

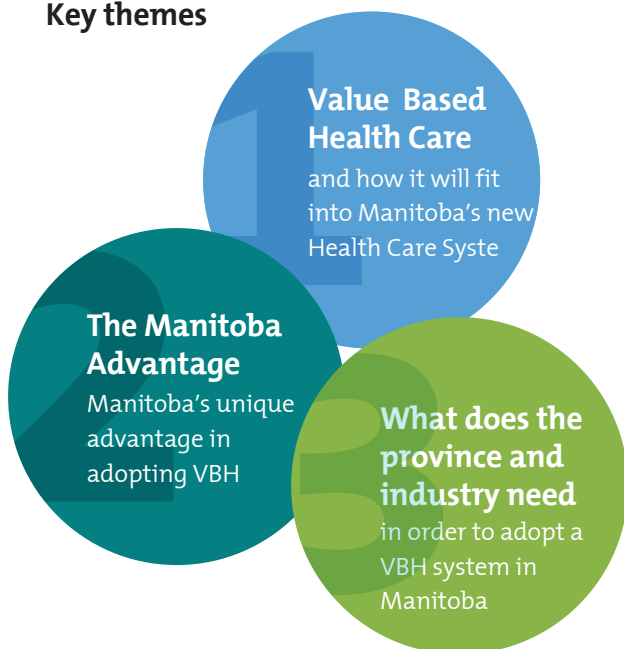
## Conference Summary

# VALUE-BASED HEALTH CARE IN MANITOBA: REDESIGNING THE SUPPLY CHAIN FOR SUCCESS

On November 21, 2017, the Life Science Association of Manitoba, in partnership with MEDEC, hosted the Value-Based Health Care in Manitoba: Redesigning the Supply Chain for Success conference. The one-day conference welcomed over 120 attendees, including Manitoba based health care decision makers, members representing Canada's private health care and technology sector, representatives from Manitoba and subject matter experts in the health care space.

The conference explored the definition of Value Based Health Care (VBH), measurable metrics, best practices and other province's experiences with implementing a VBH system.

### Key themes



### Discussion Overview

## What is Value Based Health Care and how does it fit into Manitoba's new Health Care System?

*Enhancing Value Through Better System Alignment in Manitoba*

- In evaluating the current state of health care in Manitoba, it is understood that the province needs to look at cost effective ways of managing the growing health care needs. Under the leadership of Dr. Brock Wright, Manitoba's is moving towards a more provincial system that will be created from within existing resources to support clinical and business services for the regional health authorities. Through this provincial approach, Manitoba will be looking at how to better integrate supply chain functions within the system and find opportunities for new innovative approaches to the supply chain management.
- Some of the opportunities identified include introducing standardize product services and procurements, creating consistent RFP standards and requirements, and ensuring the appropriate use of goods and services through initiatives like Choosing Wisely Manitoba. Additionally, there are opportunities to work with industry partners to explore better approaches and potential funding support for further innovation and research.

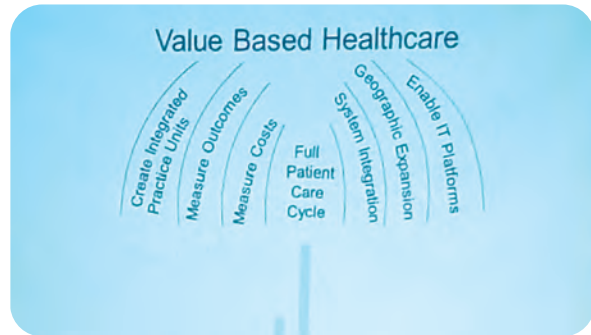
- A key part of making a move towards a better integrated supply chain will be through industry partners. There is an opportunity to foster solution oriented relationships that work directly on the challenges within our health care system in order to develop new innovative solutions.

*Value-Based Health Care: What Is It? Continuum, Value, Outcomes, Measurement*

- Taking a value-based health care approach means redefining how we identify all costs and values, and how we define and measure outcomes. It also considers changes to reimbursement models and patient pathways.
- All methodologies focus on improved service delivery and outcomes for patients
- It is vital to have a clear set of definitions and common language regarding value based health care and its components, the continuum of methodologies that can be used to facilitate supply chain reform and stay focused on the change management component.

*Operationalizing “Value For Money” Framework In Alberta*

- Exploring other province’s experiences in implementing VBH system, Alberta’s new Health Care Strategy was discussed. Alberta’s strategy set out a vision for the province’s future, and established principles and strategic directions for the continued transformation of health care in the province. Initial implementation has provided a base for analysis into some of the province’s challenges and solutions, specifically those that involved the implementation and adoption of innovative medical technology.



- Alberta pursued a “needs” based approach that fostered partnerships between their strategic clinical networks (SCN’s) and the medical technology industry around potential solutions that would work to address the need stated as a clinical, process or care gap.
- Interestingly, the biggest challenges Alberta faced during this transition did not include managing the technology as a partial solution, but rather challenges with its implementation of the solution into the health care system itself that required process and practice change (human behaviour and adoption).
- The solution was to produce a change management strategy that included;
  - Creating a sense of urgency around a single opportunity
  - Engaging participants early and throughout the implementation that included senior leadership, physicians and other key members of the clinical team
  - Developing clear and measurable goals and objectives that could be shared with their stakeholders
  - Identifying physician champions
  - Creating opportunities for steady communication between stakeholders
  - Maintaining momentum throughout the implementation
  - Continuously evaluating the effectiveness of the strategy and allowing for flexibility

## The Manitoba Advantage – what is Manitoba’s unique advantage in adopting VBH

### *Beyond Change Management: Changing Culture - Changing Outcomes*

- Unlike other provinces, Manitoba is able to offer Canada’s private health care and technology sector a favourable mid-range population size and political environment that is open to working in partnership with industry as a partner. Referred to as the ‘Manitoba advantage’, the province offers an advantageous environment to develop and/or assess new innovative technologies.
- Looking to the challenges that Manitoba’s health care system currently faces, there are opportunities to bring innovation to the forefront when looking for new solutions. By partnering with industry, Manitoba has an opportunity to research and test, and demonstrate the value of innovative approaches; becoming a national health care leader.

### *Workshop Session: Thinking Differently*

In a round table workshop session, teams discussed bringing medical technology to the Manitoba health care system and the key opportunities and potential barriers they could identify.

Highlights of the feedback included:

- All groups recognized the importance of engaging all stakeholders in the process and embracing the diversity of the stakeholder group
- Commonly, the groups identified the need to consider a total system approach and the need to break down silos even for more “commoditized” products.
- Open dialogue and partnership between industry, HCP’s and government could offer optimal solutions

- Shared risk and co-creation of real world evidence could set Manitoba apart as an innovation centre

### *Panel: National Success Stories*

Reflecting on successful product implementation in Canada, the panel discussed the challenges they faced in the process of implementation and how they overcame them. Advice was given to businesses to help navigate the implementation process.

Highlights of the panel session included:

- Changes in the procurement process over the past 30 years have made it more challenging for local SME’s to implement their products.

“ We must start thinking of health care expenditures as a dual-purpose asset; one which benefits the health and wealth of Canadians. ”

- There is a challenge in convincing the health care system to get engaged to become the first customer. The RFP process makes it difficult to implement innovation.
- Companies must ensure that their new technologies solve a defined problem within the health care system. A shift to focus on a pull-based technology implementation system with physicians and operators leading and engaging early in the decision-making process is vital to success. The patients must also be engaged in the process.
- Transparency throughout the entire product development and implementation process is vital to avoid real or perceived Conflict of interest with stakeholders.

- One of the major challenges facing companies is convincing the health care system to be the first customer. Those working in the health care system are busy and faced with multiple priorities, making it difficult for product implementation to compete with other priorities.

“ There needs to be a process where local technologies can implement their products into the health care system locally, ”

similar to Office of the Chief Health Innovation Strategist in Ontario.

*Panel: Doing Business in Manitoba – An Industry Perspective*

Looking forward to implementing a Manitoba VBH system, the panel discussed the Manitoba advantage and provided an industry perspective on the benefits of technology adoption into a health care system, and overview into many of the national markets, service providers and investors.

Highlights of the panel session included:

- The opportunity exists for industry, health care and researchers to improving funding. The funding of projects should be prioritized to benefit those with industry, researcher and health care system engagement with a defined outcome.
- Manitoba must put an effort into creating a consortium to change dialogue associated with Manitoba.
- Cuts in health care cannot be the only strategy if we hope to make health care sustainable, efficiencies must be found and/or created.
- Other countries have been successful in implementing health care as a revenue driver. For example, in Japan, they were able to derive economic growth from combining health economics and health policy to solve population health problem while driving economic growth. Three years into 2013 strategy, over \$6 billion of economic activity was brought into Japan. Estimated to generate \$30 billion over the next 15 years. This was based on policy changes. Sweden and Germany also have strategies to use health care as a generator of wealth.
- Approximately \$200 billion is spent annually on R&D for therapeutics and medical devices. Manitoba needs to develop a strategy to create more opportunities in order to capture this more of this market.
- Manitoba does data and data collection as good as anyone in the world, this must be leveraged into increased R&D dollars into Manitoba. The creation of a data economy in Manitoba must become a priority.
- Local products frequently run into obstacles due to the lack of local first customer and first user. Example of Arterial Stiffness Incorporated having to go to China to launch a device that is developed and supported locally due to lack of local first customers.
- In implementing VBH, Manitoba has the opportunity to learn from the successes and challenges of other jurisdictions.
- Manitoba must put more of an emphasis on the adoption of novel technology into the health care system.

## Looking forward - What does the province and industry need in order to adopt a VBH system in Manitoba

*Plenary: Bringing All the Pieces Together and the Next Steps*

“ Industry is eager to engage Manitoba, particularly with the current business environment; however, challenges exist in implementing technology into the health care system. ”

Health care decision makers must have a more defined process/metrics to follow with regards to potential implementation of novel technologies.

- Manitoba is an ideal location for the launching of products. There is a good data source available, as there is a collaborative environment that is ideal for first user and understanding implementation factors. In order to build upon these advantages, Manitoba's data must be more accessible as procurement needs a good baseline to work from in order to better understand the impact of a new product.
- To ensure products relevant to the health care system are being created, Manitoba must develop defined entry points for novel technology within the health care system. Implementing methods that allow developers of products to shadow health care providers to determine their challenges and develop products will assist in overcoming many of the challenges currently being faced.



- The creation of an office with the mandate of implementing novel technologies into the health care system is proposed in order to facilitate the adoption of novel technologies. This office would be co-accountable to both the Department of Health, and the Department of Growth, Enterprise and Trade. This office could be modeled after the Office of the Chief Health Innovation Strategist in Ontario (OCHIS).

## Appendix A - Presentations and Speakers

### Enhancing Value Through Better System Alignment in Manitoba

*Dr. Brock Wright – President & CEO, Shared Health*

### Value-Based Health Care: What is it? Continuum Value, Outcomes, Measurement

*Pamela Robertson – Managing Director, ACG Inc. and MEDEC Lead, Strategic Procurement*

### Operationalizing The Value for Money Framework in Alberta

*Dr. Hameed Khan – Lead, Health & Health Care Initiatives, Alberta Innovates Health Solutions*

### Beyond Change Management: Changing Culture – Changing Outcomes

*Jim Slater – CEO, Diagnostic Services Manitoba*

### Panel: National Success Stories

*Moderator: Stephen Urquhart, Chair MEDEC West*

*Dr. Hameed Khan – Lead, Health & Health Care Initiatives, Alberta Innovates Health Solutions*

*Earl Gardiner – CEO & Founder, RANA Respiratory Care Group*

### Panel: Doing Business in Manitoba – An Industry Perspective

*Moderator: Bob Rauscher, Vice President, MEDEC*

*Ken Spears - Country Director & Regional VP, BSCI & Board Liaison to the MEDEC Western Committee*

*Marshall Ring – CEO, Manitoba Technology Accelerator*

*David Kuik – CEO, Norima Consulting*



*Strengthening  
the bioscience sector  
while helping to feed,  
fuel, sustain and heal  
the whole world.*

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