Dutch bundled payments for integrated chronic care

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Agenda

- Challenges in Chronic Care
- Dutch Approach on Integration of Care
- Findings from national evaluation committee bundled payments
- Conclusions

Challenges in Chronic Care

- Existing system is primarily designed to address acute health problems
- Modus operandi of most professionals: reactive
- Emphasis on diagnosis and cure in stead of health/wellbeing and prevention
- Poor interdisciplinary collaboration between professionals working in primary care, secondary care and social care
more.... Challenges in Chronic Care

- Increasing demand for chronic care and care for elderly people
- Passive role of most patients in decision making, self-management and evaluation of healthcare services
- Inefficient use of ICT to share information and improve process

Redesigning healthcare

Dutch approach on Integration of Care

- Incremental reform of healthcare system with focus on financial dimension (2006 – now):
  → universal mandatory health insurance, insurers compete for insured & insured press insurers to contract low price/high quality

  → organizational and financial dimensions
Cornerstones:

1. **Bundled payment**: a single fee paid by insurers to their principal contracting partner (care group) to cover an integrated bundle of care for a specific chronic disease over a period of 1 year.

2. **Care group**: legal entity consisting predominantly of GPs and affiliated professionals who freely negotiate on the prices for the bundles of chronic care services with insurers. They may subcontract other care providers.

3. **Care standard**: document stipulating the minimal required patient services to be covered and authorized by caregiver organizations, patient associations and public authorities. A care standard is disease specific and the basis for contracting.

### Dutch approach on Integration of Care

#### What is in/out the bundled payment?

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<th>IN</th>
<th>OUT</th>
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<tbody>
<tr>
<td>• Primary care and outpatient specialist care (consultative) as described in care standards for the specific disease</td>
<td>• Primary care cost for other complaints/diseases of patients</td>
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<td>• Medication costs</td>
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<td>• Hospital costs</td>
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Introduction of incentives by bundled payment system:

- competition among care groups for contracts with health insurers
- competition between subcontractors for contracts with care groups
- providing data on performance indicators as essential condition in the contract

Dutch approach on Integration of Care

Implementation in daily practice:

2006-2009 -- experiments with 10 groups for diabetes

2010 -- nationwide implementation for diabetes

2010-2012 -- transition period with introduction for COPD and VRM, bundled payment is not obligatory

June 2012 -- report by National Evaluation Committee advising the Minister how to proceed
Evaluation of bundled payments

To provide information regarding:
• what are the main+side effects of bundled payments?
• what are the conditions for bundled payments?
• how to proceed in supporting integration of care?

Evaluation approach:
• review of grey and white literature
• stakeholder meetings (open invitation)
• cost impact analysis (by Nat Institute Publ Health Envir)
Evaluation of bundled payments

• Too early for final assessment as cost data lag behind:
  ✔ only data of experimental situation before 2010 and only for diabetes

• Care is more and better organized:
  ✔ nationwide network of care groups
  ✔ being paid with bundled payments for diabetes (80%), COPD (30%), and VRM only occasionally
  ✔ having structural collaborations between GPs, practice nurses, physiotherapists, podotherapists, endocrinologists, ophthalmologists

Evaluation of bundled payments

• Small to moderate effects on quality of care:
  ✔ better guideline adherence
  ✔ substitution of secondary care by primary care (-25%)
  ✔ however: large variation between and within care groups

• Initially higher costs (+3%)
  ✔ investments costs in primary care
  ✔ hospital costs did not decrease despite less patients
  ✔ double payments to care groups
  ✔ variation between and within care groups
### Evaluation of bundled payment

**What is in/out the bundled payment?**

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### Evaluation of bundled payments

- Improvements are possible and needed
- Position of patients needs to be strengthened
- Issues around competition
- Comorbidity and prevention
Conclusions

- Transition period takes more time than anticipated

- Before applying bundled payments a set of predefined requirements needs to be met

- Bundled payments are an intermediate step towards financing or real integrated care for a regionally defined population
Thank you

Please feel free to contact me for additional information:

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