



## GLOBAL ADVANCES IN VALUE-BASED PAY AND THEIR IMPACT ON GLOBAL HEALTH EDUCATION, DEVELOPMENT, AND MANAGEMENT PRACTICE

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### Abstract

Global advances in health policy reform, health system improvement, and health management education and practice must be closely aligned to support national Successfully change health care policies and improve the performance of health care organizations. This document outlines the globally recognized need for incentive-based organizational performance and the relevant implications for health management (HCME) education and practice. It also describes the main reason behind value-based pay (VBP). o Pay for Performance (P4P) health policy initiatives and their basic elements. It is clear that the major global shift in health policy that is underway will likely ultimately have a major impact on Strategic and operational management and performance of healthcare organizations. Therefore, specific practical suggestions are made on the changes that should b introduced and reinforced in modern health management education and development programs to helpz ganizational managers in the future

**Keywords:** performance hospital, hospital quality, value-based pay, health management education, health care costs, performance wage, health policy

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## BACKGROUND AND RATIONALE

There is growing recognition worldwide that managers of healthcare organizations need management training to be effective system leaders. This paper focuses on an important trend in healthcare system reform that has a direct impact on the types of skills and competencies that healthcare system managers must acquire to ensure effective performance of the healthcare organization and healthcare system. We address the need for greater curriculum focus on the underlying competencies managers must acquire to respond to the incentives and expectations embedded in ever-expanding healthcare financing systems. They rely on value-based approaches to budgeting and payment.

### The goals

We first consider the rapidly changing global models and methods of healthcare reimbursement and the strains many healthcare systems face due to rising healthcare costs and persistent systemic problems such as inefficiency and inconsistent effectiveness. The primary objective of this document is to examine the global interaction between reimbursement changes, global health management education, training programs and health management practice. large-scale adoption of P4P/VBP?

How do HCME programs around the world need to change to ensure their graduates are well prepared for successful employment in healthcare organizations operating in the new financial environments?

While focusing specifically on education in health administration, it is important to recognize that the changes in the funding system discussed here have far-reaching implications for health professionals and public health education.

### Drivers of Global Changes in Health Care

Although there's enormous variation in fitness machine organization, ownership, and bills throughout the world (2), all fitness structures are dealing with fundamental macro-stage drivers of change. These drivers encompass the speedy diffusion of fitness care statistics structures, ageing populations, improved call for scientific treatments, and considerable popularity that fitness care structures (and their constituent company organizations—ambulatory care centers and hospitals) should drastically and always enhance their performance.

### Payment for Personal Health Care Services

As Jacobsen (3) has pointed out, the World Health

Organization reports that the different types of health care funding systems are: (1) the sources of funding, (2) the payment for services, (3) the burden of risk/cost, and (4) Degree of coverage. First, it has been widely recognized that health systems need to increase the value of their efforts and outcomes (return on investment and sustainability). And fourth, patients' concerns and reports of their personal experiences and satisfaction must be fully recognized and incorporated into the payment for health care.

### Major Challenges

Also noteworthy are experiments with new payment structures, managed care designs, changes in budgeting, capitation, and many other types of regulatory interventions. need to delineate innovative ways to improve the quality and the efficiency of health care delivery. " Because of the problems cited above, health care reform efforts continue to be implemented across the globe.

### Lowering the costs of health care services.

## INTRODUCTION OF PAY-FOR-PERFORMANCE/VALUE-BASED PAYMENT FOR HEALTH SERVICES

The primary concept of linking the extent of monetary fee for a fitness care carrier to the high-satisfactory of the provider's carrier has been of long-status hobby to fitness care coverage makers. The motion started out in noticeably advanced countries, however with robust help from worldwide corporations which includes the World Bank, it's miles now additionally being prolonged to lower-earnings countries (4)

### Pay-for-Service vs. Salaried Physicians

During health care reform policy discussions and initiatives, a variety of reasons are offered for why certain health care systems tend to have much higher costs. Underlying reasons are often cited to be administrative costs and practice patterns of fee-for-service (FFS) physicians that lead to "overtreatment" of patients. However, even integrated, capitated health plans (the obverse of FFS) have also been criticized because of their predilection to "cherry pick" healthier populations and avoid sicker ones (5). Figure 1, based on the findings of Fried and Gaydos (2), depicts the diverse approaches to provider payment observed in 20 different countries spanning the globe. While nearly all have at least some use of FFS, we see evidence of low, middle, and high income countries experimenting with multiple alternative means of payment, including forms of P4P.

## **Introduction of Pay-for- Performance (P4P) in Health Care**

Beginning within the mid- Nineties, a chain of influential reviews had been produced through the Institute of Medicine within the US that in the end brought about multiplied interest to the troubles of the first-rate and protection of affected person care in America (6, 7). What the IOM reviews essentially documented had been called significant “first-rate gaps” among health practitioner exercise styles vs. best-practices supported through evidence. A current most important OECD document addressed the giant diffusion of P4P throughout ambulatory care carriers and hospitals in Europe, Brazil, Korea, Australia, New Zealand, and America among the overdue Nineties and 2010 (8).

This very bold and complete document highlighted that the overall concept of “buying results” has attracted widespread hobby the world over considering maximum fitness structures are dealing with ever growing fitness expenses which retain to in addition stress budgets and gas hobby in “looking to attain extra for less” (advanced fitness care strategies and private fitness carrier consequences for decrease expenses).

While worldwide hobby in P4P is rising, the volume to which experimenting international locations use it to persuade average issuer reimbursement is fantastically variable. This proven under in Figure

2. Despite the elegance of the idea of P4P, meta evaluation of the suggested results of P4P imply that the results of monetary incentives (in particular concerning fitness consequences) are very tough to evaluate and interpret (9).

## **New Perspective: Creating Value- Based Competition on Results**

Porter and Teisberg (10) added a brand-new method to enhancing fitness care via way of means of focusing at the shape of fitness care transport itself. Their preferred thesis is that during everyday markets, opposition ends in ever-enhancing excellent and decrease costs. Alas, they argue that such open opposition as a way to create growing cost for consumers (better excellent/decrease costs), is absent from cutting-edge fitness care transport which “erodes excellent, fosters inefficiency, creates extra capacity, and drives up administrative costs

(11).” Thus, they contend that cutting- edge thoughts together with a focal point on provider/organizational practices ala P4P will inherently have restrained effects. Instead, a brand-

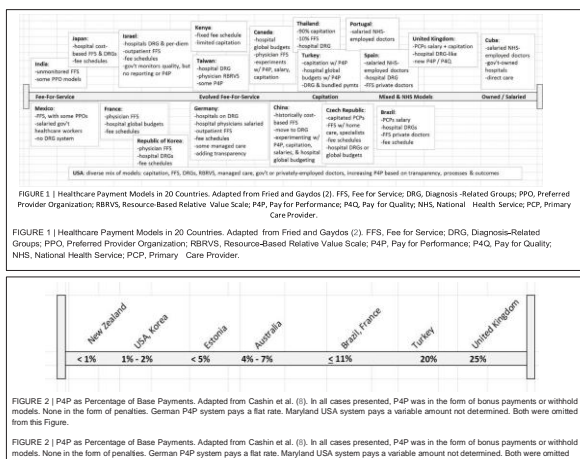
new nice opposition desires to be supported that has wonderful emphases:-

- 1- Value for sufferers vs. totally value reduction
- 2- Results-primarily based totally opposition
- 3- Focus on clinical situations over a complete cycle of care
- 4- Greater cost of provider, experience, understanding and strong point of the condition.
- 5- Results and rate facts to aid cost- primarily totally based completion.
- 6- Incentivize improvements to boom cost to the consumer

## **Centers for Medicare and Medicaid Services Value-Based Purchasing Program**

As mentioned above, many different types of P4P/VBP have been developed around the world. One approach that attempts to integrate elements of traditional P4P as well as the concepts of bottom line and consumer value is Hospital Value Based Purchasing (VBP), developed by the Centers for Medicare & Medicaid Services (CMS) in the US and now being implemented in hospitals (12–14). CMS plans to implement a similar values-based program in home care organizations (14).

P4P initially reserves 1% and eventually 2% of CMS's total payment funds, which can then be awarded to organizations that provide a higher level of service quality and patient safety (\$1.5 billion in 2018). There are four equally weighted VBP hospital performance domains (25 % each) and a total of N = 24 indicators in the areas of patient safety, clinical care (assessment of selected endpoints and adherence to best practices), indicators), efficiency and cost reduction, and patient- and caregiver- centric care experience. Therefore, VB's rebate system is a marked departure from FFS incentives; places much more emphasis on outcomes/results; It is truly multidimensional in that it incorporates both patient and clinical perspectives and is an important part of a broader effort to adopt this reimbursement approach to reimbursement for many, if not most, types of healthcare services. The goals of these extensive programs are better care for people and better health for lower populations and costs from this Figure.



## HEALTH CARE MANAGEMENT EDUCATION, DEVELOPMENT, AND PRACTICE

Growth and Development of Health Care Management Education and Practice:-

There are two types of health administration training programs. First, there are currently N=11 Master of Health Administration (MHA) programs in Taiwan. Since 1993, N=9 undergraduate programs in Health Administration are offered in Taiwan. Also, access to these programs is very limited as Taiwan's central government takes up slots strong emphasis on maintaining the quality of academic programs and limiting graduate supply to the level of current demand from Taiwan's healthcare organizations (limiting graduate oversupply). evaluated by the Taiwanese Ministry of Health and several pilot projects have been initiated. In addition, several foreign universities, including Saint Louis University, Johns Hopkins University, and Tulane University, have been active in collaborative HCME programs in and have developed extensive management development programs for Taiwanese. health managers and executives. Taiwan faces major challenges for its healthcare system in the coming years.

The need to adapt to the growing needs of a rapidly aging population. The financial burden on certain sub- groups and the prevailing metered payment system requires further regulation to further restrict services and payments. Concerns and increasing medical disputes. Malpractice lawsuits are mounting rapidly For Taiwan to continue to be a significant leader in global healthcare, it needs to provide more incentives for healthcare organizations in the coming years to become more efficient, more effective, and fully utilize their highly skilled population of healthcare professionals.

This will ensure that Taiwan's healthcare system can continue to improve on its already impressive

level of performance.

## Impacts of VBP/P4P on Global Health Care Management Education and Development

Like Taiwan, most other upper- middle-income countries are struggling with an aging population, low birth rates and rising healthcare costs. Ministries of health, like that in the Czech Republic, are building specialized structures to promote greater safety. and the quality of care (in Colombia, the Supreme Court has even ordered measures to improve the quality of the healthcare system). However, as observed in Taiwan, Health Management Education (HCME) programs have largely lagged behind in their responses to health policies aimed at improving value. Overall, the Atlas Foundation reports have focused on 22 countries, including the most recent analyzes from Colombia, the Czech Republic, Germany, Ireland, the Netherlands and South Korea (16). While the 2013 report shows an increasing HCME program focused on instructional quality initiatives, there was no indication that the programs are preparing students to explore the growing link between such quality improvement programs and the new P4P/V payment models BP to deal with.

South Korea was ranked as the most progressive environment for HCME, mainly due to its strong emphasis on quality improvement. With strong curricular coverage of quality improvement and remuneration methods, Germany also performed well, although the degree of overlap between remuneration and quality in instruction is unclear. Irish hospitals have mandatory quality surance/qualityimprovement programs and are required to report quality scores. Similar to Ireland, Dutch hospitals have mandatory quality reports. Health insurance is compulsory in the Netherlands and private insurance companies provide coverage and compete on quality and cost. While South Korea shares other countries' concerns about safety and quality, little has been done to formalize government-level policies. Cost is addressed through pricing by the National Health Insurance Program but is not linked to quality. From these global examples, we see a growing emphasis on quality and safety, but there is no consistent trend to teach students in HCME programs how to manage quality in an environment where reward levels are increasingly linked to outcomes. The text clearly recognizes the need to accommodate the new emphasis on service value so that HCME graduates are better prepared to lead organizations under the new payment models on the horizon. Changes Needed in Health Management Education First, healthcare performance (quality)

improvement courses need to place more emphasis on measurements and metrics. To be successful with the new VBP program, hospitals must be able to accurately measure and report an ever-changing set of more than 12 metrics (some with sub-components) across four areas: safety, clinical care, personal, and social commitment as well as efficiency and costs the discount. All countries are concerned with improving the quality of care, patient safety and reducing costs. New HCME graduates should be ready to understand these metrics, how healthcare organizations are impacted, and ensure healthcare system goals are being met.

### **COMPETENCIES AND SKILLS FOR EFFECTIVE MANAGEMENT PRACTICE**

In order to better plan health management education strategies, it is important to identify the competencies and skills needed to participate in the effective leadership and management of health organizations. The environmental changes described in this document can be addressed through the articulation of relevant competencies. The hospital association, with the support of a consortium of professional associations and educational institutions, identified and defined universally applicable health leadership competencies (19).

In the area of health delivery and health literacy, the following competencies are most important in health organizations and health systems:-

- 1- Balancing the interrelationships between access, quality, safety, cost, allocation of resources, responsibility, care environment, community needs, and professional roles.
- 2- Assess the organization's performance as part of the health/healthcare delivery system. In addition, a variety of entrepreneurial skills are required. Particular attention should be paid to the financial management competencies, specifically as follows:-

A- Effective application of key accounting and financial management principles. Tools such as financial plans and key performance indicators (e.g. key performance indicators)

B- Apply design, operation and capital budgeting principles.

C- Plan, organize, execute and monitor the organization's resources to ensure optimal health outcomes and effective quality and cost controls.

### **Curriculum related issues**

Consequently, health management education

programs need to carefully rethink traditional curriculum approaches that have a strong focus on the independence of financial management competencies. In addition to updating the way we teach quality; Financial management curricula should also be modified to better integrate with quality performance. Today, most HCME programs have at least one course in financial management. While the fundamentals of financial management are still important, advanced courses should be quality courses, operations, data analysis, and customer experience.

By using comprehensive cross-sectional cases and/or real client projects, students can learn about the growing interrelationships between financial management and these other functions of the modern healthcare organization. Then, in the analytics course, students will learn how to extract data from a database and report on pre-traded metrics. By changing the curriculum of the HCME program to better accommodate the new measurement data-intensive realities of the changing healthcare landscape, and by better connecting previously "siloes" disciplines, graduates will be better prepared for more than just the early stages of their careers, but also for the long-term requirements of a leadership position in healthcare. Not only will this approach make HCME programs more relevant to the evolving healthcare environment, but accreditation may require it. Competencies and teaching approaches should be shared with alumni and other external healthcare industry stakeholders.

We should expect that HCME program accreditors will need to demonstrate how their models prepare students to thrive in the increasingly interdisciplinary healthcare work environment, where provider revenues are intimately linked to processes and outcomes that create value for patients and society in general. These changes to HCME curricula and competencies should also guide future management development programs aimed at fully educating administrators and practicing physicians on how policy-level incentives will impact the performance of their organizations.

### **DISCUSSION**

In summary, given the fast emergence of fitness guidelines that sell VBP/P4P, we contend that within the future, fitness care control training and control improvement applications will want to introduce modifications in current fitness control training and practice. Such programmatic upgrades encompass:-

- 1- Fully explaining the organizational implications

of emergent modifications in fitness coverage and reimbursement—mainly the rising multi-dimensional view of nice (e.g., clinical, efficiency, affected person experience, outcomes, etc.).

- 2- Placing a far extra emphasis on coaching approximately nice/method overall performance control and metrics (each conceptual problems and evaluation methods).
- 3- Acting to vertically and horizontally combine software curricula (e.g., monetary control and operational overall performance improvement.) Perhaps, this ought to encompass instances that scholars paintings on throughout their educational software. This will assist college students to gather a scientific angle that alleviates “siloeing.”
- 4- Ensuring that all through their software, members have complete publicity to many foremost modifications which can be happening withinside the actual international of fitness care transport including advances in Health Information Technology, the age of Big Data and Analytics, and the way powerful control interventions can assist companies reply to ever-converting fitness coverage priorities (e.g., Management Rounds, Internships).
- 5- Helping college students to broaden and use a strategic control angle that indicates how companies want to usually study extra approximately (and possibly even anticipate) considerable micro-degree (nearby area) and macro- degree outside environmental modifications. This is the simplest manner that managers and leaders can efficiently alter their organization’s suitable provider blend and the way nice overall performance may be used as a supply of aggressive advantage.
- 6- Working with different fitness expert leaders to provide applications that construct inter-expert attention and recognition. These varieties of stories ought to be of cost to practice-primarily based totally tries to re-shape affected person care in alignment with modifications withinside the transport system.

## CONCLUSION

The major shift in global health governance that is underway will clearly have major implications for the strategic and operational management and performance of healthcare organizations. The successful implementation of evidence-based management and complex and ever- improving information systems Care Management Education and Management Development programs are likely to provide significant benefits to program

participants and ultimately their employer organizations. Numerous implications of VBP/P4P for global health research that will provide further useful insights into the dynamics of health policy reform and health system performance in the coming decades.

## AUTHOR CONTRIBUTIONS

All authors listed have made a substantial, direct and intellectual contribution to the work, and approved it for publication.

**Conflict of Interest Statement:** The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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