

# System priorities for value based healthcare research

Guidance on topics for VBHC research and partnerships

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The NSW Ministry for Health acknowledges the traditional custodians of the lands across NSW. We acknowledge that we live and work on Aboriginal lands. We pay our respects to Elders past and present and to all Aboriginal people.

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### **Disclaimer**

This discussion paper has been prepared by the Strategic Reform and Planning Branch, NSW Ministry of Health. It is not intended to be an exhaustive list of system priorities. It is acknowledged that approaches to value based healthcare and system priorities for research will evolve over time.

### **More information**

For more information about this document, please contact: [MOH-VBHC@health.nsw.gov.au](mailto:MOH-VBHC@health.nsw.gov.au)

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## How to read and use this document

The audience for this document is the broader research community, defined as researchers working in universities, medical research institutes, industry and government.

Part 1 describes NSW Health's definition of value based healthcare (VBHC), and the rationale for developing system priorities for VBHC research for the NSW Health system.

Part 2 outlines the system priorities for further research into VBHC from NSW Health's perspective, to inform and support the design and implementation of VBHC across NSW.

Part 3 provides guidance for researchers seeking partnership or involvement from NSW Health on VBHC research projects.

Appendices contain resources and links to information for researchers seeking to engage with NSW Health on VBHC research.

**Please note** NSW Health does not currently administer or provide funding for research grant schemes specifically for VBHC. This guidance document is intended to inform the research community about topics of most interest to NSW Health, should they wish to leverage other NSW Health programs or expertise, or partner with NSW Health on applications for schemes funded by other bodies. It provides guidance only and does not constitute a commitment to enter into projects

## Part 1: Context and purpose

Value based healthcare is an approach to organising healthcare to maximise value, where value is defined in terms of the outcomes and experiences that matter most to the people receiving and delivering care, relative to the costs of achieving those outcomes.

The change in emphasis from volume to value requires significant and long-term cultural, behavioural and structural changes built on evidence.

Setting system priorities for VBHC research is a way of signalling to the research sector the topics where more practical evidence will help design and implement VBHC from a policy perspective.

Articulating system priorities will result in more effective research partnerships, ensuring mutual benefit for both researchers and health system managers by generating practical information that can be used by health system managers as they implement VBHC.

### What is value based healthcare?

Value based healthcare (VBHC) supports NSW Health in achieving its vision of:

‘A sustainable health system that delivers outcomes that matter to patients and the community, is personalised, invests in wellness and is digitally enabled’.

It is a way of organising healthcare that maximises value, where value is defined as the outcomes and experiences that matter most to the people receiving and delivering care, relative to the costs of achieving those outcomes. In NSW VBHC means continually striving to deliver services that improve the four essentials of value:

- health outcomes that matter to patients
- experiences of receiving care
- experiences of providing care
- effectiveness and efficiency of care.

NSW Health is taking a coordinated long-term approach to implement and embed VBHC. This approach is outlined in the NSW Health conceptual framework for value based healthcare (see Figure 1). It involves scaling statewide programs to accelerate the uptake of value based models of care, while supporting structural system changes and capabilities across a range of enablers.

# Value based healthcare in NSW



Health

## Vision

A sustainable health system that delivers outcomes that matter to patients and the community, is personalised, invests in wellness and is digitally enabled

In NSW value based healthcare means continually striving to deliver care that improves:

Health outcomes that matter to patients

Experiences of receiving care

Experiences of providing care

Effectiveness and efficiency of care

## Considering value based healthcare at different levels

### Individual



Am I providing care that delivers the outcomes and experiences that matter most to the patient?

### Service



Are we using available resources optimally to improve outcomes?

### System



Are we allocating resources and creating the environment that enables the best outcomes?

## Statewide programs and enablers

### Enablers



**Patient and community engagement**  
Engage patients and communities to understand what matters and support their empowerment



**Measurement and evaluation**  
Improve our ability to measure and evaluate the impact our care is making to people and the system



**Research and innovation**  
Support and harness health and medical research and innovation



**Delivery organisations**  
Working with a range of providers across settings to deliver care where and how the best outcomes and experiences are achieved

### Statewide programs

**Leading Better Value Care**  
Identifying and scaling evidence based initiatives statewide for specific conditions

**Integrated Care**  
Leading partnerships to deliver seamless care anywhere

**Commissioning for Better Value**  
Shifting focus of non-clinical and clinical support projects from outputs to outcomes

**Collaborative Commissioning**  
Whole-of-system approach to incentivise local autonomy and accountability for delivering patient-centred and outcome-focused care in the community

### Enablers



**People, culture, governance and capability**  
Achieve a 'Fit for Purpose' workforce for now and the future



**Digital health and analytics**  
Use analytics to better support decision making and technology to transform the way health care is delivered



**Funding and purchasing**  
Shift the focus from activity to outcomes



**Clinical leadership and engagement**  
Managers and clinicians working together to lead evidence based change

## Foundations



### Patient Safety First

Ensure a shared commitment to excellence in the safety and quality of health care



### Keep People Healthy

Drive behaviour change to reduce key risk factors

[www.health.nsw.gov.au/value](http://www.health.nsw.gov.au/value)

This conceptual framework is intended for NSW Health agencies and staff responsible for managing strategic work

## What is a system priority for research?

Research is one of several enablers that support NSW Health's approach to VBHC. A system priority for VBHC research is a topic or question for which NSW Health needs further evidence to support the design and implementation of VBHC across the state. These system priorities for VBHC research will be reviewed regularly alongside the implementation of VBHC in NSW.

These system priorities for research may also be addressed through a variety of other approaches, including in-house or direct commissioning of research. Research may also be commissioned separately as areas of interest arise.

## Why is NSW Health setting system priorities for VBHC research?

NSW Health wants to:

1. signal to the research sector the system priorities for VBHC research that NSW Health has identified as an area of need or interest
2. provide direction to potential research partners to enable them to align their studies with system priorities for VBHC research. This is to give the research sector the opportunity to design their research so it can respond to NSW Health priorities increasing the likelihood of being able to partner on investigator-initiated and partnership research
3. increase the likelihood of getting evidence from research that will be useful for improving VBHC in NSW Health
4. enable NSW Health research funders to coordinate how they invest in VBHC research.

## Who are the system priorities for?

The system priorities for VBHC research are for the broader research community defined as researchers working in universities, medical research institutes, clinician researchers in NSW Health, industry and government.

## How the research community can use the system priorities for VBHC research

The system priorities for VBHC research have been developed with input from key executive leaders delivering VBHC in NSW to inform researchers seeking to align their work with contemporary and operational issues faced by the NSW healthcare system. The priorities detailed in *Part 2: System priorities for VBHC research* should be used as a guide only to align VBHC research with areas of need or interest in NSW Health.

It is envisaged that there are two main ways researchers will use this document:

1. **Aligning research with VBHC.** Researchers are encouraged to consider these system priorities when designing VBHC research projects or submitting grant proposals to other funders\* (such as the National Health and Medical Research Centre) irrespective of whether a formal partnership between researchers and NSW Health is sought.
2. **Seeking partnership with NSW Health.** The system priorities can also be used to support researchers seeking partnerships with NSW Health. All partnership proposals will be considered on a case by case basis. For more information on VBHC research partnerships see *Part 3: Partnering with NSW Health on VBHC research*.

\* NSW Health does not currently administer or provide funding for research grant schemes specifically into VBHC.

## Part 2: System priorities for VBHC research

This section presents the system priorities for VBHC research identified by NSW Health as areas of interest for further research to inform and support the design and implementation of VBHC across the state from a change and policy perspective. The priorities have been grouped into four broad themes, with more detailed focus areas within each theme.

Please note: NSW Health does not currently administer or provide funding for research grant schemes specifically into VBHC or the identified system priorities. This document is intended to inform the research community about topics of most interest to NSW Health should they wish to leverage other NSW Health programs or expertise, or partner with NSW Health on applications for schemes funded by other bodies.

### What is NSW Health interested in?

Research that NSW Health is most interested in is studies that complement existing work in VBHC and build the evidence for the policy levers and enablers of change that will support the system wide shift to value. Research in the priority themes should also address the key considerations in Box 1.

Researchers who would like to leverage NSW Health programs or expertise in VBHC, or partner with NSW Health on a priority theme in this guideline, should also refer to *Part 3: Partnering with NSW Health on VBHC research*.

#### Box 1: Key considerations for research in VBHC

- Include consumers and clinicians in research projects either through co-design (engagement in planning and/or implementation) or measurement approaches (consumer and clinician experience)
- Assess the impact across the four essentials of value
  - health outcomes that matter to patients
  - experiences of receiving care
  - experiences of providing care
  - effectiveness and efficiency of care.



## **Priority Theme : Implementation science and scaling up**

Research relating to implementation methods for transforming healthcare to focus on value that can be applied in NSW.

### **Focus areas**

- successful implementation strategies and methodologies that work best for specified cohorts, locations, and circumstances
- successful implementation strategies and methodologies for implementing large scale system wide transformation
- implementation factors of interest include but are not limited to:
  - aligning delivery systems and processes
  - change readiness
  - cultural change (that is, commitment to long-term improvement)
  - change management
  - key drivers of engagement
  - effective governance and partnerships
- clinicians and/or consumers perception of value and how this impacts implementation of VBHC.

### **Why this theme has been identified**

NSW Health would like to gain a greater understanding of successful implementation strategies across different settings to assist in, and overcome barriers to, successfully embedding and scaling VBHC across the NSW Health system.

### **Key considerations for this priority theme**

Research designed within this theme should focus on impact across all four essentials of value where appropriate.

## Priority Theme: Managing for a sustainable future

Outcomes-focused research on how best to deliver a sustainable health system.

### Focus areas

- determining what makes a health system 'sustainable', considering multiple factors including clinician engagement, patient experience, financial sustainability, care delivery and wellness
- incorporating outcome-based mechanisms into procurement and commercial processes
- investigating the effectiveness and appropriateness of innovative funding, purchasing, and payment reform options that provide a direct link to improved health outcomes and support a more sustainable system, acknowledging current financing models in Australia
- funding models that support the provision of VBHC by multiple providers across different care settings to a specific patient cohort/s
- mechanisms that facilitate effective joint planning, governance and accountability across care settings
- current barriers to achieving a financially sustainable value-based healthcare system

### Why this theme has been identified

Healthcare systems worldwide are under increasing pressure due to growing and ageing populations, increased prevalence of chronic conditions, rising costs, and the impacts of new technology. Funding reform is an example of a key enabler that can support a more financially sustainable future to address these challenges and incentivise value-based care.

Research in this theme will build the evidence base for what innovative approaches work best in different circumstances to enable value-based funding.

### Key considerations for this priority theme

It is important to note that financial incentives alone are unlikely to have a transformative effect in the long term, and changes to funding arrangements in isolation cannot deliver value based healthcare.

Researchers should consider the critical dependencies that are required to successfully implement value based funding models such as measurement of outcomes and risk adjustment.

## **Priority Theme: Service delivery models and organising care**

Research looking at system, process and structural changes (including digital health systems) to optimise care in the most appropriate settings and by the most appropriate provider(s) to improve outcomes, experiences, and efficiency.

### **Focus areas**

- how VBHC system, process and structural changes can be sustainably scaled and embedded over time as business as usual across the system
- understanding the enablers promoting seamless transitions between hospital, primary, community, residential and aged care settings
- how to best optimise scope of practice to improve outcomes, experience and cost effectiveness
- incorporating new contemporary practice (such as introduction of digital modalities) to complement existing models to create a more dynamic system
- how to engage consumers and partners in developing models of care, determining outcomes and co-designing measurement approaches.

### **Why this theme has been identified**

VBHC is about changing the way care is delivered with a focus on outcomes and experiences of care across the full pathway of care for people, not just individual episodes of care.

Research into this theme will provide needed intelligence to guide the design and implementation of new service delivery models and ways of organising care at the system, process and structural level that focus on value for the future health system.

### **Key considerations for this priority theme**

Research designed within this theme should focus on impact of approaches across the four essentials of value where appropriate.

## Priority Theme: Measuring value

Research relating to measuring and demonstrating the relationships between experiences, outcomes, efficiency and effectiveness to inform a holistic measure of value.

### Focus areas

- what systems and processes enable consistent measurement of experiences and outcomes across different care settings and cohorts and how they map to specific purposes of measurement
- what patient outcome and experience measures are acceptable or valued by patients, clinicians, managers and system managers
- factors influencing the interpretation and usefulness of patient reported experience and outcomes measures at an individual, service or system level
- methods to effectively use and support appropriate interpretation of patient reported measures to enable quality improvement and evaluation at a service and system level including better understanding the relationship between real time and retrospective patient feedback
- measuring how managers' and clinicians' experiences of organising and delivering care impacts on the change and adoption of new approaches, outcomes and effectiveness
- understanding the inter-relationships between the four essentials of value.

### Why this theme has been identified

The goal of VBHC is to maximise experiences and outcomes that matter from the perspective of the person receiving care, not just those providing or funding it.

Measurement is a fundamental part of VBHC. It provides the evidence base to determine what and how health services will be provided, organised and funded in the future to improve outcomes that matter to patients. There are currently many areas of the health system where the data needed to analyse outcomes is either not collected, available across the patient journey, or is not readily accessible. Therefore, innovative approaches to rigorous measurement are required in each of the four essentials of value.

Research into elements of this theme that complements existing measurement approaches will help support the move to deliver VBHC by improving our understanding of, and ability to, measure value across the NSW Health system.

## Part 3: Partnering with NSW Health on VBHC research

This section provides information for those seeking to partner with or request involvement from NSW Health on **VBHC specific research projects**.

Researchers are encouraged to allow sufficient time to agree on research questions and partnership parameters before submitting a proposal.

The guide does not constitute a commitment from NSW Health to enter into projects or partnerships. While proposals aligned to the four identified priority themes are of more interest to NSW Health staff working on VBHC, each project will be considered on a case by case basis. NSW Health also reserves the right to partner on VBHC research themes not specified in this document.

For information on research in NSW Health more broadly, refer to the Office of Health and Medical Research webpage: <https://www.medicalresearch.nsw.gov.au/>

### What do we mean by partnering with NSW Health on VBHC research?

This guide aims to inform and encourage alignment of research with areas of need or interest to NSW Health.

Researchers who wish to align their research with these priorities and reference this guidance within their research funding proposals may do so, without the need to seek a formal partnership with NSW Health.

Researchers may also wish to engage NSW Health in formal research partnerships. Partnering can take several forms. This can be as simple as NSW Health providing policy expertise on research projects and other in-kind support, or as a formal agreement to co-design research and disseminate results.

### What type of in-kind support can NSW Health provide?

A range of in-kind support may be offered by NSW Health to support VBHC research projects.

Examples include:

- advice on existing data and access to information
- policy and program expertise
- time spent participating in the project
- equipment (donated, loaned) and software
- patents and licenses for use (such as a validated quality-of-life survey)
- use of facilities (such as meeting spaces)

It does not currently include direct funding.

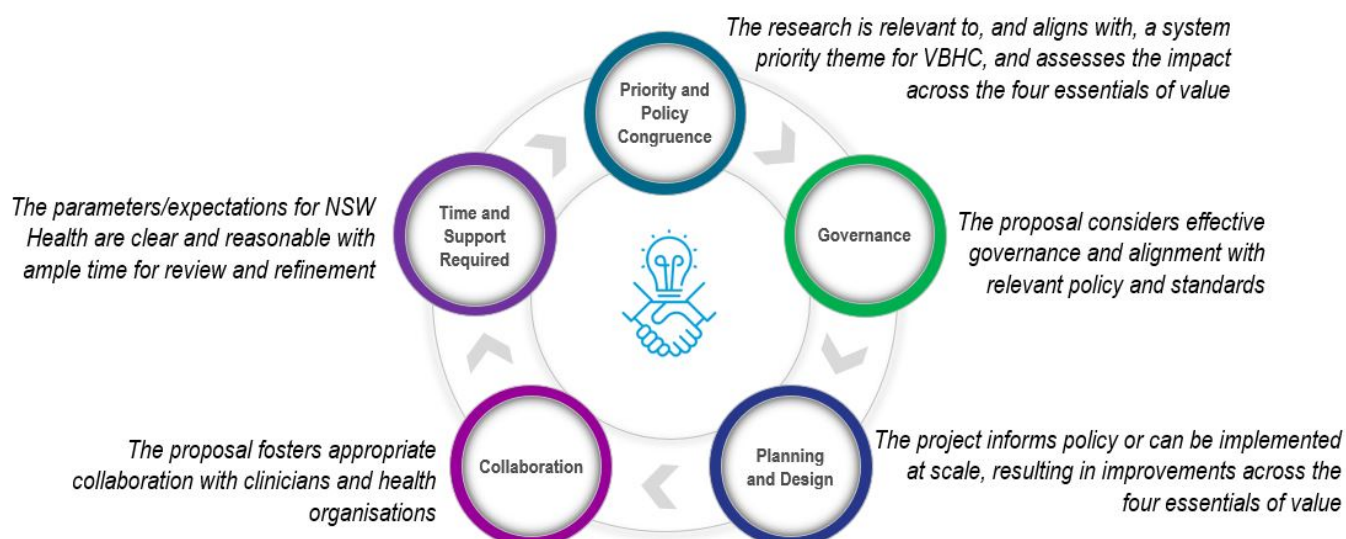
NSW Health does not currently administer or provide funding for research grant schemes specifically into VBHC or the identified system priorities. Other relevant funding sources may be available depending on your project; this is the responsibility of the research organisation.

The specific in-kind support you require should be discussed when you contact NSW Health about partnering on your project. Assessment of in-kind support will consider availability of the requested resources and/or priority in comparison to other research. Approaches for partnership where there is limited time to consider the application and engage in dialogue are not recommended.

## What to consider before approaching NSW Health to partner on VBHC research?

NSW Health aims to take an equitable, transparent, and sustainable approach to assessing VBHC partnership requests. For your project to be considered for partnership, the five criteria in Box 2 should be met.

### Box 2: Criteria for VBHC research partnerships



In line with the key considerations for research in VBHC ([Box 1, page 6](#)), partnership proposals need to address one or more of the four essentials of value. NSW Health is particularly interested in partnering on VBHC research that assesses impact across all four essentials of value.

## Topics that are out of scope

There are a range of VBHC programs underway in NSW Health with existing monitoring and evaluation plans. Direct evaluation and measurement of these programs is out of scope for the purpose of these research priorities.

Specific out-of-scope topics include:

- evaluation of existing NSW Health programs except where specifically commissioned for the purpose of independent evaluation. The definition of evaluation to signal what is out of scope for partnership research is:

‘Evaluation is the systematic and objective process used to make judgements about the merit or worth and/or impact of a program, usually in relation to its effectiveness, efficiency and appropriateness.’<sup>1</sup>

- clinical research focused on testing safety and effectiveness of specific medications, devices, diagnostic products and treatment regimens intended for human use
- workforce research focused on the effectiveness of interventions to improve staff outcomes
- building evidence for specific services to support funding requests
- funding for statewide information and technology systems.

## Process for partnering with NSW Health on VBHC research

### Step 1 – Review this checklist

Does the research that you are proposing:

- ✓ address the key considerations for VBHC research ([Box 1, page 6](#))?
- ✓ address the criteria for VBHC research partnerships ([Box 2, page 12](#))?
- ✓ focus on one or more of the system priority themes detailed in this document ([Part 2: System priorities for VBHC research](#))?
- ✓ complement, contribute to or fill gaps in current VBHC knowledge?
- ✓ not focus on an out-of-scope topic area (see Section above)?
- ✓ consider funding opportunities (such as Translational Research Grants, Medical Research Future Fund, National Health and Medical Research Council Partnership Grants)?

### Step 2 – Contact NSW Health to commence dialogue about research partnerships

For a general conversation around VBHC research, or if you wish to explore partnering with NSW Health on your project, contact [MoH-VBHC@health.nsw.gov.au](mailto:MoH-VBHC@health.nsw.gov.au) to discuss whether the research aligns with NSW Health’s identified priorities and the extent to which the relevant NSW Health staff are able to partner with you. Alternatively, if your proposed research is in a specific area please feel free to contact the respective NSW Health pillar agency ([see Appendix](#)) or service representative if known.

It is strongly advised that you start dialogue with NSW Health about a potential partnership as you are designing your project to allow time for all the partnership considerations to be worked through.

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<sup>1</sup>Centre for Epidemiology and Evidence. Study Design for Evaluating Population Health and Health Service Interventions: A Guide. Evidence and Evaluation Guidance Series, Population and Public Health Division. Sydney: NSW Ministry of Health; 2019. Drawing on NSW Department of Premier and Cabinet. Evaluation Toolkit. Sydney: NSW Department of Premier and Cabinet; [cited 23 May 2019].

## **How will decisions on proposals be made?**

Partnership proposals will be reviewed on a case by case basis by relevant NSW Health staff with consideration given to criteria outlined in [Box 2](#). Where appropriate, proposals may be reviewed by a panel of NSW Health leaders in VBHC. This includes where researchers are seeking a partnership with multiple NSW Health agencies on the one project.

If initial discussions result in a decision to explore the potential partnership, researchers and the relevant NSW Health staff/program team will work through the details of the partnership depending on the project requirements. A final decision whether to proceed with the partnership will be made once details are agreed.

Some proposals may require approval from a NSW Health executive with appropriate delegation depending on the nature and extent of support required.



## Appendix – Further information

### NSW Health value based healthcare website

The website defines what value means in the NSW Health context and includes links to information on the statewide programs accelerating VBHC, statewide initiatives, and measuring value:

- Leading Better Value Care
- Integrated Care
- Collaborative Commissioning
- Commissioning for Better Value
- Patient Reported Measures
- Statewide initiative for diabetes management.



Where to access:

<https://www.health.nsw.gov.au/Value/Pages/default.aspx>

### Office for Health and Medical Research

The Office for Health and Medical Research was established to implement the NSW Government's strategic plan to build research capability in NSW following its NSW Health and Medical Research Strategic Review in 2012.

The website provides information for health and medical research in NSW. This includes information on grants and funding, relevant policies and guidelines, and other information for researchers.

Where to access: <https://www.medicalresearch.nsw.gov.au/>

### NSW Value Based Healthcare Publications

Koff, E 2021. 'Value-based health care in NSW: continuing the patient-centred journey' *The Health Advocate*, no 63, pp 57-59.

[https://ahha.asn.au/system/files/docs/publications/the\\_health\\_advocate\\_-\\_may\\_2021\\_web\\_0.pdf](https://ahha.asn.au/system/files/docs/publications/the_health_advocate_-_may_2021_web_0.pdf)

Koff, E 2019. 'Value-based healthcare in NSW: understanding what matters to the patient' *The Health Advocate*, no. 53, pp. 48-49.

[https://issuu.com/aushealthcare/docs/the\\_health\\_advocate\\_june\\_2019/48](https://issuu.com/aushealthcare/docs/the_health_advocate_june_2019/48)

Koff, E and Lyons, N 2020. 'Implementing value-based health care at scale: the NSW experience.' *Medical Journal of Australia*, vol 212, no. 3, pp.104-106.

## Other NSW Health Organisations

<b>Agency for Clinical Innovation</b>	<p>Lead agency for innovation in clinical care in NSW. The website provides additional information on statewide programs and patient reported measures.</p> <p><a href="https://aci.health.nsw.gov.au/">https://aci.health.nsw.gov.au/</a></p>
<b>Bureau of Health Information</b>	<p>BHI publish independent reports and information about the performance of the NSW healthcare system.</p> <p><a href="https://www.bhi.nsw.gov.au/">https://www.bhi.nsw.gov.au/</a></p>
<b>Cancer Institute NSW</b>	<p>NSW's cancer control agency, established under the Cancer Institute NSW (2003) Act to lessen the impact of cancer across the State. The Cancer Institute NSW manages data registries and funds cancer research in NSW to inform and influence improved cancer outcomes across the state.</p> <p><a href="https://www.cancer.nsw.gov.au/">https://www.cancer.nsw.gov.au/</a></p>
<b>Clinical Excellence Commission</b>	<p>Lead agency supporting safety and quality improvement in the NSW Health system.</p> <p><a href="https://www.cec.health.nsw.gov.au/">https://www.cec.health.nsw.gov.au/</a></p>
<b>eHealth</b>	<p>eHealth NSW uses information technology to connect people, data and systems to improve patient-centred care in NSW.</p> <p><a href="http://www.ehealth.nsw.gov.au/">http://www.ehealth.nsw.gov.au/</a></p>
<b>Health Education and Training Institute</b>	<p>Lead agency coordinating education and training for NSW Health staff.</p> <p><a href="https://www.heti.nsw.gov.au/">https://www.heti.nsw.gov.au/</a></p>