

# Value-Based Health Care Delivery: Creating an Action-Research Agenda

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START

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This presentation draws on Porter, Michael E. and Thomas H. Lee. "The Strategy that Will Fix Health Care," *Harvard Business Review*, October 2013; Porter, Michael E. with Thomas H. Lee and Erika A. Pabo. "Redesigning Primary Care: A Strategic Vision to Improve Value by Organizing Around Patients' Needs," *Health Affairs*, March 2013; Porter, Michael E. and Robert Kaplan. "How to Solve the Cost Crisis in Health Care," *Harvard Business Review*, September 2011; Porter, Michael E. "What is Value in Health Care" and supplementary papers, *New England Journal of Medicine*, December 2010; Porter, Michael E. "A Strategy for Health Care Reform—Toward a Value-Based System," *New England Journal of Medicine*, June 2009; Porter, Michael E. and Elizabeth Olmsted Teisberg. Redefining Health Care: Creating Value-Based Competition on Results. (2006) Additional information about these ideas, as well as case studies, can be found at the Institute for Strategy and Competitiveness Redefining Health Care website at <http://www.hbs.edu/rhc/index.html>. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means — electronic, mechanical, photocopying, recording, or otherwise — without the permission of Michael E. Porter and Elizabeth O. Teisberg.

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# Timeline



↑  
"Redefining  
Competition in  
Health Care"  
(HBR)

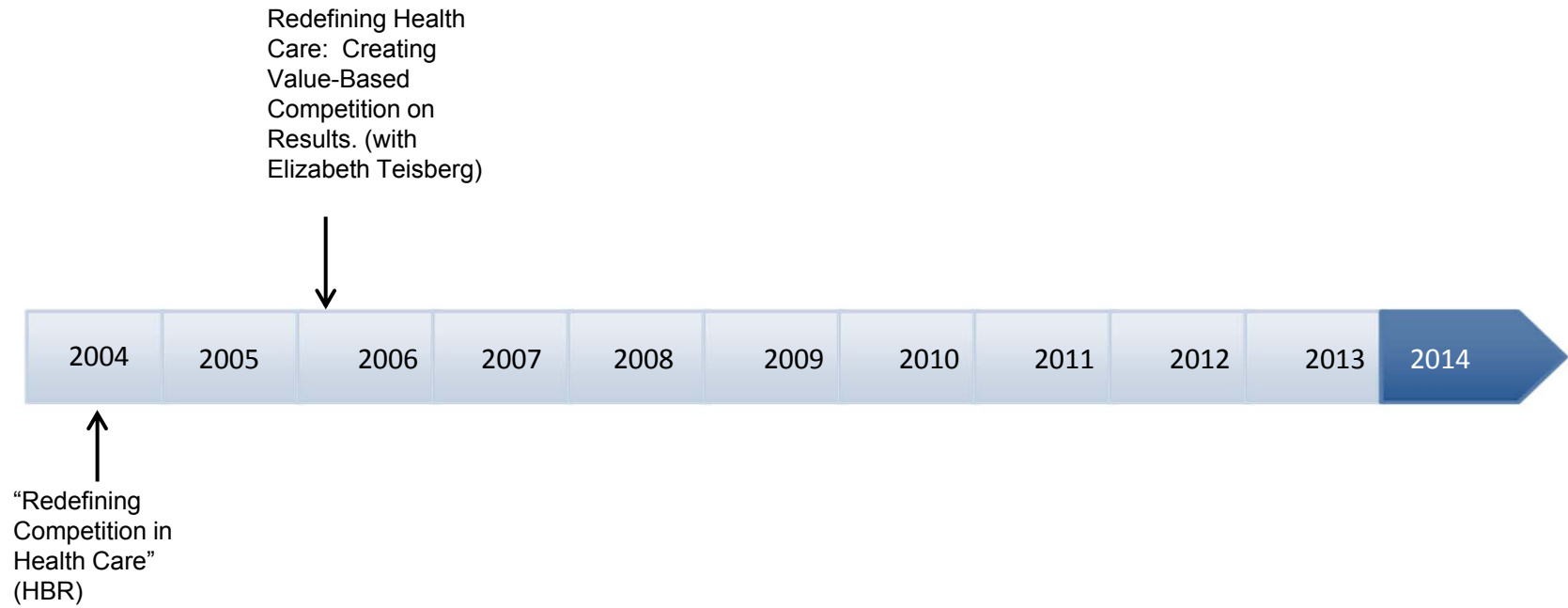
# Competition in U.S. Health Care

- Competition to **shift costs** or **capture greater revenue**
- Competition to **capture patients** and **restrict choice**
- Competition to **increase bargaining power** to secure discounts or price premiums
- Competition to **exclude less healthy individuals**



- Competition on the wrong things leads to a **zero-sum competition** with no or negative value

# Timeline



# Solving the Health Care Problem

- The core issue in health care is **value for patients**

$$\text{Value} = \frac{\text{Health outcomes that matter to patients}}{\text{Costs of delivering the outcomes}}$$

- Delivering high and improving value is the **fundamental purpose** of health care
- Value is the only goal that can **unite the interests** of all system participants



- Improving value is the **only real solution** versus further cost shifting, restricting services, or dramatically reducing the compensation of health care professionals

# Creating a Value-Based Health Care Delivery System

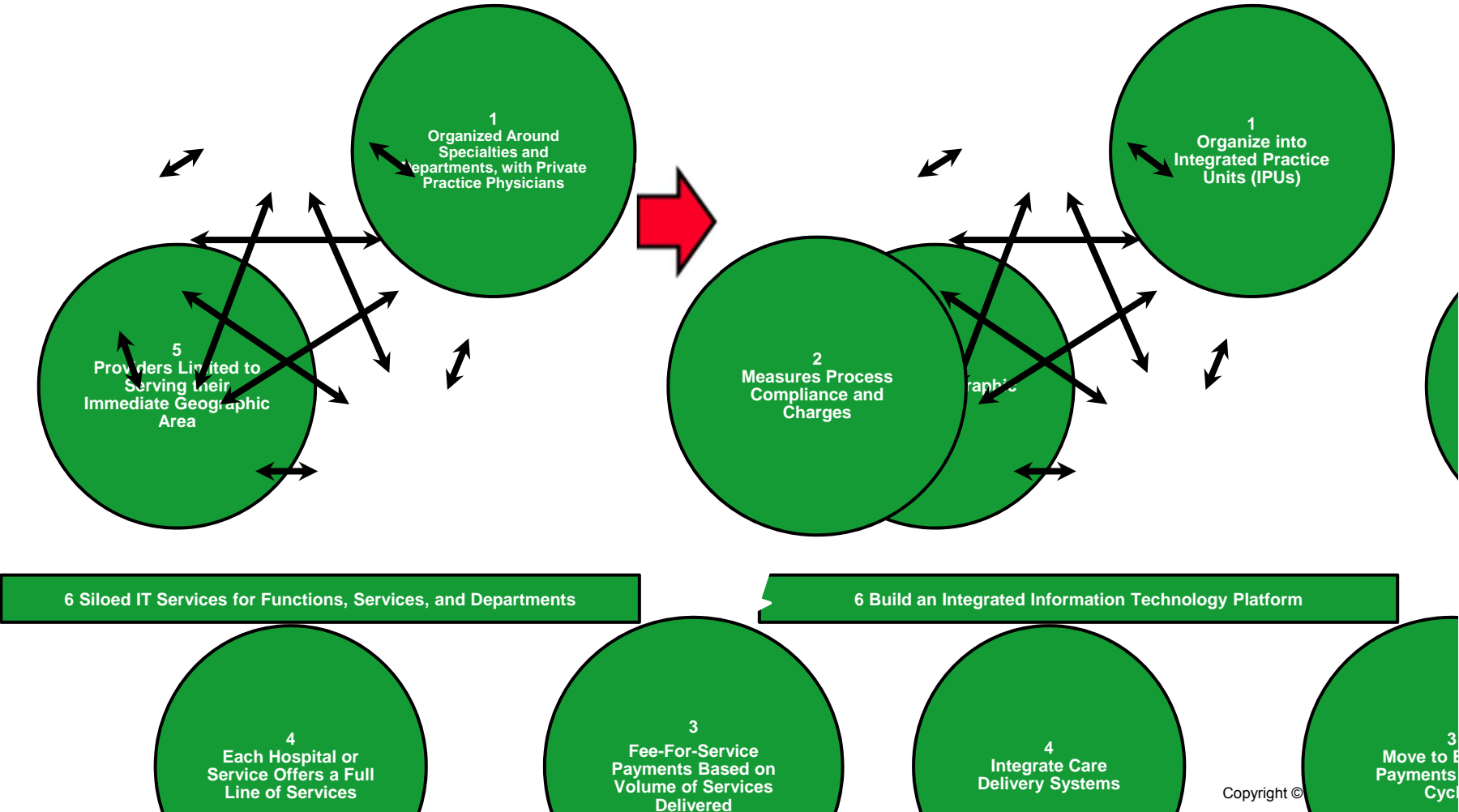
## The Strategic Agenda

1. Organize Care into **Integrated Practice Units (IPUs)** around Patient Medical Conditions
  - For primary and preventive care, organize to serve **distinct patient segments**
2. Measure **Outcomes** and **Costs** for Every Patient
3. Move to **Bundled Payments** for Care Cycles
4. Integrate Care Delivery **Systems**
5. Expand **Geographic Reach** and Serve **Populations**
6. Build an Enabling **Information Technology Platform**

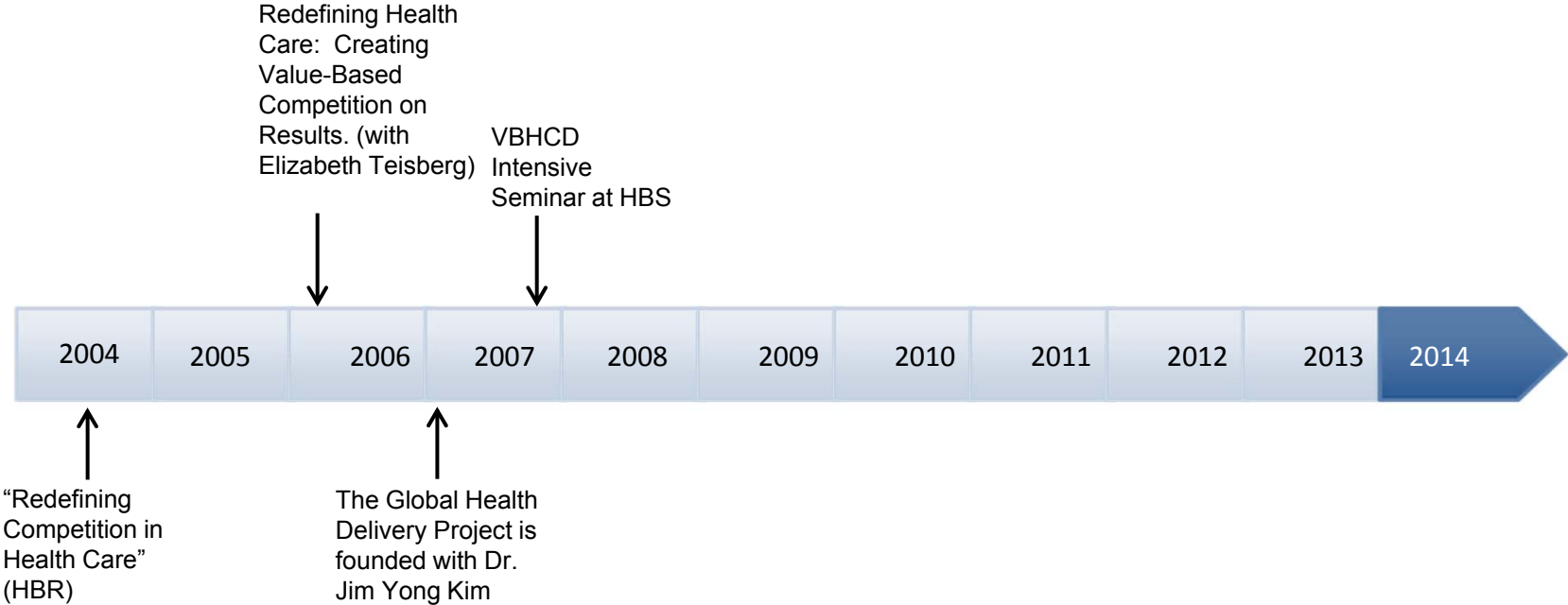
# Getting Unstuck

## Legacy System

## Value-Based System Agenda



# Timeline





# Value Based Health Care Case Studies

Case Study	Medical Condition	Location	Outcome				Geographic Expansion	Role of Payors
			Specialty IPU's	Primary Care	Measurement	TDABC		
MD Anderson Cancer Center: Interdisciplinary Cancer Care	Head and Neck Cancer, Endocrine Cancer	Houston	X				X	
The West German Headache Center: Integrated Migraine Care	Migraine	Germany	X					X
Commonwealth Care Alliance: Elderly and Disabled Care	Primary/ Preventative Care	Boston		X			X	X
Pitney Bowes: Employer Health Strategy	Primary/ Preventative Care	US		X				X
Ledina Lushko: Navigating Health Care Delivery	Adrenal Cortical Carcinoma	Chicago	X	X			X	X
Michelin Employee Health Strategy*	Diabetes Care	South Carolina	X					X
The Joslin Diabetes Center	Diabetes Care	Boston	X					
Gastroenterology Care at Sweden's Highland Hospital	Inflammatory Bowel Disease	Sweden	X		X			
Great Western Hospital: High-Risk Pregnancy Care	High-Risk Pregnancy	UK	X				X	
Brigham and Women's Shapiro Cardiovascular Center	Cardiovascular Care	Boston	X					
Martini Klinik: Prostate Cancer Care	Prostate Cancer	Germany	X		X		X	X
Dartmouth-Hitchcock Medical Center: Spine Care	Spine Care	NH	X		X			
Schon Klinik Eating Disorder Care	Eating Disorders	Germany	X		X		X	X

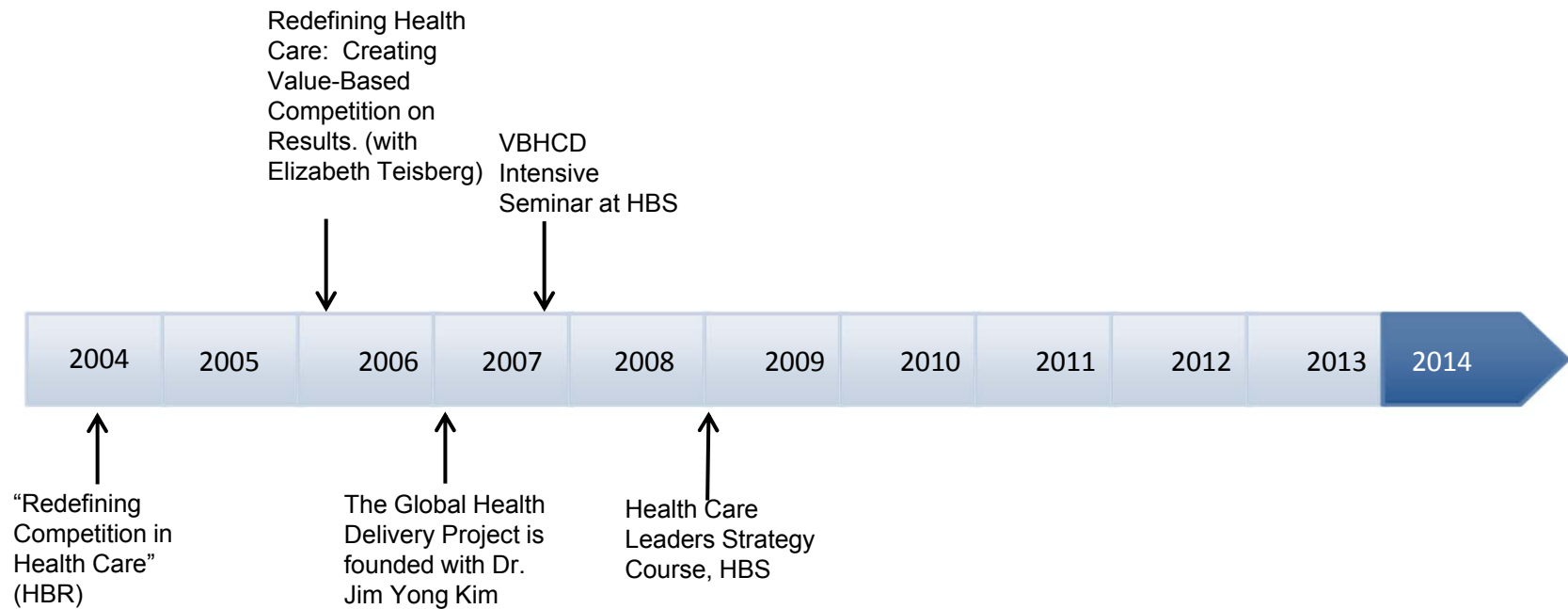
\* This case was prepared by Elizabeth O. Teisberg, Professor, The Geisel School of Medicine at Dartmouth and Scott Wallace, Visiting Professor, The Geisel School of Medicine at Dartmouth.



# Value Based Health Care Case Studies – continued

Case Study	Medical Condition	Location	Specialty		Outcome		Bundled Pricing	System Integration	Geographic Expansion	Role of Payors
			IPUs	Primary Care	Measurement	TDABC				
UCLA: Kidney Transplantation	ESRD, Kidney Transplantation	Los Angeles	X		X		X			
In-Vitro Fertilization: Outcomes Measurement	Infertility, IVF	US			X		X			
Boston Children’s Hospital TDABC	Plastic, Oral and Orthopedic Surgery	Boston			X	X	X			
Schon Klinik: Measuring Cost and Value	Total Knee Replacement	Germany	X		X	X	X			
Sun Yat-Sen Cancer Center: Breast Cancer Care in Taiwan	Breast Cancer	Taiwan	X		X		X			
Global Health Partner: Obesity Care	Obesity, Bariatric Surgery	Sweden	X		X		X		X	
The Cleveland Clinic: Growth Strategy	Health System	Cleveland	X		X			X	X	
ThedaCare: System Strategy	Health System	Wisconsin	X		X			X		
Children’s Hospital of Philadelphia: Network Strategy	Health System	Philadelphia Region						X	X	
Reconfiguring Stroke Care in North Central London	Stroke	UK	X					X		

# Timeline



# Value Based Health Care Delivery

## Courses and Lectures for Executives

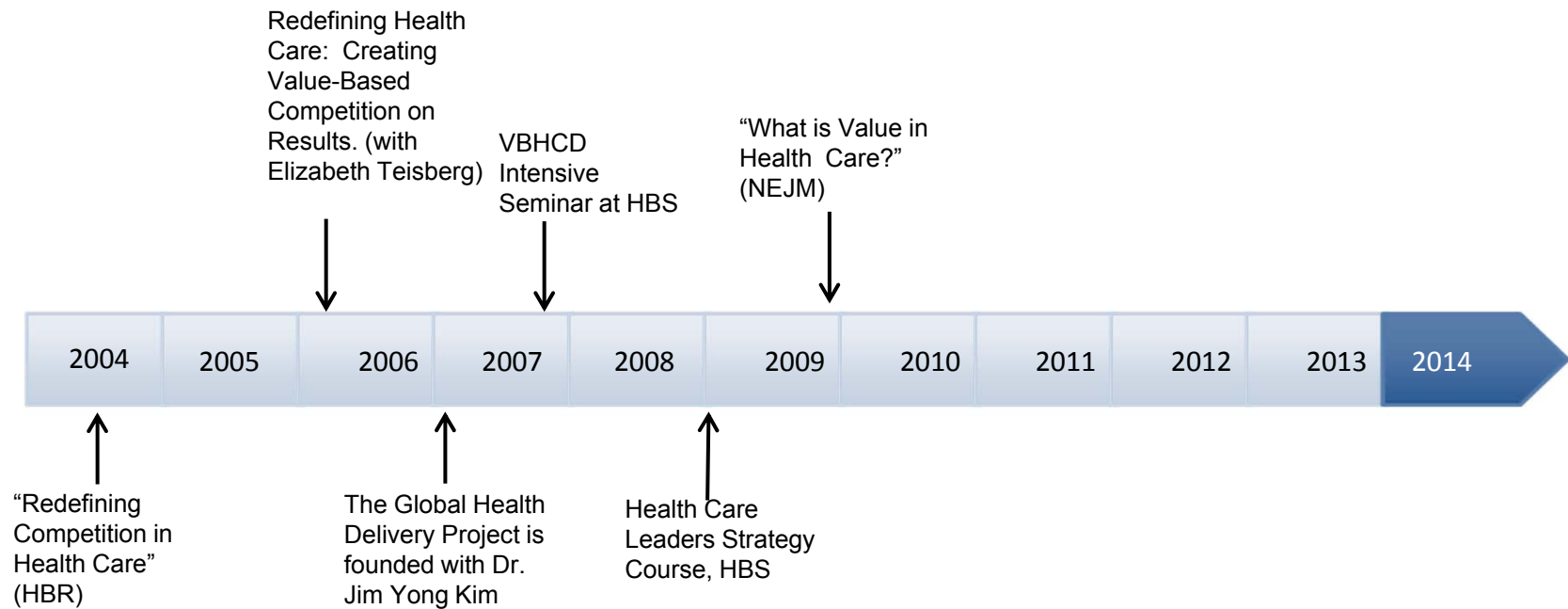
### Harvard Courses

- 2008-2014 – Intensive Seminar in Value-Based Health Care Delivery (1 week full-time)
  - Total of **602** participants
- 2009-2014 – Leadership Workshop on Strategy for Health Care Delivery (2 days)
  - Total of **381** participants
- 2011-2014 – Partners HealthCare Value Based Health Care Seminar for Residents and Fellows (3 days)
  - Total **200** participants
- 2012-2014 – Value Measurement in Health Care (2 days)
  - Total of **333** participants

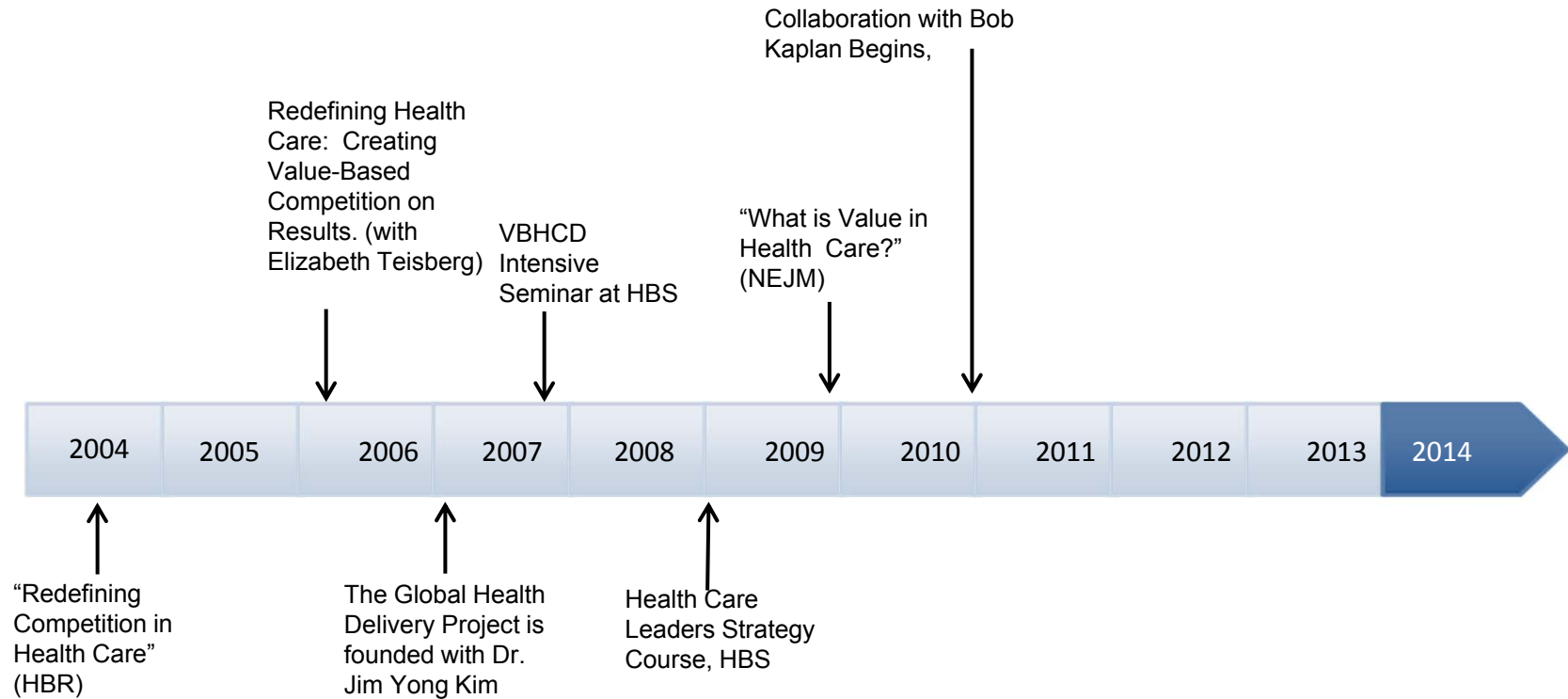
### External Courses

- 2006-2012 – Health Care Innovation (University of Virginia, ~**450** total participants)
- 2006-2012 – Executive Workshops (Brigham and Women’s Hospital, St. Francis Hospital, Hoag Hospital, Baylor Health, G.E., Cigna, Humana... total of ~**900** participants)
- 2008-2012 – Global Health Delivery (Harvard School of Public Health, ~**80** participants)
- 2008-2011 – Medical Care and the Corporation (Dartmouth, ~**150** participants)
- 2009-2011 – Health Care Management (University of Virginia, ~**100** participants)
- 2010-2012 – UCLA Strategy for Health Care Delivery (~**90** participants)
- 2010-2012 – Medicaid Leadership Institute (**85** participants)
- June 2011 – Strategy for Health Care Delivery: United Kingdom (**80** participants)
- March 2012 – AAOS Enhancing Value in Musculoskeletal Care Delivery (**125** participants)
- Fall 2013 – Dartmouth Masters in Health Care Delivery Science (**50** participants)
- Fall 2013 – Executive Workshop Philips Health Care (**70** participants)
- Spring 2014 – Value Based Delivery Leadership Program: Texas Medical Center (**83** participants)

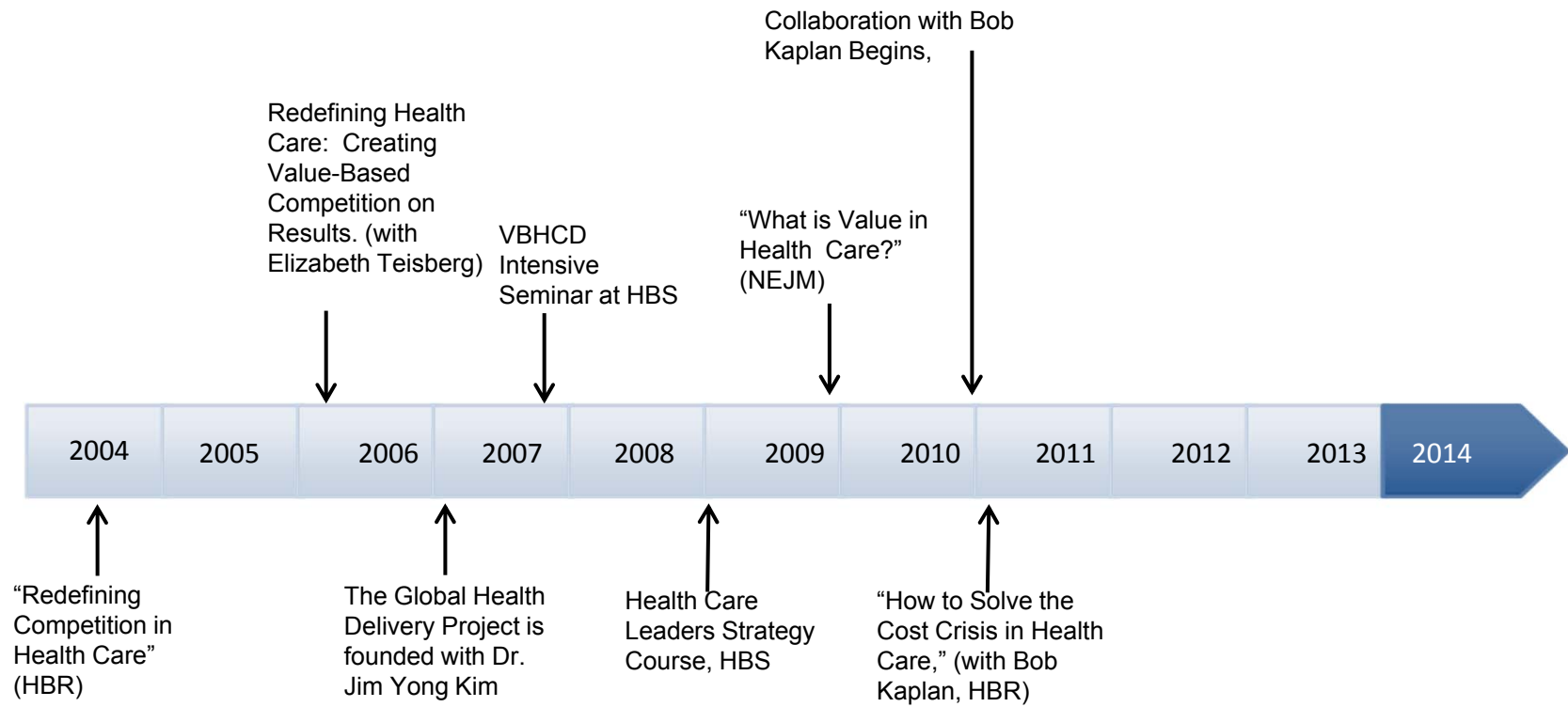
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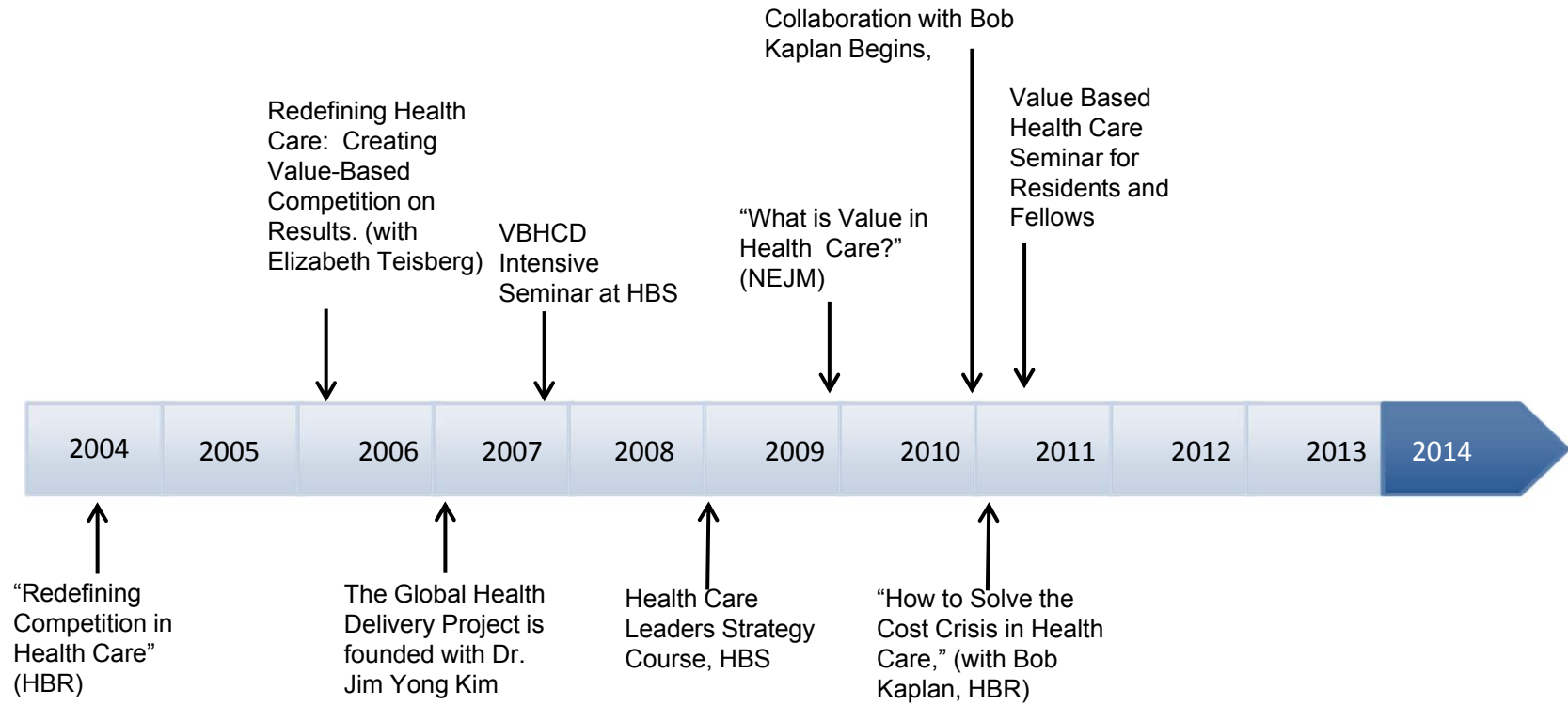
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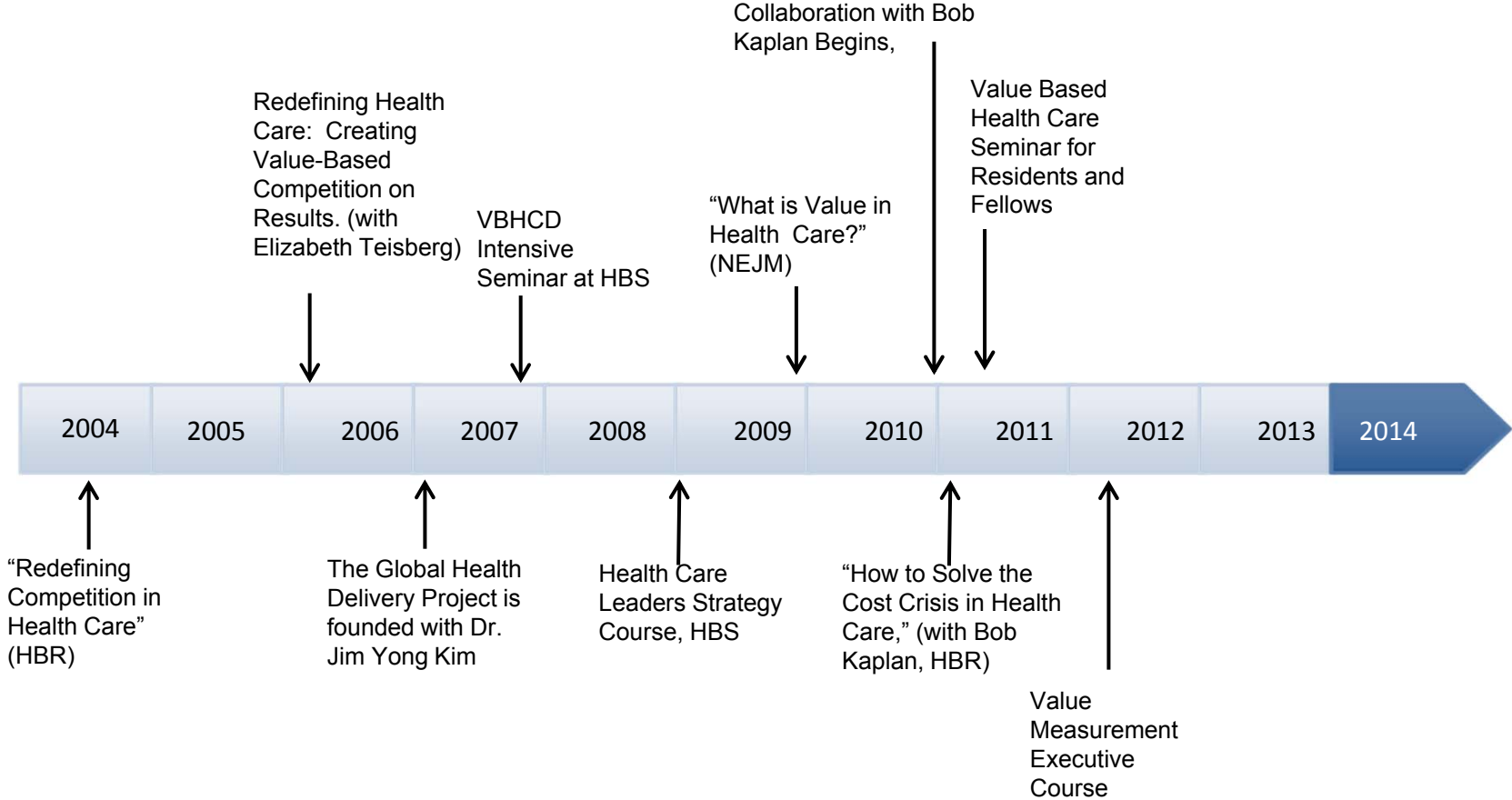


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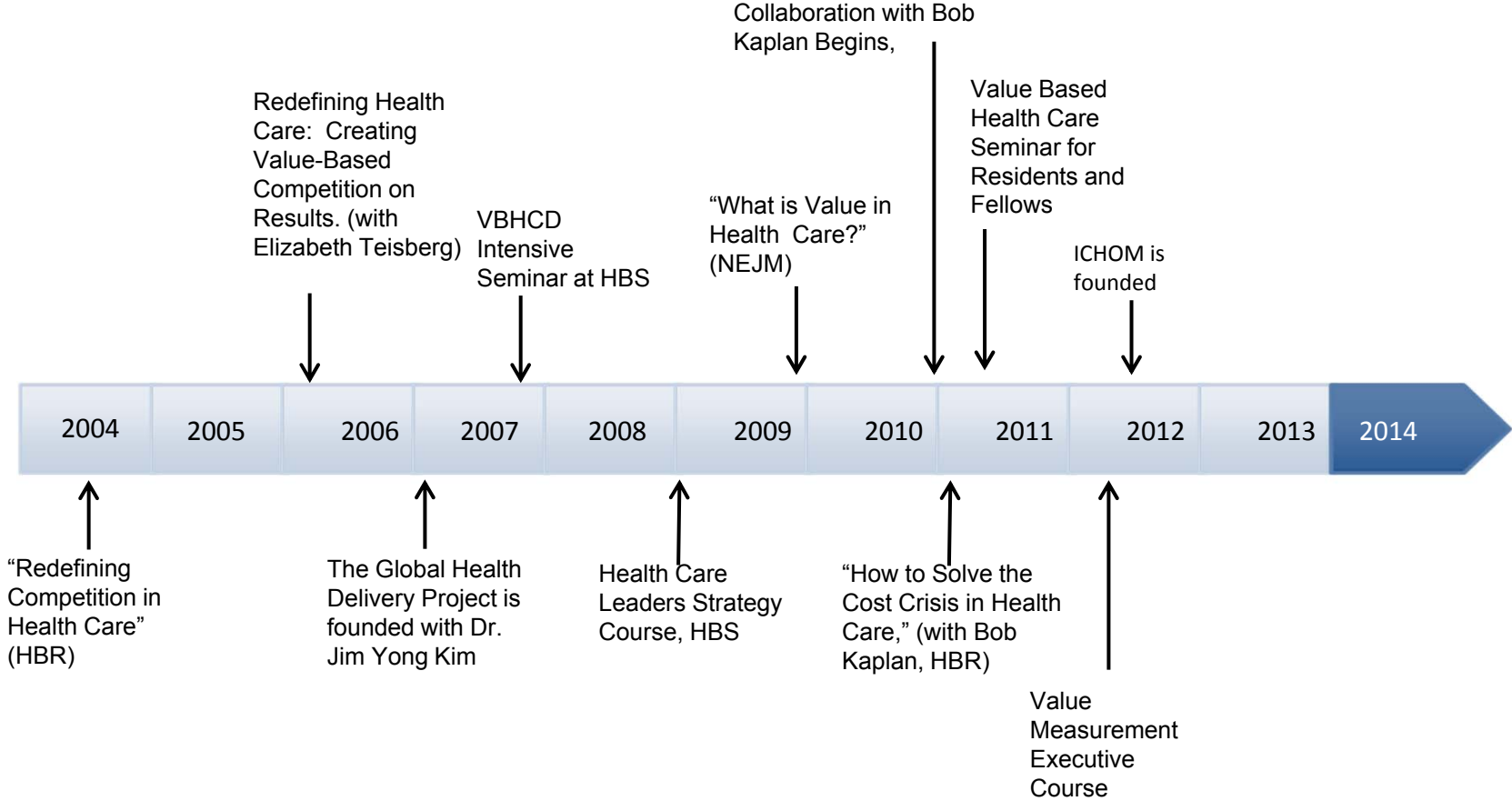




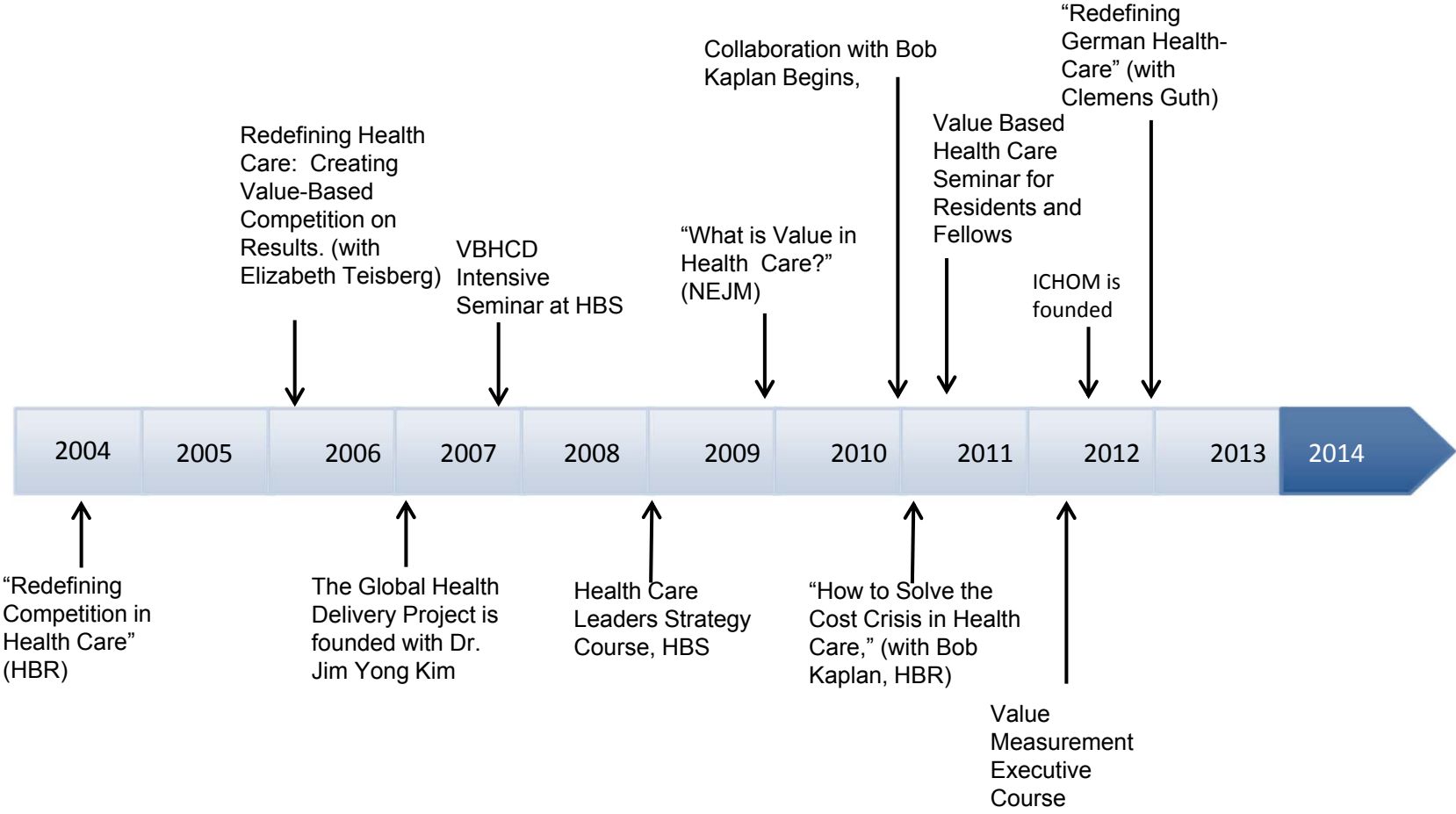
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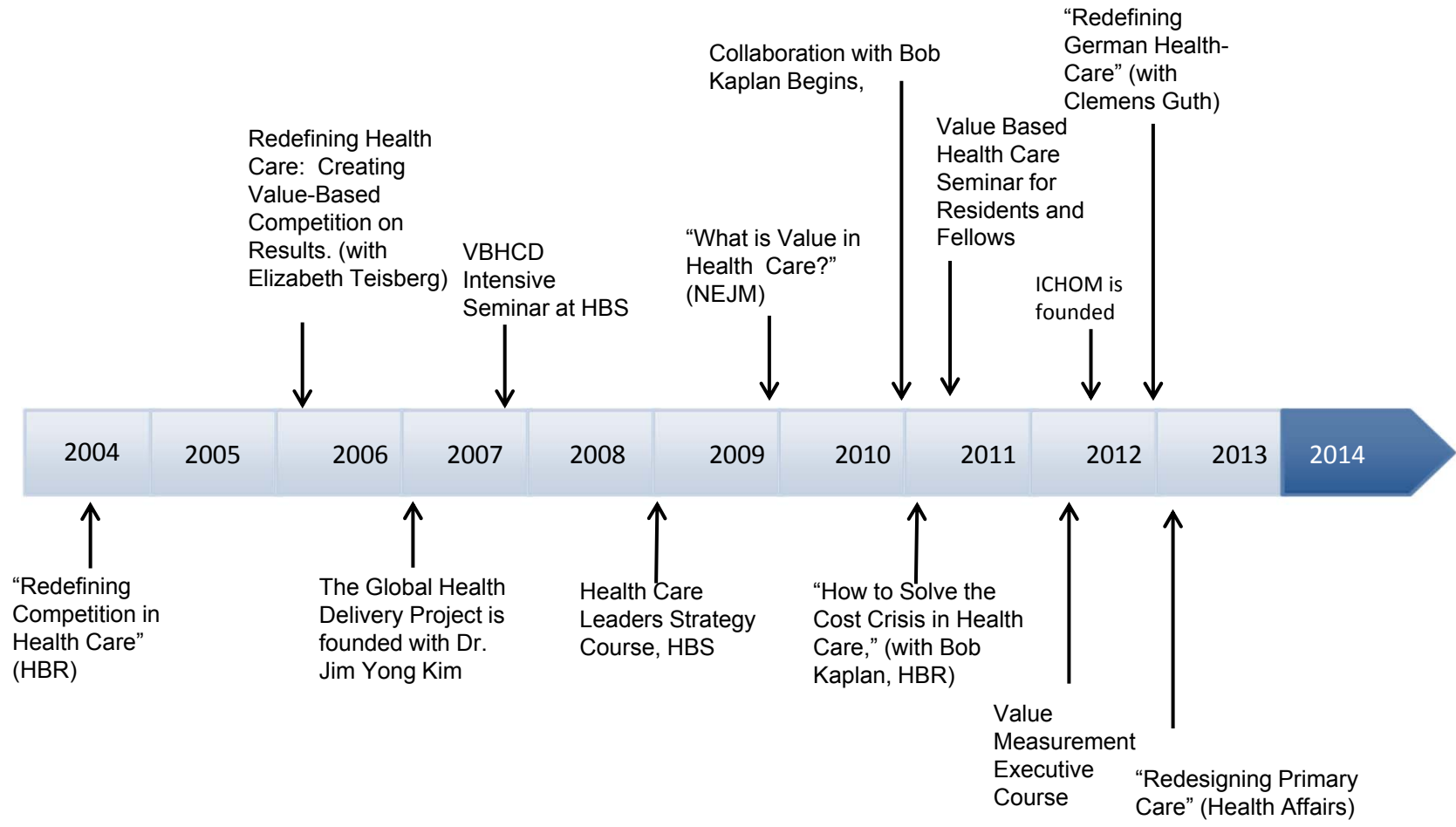
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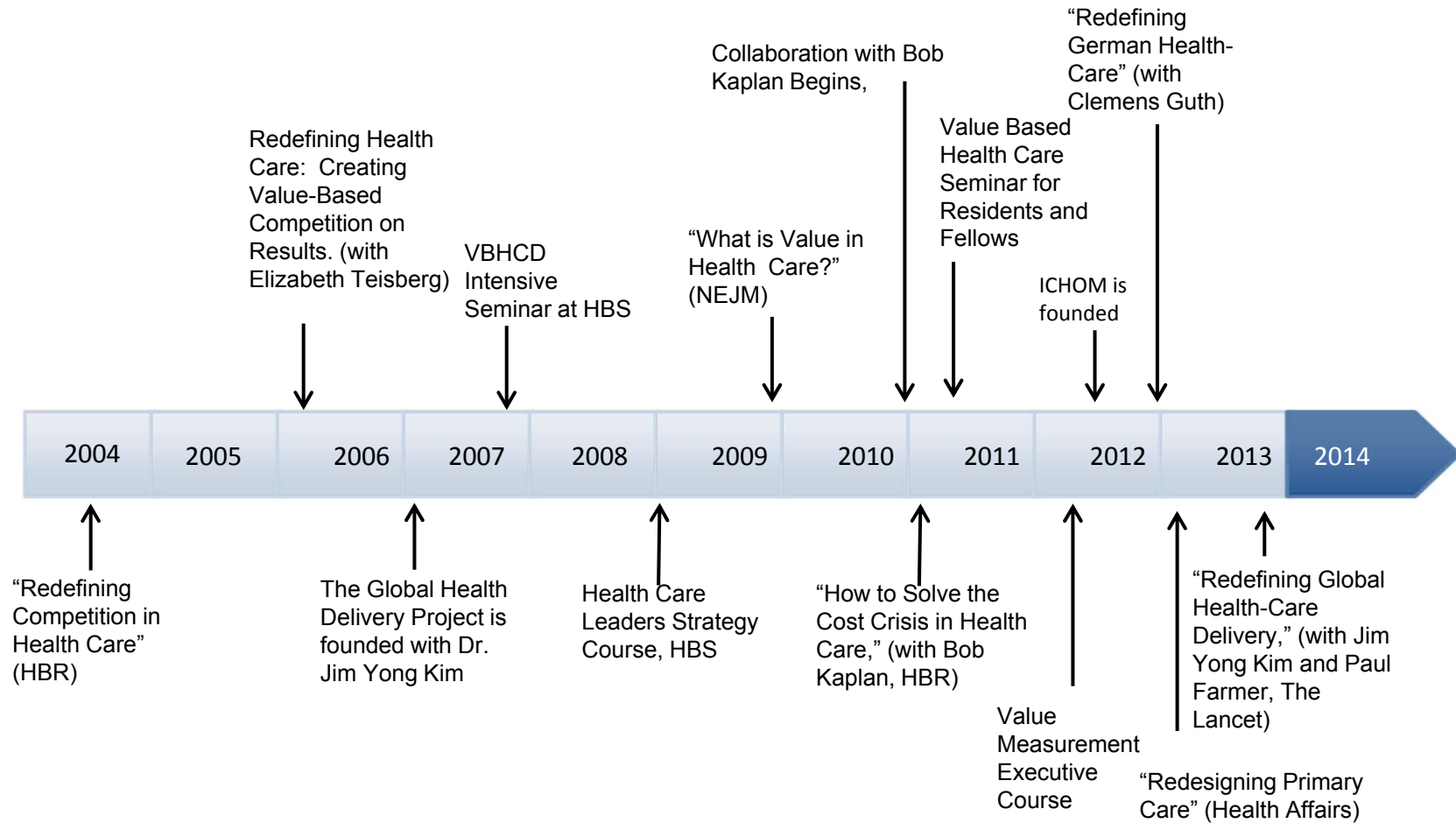
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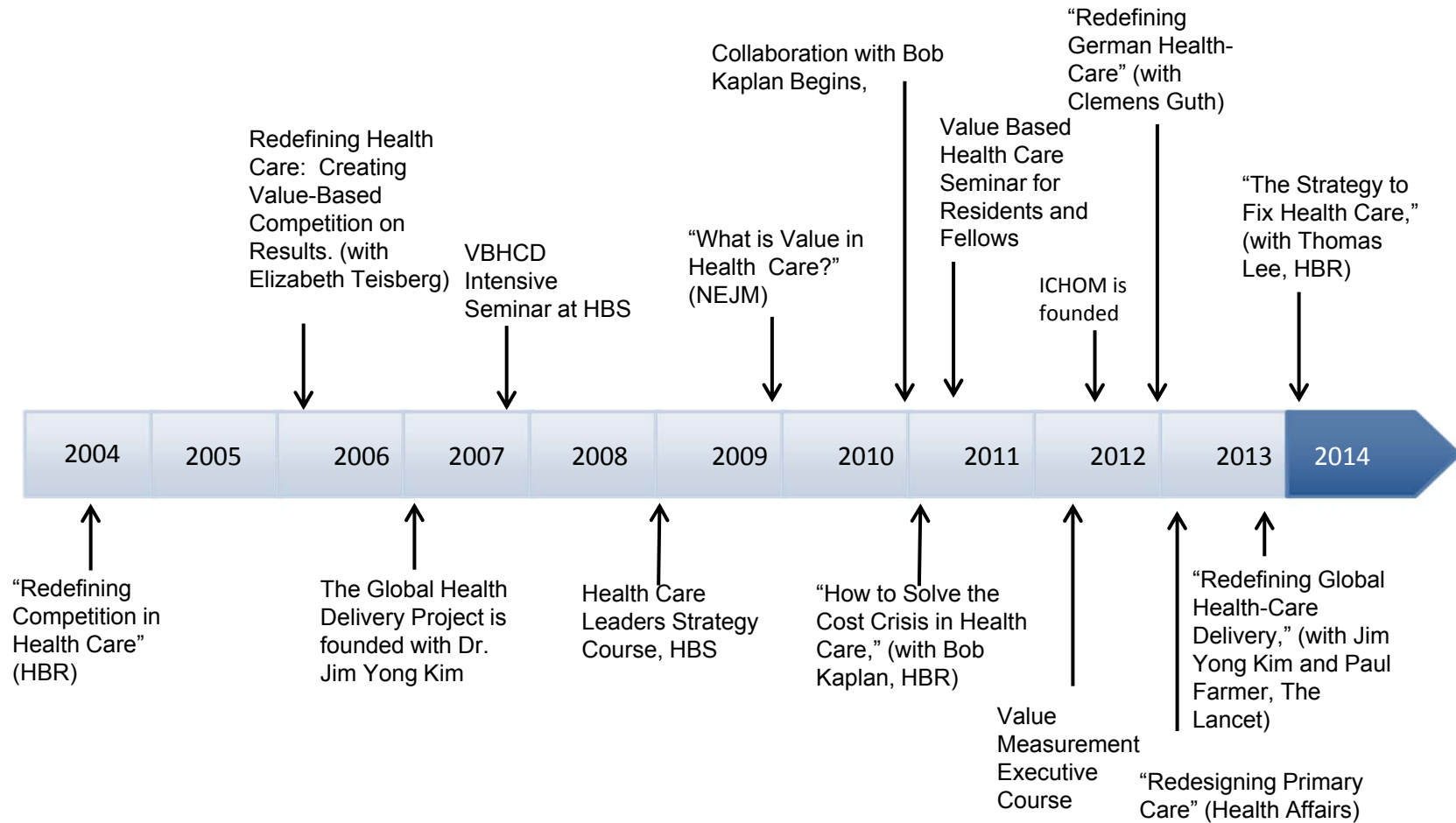
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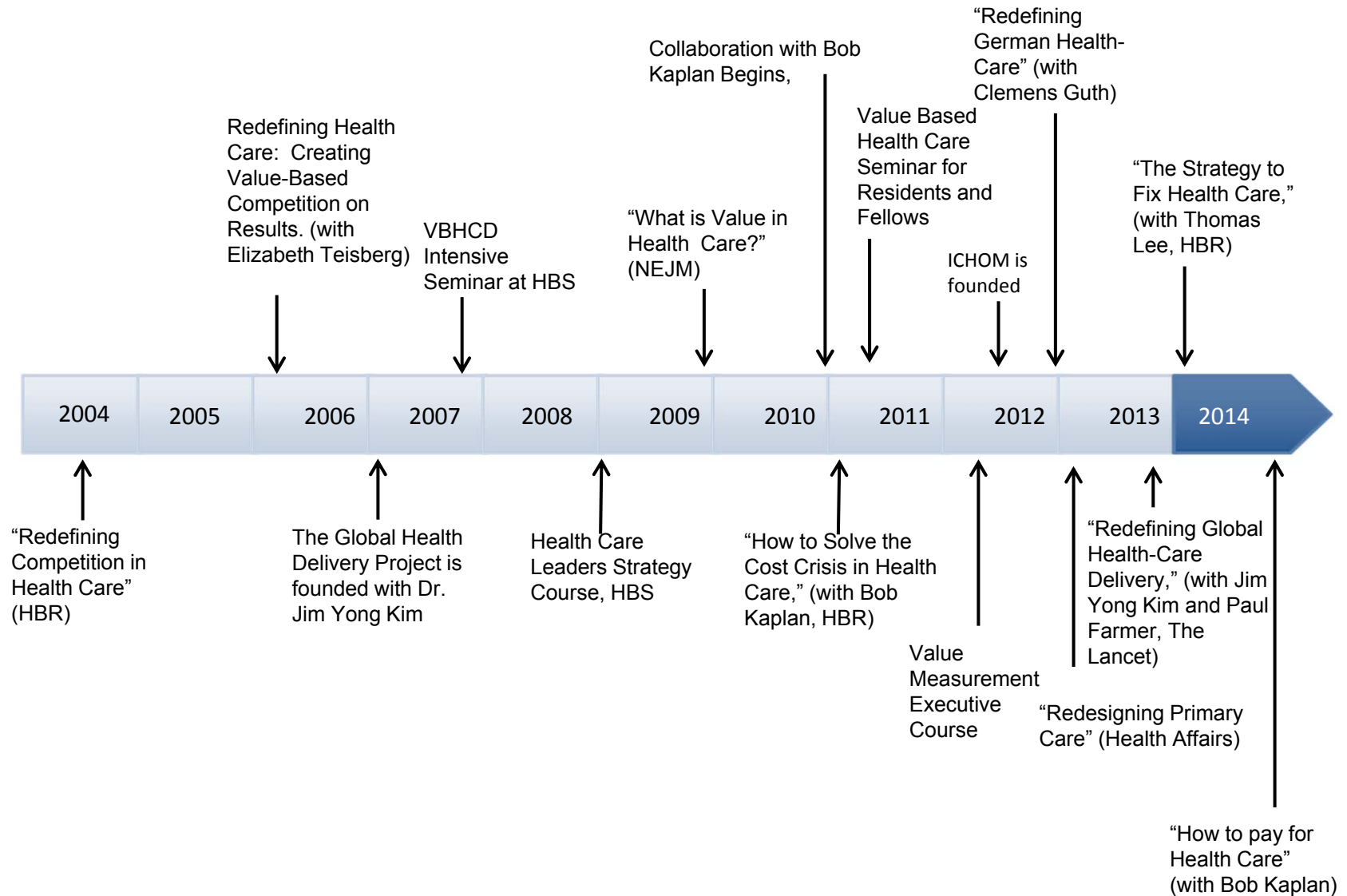
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