
ICHOM Newsletter Interview

Francisco Nuno Rocha Gonçalves, PhD in Management, MSc in Economics, Specialized in Healthcare Management and Pharmacoeconomics. Currently Director of Healthcare Technologies Management at LUZ SAÚDE and invited Professor at the Faculty of Medicine of Porto University. Previously, Francisco was an Executive Board Member of the Portuguese Institute of Oncology Porto (7 years experience), a Consultant in pharmacoeconomics and healthcare management (20 years experience), and a Researcher and Professor at several Portuguese Universities (20 years experience). Francisco regularly publishes on the topics of healthcare management, value based healthcare and HTA in peer reviewed journals, addresses these subjects in international conferences.

1. Tell us about your current role and responsibilities/key focus?
   My focus is on impacting patient's lives, by catalysing great decisions in the delivery models and the value chain of healthcare. Currently I am leading the hospital-based competence on healthcare technologies management, which is part of an institutional value based healthcare strategy to bring forward its fullest potential.

2. What is your background in with value based contracts and value based healthcare?
   I have been implementing VBHC since 2011, when I was fortunate to be part of a team that had a vision for cancer care, fitting the one that Porter and Teisberg promoted in the 2006 book. Immediately I led the implementation of an outcomes research lab inside the centre, pushed for the development of appropriate IT tools and cooperated with the medical teams to re-organize care around conditions into IPUs. Of course, in the end we had value based contracts both with government/insurance payers and pharma suppliers.

3. What is the biggest lesson you have learnt regarding your experience to date with value based contracts and value based healthcare?
   The biggest and most important for a wide audience is: it can be done! I mean we can not only implement outcomes measures and sketch contracts for enhancing value (risk sharing, improving patient outcomes, etc), but also that in the end we do collect the expected rewards – in better quality, more satisfying experiences for patients and staff, and we support financial sustainability.

4. What is the most important piece of advice you would offer a peer considering value based contracts and value based healthcare implementation?
   Work soon and closely with everyone you are planning to recruit along the way. This is true for internal and external parts. There are always lessons to collect and pieces of contributions that are invaluable, coming from surprising sides. So manage this as a deliberate but inclusive mission. Your job is to combine their abilities to the benefit of the implementation, ie, so that they optimally combine to produce patient value.

5. What do you think are the biggest obstacles to value based contracts and value based healthcare?
   Inertia and lack of trust. If you are trapped in model that you think you can still improve with the solutions from the past decades, then you aim at incremental benefits, you miss the external environment that is shifting at quick pace and in the end you will be less competitive for payers, patients or staff. This is inertia.

   Lack of trust is multidimensional, but just to cover a perspective, I would comment on the case where institutions are struggling with complex and contradictory regulations, wrong fully conceived incentives, and bureaucracy. They will lose autonomy and initiative in practice, leading to procrastination and lower empowerment at all levels.

6. Where do you see the biggest opportunity for value based healthcare to flourish?
   The beauty of VBHC is that it normally flourishes everywhere it gets seeded. But I would choose integrated systems, comprehensive providers with strong attachments to payers where we could implement programmes with wider footprints.

7. What advice would you offer on how to approach value based contracts and value based healthcare and where to get started?
   You need to identify an area where you'd offer a differential output to your patients and community. Also you'd be looking for an area where you have the clinical capabilities on board and willing to endeavour this path.

   A quick win is to work with your payers or your suppliers in risk sharing agreements, in patient support programmes, in incentives linked to outcomes measurement programmes. Some payers and most of key suppliers will have the capabilities and the overture to support you on these projects.

8. What are the top 3 case studies and real world examples of value based contracts and value based healthcare would you recommend for further investigation?
   Definitely, the ones to be presented at July's conference of ICHOM. They are updated views on these strategies. Regarding hospitals I have lived the experience of IPO Porto (a large comprehensive cancer center in Portugal) and Luz Saúde (a large private provider, diverse in geography and covering all pathology areas). I have published about our work on the former and I will do it about the latter soon. These are cases I can stand and speak for, and we have covered all aspects of VBHC implementation. Including, of course, measuring the right outcomes and having contracts in place to incentivize moving towards value.

9. What further reading would you recommend to assist our stakeholders in their value based contracts and value based healthcare journey?
   There is the foundational work of Porter and Teisberg, together with great refences in HBR for example. But most of the experiences and the case studies where you can find good

lessons are taking the form of published papers and possibly posters/addresses in conferences. So I would advise on diversifying the sources of knowledge to look for theses. They are the closest there is to the actual implementation, since most of them are written by those who actually did it.

10. Have we missed anything you would like to add?

Thank you for the opportunity. I would like to emphasize that VBHC is a multidisciplinary approach that resonates with our day to day work in hospitals and other institutions. We do not have 2 days that are the same and depend on interacting with an array of associates and partners to bring up the best solutions. So, it will not be a disruption or a significant bump in the plans of institutions. It will surely be an accelerator and a source of inspiration to explore new perspectives for common challenges. So, I urge everyone to give it a try.