مجلس الضمان الصحي
Council of Health Insurance

Value-Based Healthcare Action plan

For the Saudi private healthcare sector

Master document version 1.0

Customer Excellence and Outreach
Council of Health Insurance KSA

Introduction

This Action Plan aims to disseminate and explain the Council of Health Insurance (CHI) vision and plans for Value-Based Health Care (VBHC) as a concept within the remit and mandate of the scheme and the required key pre-requisites.

The why

Section one will describe how VBHC is perceived for the health sector in general and how CHI has built its strategy to be compliant with Vision 2030 and to be supportive to the market.

The how

The focus of this action is to give a summary of the four major CHI commitments to the KSA private Insurance market:

Designing healthcare around the beneficiary, improving health outcomes for the beneficiaries, developing innovative financing models, and Health technology and medical coding. to engage and empower and support the market moving from fee for service to pay for performance.

The what

The actions CHI has developed based on the commitment in the strategy, and the impact it will have firstly for our Beneficiaries and for the stakeholders in the day-to-day care delivery, will be described in the section CHI actions.

The when

The CHI action plan calendar will give you insights on when the implementation of all the initiatives from CHI

Value-based Healthcare in CHI

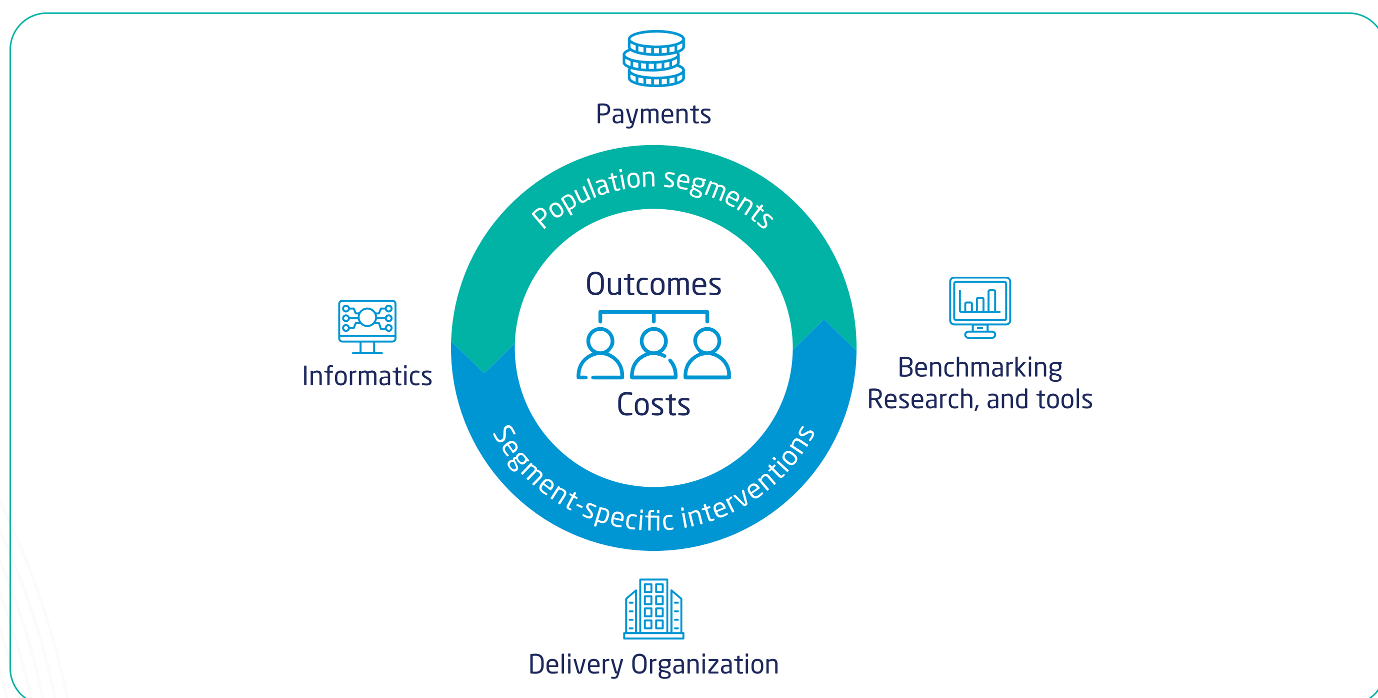
What is Value Based Healthcare?

VBHC initiatives have been on the rise, ever since Porter and Teisberg introduced the concept of Value-Based competition, in response to the increasing cost of healthcare in the United States and the failure of reforms to improve health outcomes and contain costs. In their seminal book titled Redefining Healthcare (2006), Porter and Teisberg introduce seven principles of Value-Base competition - with value being the main objective, simply defined as "the quality of patient outcomes relative to the dollars expended" [1].

$$\text{Value} = \frac{\text{Health Outcomes that matter to patients}}{\text{Cost of Delivering Healthcare}}$$

This concept of value-based competition was taken further and developed into value-based healthcare which according to New England Journal of Medicine (NEJM) "is a healthcare delivery model in which providers, including hospitals and physicians, are paid based on patient health outcomes" [2]. Under this health care delivery model, providers are "rewarded for helping patients improve their health, reduce the effects and incidence of chronic disease, and live healthier lives in an evidence-based way" [2].

A Conceptual Framework for a Value-Based Health System



What are enablers for a Value Based healthcare system?

At a health system level, this concept requires alignment and coordination at all levels of health care delivery and significant collaboration efforts, with the patient and his wellbeing placed at the center of the system. The World Economic Forum (WEF) has provided a comprehensive framework for a Value-Based Health System, where measurement of outcomes and costs incurred to deliver those outcomes are systematically collected and measured (see Figure 1) [3].

To support this model, WEF has identified four enablers:

01.

An integrated informatics infrastructure to capture, share and analyze health outcomes.

02.

Analytic tools for benchmarking and research

03.

New forms of Value-Based payments introducing incentives for continuous improvement in patient value.

04.

New roles and organizational models that allow better access to appropriate care.

This model requires that the system is supported by contemporary health policies and adequate legal and regulatory environment.

Brief overview of the health system reforms in The Kingdom of Saudi Arabia

The Kingdom of Saudi Arabia Vision 2030 calls for a vibrant society with fulfilling lives, where all can live healthy, be healthy and care for their health [4].

The Vision is committed to health care sector that promotes competition and transparency among providers" that inevitably will enhance the capability, efficiency and productivity of care and treatment, and increase the options available to our citizens" (Vision 2030 Commitment).

Among others, Vision 2030 is determined to optimize and better utilize the capacity of our hospitals and health care centers.

These clear vision statements represent strong foundations to achieve Vision 2030 health sector goal of increasing the average life expectancy from 74 to 80 years. At the same time, they represent a strong mandate for all regulators in the Kingdom to work towards these goals by utilizing contemporary concepts of funding health care services.

As part of this vision, a recently issued Royal Decree (no. 35184) followed by Order no. 27997 established the Health Sector Transformation Program (HSTP). HSTP is based on eight integrated pillars as part of a sector strategy formulation process, with clear aspirations along three dimensions: governance, funding and delivery [5].

HSTP as a Vision 2030 program will provide the blueprint for future Saudi health model.

CHI Value Based Healthcare strategy and its commitments to the market.

Most of the programs that are part of CHI 2020-2024 strategy contribute to the VBHC agenda. For instance, value-based payment, implementation of NPHIES and data standards have direct contribution to achieving VBHC. Other initiatives such as payer and provider benchmarking, and classification will also contribute towards this agenda.

As part of this strategy, CHI has devised the following strategic objectives:

Enable target population segments to be fully covered and protected.

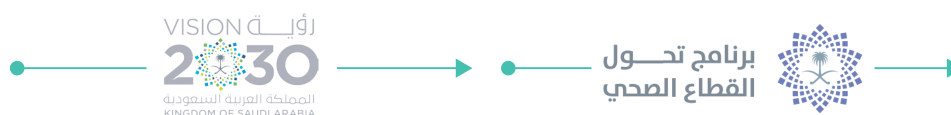
Improve the sustainability and innovation of the sector.

Operate as a reliable, lean, and learning regulator.

Catalyze the digital transformation of the sector.

Enable payers and providers to improve their services to beneficiaries with progressive policies.

Within the CHI strategy, Value-Based Healthcare is a key pillar



Kingdom Vision 2030 (A Vibrant Society)

A vibrant society is vital to achieving the Vision and establishing a strong foundation for economic prosperity. The goal is to create a society in which every citizen enjoys a happy fulfiling ifestyle complemented by a standard of iving which provides a safe and secure environment for families, and access to world class health care and education. At the same time, the vision encourages is citizens to cherish their national identity and their ancient cultural heritage and live by the Islamic principle of moderation.

Vision's Pillars

A Thriving Economy

A Vibrant Society

An Ambitious Nation

Health Sector Key Objectives

- Facilitating access to healthcare services
- Improving the quality and efficiency of health services
- Promoting prevention of health risks
- Enhancing traffic safety

Vision	Mission	Values
To be an international leader in prevention and improving value in health care services for the health insurance beneficiaries	Improve the health of beneficiaries through a regulatory environment focused on prevention and enables stakeholders to promote equity transparency and value-based health care	Competence Collaboration Creativity and Innovation Professionalism

Strategic Pillars	Strategic Results	Strategic Objectives
Enabled sector	Enable payers and providers to improve their services to beneficiaries with progressive policies	Improve Health Insurance Regulation Implement Value Based Payment
Digital excellence	Catalyze the digital transformation of the sector	Enable Digital Transformation
Value driven sector	Improve the sustainability and innovation in the sector	Roll-out Innovative Insurance Products Enhance Market monitoring
Progressive regulator	Operate as a reliable, lean and learning regulator	Improve /Optimize Financial Resources Improve Internal Governance Improve Employee Knowledge, Skills & Abilities
Beneficiary centric	Enable target population segments to be fully covered and protected	Increase Beneficiary's Protection Ensure PHI Effective Coverage

Partner and major supporter of the Ministerial Committee for Traffic Safety

Why Value based healthcare?

Currently, CHI scheme is very transactional, with large volumes of itemized and packaged claims submissions, adjudication, and payment for rendered services. Annually there are around 80 million claims (with a value of almost SAR 25 billion), adjudicated through payments entirely based on a fee-for-service (FFS) model and with 1 none or limited outcome or performance related payments.

As such, CHI as a volume driven health system is prone to higher risks of supplier-induced demand and increased levels of fraud, waste and abuse. In addition, volumes of better care are not correlated with better outcomes and health, and they could represent a waste to the system. The extent of fraud and abuse related to this payment model in CHI is not yet clear.

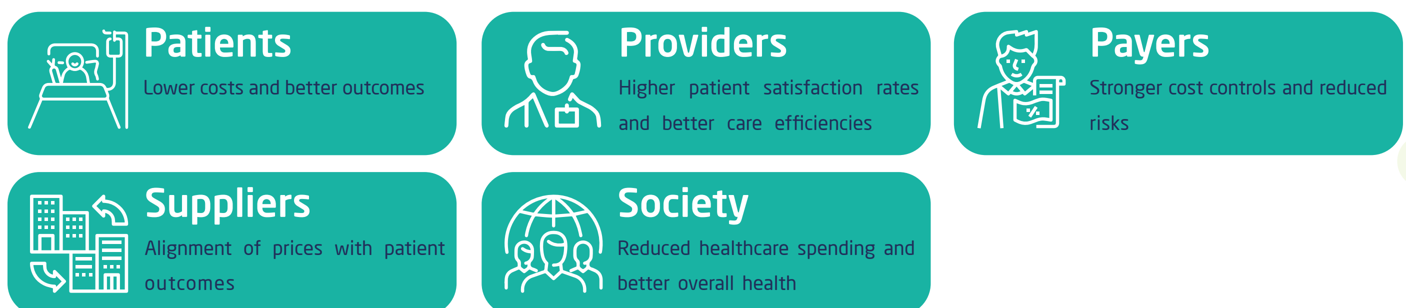
What are the benefits of Value Based healthcare?

It is a well-documented fact that Value-Based Health Care benefits are manifold and relevant to all stakeholders involved as shown in Figure 4 [9].

Meanwhile; suppliers are more aligned with health system objectives and their prices follow outcomes that are more patient centric and with better experience.

Lastly, VBHC benefits society through better health improvements of population and optimal spending on healthcare (better health at a lower cost).

What are the benefits of Value Based healthcare?



As part of its new vision and strategy, CHI plans a transformation journey from today's volume driven scheme with misaligned incentives, towards a value-based health system with value at the center and aligned incentives. Strategic objective number three aims to transform CHI scheme into a more innovative and sustainable healthcare-financing scheme,applying three major commitments to achieve this:

1. Designing healthcare around the beneficiary
2. Improving health outcomes for the beneficiaries.
3. Developing innovative financing models.

CHI commitments delivering Valu Based Health & Care

1- Designing healthcare around the beneficiaries:

National Patient Reported Outcome Measure (NPROM) strategy.

The National PROMs Strategy has been informed and agreed to by a range of leaders across the healthcare system – from government bodies, private health insurers and payers, to clinicians and patients. This dynamic top-down and bottom-up approach paves the way for healthcare providers to accelerate positive change through more informed decision-making, drive rapid progress and deliver better patient outcomes consistently across the Kingdom.

Recording and measuring outcomes in terms that are more meaningful to patients is one direct way that KSA is improving the quality, efficiency, and sustainability of its health system. This aligns with a wider shift taking place globally, towards VBHC that looks to weigh the improvement in a patient's health outcomes against the cost of achieving the improvement. VBHC favors the use of a range of different measures, including patient-reported outcomes.

Outcomes measurement is a foundational principle of value-based healthcare:

What is value ?

Outcomes are directly related to value in healthcare as represented in the following formula

$$\text{Value} = \frac{\text{Outcomes} \bigtriangleup}{\text{Cost} \bigtriangledown}$$

From a patient's perpective, improving value is optimising the relationship between cost and outcomes. Value is thus increased either by enhancing outcomes or by receiving the same outcomes for a reduced cost of care.

What is an outcome ?

An outcomes is two-fold :

Outcome = Clinical outcome + patient's perceived state

A Clinical outcome of a treatment

Patient Reported Measures (PREMs and PROMs)

All of this will allow Saudi Arabia to prioritize the allocation of resources, to ensure long-term healthcare sustainability as demand on services grows. Associated developments to date include the establishment of the Center for Improving Value in Health and the Council of Health Insurance (CHI)'s VBHC strategy.

Standardized Patient Reported Measure (PRM) program.

Over the past years, Patient Reported Measures (PRMs) have been strongly encouraged as a means of assessing and improving the quality of care. PRMs (i.e., any report of the status of a patient's health condition, health behavior, or experience with healthcare that comes directly from the patient, without interpretation of the patient's response by a clinician or anyone else) [1] are now becoming a widely used tool in developed countries [2-5].

These developments have led to distinguishing Patient Reported Outcome Measures (PROM) and Patient Reported Experience Measures (PREM) [6,7].

PROMs provide patients' views of their health-related quality of life, physical functions, and symptoms (e.g., pain). Generic PROMs are applied to any clinical situation because they measure general symptoms and quality of life, while specific PROMs target a particular disease or group of patients.

PREMs assess patients' perceptions of their care experience, including organizational features (e.g., the information provided by doctors and nurses), feelings (e.g., attention to pain), and empirical based aspects of their process of care (e.g., waiting time during appointments). Generic PREMs address any patient, while specific PREMs only address patients with a specific disease.

Current initiatives at national and international levels lack formal consensus regarding which PRO instruments should be used as QIs [4, 8]. The variability of existing instruments is the first explanation limiting efforts to compare care across practices and organizations on a standard set of PRMs. The absence of a clear definition of the objective of use (i.e., follow-up care, orientation on pain, quality of life, analysis of the impact of a specific intervention) and the level of analysis (i.e., practice or organizational level) gives a second explanation.

Literature reviews show that different PREMs, and some PROMs, are used for health policy purposes. However, the barriers identified suggest that a centralized approach and comprehensive national framework is required to ensure that these measures can support valid inter-provider comparisons and, consequently, reliable public reporting and value-based payment methods.

Therefore, the Council of Health Insurance (CHI) has taken the initiative to create a strategy to standardize the way we gather and improve the quality of the PRM data.

2- Improving health outcomes for the beneficiaries.

The goal of the project is to build the CHI PHM program in line with national requirements and best practices. To achieve that, the project includes two workstreams:

Population Health Management Program

- Build an understanding of the current state of CHI's PHM program and distill best practices to shape a forward-looking strategic roadmap.
- Develop a PHM program guide, and a communications plan to support the PHM program.

Population Health Data and Analytics

- Conduct data quality assessment and recommend an improvement plan. Run population segmentation analyses
- Define KPIs to support performance measurement, build dynamic dashboards as well as develop a PHM use case.

Enhancing Primary Care

As part of its efforts to push the primary care agenda forward, CHI developed a list of primary care initiatives. The purpose of this project is to review those initiatives and to design and implement a pilot specifically for the classification framework initiative across six pilot sites. This entails developing a classification framework with criteria that specify the minimum requirements of a robust primary care service to improve the public's perception and earn the trust of beneficiaries. This also includes defining a list of primary care measures to measure the quality of services and outcomes of primary care and to ensure continuous improvement and excellence. The last part of the project will be to develop a scale up plan where we will outline a detailed plan with future recommendations for the scaling up of the classification system to additional sites across the Kingdom.

3- Developing innovative financing models

Pay for quality

Currently, the entire CHI scheme is based on a traditional fee-for-service reimbursement model that has the following characteristics: it is the least efficient payment model encouraging overprovision, fueling cost, and leading to provision of unnecessary treatment. This payment model is no longer compatible with the new Value-Based health care vision and strategic objectives of CHI and the Saudi health sector in general. Therefore, the Council plans to introduce a combination of different models of payments for healthcare services.

However, it is not expected that FFS will be completely replaced, especially since some services by their nature, can only be paid based on this model. Nevertheless, it could introduce performance-based modification of FFS where applicable and necessary (i.e. Pay for Performance models).

CHI's strategic objectives are a key element in recommending contemporary payment models in the Saudi private health insurance market. In doing so, the Council needs to ensure that the payment models that enable and support CHI's objectives are based on evidence and cover all key service delivery areas of healthcare provision.

While value-based purchasing is directly related to objective number three (Improve the sustainability and innovation in the sector), its introduction will also contribute to objective number two (Enable payers and providers to improve services to beneficiaries) and objective number four (Operate as a reliable, lean and learning regulator).

The direct and indirect contribution of this initiative will lead to a value-based health system in CHI. In doing so, the Council has made the first step towards VBHC and now has a clear roadmap on how to introduce Value-Based payment models. The proposed approach will be implemented in four phases where certain pre-requisites are required to progress to the next stage. All phases have prior dependencies on different pre-requisites and their delivery is conditional in achieving the final goal.

01.

An integrated informatics infrastructure to capture, share and analyze health outcomes.

02.

Analytic tools for benchmarking and research

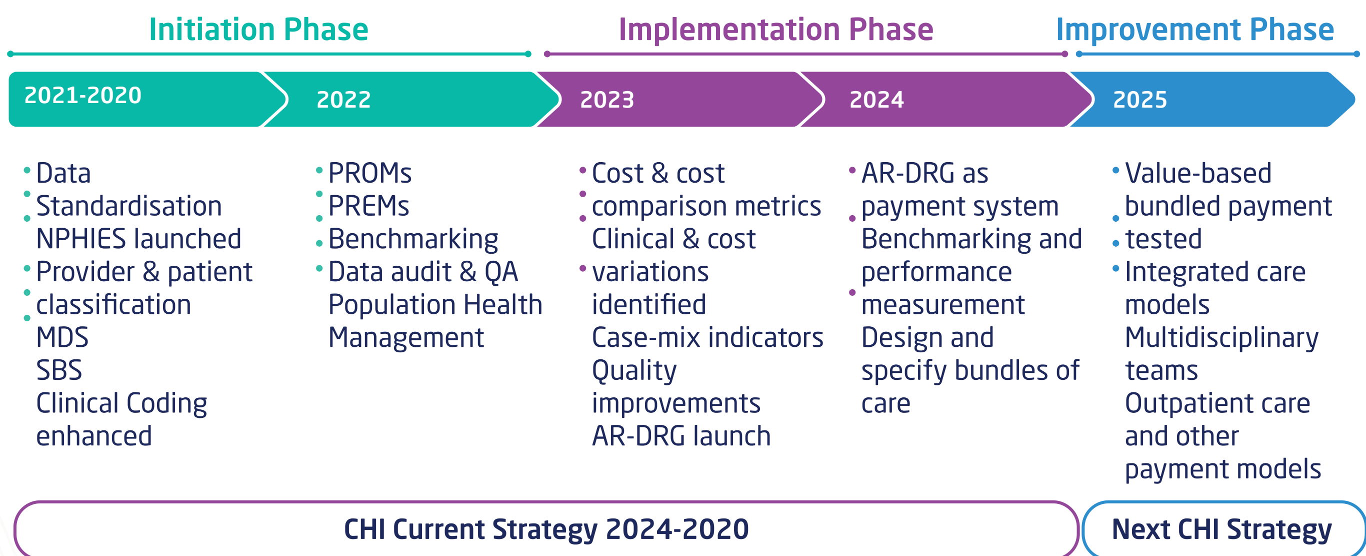
03.

New forms of Value-Based payments introducing incentives for continuous improvement in patient value.

04.

New roles and organizational models that allow better access to appropriate care.

The first step that CHI has taken was to introduce a billing system known as Saudi Billing System (SBS) to standardize payments in the scheme. As a result, all CHI participants use the same set of codes. This initiative will provide a foundation to move into more Value-Based payment models once all prerequisites are met. The next step is to shift to a case payment model for admitted care services. As Saudi Arabia has subscribed to ICD-10 AM/AR-DRG system, it is expected that in Phase 2 and 3, CHI will introduce this system as a main reimbursement model for inpatient services. However, there are certain per-requisites to achieve this shift to case payment. Some of the main pre-requisites will be accurate clinical documentation and accurate and complete coding of inpatient episodes, estimation, or actual calculation of AR-DRG relative resource weights for services rendered under CHI scheme.

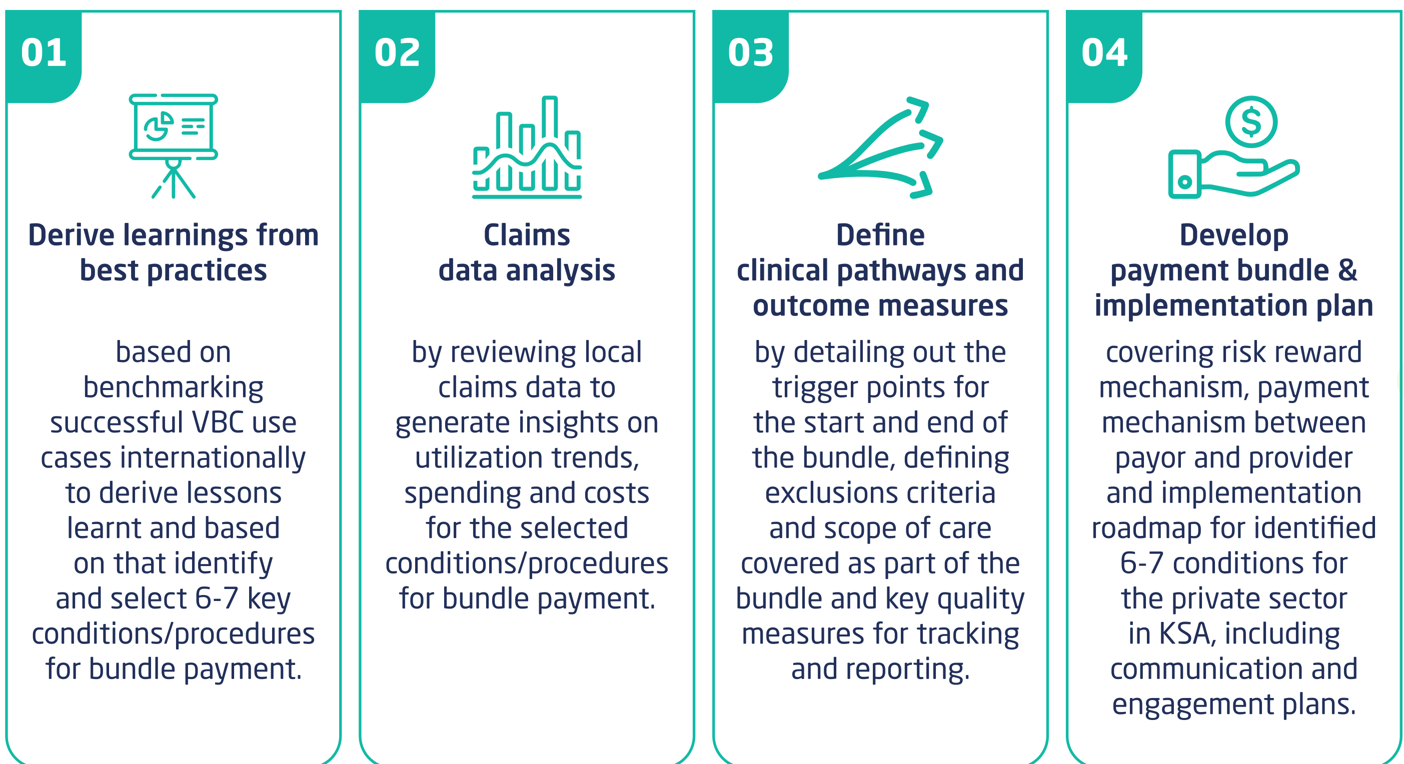


Bundled payment services.

The purpose of this project is to define payment bundles for 7 select conditions/procedures and develop the pathway and design of the payment bundle based on market preparedness and cost analysis through claims data.

Over the course of this project, we will closely align with the Value Based Payment Pilot Project on the shortlisting and selection of procedures and conditions which will ultimately have defined payment bundles. This will be done by closely aligning with already shortlisted conditions/procedures under VBP project (cataract surgery, diabetes, pregnancy and childbirth, bariatric surgery), market preparedness of payors and providers & SME inputs. Moreover, we will take into consideration the established outcomes measures for the shortlisted conditions/procedures which also form part of the value base payment pilot project as inputs in the later phases of our project (pathway design and outcomes in phase 3 of the bundled payment project).

The project delivery is structured in four phases:



1. Diabetes Mgt Program will only include diabetes as a condition and does not include diabetes as part of co-morbidity or multi morbidity associated with any other condition/procedure

2. Existing EHB Plan in KSA does not cover Knee replacement, how ever this has been shortlisted taking into consideration its high volume and greater impact in terms of learning for adoption bundle payment for other procedures. Please note that most private health insurance plans covers TKR as part of their benefits in KSA and many health systems globally (switzerland, Netherlands, US) have piloted TKR as one of the first procedures for bundle payment models

CHI Action 1: Standardized Patient Reported Measure Program

Commitment

Designing healthcare around the beneficiary.

The actions below detail how we will meet our commitments

Standardized PRM program

Create a fully integrated PRM survey following the patient throughout the full journey. Including Beneficiary Survey (Patient Experience with Access to Care and Health policy) PREMs (Out-patient and In-patient) Generic PROMs (Promis10 quality of life and disease specific PROM's according to consensus in NPROM strategy)

Create technology standards and prepare for a fully integrated PRM portal. Conduct a feasibility study and build consensus with all key stakeholders in the market. Perform a utilization test with one unified patient portal. Create a central data collection portal which can function as an open source for reporting the outcomes.

Literature reviews show that different PREMs, and some PROMs, are used for health policy purposes. However, the barriers identified suggest that a centralized approach and comprehensive national framework is required to ensure that these measures can support valid inter-provider comparisons and, consequently, reliable public reporting and value-based payment methods.

HOW will we achieve this?

Assess digital readiness:

Identify relevant information systems, enabling IT services and existing data holdings to build a successful PRM program to drive VBHC agenda. These may include Nphies, Sehhati, LEAN registry for personal, provider and facility identifiers, clinical registries, and datasets such as claims, prescription, DRGs etc.

Ensure whole system interoperability:

Investigate data formats, standards and coding & classification systems used in relevant information systems and data holdings. Design and implement a fit-for-purpose, flexible and future-proof information architecture for PROMs & PREMs.

Define technology requirements for digital PRM:

Define functional and non-functional requirements for a digital PRM system to engage with patients, administer surveys, collect, and store responses, analyze and present results, both at individual and population levels via charts, dashboards and reports.

HOW will we achieve this?

Establish privacy and security and data governance:
Identify relevant regulations, standards, and best practices in KSA for managing identifiable patient information outside provider boundaries (e.g. Cloud) and decide on data hosting options (e.g. public cloud vs private cloud vs dedicated data centers).

Empower patients and clinicians at micro-level:
Ensure PRM program can facilitate patient-provider communication, enable patients to take an active role in care planning and delivery and support routine clinical care for clinicians at the micro-level and define measurable value-propositions.

Resulting in

Higher efficiency and reduced waste
A single digital PRM solution will lead to significant efficiency gains by optimizing resources to operate the platform and reduce burden on individual providers and workforce by rationalizing setup and maintenance of technology, PRM administration and streamlined data collection and reporting.

Unique opportunity for a fully integrated digital ecosystem
A centralized PRM solution with a uniform data architecture can be easily interconnected with existing digital platforms (NPHIES, Sehhaty, SENA Portal, etc.)

Improved data quality and high response rates
A centralized PRM solution with effective validation checks and other smarts will improve data quality while ensuring high response rates by engaging with patients in a consistent and credible manner (common branding, messaging, and awareness programs)

Standardized data collection and utilization
Use of standardized PRM instruments and data collection process and analysis processes would enable data aggregation and comparability for creating value-based insights and driving incentives.

Economies of scale and more value for investment*
A centralized digital PRM infrastructure will be more cost-effective than procuring multiple disparate systems. Upfront cost can be distributed to individual providers bringing more value for money.

CHI Actions

CHI Action 2: Population Health Program

Commitment

Improving health outcomes for the beneficiaries

The actions below detail how we will meet our commitments:

Population Health Program

The goal of the project is to build the CHI PHM program in line with national requirements and best practices.

Population Health Management (PHM) supports Value-Based Healthcare (VBHC) by focusing on improving the health outcomes of a group of individuals while optimizing the costs associated with achieving those outcomes.

HOW will we achieve this?

Prevention and Wellness

PHM emphasizes preventive care and wellness programs to keep populations healthier.

Data-Driven Decisions

PHM uses data analytics to identify and address health risks within a population.

Personalized Care

By analyzing health trends and patient data, PHM can tailor health-care interventions to individual needs.

Care Coordination

PHM coordinates care across different providers and settings, which helps to reduce unnecessary treatments and hospital readmissions.

Quality Improvement

PHM tracks health outcomes and quality measures to constantly im-prove healthcare services.

Resulting in

Payers

- Insights to identify high users and allocate resources efficiently.
- Reduced claims cost through focusing on preventative care.
- Customized benefits plan that responds to the needs of the different segments

Providers

- Proactive care leads to better patient experience and outcomes.
- Improved care coordination with shared insights to promote patient experience.
- Better quality of care and outcomes through tracking the outcomes of different interventions

Employers

- Healthier employees lead to higher productivity.
- Lower insurance packages and premiums

Beneficiaries

- Preventive care with emphasis on regular screening and health education.
- Personalized care plans are based on identified health risks.
- Better engagement in care through an activated population who has the insights to make decisions in their care.

CHI action 3: Primary Care Program

Commitment

Improving health outcomes for the beneficiaries

The actions below detail how we will meet our commitments:

Primary Care Program

As part of its efforts to push the primary care agenda forward, CHI developed a list of primary care initiatives. The purpose of this project is to review those initiatives and to design and implement a pilot specifically for the classification framework initiative across six pilot sites.

The primary care project relates to the VBHC initiatives by focusing on improving the quality of care, enhancing patient outcomes, and ensuring efficient use of resources.

HOW will we achieve this?

Enhancing Patient-Centered Care

By defining the minimum requirements of primary care services, the project ensures that the care provided meets the essential health needs of the population, thereby enhancing patient satisfaction and trust.

Improving Health Outcomes

Primary care emphasizes preventive care and early intervention, which can prevent the progression of diseases and reduce the need for more costly treatments, aligning with VBHC's focus on health outcomes. Moreover, primary care focuses on managing chronic conditions, reducing complications, and preventing hospitalizations, directly impacting the quality of life of patients.

Quality Metrics

Incorporating quality metrics into the classification framework for primary care services ensures the continuous collection of data. This data is crucial for assessing performance and guiding improvements in care, ultimately contributing to better health outcomes for patients.

Increasing Cost-Efficiency

Primary care can reduce the need for unnecessary specialist care, hospital admissions, and expensive avoidable interventions, thereby lowering the overall cost of healthcare.

Facilitating Integrated Care

Effective primary care is key to linking care from different providers and places, making sure patients receive continuous and coordinated care.

Resulting in

The primary care project will benefit multiple stakeholders within the healthcare system.

Beneficiaries

- Coordinates families' healthcare journey and offers them preventive services as screening campaigns to the community.
- Provides access to personalized and preventive care including mental health, psychosocial health, and wellbeing.
- Enhances experience by promoting care continuity and integration.
- Provides convenient access to care near homes and through trusted virtual services, with short wait times for appointments.

Payers

- Ensure that their clients are receiving well-coordinated care and able to navigate the complexities of the healthcare system.
- Ensures their clients have better access to good quality care closer to home.
- Controls costs of care due to the left shift towards proactive care and prevention

Providers

- Enhances the experience and continuity of care for their clients.
- Improves the retention of the clients within their networks.
- Builds personalized and long-lasting relationships with beneficia-ries.

Employers

- Improves the care experience of their employees.
- Improves employees' productivity through prevention & wellness initiatives.
- Reduces cost of health insurance policies for their employees

Commitment

Developing innovative financing models

The actions below detail how we will meet our commitments:

AR-DRG program

The goal of the project will be to put in place all the required pre-requisites and prepare the market for the introduction of AR-DRG in 2026. This initiative will be an important driver to support the transition of the private health insurance sector towards more transparency, efficiency, and value.

Australian Refined Diagnosis Related Group (AR-DRG) supports Value-Based Healthcare (VBHC) by bringing value to Saudi health insurance market and insurance for better management of beneficiaries. The aim is supporting value-based health care by achieving excellence in case - mix and implement AR-DRG and improve transparency, enable innovation, and promote efficiency in the market through:

- Awareness and knowledge building
- Improve ICD-10 AM coding quality
- Market preparedness for AR-DRG implementation
- Assess the impact of AR-DRG implementation.

HOW will we achieve this?

1) Project management and Governance

- Project Team structure and staffing
- Project governance structures and approvals
- Project planning, progress report and status updates
- Project communication
- Change management.

2) Standards review and recommendations

- Review and assets gaps in current national case-mix and coding standards
- Address gaps in standards and definitions
- Attain full harmonization with other regulations in the country pertinent to Case-mix and AR-DRG tools.

3) Clinical Coding & Documentation preparedness

- Assessment of market readiness through a survey
- Analysis of survey results
- Design and deliver series of workshops to prepare the market accordingly.

HOW will we achieve this?

4) AR DRG preparedness

- Support and guide the market on AR-DRG tools implementation and provide framework for implementation.
- Ensure vendor products accommodate SBS classification for AR-DRG
- Market Support (Helpdesk)

5) Shadow billing implementation

- Provide framework for local shadow billing exercise.
- Engage stakeholders on the framework, DRG reimbursements, gather queries.
- Support contracting.
- Conduct financial analysis and review funding rules.
- Develop guidelines for monitoring operations processes.

6) Education and awareness of market on case-mix and AR-DRG

- Provide the market with awareness on the topics of Coding & Grouping, Coding Audit & CDI
- Providing the market with a plan to successfully implement AR-DRG
- Enhance the market knowledge on AR-DRG through (digital campaigns, narratives and communication plans, and workshops)

Resulting in

Payers

- Consistent & Fair Reimbursement
- Fraud Detection & Prevention
- Risk Assessment & Pricing

Providers

- Improving Efficiency of Health Care Provision
- Enhanced Reimbursement Accuracy
- Performance Monitoring & Benchmarking

CHI Action 5: Market Reference Price Project (MRP)

Commitment

Developing innovative financing models

The actions below detail how we will meet our commitments

MRP program

The project aims to enhance the transparency of healthcare pricing in the private health sector in Saudi Arabia by introducing Market Reference Prices (MRPs).

MRPs are a tool used in healthcare systems to establish benchmarks for the cost of services. They aim to create a more predictable and transparent pricing structure by aligning the cost of medical procedures, treatments, and services with the complexity and severity of patients' conditions.

MRPs are calculated using current market rates charged by providers for similar services, adjusted for patient complexity and severity. In this way, they provide a data-driven foundation for price negotiations in healthcare, fostering a more standardized approach that reflects the needs of patients. By using a scientific basis for pricing, rather than arbitrary decisions or uninformed bargaining, MRPs enable insurers and providers to establish fair and consistent prices across the healthcare system, contributing to a more equitable and efficient market.

This project is a bold step towards modernizing healthcare in Saudi Arabia through transparency, accountability, and value-based pricing. By matching healthcare costs with patients' needs, the initiative promises to benefit all stakeholders and support Saudi's long-term health sector objectives.

HOW will we achieve this?

MRPs are pivotal in the transition towards VBHC. They support VBHC in several ways.

- **Standardize prices:** MRPs sets consistent ranges and benchmarks that reflect the severity and complexity of patients, ensuring that costs are aligned with actual care needs.
- **Transparency:** MRPs offer clear price structures based on patient complexity. This, in turn, improves the decision-making process for stakeholders, allowing them to make choices that are economically sound and aligned with patients' healthcare needs.
- **Incentivize efficiency:** By bundling services and setting reference prices, MRPs motivate providers to deliver high-quality care at competitive prices, shifting the focus from volume to value.

HOW will we achieve this?

- **Value-driven outcomes:** MRPs encourage a value-based care model, where optimizing the care pathway and resources is incentivized to treat conditions effectively and efficiently.
- **Patient-centric focus:** MRPs reflect the severity and complexity of patients' conditions, ensuring that more resources are directed to patients with greater needs.
- **Data-driven adjustments:** MRPs use detailed patient data analysis to refine pricing, ensuring it is evidence-based and aligned with the value of care provided.

Overall, MRPs contribute to value-based healthcare by setting consistent pricing benchmarks that reflect the complexity of patient care and enhancing the transparency of costs for stakeholders. This approach promotes the delivery of high-quality care at competitive prices.

Resulting in

The direct beneficiaries of this project include:

- **Health insurance enrollees:** Individuals and employers will benefit from more predictable healthcare costs and potentially lower premiums as MRPs drive down unnecessary healthcare spending.
- **Health service providers:** Hospitals and clinics will have clear benchmarks for pricing, helping them to align their services with market standards and improve operational efficiency.
- **Insurers:** With MRPs, insurers can negotiate better rates with providers, ensuring sustainability and cost-effectiveness in their coverage plans.

Indirectly, the entire healthcare ecosystem stands to gain from the increased transparency, efficiency, and value-driven approach that MRPs promote.

CHI Action 6: Bundled Payments

Commitment

Developing innovative financing models

The actions below detail how we will meet our commitments:

Bundled Payment

The purpose of this project is to define payment bundles for 7 select conditions/procedures and develop the pathway and design of the payment bundle based on market preparedness and cost analysis through claims data.

As part of its new vision and strategy, CHI planned a transformation journey from the current volume driven scheme, towards a value-based health system with value and patient at the center and aligned incentives. In that context, CHI is implementing value-based payment (VBP) as a new approach to health care financing that aims to link payment to value and outcomes, rather than volume.

HOW will we achieve this?

Over the course of this project, align with the Value Based Payment Pilot Project on the shortlisting and selection of procedures and conditions which will ultimately have defined payment bundles. This will be done for the shortlisted conditions/procedures under VBP project (cataract surgery, diabetes, pregnancy and childbirth, bariatric surgery), market preparedness of payors and providers & SME inputs. Moreover, we will take into consideration the established outcomes measures for the shortlisted conditions/procedures which also form part of the value base payment pilot project as inputs in the later phases of our project (pathway design and outcomes in phase 3 of the bundled payment project).

The project delivery is structured in four phases:

- **1) Derive learnings from best practices** - based on benchmarking successful VBC use cases internationally to derive lessons learnt and based on that identify and select 6-7 key conditions/procedures for bundle payment.

- **2) Claims data analysis** - by reviewing local claims data to generate insights on utilization trends, spending, and costs for the selected conditions/procedures for bundle payment.

- **3) Define clinical pathways and outcome measures** - by detailing out the trigger points for the start and end of the bundle, defining exclusions criteria and scope of care covered as part of the bundle and key quality measures for tracking and reporting.

HOW will we achieve this?

4) Develop payment bundle & implementation plan - covering risk reward mechanism, payment mechanism between payor and provider and implementation roadmap for identified 6-7 conditions for the private sector in KSA, including communication and engagement plans.

Resulting in

VBHC is an integral component to support KSA's care transformation agenda and CHI has begun preparation to enable the VBC transition by standardizing data, introducing Minimum Data Set (MDS), launching a health information exchange platform, and introducing patient classification systems.
In addition, many other initiatives are planned across 4 enablers - Informatics, Benchmarking, Payments, and Care Delivery Organization.

Implementation of bundle payment mechanism will enable payers and providers to improve their services to beneficiaries with progressive policies, improve quality outcomes and help sustain cost of care.

CHI Action 7: Value Based Payment Program Pilot

Commitment

Developing innovative financing models

The actions below detail how we will meet our commitments:

Value Based Payment pilot (VBP).
The VBP pilot aims to design and pilot the VBP contract for cataract surgery across select providers, part of the private healthcare sector in KSA

As part of its new vision and strategy, CHI planned a transformation journey from the current volume driven scheme, towards a value-based health system with value and patient at the center and aligned incentives. In that context, CHI is implementing value-based payment (VBP) as a new approach to health care financing that aims to link payment to value and outcomes, rather than volume.

HOW will we achieve this?

To progress in its journey towards achieving Value-Based Health Care (VBHC), CHI has established Value-Based Payment (VBP) as a key initiative under its VBHC Strategy and strategic objectives (see picture 1). VBP is a payment model that aligns the incentives of healthcare providers with desired outcomes. By rewarding providers for delivering high-quality, cost-effective, and patient-centered care, VBP can help CHI achieve its vision of transforming healthcare delivery and improving health outcomes for the population in KSA.

CHI's need to develop and implement VBP is accelerated by several key drivers, such as:

Improving care delivery, patient outcomes, and trust in the system
VBP can encourage providers to adopt best practices, coordinate care across the continuum, and engage patients in shared decision-making.

Improving population health and clinical outcomes bAt maturity, VBP can incentivize providers to focus on prevention, early detection, and management of chronic conditions, as well as to address the social determinants of health.

Reducing indirect and direct costs, and healthcare spending
VBP can reduce the unnecessary utilization of healthcare resources and services which will enhance organizational efficiency (such as streamlining the administrative processes and reducing the complexity of billing and reimbursement)

HOW will we achieve this?

Re-designing the funding model VBP can shift the funding model from fee-for-service to value-based, which is more aligned with the goals and expectations of CHI and the health transformation agenda.

Resulting in

This VBP project will deliver benefits, mainly at the macro-level, for KSA's private healthcare system by primarily impacting payers and regulators.

Payers: design and implement value-based payment contracts across select providers, through collaboration with the regulator

Providers: enhance care delivery through the collection and use of PRMs to enable a data-driven approach to improve care delivery outcomes

Regulator: test the VBP model by leveraging PRMs and clinical outcomes

Ecosystem: adopt a value-based healthcare approach to care delivery (shift of a fee-for-service (volume-based) to a value-based payment model) through the VBP pilot implementation for cataract surgery

Ultimately, the project will enable the following outcomes:

Solidifying learnings for scaling the VBP program and paving the way for scalability across many conditions, payers, and providers, which will increase the coverage and impact of the program.

Driving the shift from fee-for-service to a value-based payment model, which will improve the quality and efficiency of healthcare services.

Engaging and aligning the health sector ecosystem to enable VBP market adoption and benefit both private and public sectors in the kingdom, which will foster collaboration and innovation in the healthcare industry.

References

References section Value-based Healthcare in CHI:

1 Porter, Michael E., and Elizabeth O. Teisberg. Redefining Health Care: Creating Value-Based Competition on Results. Boston: Harvard Business School Press, 2006

2 What is Value-Based Healthcare? By NEJM Catalyst January 1, 2017 https://catalyst.nejm.org/doi/full/10.1056/CAT.17.0558 [Last accessed 7 Dec 2021]

3 Wo3 World Economic Forum. Value in Healthcare: Mobilizing cooperation for health system transformation. January 2018
https://www3.weforum.org/docs/WEF_Value_Healthcare_report_2018.pdf [Last accessed 7 Dec 2021]

4 Vision 2030 themes: Vibrant society. https://vision2030.gov.sa/en/node/381 [Last accessed 7 Dec 2021]

5 Health Sector Transformation Strategy. Workshop Riyadh 5 April 2021

6 The Center for Improving Value In Health. 5 Year Strategic Plan 2020 to 2024. 13 July 2020

7 Council of Cooperative Health Insurance strategy 2020-2024. https://www.cchi.gov.sa/en/AboutCCHI/Pages/cchi-strategy.aspx [Last accessed 7 Dec 2021]

8 Improving Health in Saudi Arabia through Population Health Management [white paper], December 1, 2021

9 World Economic Forum. Value in Healthcare: Laying the Foundation for Health System Transformation. April 2017 https://www3.weforum.org/docs/WEF_Insight_Report_Value_Healthcare_Laying_Foundation.pdf [Last accessed 7 Dec 2021]

References

References section CHI commitments delivering Valu Based Health & Care/ Standardized Patient Reported Measure (PRM) program:

1- FDA US Food and Drug Administration (FDA). Guidance for industry: patient reported outcome measures: use in medical product development to support labelling claims: draft guidance. Health Qual. Life Outcomes 2006;4:79.

2- Patient-Reported Indicators Survey (PaRIS). OECD. Available at: http://www.oecd. org/health/paris.html.

3- Williams K, Sansoni J, Morris D, Grootemaat P, Thompson C. Patient-reported outcome measures: Literature review. Sydney: ACSQHC; 2016.

4- Desomer A, Van den Heede K, Triemstra M, Paget J, De Boer D, Kohn L, Cleemput I. Use of patient-reported outcome and experience measures in patient care and policy, 303. Health Services Research (HSR) Brussels: Belgian Health Care Knowledge Centre (KCE); 2018. KCE Reports, D/2018/10.273/40.

5- Patient-perceived quality of care. PROMs and PREMs indicators. Panorama of foreign experiences and main lessons. France: Haute Autorit´e de Sant´e (HAS; High Authority for Health); July 2021. Available at: https://www.has-sante.fr/upload/ docs/application/pdf/2021-07/rapport_panorama_proms_prems_2021.pdf

6- LeBlanc TW, Abernethy AP. Patient-reported outcomes in cancer care – hearing the patient voice at greater volume. Nat Rev Clin Oncol 2017;14(12):763–72.

7- Basch E, Torda P, Adams K. Standards for Patient-Reported Outcome-Based Performance Measures. JAMA 2013;310(2):139.

8- Zhang B, Lloyd W, Jahanzeb M, Hassett MJ. Use of patient-reported outcome measures in quality oncology practice initiative-registered practices: Results of a national survey. J Oncol Pract 2018;14(10):e602–9.

ضمان

مجلس الضمان الصحي

Council of Health Insurance

SaudiCHI | 920001177 | www.chi.gov.sa