical or related diagnoses and reduce unwarranted variation in treatment selection,

outcomes and costs. The Porter model of VBHC is widely known and applied; the World Economic Forum, for instance, runs VBHC programs based on Porter's framework[2].

2) Value-based health care – the Oxford framework[3]
TheOxfordframeworkforVBHC,incontrasttothe Porter model, reflects the context of publicly-funded systems responsible for the health and health care for their entire population in which allocation decisions need to be made to meet population needs from finite budgets. The approach emphasizes active identification of people who are not receiving care, but who may derive more value by being treated than those who were referred or accessed the treatment. Three distinct aspects of value are identified: Allocative Value, determined by how well assets are distributed to different subgroups in the population; Technical Value, determined by how well resources are used for outcomes for all the people in need in the population; and Personalized Value, determined by how well outcomes relate to the values of each individual.

Triple Aim[4]
The Institute for Healthcare Improvement (IHI) Triple Aim framework is another relevant population-based approach to optimize health system performance by addressing the outcome and cost elements (although it does not explicitly refer to the term "value"). The framework comprises a threefold objective in which each goal is pursued simultaneously: Improving the patient experience of care (including quality and satisfaction); Improving the health of populations; and Reducing the per capita cost of health care.

* Meso-systems: systems that link microsystems to allow them to move from disparate units to those that support patients along the continuum of care e.g. clusters and health care organizations
* Clinical micro-systems: smallest replicable units of professionals and supporting functions working together to provide care to discrete populations of patients e.g. emergency departments

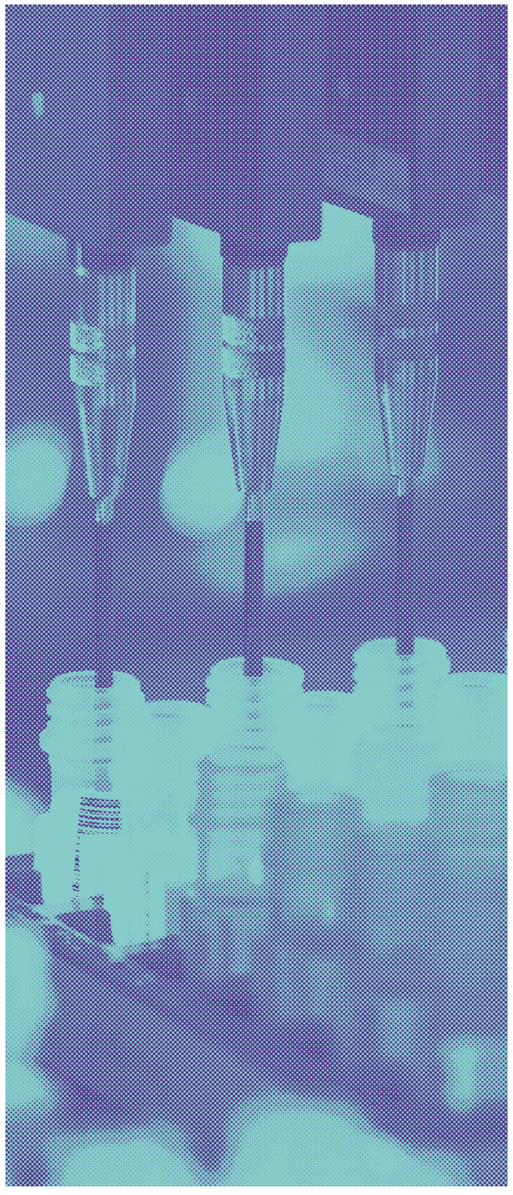
Defining Value in Health in Saudi Arabia

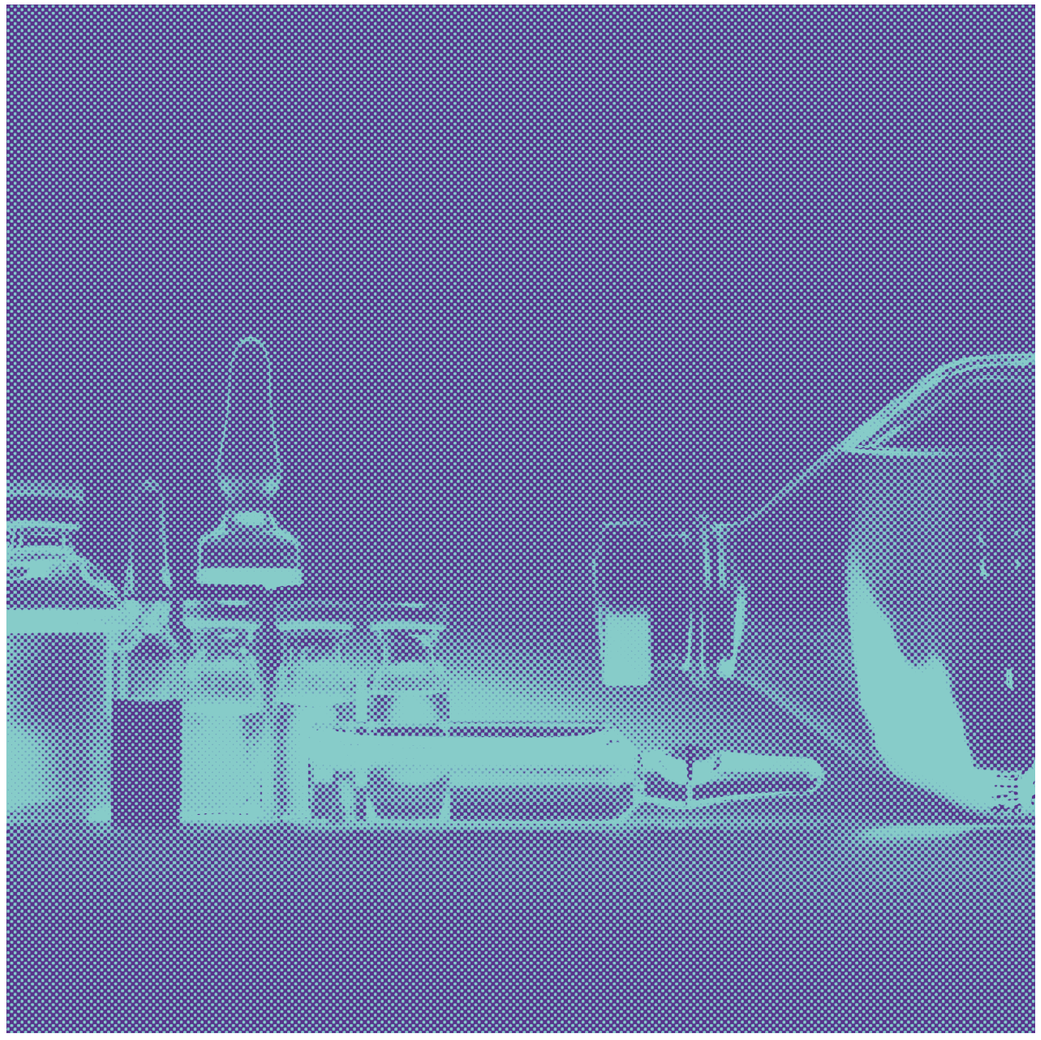
Different value frameworks are being applied by different countries, with variable success

More than a decade after first being proposed, value has gained prominence in the health system strategies of many nations. Arguably, such value- based strategies have not yet fully realized their potential for several reasons.

Some systems focused on the shift from volume to value — phasing out fee-for-service payments and replacing these with alternative models that incentivize value — yet the absence or poor quality of supporting financial, activity and outcome data has blocked progress. In other health systems, piecemeal implementation and slow scaling-up of pilot work have meant targeted value has not been achieved.

Despite practical difficulties, VBHC remains a useful framework for aligning the disparate parties in a health system around a collective objective and structuring programs to drive value improvement. An integrated and cohesive effort, with a shared understanding of what constitutes value, is required for success.





4. Recommendations

Aligning on a common definition of value would benefit the Saudi health system

The Kingdom is currently implementing a system- wide health transformation, as part of its national Vision 2030 program. The transformation, which will fundamentally reshape how care is delivered across the country, has three goals: to improve health, improve healthcare and improve value. The objective relating to value encompasses containing costs, improving outcomes, controlling public healthcare expenditure and guiding new investment[5].

This health transformation addresses all aspects of the system: reforms to provider configuration, clinical models, financing and regulation. Given the vast scale of the transformation, maintaining alignment between stakeholders at all levels in the health system will be a challenge. Clarity on a shared definition of value between policymakers, clinicians and executives will be essential to ensure alignment and pace.

In this context, adopting an existing definition of value in health and applying it to the health transformation in the Kingdom does not seem appropriate. The Porter definition of VBHC is focused on clinical meso- and micro-systems and does not reflect the system-wide and population- level aspects critical to the Saudi health system. Multi-dimensional models of value that incorporate wider dimensions of value are a better fit. One example of a geographic region tailoring its definition of value to its particular requirements is the extended “Values-based healthcare” of the European Commission, which incorporates a wider societal dimension as an emphasis on the values (principles) that underlie European systems6. A similarly-tailored, unified understanding of value in health would be of great benefit for the Saudi health transformation to unite interests of the different actors and enable consistency in turning the idealistic goal of improving value into practical strategies and measures.

The Saudi definition of value in health must align with its health system goals

What is specific to Saudi Arabia and its health system that should be reflected in its definition of value in health? The aim of the Kingdom’s health system is to keep the population healthy and when needed to secure and sustain access to healthcare, a right guaranteed for every citizen within the Basic Law of Governance (BLG) in Article 27: “The State shall guarantee the rights of the citizens and their families in cases of emergency, illness, disability and old age” and Article 31: “The State shall look after public health and provide health care for every citizen”7. The Kingdom is also committed to the United Nations 2030 agenda of Universal Health Coverage (UHC).

A multi-dimensional definition of value in health is proposed

Value is be defined from the perspective of the customer. In a health care, this means value should be defined from the perspective of patients and citizens, rather than from the perspective of the supplier (i.e. providers, hospitals, clinics, physicians, nurses etc.). Value is based on the results (outcomes) achieved (not the volumes nor process of services delivered) relative to the inputs (costs). In this sense, creating value for individuals in the population provides a unified goal for all system actors to drive system improvement and eliminate waste.

Health outcomes represent the first component and can be classified into distinct layers. The first two are: individuals and population. Individual health outcomes are the results of care in terms of improved health and are highly affected by personal circumstances and preferences. Population health outcomes address the health of populations and the fair distribution of healthcare for people in need across the population.

A key characteristic of Saudi society is family unity and extended family relations. This culture is manifested within Article 9 of the BLG stating “The nucleus of Saudi society is the family” and is supported by the Vision 2030. Building on this, a third layer defined for the national context as “immediate community” is articulated to address potential impacts of the local environment around individuals on the health outcomes, preferences and resource usage.

The Saudi definition of value in health should, therefore, reflect the health system’s commitment to population as well as individual health, and align to the primacy of family and community relationships in Saudi society.

In the cost component, a wide perspective is considered, and the term resources includes all capital, human and natural resources.

Health outcomes that maximize individual benefits i.e. aligned with the individual preferences and account for the individual and *immediate community* resources
Health outcomes that maximize community and population benefits
i.e. aligned with society and population preferences and account for strengthening the system resilience and responsiveness, health security and health equity

Definition of Value in Health in Saudi Arabia

Value concerns the health outcomes in relation to the resources used to generate those outcomes. The three layers are proposed to consider three different contexts. Resources at the individual layer include healthcare resources such as personnel, equipment, supplies and facilities used to maintain and improve individual health as well as individual resources such as out-of-pocket financial outlays, waiting times and travel distance. At the immediate community layer, family and societal perspectives are considered and resources such as the burden of care on caregivers, loss of productivity and consumption of community services might need to be added. The population perspective provides a holistic view of the distribution of the resources among different population and sub-population groups. The explicit link between the health outcome and the resources used at any perspective, should guide the resource allocation; that is the optimal distribution of resources to serve the needs of populations and sub-populations, and the resource utilization, the best use of the allotted resources to improve outcomes and maximize value.

Value decisions are taken at different levels in the ecosystem including national, organizational and individual i.e. macro-, meso- and micro-system levels and by a range of different parties.

Clinicians, for instance, make utilization decisions on a daily basis and are used to incorporating evidence about effectiveness into clinical decisions, yet do not routinely consider resources and opportunity costs; thus, their role is critical to improving value. Patients are also an integral part, not often considered, in those decisions, and their personal views of what

Value in health concerns the relationship between the two components: outcomes and resources within a specific context. The context defines the layers and perspectives to be considered and how value should be measured. The national objective to improve value in health is therefore defined as follows:

> **Value in health is achieving the best health outcomes with the optimal and fair allocation and best utilization of resources,** where “outcomes” relate to benefits delivered for individuals, communities and the population; and “resources” include all human, capital and natural resources.

This broad definition applies to the different stakeholders within the system. The term “improving value in health” is recommended instead of VBHC for better alignment with the transformation goal terminology. Examples of interrelations between the different layers and components are illustrated in the figure and table.

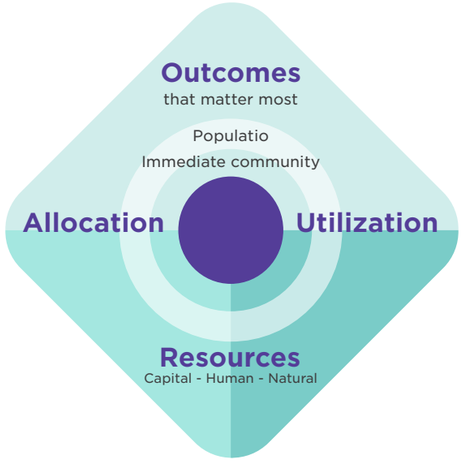
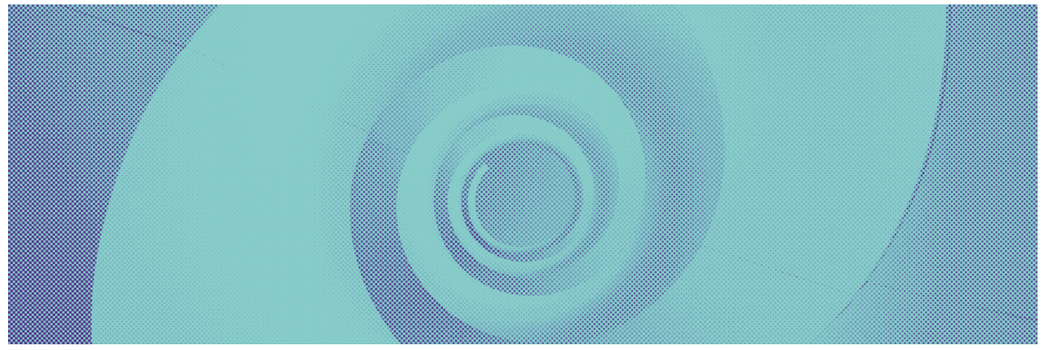


Figure 1: Definition of value in health for Saudi Arabia

Value components / Layers in the system		Individual	Immediate Community	Population
Outcomes		Clinical outcomes as well as patient-reported outcome and experience measures (PROMs/PREMs*) consistent with individuals' values and preferences through shared decision making (that matter most)	Considerations and impacts on the local environment around the individual, Spillover effects on communities, for example, families and employers	Maximizing population heath while assuring equity
Resources	**Allocation**	Rare diseases, Out-of-pocket expenditures	Distribution of social care and other community resources	Distribution of resources and services within the system and within and between programs to attain an optimal mix
	Utilization	Health system/societal resources of e.g. personnel, equipment, supplies and facilities used to treat and cure the individual As well as Personal resources incl time and burden of treatment	Informal care, utilization of external community and environmental resources	Eliminate waste and maximize health outcomes for given resource inputs for all people in need within population/sub-population and not only those who access the services

Table 1: Selected examples of value considerations at the different layers

*PROMs: Patient-reported outcome measures
PREMs: Patient-reported experience measures



5. The way forward

This definition will be shared with policymakers, clinicians and executives across the Saudi health system to generate alignment.
The concept of value needs to be embedded in the whole system and become a feature of it. The goal of improving value is to enable the system to create more value for the beneficiaries by improving the outcomes while reducing and controlling costs.
There is no simple recipe for doing this.
The national consensus on what value means is an essential first step towards measurement and learning and thus improvement. Validation of this definition and measurement are key for the functional capacity of the system to learn and improve all the way from measuring inputs (resource inputs as well as care recipients' characteristics such as conditions, demographics, comorbidities and social determinants of health) to the processes (which is already covered with extensive work) to, most importantly, measuring the outcomes the system is delivering and achieving.

The Center will use this definition to structure its future work, with the policy, evidence and knowledge it disseminates being linked to different elements of the definition.
Our focus in the near future will be on understanding how value defined in this way can best be generated, accelerated, scaled, and measured in the Saudi health system. The Center will assist on generating use cases for different players within the system to test the framework and facilitate addressing the questions that are yet to be explored. Those include how to best measure the outcomes and the true cost of delivering care at individual, community and population layers; the role of the beneficiaries as well as PROMs/ PREMs in defining outcomes and translating "that matter to patient"; the potential trade-offs between the different value perspectives e.g. individual vs population value and the ways to address them; the impact social determinants of health are having on the health outcome.

6. Acknowledgments

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