

# Notes from the Editor-in-Chief

ON SEPTEMBER 9, 2009, President Barack Obama made a special address to both houses of Congress. In the past, such speeches have usually arisen in the context of national crises, such as the attack on Pearl Harbor or the assassination of John F. Kennedy. This time, however, the head of the United States of America brought his political allies and foes together to listen to his call for reform of the country's healthcare system.

"We spend one-and-a-half times more per person on healthcare than any other country," Obama told his audience, "but we aren't any healthier for it." To remedy the situation, the president proposed spending approximately \$900 billion over 10 years – a large sum but "less than we have spent on the Iraq and Afghanistan wars." Offsetting those expenditures, however, would be substantial savings realized by reducing inefficiency in Medicare and Medicaid and by charging insurance companies a fee that "will encourage them to provide greater value for the money."

The quest to expand the value derived from money spent on healthcare is not, of course, a uniquely American concern. In the context of the global economic recession, patients, providers and governments across the industrialized world are acutely aware of the need to find a solution.

In February 2009, the Health Council of Canada weighed in on the topic with a report titled *Value for Money: Making Canadian Health Care Stronger*. The lead essay in this issue of *HealthcarePapers* builds on that publication. In it, Kimberlyn McGrail, Amy Zierler and Ivan Ip point out that, relative to other countries in the Organisation for Economic Co-operation and Development,

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Canada is doing reasonably well in terms of measures such as life expectancy and "amenable mortality." However, the connection between *money spent* and *value delivered* remains opaque. A major part of the problem, the authors assert, lies with the lack of comparative outcomes data: "How can we know whether our healthcare investments are worthwhile without knowing what change in health status they purchase?"

McGrail, Zierler and Ip contend that "thinking in a value-for-money way" requires answering four questions:

1. What are our objectives for the healthcare system?
2. Where do we achieve good value now?
3. Where, and why, are we failing?
4. What will help us do better?

Useful responses will, the authors tell us, depend on better collection, analysis and use of evidence. In fact, McGrail, Zierler and Ip characterize value for money as an "evidence-focused perspective" and even an "evidence-based enterprise." Taking a value-for-money view or approach would entail, for instance, the "routine" collection and reporting of "comparative information" about care outcomes in connection with the organizational characteristics of long-term care

facilities or the regional prevalence of revascularization procedures. While “variations themselves do not lead to firm conclusions about value for money,” McGrail, Zierler and Ip argue that “at the very least, they should be studied” for the empirically-based guidance they can provide, especially for researchers and policy makers.

Touching on matters such as the benefits of electronic health records in connection with policy development, the measurement of health outcomes and quality of life, the importance of evaluating and sharing innovations and several other critical components they believe would improve value for money, McGrail, Zierler and Ip urge that the value-for-money perspective must saturate “all layers and levels of healthcare planning and delivery.” In their view, achieving this goal requires an “information strategy,” one that is founded on the rapid uptake of information technology and that supports analysis of how well we have lived up to clearly articulated values and objectives.

The six commentaries that follow the lead essay testify to the diverse interest throughout the healthcare community in the topic of value for money. While in basic agreement with McGrail, Zierler and Ip, Joann Trypuc complicates their position by noting that attempts at defining comprehensive values run up against the reality that Canadians’ views of health and healthcare are laden with multiple and sometimes conflicting emotions, perspectives, interests and needs. Another layer of complexity, she points out, is the fact that research and evaluation activities will not, in themselves, necessarily improve value for the money we spend. Meeting that goal requires much closer linkages to “the knowledge needs of decision- and policy makers.” Finally, while information technology is, on Trypuc’s account, “the enabler that everyone should use,” it makes sense only in the context

of enhanced accountability agreements and appropriate-practice standards.

A key term in Rachel Bard’s commentary is “efficiency,” and, like Trypuc, she is also concerned with accountability. Filtering those elements through the value-for-money perspective, Bard reasons that a determinants-of-health approach is required in order to achieve better health outcomes and reduced health inequities. On her account, taking seriously the impact of social determinants of health would prompt us to spend money addressing illness prevention and health promotion. (Murray T. Martin makes a similar point in his commentary.) And, while Bard sees a strong role for nurses to play in the research-based agenda McGrail, Zierler and Ip recommend, she calls on the authors to pay closer attention to informing the public and generating “a shared ownership and responsibility to safeguard our publicly funded system.”

Not unlike Trypuc, Aidan Hollis returns to the vexed issue of “value”: What is valuable? Is there a consensus? How can value be measured? Hollis explores these questions through the lens provided by Christopher Murray and Julio Frenk’s three-goal framework for health systems: health, responsiveness and fair financing. Hollis contends that these goals are essential for assessing value for money in the health system. Meanwhile, on the subject of greater information use in determining value for money, Hollis cautions that data on inputs and outputs can have “negative effects,” such as the avoidance of difficult-to-treat patients by hospitals and physicians.

Patients are also the prime focus of the commentary by Robert Ouellet, Joseph Mayer and Owen Adams. Arguing that the lead paper’s authors should extend their view beyond supply-side cost control, Ouellet, Mayer and Adams turn their attention to “the

needs of the patient, both met and unmet.” Achieving patient-centred care means, they say, that we must also extend our system comparisons to countries whose health systems perform better than Canada’s. Such “macro-level” international learning is, in their eyes, essential for achieving true value for money.

Teresa Petch and Judith Shamian begin with the premise that “we can all agree that our healthcare system should help all Canadians to live the healthiest life possible.” The contentious aspect is *how* that objective can or ought to be achieved – and much of the strife involves defining value for money. Arguing along lines that are similar in spirit to Bard’s focus on social determinants and to the patient-centred emphasis of Ouellet, Mayer and Adams, Petch and Shamian advocate developing a national, integrated approach to home and community care.

In the issue’s final commentary, Murray T. Martin weighs in on the obstacles facing anyone who sets out to discover “healthcare’s own Holy Grail”: the mechanisms and measures that enable quantifying value for money. McGrail, Zierler and Ip are sound in their overarching call, Martin asserts, although he is much less confident than they are that the public can be engaged in “meaningful dialogue” around values. (How would Trypuc respond?) He also finds “unrealistic” their premise that “simply gathering more healthcare information will result in greater value for money.” Less taken by frameworks than Hollis is, Martin says we need “fundamental change in our structures” in order to produce a “cohesive system.” And, similar to Trypuc and Bard, Martin emphasizes that “clear lines of accountability” between authorities and providers must be integral to those structures.

McGrail, Zierler and Ip conclude that “we are all pioneers” when it comes to blazing a value-for-money trail through the “Canadian

healthcare wilderness.” Nevertheless, as their lead paper and the six commentaries show, the discussion and debate of these timely issues are, in themselves, necessary steps on the journey.

*Peggy Leatt, PhD*  
Editor-in-Chief

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