

Shaping the Future of Health and Healthcare

# Value in Healthcare

## Improving Healthcare Delivery Outcomes

Global healthcare has seen tremendous advancements in medical knowledge and innovation, yet many informed observers doubt that society is getting the full value of the \$6.5 billion spent every year on healthcare. It has been estimated that 30%-50% of this spend is “wasted”. The increasing complexity of medical knowledge and practice has created a system of top-down rules and structures that attempt to “optimize” the system. Optimization is prevented by inefficiencies in the system often resulting from misalignment of incentives, interests, strategies and behaviours of parties engaged in healthcare delivery. The ensuing dysfunction results in disparities in the quality of care delivered, unsustainable costs, and patient and physician frustration with an increasingly complicated system.

Misalignments prevent healthcare systems around the world from focusing on outcomes that matter to patients at the lowest possible cost. The multi-stakeholder Value in Healthcare project will focus on creating roadmaps to eliminate these misalignments and focus healthcare systems on value. The core tenets of value-based health care (VBHC) requires the alignment of all stakeholders in a health system towards value delivered to the patient, defined as the best health outcomes for a given cost.

Yet despite the huge potential of VBHC, implementation remains in its infancy and the debate on the topic is highly fragmented. To overcome multiple competing definitions, a comprehensive and a widely accepted framework is needed for joint action, as well as a platform for coordination on major policy issues.

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**By reducing waste in healthcare systems, we will free up funds for interventions that deliver value by improving patient outcomes.**

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Joe Jimenez, Chief Executive Officer, Novartis AG, Switzerland

## Areas of Focus in 2016-2017

The World Economic Forum has launched the Value in Healthcare project to clearly identify the foundations of VBHC in order to stimulate health system reform towards alignment of around value.

Focusing on generating tangible evidence and mobilizing the broader healthcare ecosystem for change, the project will:

- Establish a taxonomy of VBHC fundamentals
- Create a database on best practices based on real-world examples of VBHC
- Identify barriers to further advancement on alignment on value and solutions to resolve these challenges
- Develop roadmaps for system-level reforms
- Demonstrate proof-of-concept solutions through pilot programmes focused on defined population segments

Additionally, the project aims at convening stakeholders by:

- Building a global community of VBHC leaders to drive a common agenda for change
- Establishing a platform for continuous top-level dialogue and learning to share best practices



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The type of payment model is just a means to an end: greater value for the patients and improved health outcome for the entire population.

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Simon Stevens, Chief Executive Officer, National Health Service England, UK

## Community

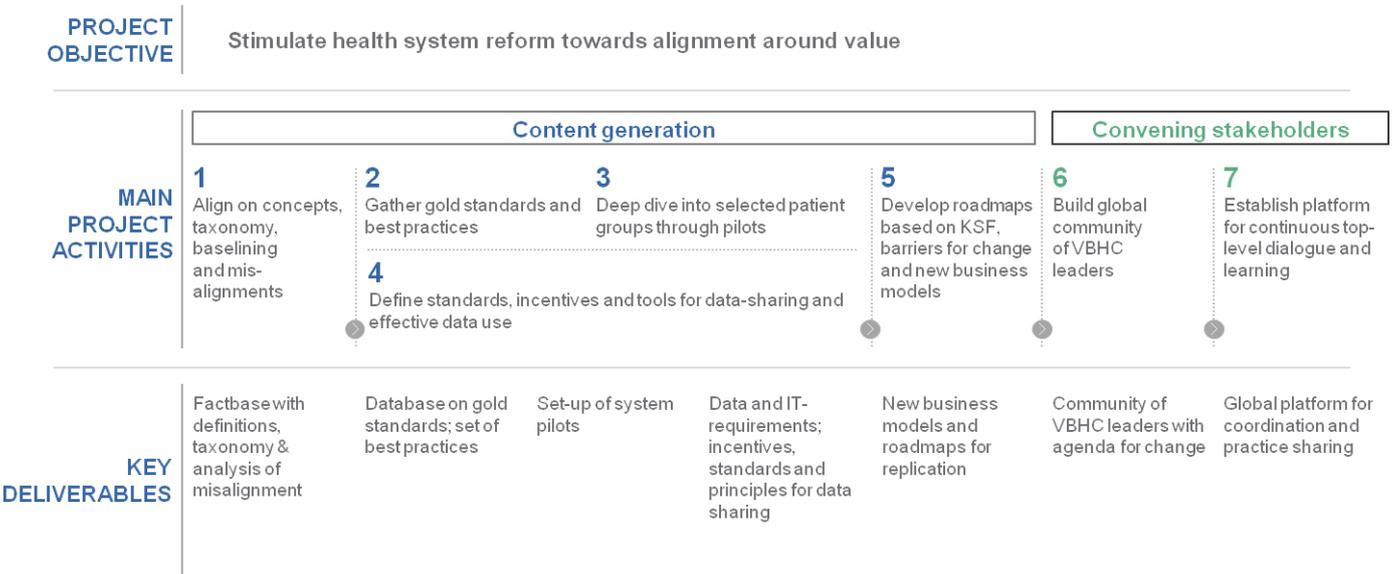
The Value in Healthcare project brings together thought leaders and senior decision-makers from government, international organizations, academic institutions, civil society and business from the entire healthcare ecosystem (ie. patient, payer, provider, pharma/biotech and medtech) and associated industries (ie. IT, data analytics, biotech, consumers and insurance).

## Contact

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## Project Approach



## Interaction

Value in Healthcare project as gathered input from diverse group of stakeholders.

