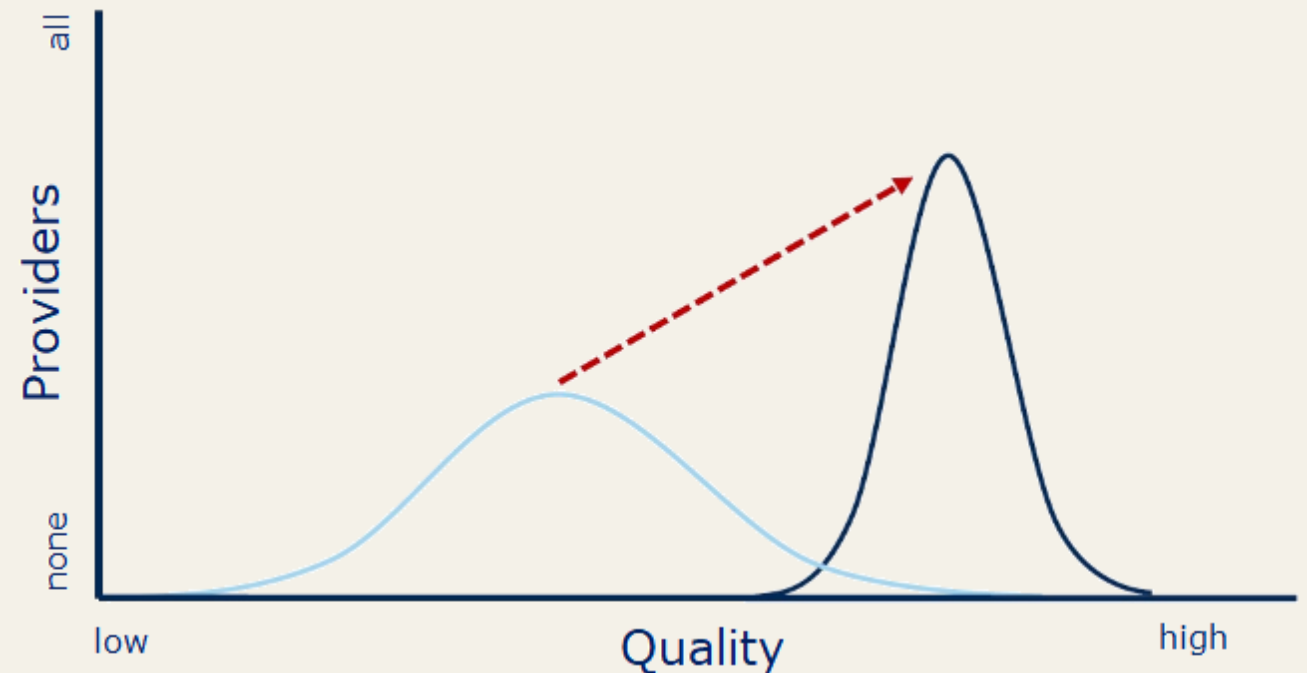


Menzis's view on Value-Based Procurement

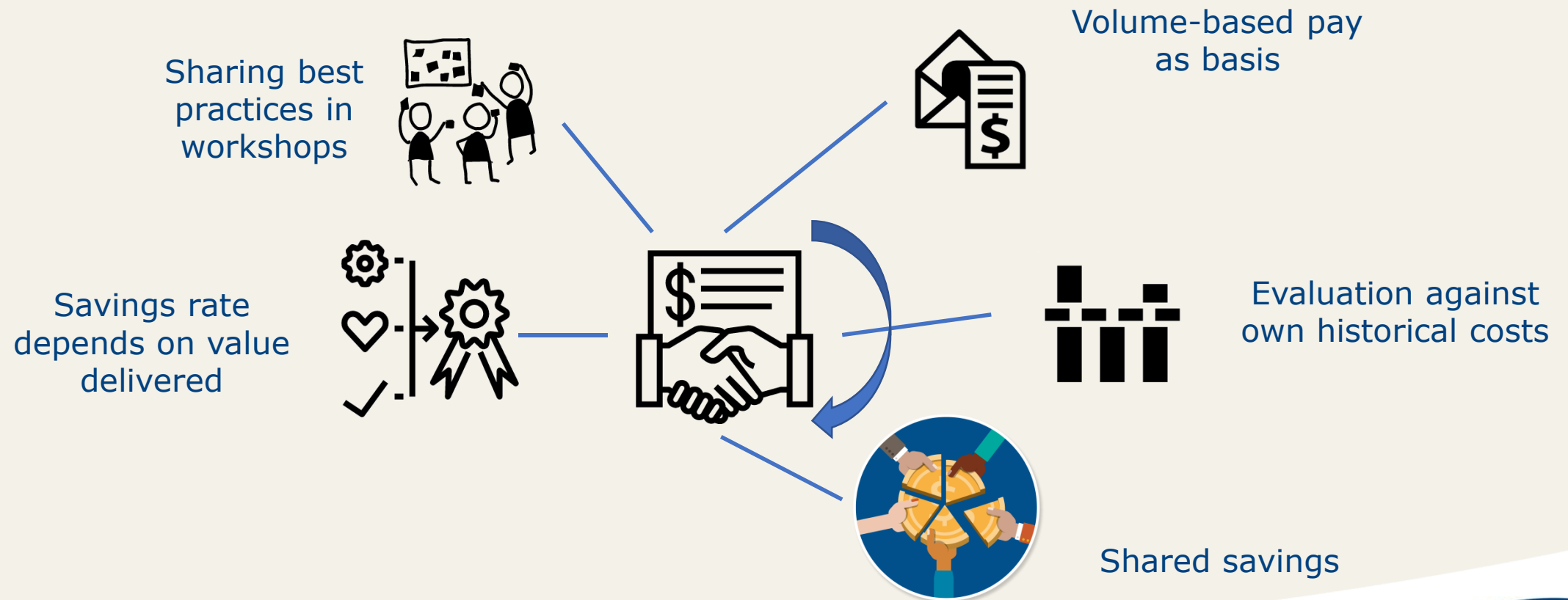
The health insurer – 2 mio. insured – 6 billion revenue

1. If value is so important to us, we need to infuse provider payment models with value-based incentives;
2. VB payment not only provides incentives for higher quality, but fosters learning and innovation;
3. Shifting and narrowing the "quality curve":



Value-based procurement takes center stage in our procurement policy

Hip/knee, cataract, breast cancer, depression, anxiety, GP care... etc.!



First results are promising, but several barriers prevent us from unleashing even greater potential

- Value-based contracts for primary care:
 - A 3,5% drop in expenditures, while quality remained unchanged;
- **Barriers:**
 - Fragmented health care systems often imply countervailing incentives;
 - Long billing times reduce incentive strength; little opportunities for immediate feedback;
 - Privacy laws I: identifying low-value care requires merging data from a variety of sources;
 - Privacy laws II: ..and can I share these data with care providers?
 - Paradox: current labor shortage diverts attention away from value-based health care, while it should create momentum.
 - Widespread lack of knowledge on value-based payment models may sometimes create distrust;