

# (non) Profitability in Healthcare

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From For-Profit to For-Value: A Journey to a Sustainable Healthcare Model

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# From For-Profit to For-Value: A Journey to a Sustainable Healthcare Model

Modern healthcare requires a profound shift: from profit-driven models to patient-centred, value-based care, where compassion, empowerment, and holistic well-being take centre stage. To achieve this transformation, understanding patients' values is essential, ensuring tailored, empathetic care that empowers them in decision-making. Embracing change requires courage and shared responsibility, regardless of immediate profits. Ultimately, however, this transformative journey leads to a more valuable and sustainable healthcare system.

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## key points

- A healthcare system that measures profit may manage profits. A healthcare system that measures value may manage value.
- Patients, as they are the ones receiving care, should be the ones defining value. They value being listened to, honest communication, and being treated with kindness, respect, and empathy. They value that their individual needs, preferences, and values are taken into consideration. They value being involved in decisions about their care. They value a comprehensive and holistic approach to their needs.
- Value and profit in healthcare can fit together, but it requires a shift in the traditional mindset and courageous decisions and consequent actions.
- A shift towards a for-value healthcare model is a shared responsibility that would result in a more valuable and sustainable healthcare system.

## Introduction

“What gets measured gets managed” - Peter Drucker.

Tell me what you measure, and I will tell you what matters to you. If you measure profits, you can manage profits: If you measure margin, revenue, expenses, losses, gross profit, net profit, taxes, interests, return on investment, efficiency, net income, and effectiveness, you can manage profitability.

If you measure value, you can manage value. To effectively manage the aspects of healthcare that matter most to patients, it is crucial to truly measure value from their perspective. While conventional KPIs are essential, incorporating patient-centred metrics, such as healthcare experience, satisfaction, symptom improvement,

complication and medical error reduction, nosocomial infection prevention, increased use of electronic health records, evidence-based care, better access to healthcare services and appointments, improved health outcomes, and quality-adjusted life year (QALY) gained, offers invaluable insights into patients' actual healthcare experiences.

By aligning with patients' personal goals and quality of life and empowering them to manage their own health, we can genuinely deliver patient-centric, value-based care. Embracing these subjective, patient-driven KPIs paves the way for a healthcare system that prioritises patients' values and well-being at its core.

Actions speak louder than words.



When focusing on value rather than profits, healthcare providers can make changes to their approach to care, focusing on delivering high-quality patient-centred care that improves outcomes. When focusing on value, healthcare providers aim at reducing the demand for redundant or unnecessary healthcare services, they focus on prevention, on supporting patients to stay healthy, and living and maintaining healthy lifestyles. When focusing on value, healthcare providers provide patients with tools and resources to manage their health. When focused on value, healthcare providers engage in continued quality improvement initiatives, conducting regular checks and audits, and monitoring several qualitative dimensions of patient care.

### Characteristics of For-Value Healthcare

Patients value being listened to and being involved in decisions about their care; they value clear, timely, and honest communication with and among healthcare providers; they value affordable care that is cost-effective yet not wasteful; they value being treated with kindness, respect, and empathy by healthcare providers who show genuine concern for their well-being, who prioritise their safety and confidentiality. Patients value healthcare providers who take a personalised approach to their care and consider their individual needs, preferences, and values. If you measure these aspects of healthcare, you will manage value.

informed decisions, for which they need to know the treatment options and what to expect, among others.

Inadequate patient education and engagement lead to poor understanding of what ails them and their treatment options, their non-adherence to treatment plans, unnecessary setting transitions and ultimately, poor outcomes. Thus, when healthcare is truly patient-centric, and patients are engaged in their own health and healthcare, outcomes are improved.

### For-Value Healthcare is Comprehensive, Multidisciplinary and Coordinated

Patients are not defined by their diseases or their symptoms. Patients are their organs and their souls, their habits and their thoughts. Patients value comprehensive, patient-centred care that addresses their unique needs and goals, which is consistently optimal care over time, with healthcare providers who know their medical history and are familiar with their care needs. This includes having care plans that are tailored to the unique characteristics and circumstances, being empowered in shared decision-making, and having the tools and resources to manage their health. This cannot be achieved without a truly multidisciplinary team, and let me emphasise those words: truly, multidisciplinary, and team.

Care fragmentation, which occurs as patients receive care from multiple providers who do not communicate

Shifting from a for-profit to a for-value healthcare model requires courage and shared responsibility, regardless of immediate profits

### For-Value Healthcare is Patient-Centric

Each stakeholder in this process plays a unique role in achieving this goal, and collaboration and coordination among stakeholders is, therefore, key to success.

As patients are the main clients of the healthcare system, the ones who receive care, their outcomes and satisfaction are the ultimate measures of success. Providing patient-centred care means considering the patient's preferences, needs, and values.

Patient engagement or patient activation enables them to take an active role in their own healthcare to make

or coordinate effectively, will lead to poor outcomes, increased costs, and reduced patient satisfaction. This approach may increase profit but compromises or even destroys value.

Besides physicians, such as primary care doctors and specialists, and nurses that may provide direct patient care, administer medications, monitor vital signs, and provide education and support to patients and their families, there are other healthcare providers caring for the patients' well-being through their very special user-customer journey.

1. Pharmacists are experts in medication management and ensure that patients receive the most appropriate information regarding their pharmacological treatment and the interactions between the different medications different professionals may have prescribed.
2. Physical and occupational therapists help patients improve their mobility and support patients in regaining their ability to perform daily activities after an illness, injury, or surgery.
3. Social workers support patients and their families in navigating the healthcare system and accessing community resources (some of which, by the way, are de facto, not-for-profit).
4. Nutritionists and dietitians provide education and support to patients who need to make dietary changes to manage their health conditions or to uptake and maintain healthy diets.

holds and, how their diagnosis will impact their life, about the effectiveness of their treatment. They may feel deep sadness and may grieve the loss of their previous life or the one they had hoped for; they may feel frustrated or angry, especially if they feel that it is unfair or that they have been robbed of their health. They often feel shame and isolation if their significant others, friends, relatives, colleagues, or former colleagues do not understand their condition or what they are going through.

Addressing these aspects of health is an important part of providing for-value healthcare that improves the overall health and well-being of patients and places them in the centre, and focuses on providing value to them.

Patients appreciate having a health team who are working together to address their health needs and who communicate effectively with each other. A multidisciplinary team can streamline care delivery,

## Integrating mental and social health with physical health paves the way for a more valuable and sustainable healthcare system

5. Other professionals, such as speech-language pathologists, help patients with difficulty communicating, such as those who have had a stroke or a neurological condition.
6. Psychologists, trained to assess and treat mental health conditions, such as depression, anxiety, and post-traumatic stress disorder, can provide support, counselling and comfort to patients and to their relatives who are dealing with chronic illness, pain, or other medical conditions, thus adding value to the healthcare experience. They can work closely with physicians and nurses to develop treatment plans that address both physical and mental health needs or work with nurses to provide education and help them cope with the emotional and psychological challenges that can arise from managing health issues, addressing both their physical and mental health needs. Faced with diagnoses of conditions such as cancer, diabetes, rare diseases or mental diseases, patients experience shock and are sometimes overwhelmed or unable to process the news. They may feel anxious about what the future

reducing the need for duplicate tests and procedures and minimising delays in treatment with fewer gaps in care and better transitions between care settings.

Besides the positive impact on patients and patient care, healthcare providers also benefit from working in a multidisciplinary team that can learn from and support each other, expanding their knowledge and skills and improving the quality of care they provide.

### A Journey to a Sustainable Healthcare Model

Value and profit in healthcare can fit together, but it requires a shift in the traditional mindset of focusing solely on profits. In a for-value healthcare system, providers prioritise the needs of patients and focus on delivering high-quality care that improves outcomes, reduces costs, and enhances the patient experience. This approach can lead to sustained profits by reducing waste and inefficiencies, improving patient satisfaction and loyalty, leading to increased patient retention and referrals and, therefore, attracting new patients. Such an approach recognises that providing high-quality care can

lead to better patient outcomes and can ultimately lead to reduced healthcare costs over time.

“You are what you do, not what you say you’ll do”.

## Managing the Transition

Providing value in healthcare does not always guarantee profits, and the transition from a for-profit to a for-value healthcare system requires courage from its stakeholders.

## The Role of Multidisciplinary Healthcare Teams

Shifting towards a for-value system may require significant changes to the way organisations typically operate, which may include re-organising staff, changing business practices and investing in new technology and training.

Healthcare providers should strive to increase their empathy and kindness towards patients. This can help build stronger relationships with patients by being attentive to the needs and values of their patients and being willing to adjust their approach to care accordingly.

Additionally, since a value-based approach requires collaboration and communication among healthcare providers, multidisciplinary healthcare teams should break down potentially existing silos and work together to provide coordinated care that meets the needs of patients. They should also emphasise prevention -primary and secondary- and wellness rather than just treating illness and should work to promote healthy lifestyles.

This may require investment and training in soft skills, including effective communication, how to demonstrate empathy and compassion towards patients, how to use non-judgmental language, how to show concern and interest in patients’ lives, and being responsive to their emotional needs, understanding and respecting cultural, religious, or other differences, teamwork and collaboration to work more effectively with others to achieve common goals.

As healthcare providers get involved in measuring, tracking and using patient feedback to improve the quality of care, they also contribute to the identification of areas for improvement and implementing changes to improve outcomes and patient satisfaction. The use of information technology, such as electronic health records, to track outcomes and performance metrics and

support collaboration between care team members and stakeholders is key to this transition.

Overall, multidisciplinary healthcare providers have an important role to play in shifting from a for-profit to a value-based approach. By collaborating and communicating, focusing on outcomes and patient satisfaction, continuously improving quality, emphasising prevention and wellness, investing in technology and training, and advocating for change, multidisciplinary healthcare providers can help drive the transition to high-value care.

## The Role of Patients

Patients can also gradually take an active role in managing their own health and well-being. This may involve making healthy lifestyle choices, adhering to treatment plans, and asking questions about their care. They should work collaboratively with their healthcare providers to make informed decisions about their care based on their individual needs, preferences, and values and provide constructive feedback about their experiences, including what aspects of care are most important to them by sharing their experiences with others and raising awareness about the importance of patient-centred care.

## The Role of Providers’ Management Teams

The management team plays a crucial role in shifting from a for-profit to a value-based approach. By creating a clear vision, establishing performance metrics, fostering collaboration, investing in staff development, engaging with stakeholders, and using data and technology, the management team can help drive the transition to high-value care.

The management team needs to create a clear vision for the organisation that emphasises the importance of providing high-value care to patients. They need to establish and implement performance metrics that measure the value of care provided to patients. These metrics should be aligned with the organisation’s strategic objectives and should be regularly reviewed and updated.

Since a value-based approach requires collaboration and teamwork among healthcare providers, the management team bears the responsibility to foster a culture of collaboration that encourages physicians, nurses, paramedics, management teams and administrative staff to work together.

Additionally, they should invest in the development of staff in areas such as teamwork, communication, quality improvement, and patient-centred care, but also in information technology and the appropriate use of data. As illustrated above, they should support the delivery of value since the use of electronic health records and telemedicine can improve communication, reduce errors, and enhance the overall patient experience. Using data analytics can identify areas for improvement and monitor progress in a continuous quality improvement mode, which is constantly adapting to the changing needs of the patients.

Lastly, the management team should engage with payers and other stakeholders to align incentives and create a shared vision for high-value care. This includes working with payers to develop alternative payment models that reward providers for delivering high-value care.

### The Role of Payers

Payers, such as insurance companies, in turn, also have a role to play in the transformation towards a for-value model. Payers traditionally engage with healthcare providers through price negotiations, managing utilisation, and also through network design and management initiatives.

Payers can prioritise providers with a strong focus on quality, encourage care coordination across different providers and incentivise the implication of other professionals that add value to the healthcare experience of patients. Encouraging patients to maintain their health through prevention initiatives and lifestyle interventions, not just expensive treatments can be prevented down the line but can result in improved quality of life of patients and communities.

Providing value in healthcare does not always guarantee profits, and the transition from a for-profit to a for-value healthcare system requires courage from its stakeholders. This shift towards a for-value healthcare model is a shared responsibility that could result in a more valuable and sustainable healthcare system.

In the midst of challenges facing healthcare systems, there is a pressing need to shift the focus from profit-driven models to patient-centred, value-based care.

While it is important to acknowledge the systemic issues that contribute to the pressure for profits, it is equally crucial to highlight the exceptional healthcare providers and teams who are already implementing the principles of value-based care. Their dedication, compassion, and commitment to improving patient outcomes serve as beacons of hope and inspiration.

Fortunately, there are numerous stories that showcase providers and professionals who are leading the way in delivering value-based care. These individuals and teams exemplify the inherent purpose and empathy that drive people to work in healthcare. Their unwavering dedication to patients is a testament to the values that should guide the healthcare industry. They and their stories can inspire others and foster a cultural shift in healthcare.

These exceptional providers prioritise patient outcomes, foster effective communication, and actively engage patients in their care. They focus on improving patient satisfaction, promoting preventive care, and ensuring care coordination across specialties and settings. These professionals exemplify the true essence of patient-centred care, and by sharing their successes, we can create a ripple effect that encourages the adoption of value-based practices across the industry.

However, it is crucial to recognise that some of these professionals suffer from moral dissonance or misalignment within the healthcare value system, which can contribute to feelings of powerlessness and, eventually, even burnout.

### Conclusion

In conclusion, the shift towards a value-based healthcare system necessitates recognising the challenges faced by healthcare providers and the broader healthcare system. While highlighting the exceptional individuals and teams who deliver value-based care, it is essential to address the moral dissonance and powerlessness experienced by some professionals. By acknowledging these issues and taking collective action, we can work towards a future where patient-centred care and the well-being of healthcare professionals are at the forefront.

### Conflict of Interest

None. ■