Valuing Quality

Results from a Patient-Focused Funding Forum

Dr. Jonathan Agnew, Director of Policy, BCMA
Ms. Mary George, Policy Analyst, BCMA
CAHSPR, Montréal, Québec
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BCMA
BRITISH COLUMBIA MEDICAL ASSOCIATION

Presentation Overview

- Background
- Project Objectives and Methods
- "What We Know"
- "Where We Might Go"
- Conclusion

  Without strong evidence to guide policy, PFF programs must be built upon a culture of learning with ongoing evaluation and fine-tuning. Success will require system-wide collaboration and early engagement with physicians.

Background

With the rise of health care costs, Canadian provincial governments struggle to maintain services, access, and quality patient care. Patient-focused funding (PFF) programs are one solution being explored.

In March 2010 the British Columbia Medical Association (BCMA) held the Patient-Focused Funding Forum. The forum's purpose was the generation of ideas and identification of common themes in PFF.

The results of the forum directed the writing of the BCMA patient-focused funding policy paper.

Objectives

The specific forum objectives were:

1. To identify the pros and cons of existing hospital funding models in BC in the areas of quality of care, provider consultation, evidence, and administration.

2. To identify the benefits, challenges/disadvantages, “must-have” policy areas, and “no-go” policy areas of patient-focused funding.

Funding Models

- Population Needs-Based Funding (PNBF)
  A variation of global budgeting, institutions pay for services from a fixed and predetermined “budget.”

- Line-by-line Budgeting
  Another variation of global budgeting, health authorities allocate funding to individual hospitals by budgeting for individual line items.

Funding Models

- Patient-Focused Funding (PFF)
  Funding method that uses incentives and supports to improve appropriateness, quality, and efficiency of care for patients.

- Pilot Project Funding Models
  Various pilot models have been implemented in BC including:

  - *Pay-for-performance*
    Links a provider's performance and their compensation.

  - *Activity-based funding*
    Links a hospital's income to the number and case mix of patients treated.

Methods

Sample

The forum invited participants from:

- Health Authorities;
- Physician Groups;
- Patient Voices Network;
- British Columbia (BC) Ministry of Health;
- BCMA/Canadian Medical Association; and
- the Business Community.

Attendees included:

- CEOs;
- Presidents and Vice Presidents;
- Executive Directors; and
- Senior Government Officials.

Methods

Procedures

A thorough literature search of peer-reviewed literature was conducted. The literature summary also served as preparation materials for forum participants.

The forum was facilitator-led using an interactive, consultative approach.

Focus Question: “What considerations should we keep in mind if we are to move toward PFF in BC hospitals?”

Analysis

Data were collected and analyzed by BCMA staff.

“What We Know”

Pros and Cons of Existing Hospital Funding Models in BC

Identified advantages of PNBF:

- Unique attributes/demographics are recognized by health authorities
- Budget predictability that includes local control over spending mix

Identified disadvantages to PNBF:

- No incentives to improve efficiency or promote prevention
- Patients migrate or seek care in any health authority
- Patients are seen as a cost to the system

“What We Know”

Pros and Cons of Existing Hospital Funding Models in BC

Identified advantages of “line-by-line” budgeting:

- Predictable labour costs
- Financial accountability

Identified disadvantages to “line-by-line” budgeting:

- Unilateral budget protection at the expense of others
- Maintains status quo

“What We Know”

Pros and Cons of Existing Hospital Funding Models in BC

Identified <u>advantages</u> of “pilot project funding models”:

- Immediate impact from changes is visible
- Promotes collaboration and facilitates stakeholder engagement

Identified <u>disadvantages</u> of “pilot project funding models”:

- Cannibalization of non-funded services
- Unnecessary utilization

“Where We Might Go”

Pros and Cons of Existing Hospital Funding Models in BC

The most supported <u>benefits</u> of PFF identified:

- Incentivisation of quality, access, and efficiency
- Improved efficiency could result in improved work satisfaction
- Increased opportunities for change and innovation
- Increased accountability
- Increased knowledge of service costs

“Where We Might Go”

Pros and Cons of Existing Hospital Funding Models in BC

The most supported challenges/disadvantages to PFF:

- Challenges in change management
- Priority setting for PFF funds
- Integration of acute and primary care
- Alignment of health authority/physician funding with outcomes

“Where We Might Go”

Pros and Cons of Existing Hospital Funding Models in BC

The most supported “must-haves” of PFF were:

- Using a collaborative process from patient to government
- Benchmarking evidence-based practices with agreed-upon and measurable goals
- Good data that are appropriate, timely, complete, and accurate

“Where We Might Go”

Pros and Cons of Existing Hospital Funding Models in BC

The most supported “no-goes” of PFF were:

- Unrealistic budgets and uncapped/excessive spending
- Inequitable funding allocation
- PFF as total funding

Conclusions

- PFF is in its early stages in BC, long-term impacts remain to be seen
- Without strong evidence, PFF programs must be based a culture of learning including ongoing evaluation and fine-tuning to ensure that incentives remain effective, relevant, and appropriate

Conclusions

- The importance of involving physicians in the development, ongoing implementation, and evaluation of PFF cannot be overstated
- Any implementation of PFF will require system-wide collaboration, commitment, and leadership to ensure that it achieves the highest level of quality

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Contact us at jagnew@bcma.bc.ca or visit us online at www.bcma.org/policy

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