



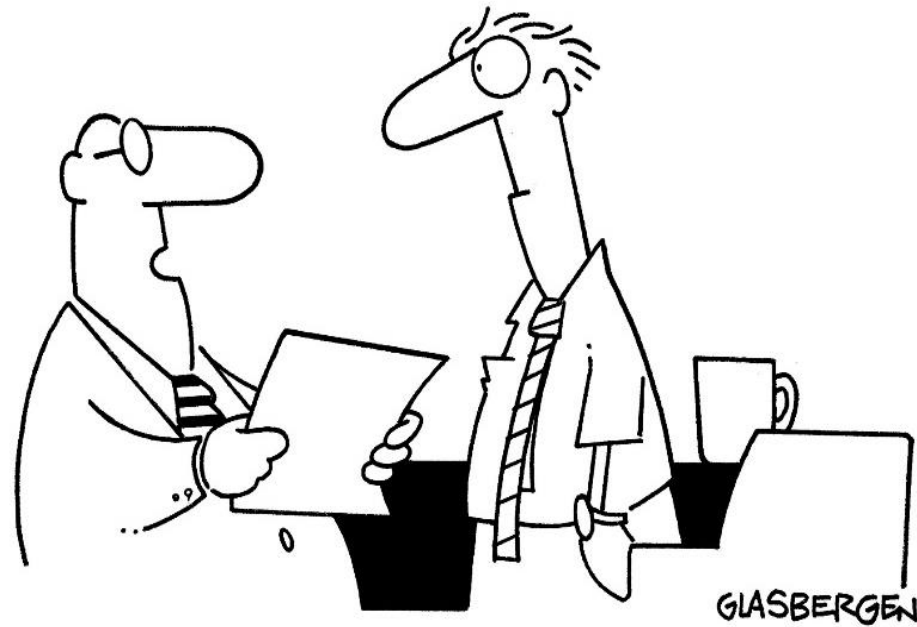
Innovation, Sustainability, & Value

Sarah Thomas, Managing Director
Deloitte Center for Health Solutions

The Future of Health Care is In Your Hands



We have used the same approach to health care financing and care delivery for the last 30 years

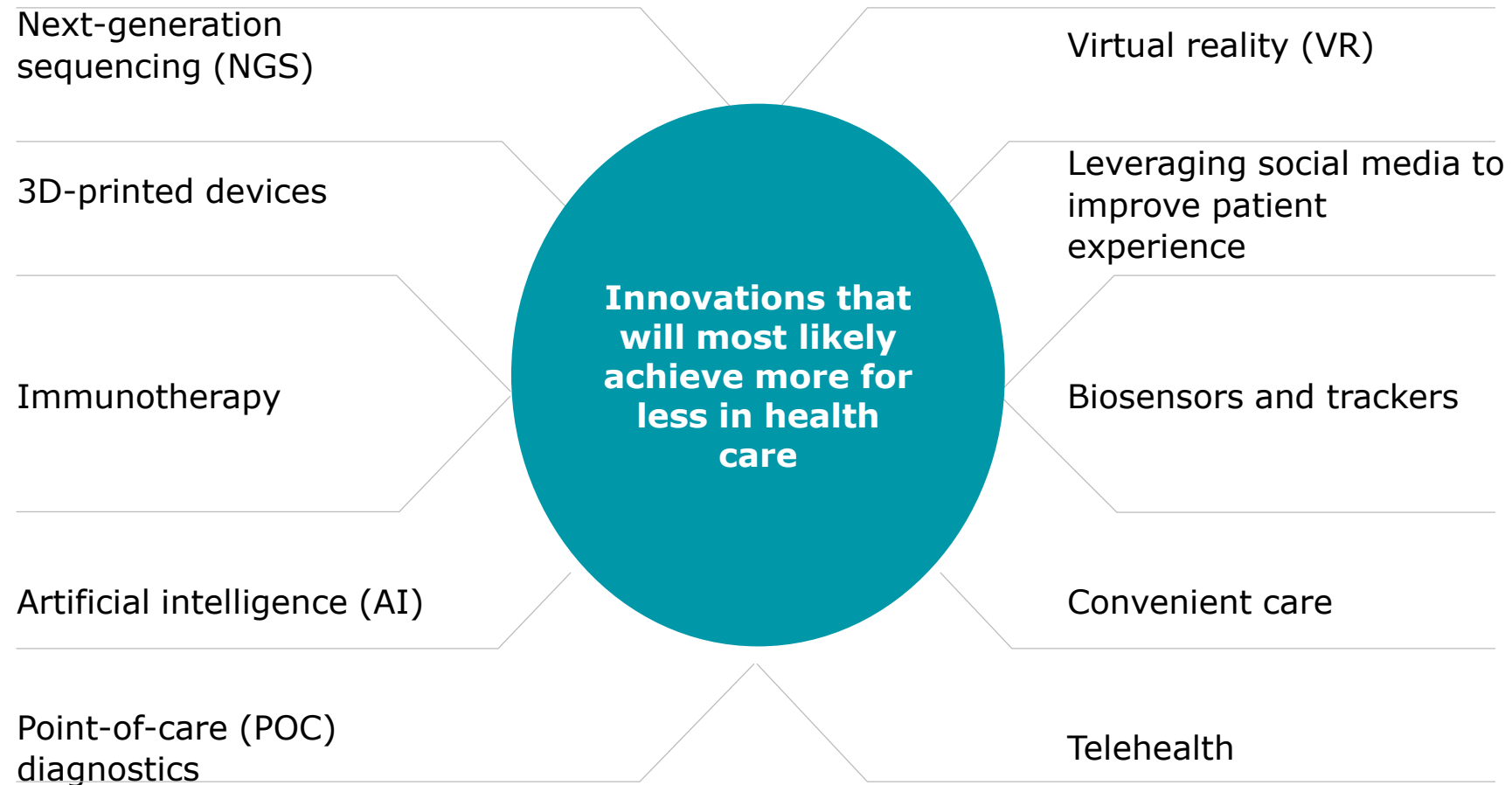


“I want you to find a bold and innovative way to do everything exactly the same way it’s been done for 25 years.”

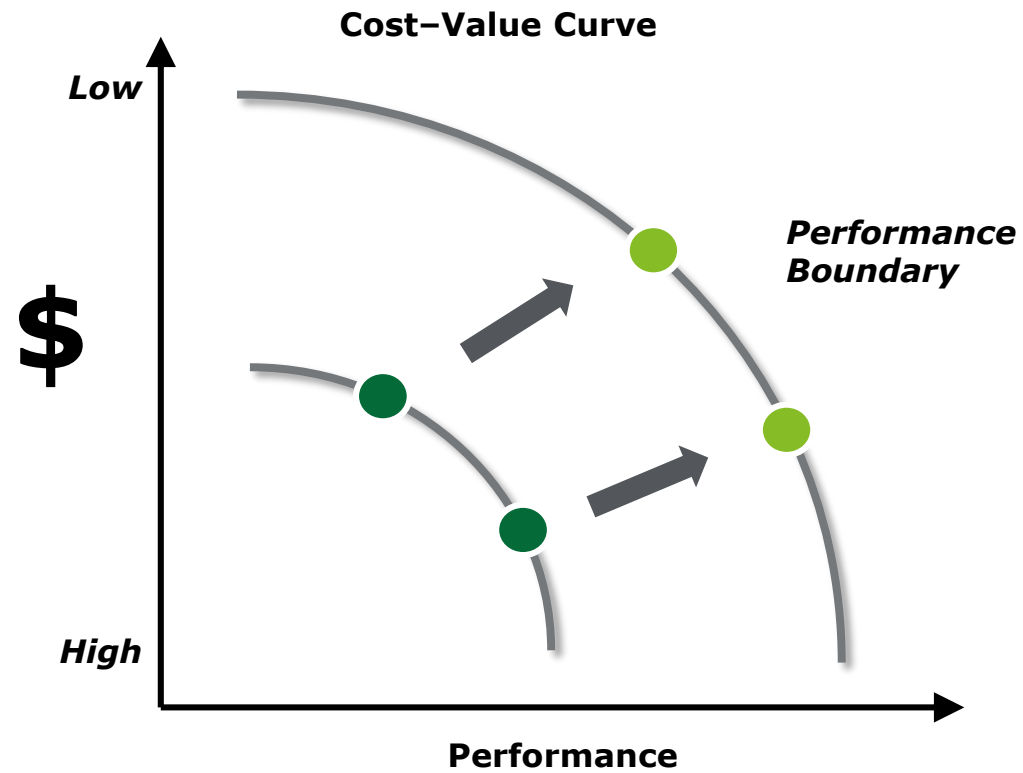
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Top 10 health care innovations: Achieving more for less

What innovations are most likely to help stakeholders achieve the triple aim goals and transform health care over the next 10 years?



Innovation can occur when the performance curve shifts to the right by breaking constraints, using enabling technology and a new business model, creating **More for Less**



Other marketplace trends

Virtual care

Digital innovations

Mergers

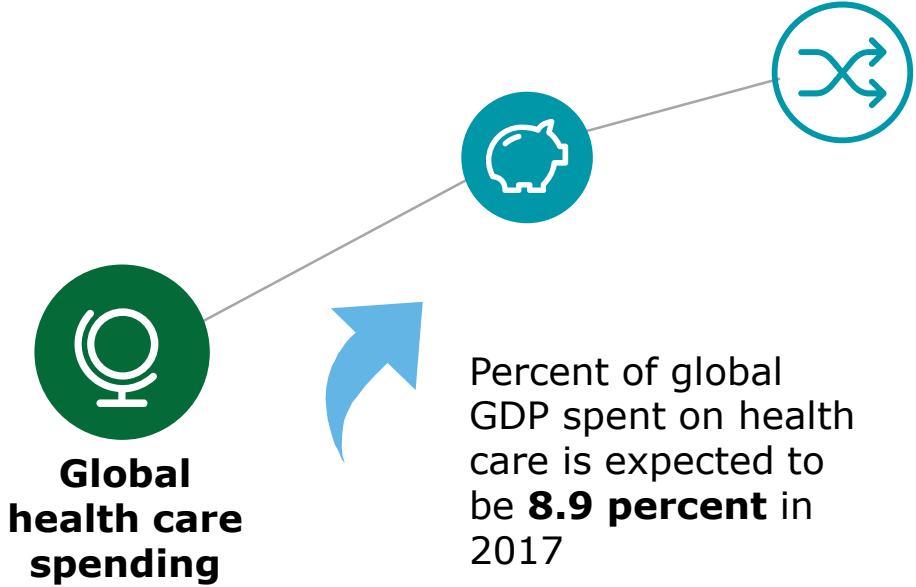


Employer initiatives

Drug prices

Opioids

Global health care spending



The pressure to **reduce costs, increase efficiency, and provide value** is rising with health spending. Health spending in 2016 grew by its fastest rate – 3.4% -- in seven years, with further growth expected in 2017.

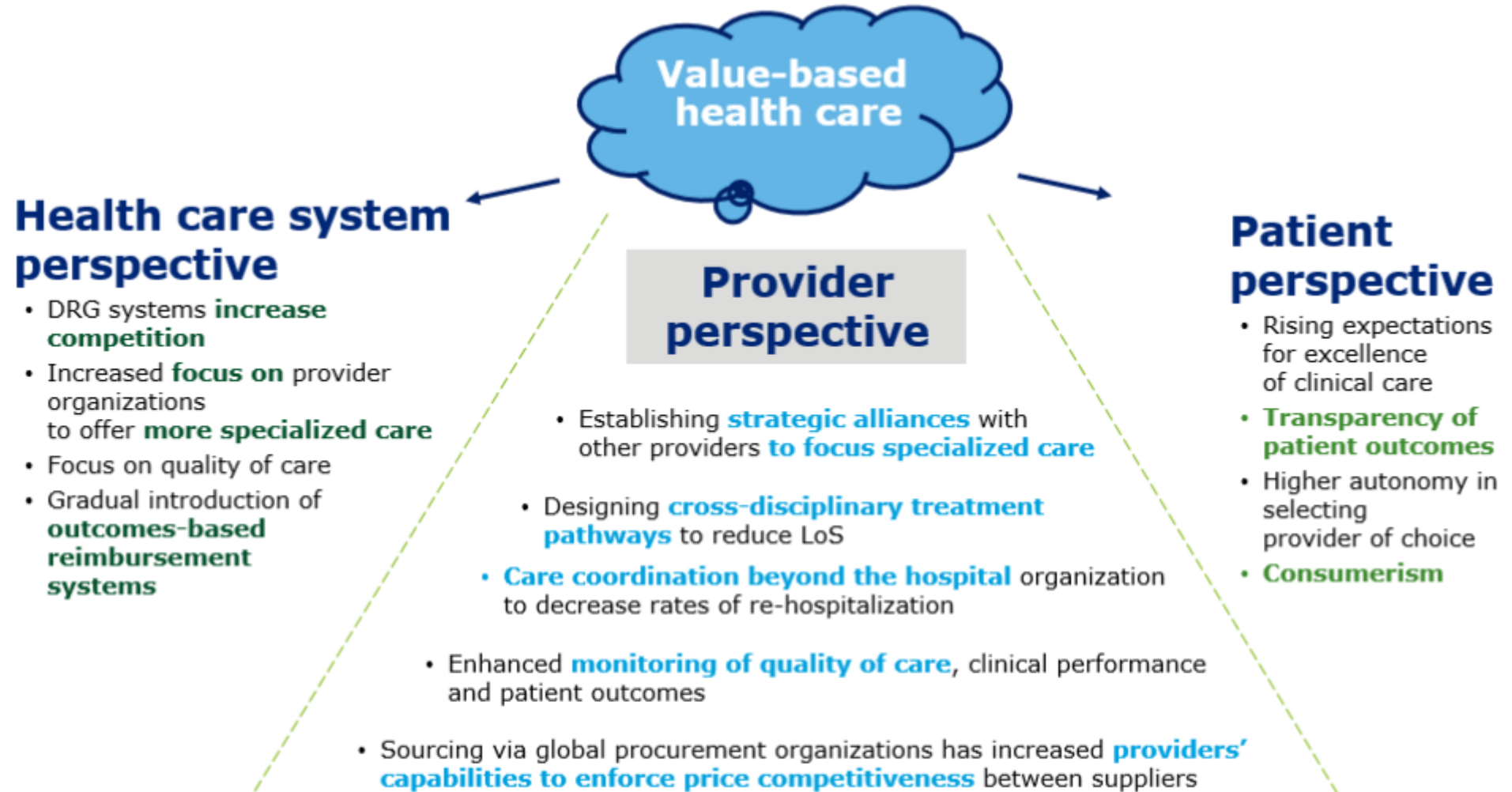
Spending levels vary widely between developed and developing countries

Spending per person
US—**\$9,892** Chile—**\$1,229¹**



Source: 1. <http://www.oecd.org/els/health-systems/health-data.htm>;

Today globally there is high pressure on provider organizations to demonstrate high-quality and cost-effective provision of care










Some countries working hard to support value-based health care

- Key:
- Very High
 - High
 - Moderate
 - Low

Alignment with VBHC

Countries are classified into four categories (Low, Moderate, High or Very High) based on the 17 indicators in the study, which were designed to evaluate a country's alignment with value-based healthcare concepts.

| | | Overall | Enabling context, policy and institutions for value in healthcare | Measuring outcomes and costs | Integrated and patient-focused care | Outcome-based payment approach |
|---|----------------------|-----------|---|------------------------------|-------------------------------------|--------------------------------|
|  | South Korea | Moderate | High | Very High | Moderate | Low |
|  | Spain | Low | Low | Moderate | Moderate | Low |
|  | Sweden | Very High | High | Very High | Very High | Very High |
|  | Turkey | Low | Moderate | Low | Low | Moderate |
|  | United Arab Emirates | Low | Low | Low | Low | Low |
|  | United Kingdom | High | High | High | Very High | High |
|  | United States | Moderate | Moderate | High | Moderate | Moderate |

Source: [The Economist Intelligence Unit VBHC global assessment](#)

We conducted extensive research and interviewed experts to see what is working globally to reduce low-value care

The resulting case studies, spanning **ten** organizations in **five** different countries, illuminate four avenues for reducing low-value care:

1

Providing the right care: Curbing services that offer few or no patient benefits

2

Delivering care in the right setting: Curtailing unwarranted emergency department utilization

3

Delivering care safely: Tackling safety failures

4

Providing care in the right way: Rooting out operational inefficiencies

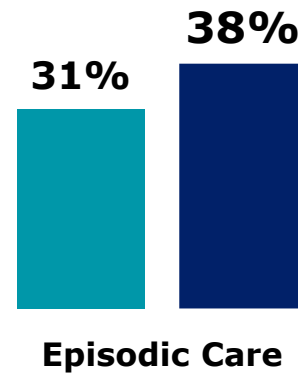
Successful applications of emergent technologies to reduce low-value health care across the globe

| Emergent technology | Applications |
|--|--|
| Robotics | <ul style="list-style-type: none">• Facilitating realistic clinical training through simulation of vaginal and C-section delivery on virtual robotic patients at hospitals in Brazil• Assisting in pharmacy dispensing at Tan Tock Seng Hospital in Singapore |
| Tablets and other computer-aided audio-visual equipment | <ul style="list-style-type: none">• In-ambulance teleconsultation with emergency physicians in Houston, Texas, to determine whether an ED visit was necessary• Local teleconsultation with remote hospital physicians in Millom, England |
| Mobile apps | <ul style="list-style-type: none">• Improving recognition of patients at risk for sepsis in Scotland• Scheduling appointments for patients needing a medical home in Houston, Texas• Safer and more effective antibiotic prescribing in Scotland |
| Innovations in electronic health records | <ul style="list-style-type: none">• Pop-up screen with patient photographs being used to increase safety• Three-stroke modification to hospital order-entry system facilitated changes allowing patients to obtain more timely eye surgery |

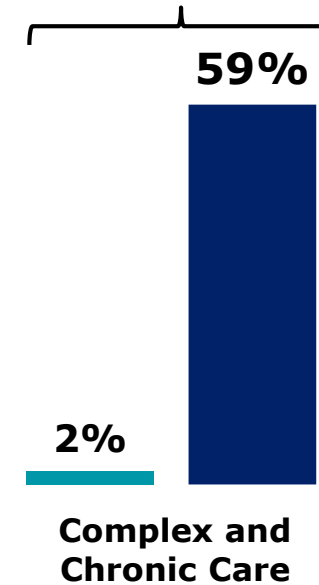
Integrated care model interventions should align with the ability to impact the greatest cost opportunities

How should care model innovations target costs?

Medical Cost Distribution



Less than 3% of the commercial population incurs 59% of the medical costs




■ Population % ■ Medical Cost %

Source: Deloitte data.

The imperative for change alone is not enough to make it happen




Advances in technology will create insights, greater patient engagement, and collaboration



Enabling technology can be adopted and leveraged to help improve productivity and value

Population health, consumer engagement and clinical transformation can be enabled by technology



Contact



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Sarah Thomas is a managing director with Deloitte Services LP and the director of research for Deloitte’s Center for Health Solutions (the “Center”). As director of research, Sarah oversees the development and execution of the Center’s strategic research agenda, which aims to help industry stakeholders — including health care organizations and governments — cope with the market forces and policy directives affecting health care as it shifts from a volume-based system to a value-based system more focused on cost and quality outcomes. As the health care system moves toward new models and relationships based on the need for greater quality, efficiency, and transparency, Sarah aims for the Center to be a source of clarity for consumers, businesses, governments, and other stakeholders during this transformation. Sarah has deep experience in public policy, ranging from reimbursement to quality issues in Medicare, Medicaid, and the private health insurance market, including health insurance exchanges and marketplaces.

About the Center for Health Solutions

The source for fresh perspectives in health care: The Deloitte Center for Health Solutions (DCHS), part of Deloitte LLP's Life Sciences and Health Care practice, looks deeper at the biggest industry issues and provides new thinking around complex challenges. Cutting-edge research and thought-provoking analysis gives our clients the insights they need to see things differently and address the changing landscape.

To learn more, please visit: www.deloitte.com/us/centerforhealthsolutions

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