

Medtronic brings together thought leaders to identify solutions and create higher performing healthcare systems.

## FOCUS ON VALUE-BASED HEALTHCARE INCREASES WORLDWIDE

Medtronic

Healthcare organizations are privileged to have a shared purpose focused on helping people live longer, healthier lives. At Medtronic, we make it our Mission to alleviate pain, restore health, and extend life. And we see countless opportunities to deliver on our Mission as long as we are driven to improve patient outcomes. While much of the industry's growth has been based on innovative products and services, the biggest area of improvement within reach today is centered on the continued development and implementation of value-based healthcare — which we define as sharing direct accountability for system costs and patient outcomes in our business models. To foster constructive dialogue about how to create a higher performing healthcare system, Medtronic sponsors events that bring together leading policymakers, researchers, providers and health system executives. Working together, they identify solutions and drive consensus for this important transformation.

### “COSTS AND OUTCOMES IN HEALTHCARE” WITH HARVARD BUSINESS REVIEW

— January 2016

The complex and varied ways healthcare is delivered and paid for in the U.S. has made it difficult to get a true sense of how to achieve better outcomes at a lower cost. How can we collectively find solutions that will guide the industry toward value-based care? To address such challenges, Medtronic sponsored an event with Harvard Business Review to bring together top healthcare leaders to explore how defining and measuring outcomes, determining accurate costs and identifying key drivers of change can help achieve the goal of value-based healthcare.

As an industry, we have been focusing on helping people recover from episodes of illness or injury. However, system-wide changes need to occur to increase the health of patients and

systems around the world. Stakeholders have to think bigger than episodic care and focus on value-based initiatives that emphasize managing broader patient populations more effectively.

While many governments and payers around the world have begun shifting to value-based healthcare models, central questions remain. How do you define value? How do you expand patient

access without compromising quality and escalating costs? How do you balance the immediate costs of treatments with longer-term success rates? These are complex questions without clear answers.

But clarity is needed. The event with Harvard Business Review discussed several value-based healthcare models that are showing promise in realizing optimization.

#### Event Key Takeaways

- Successfully creating a program that works depends greatly on the engagement and collaboration with physicians, hospital systems, payers and others. All must be at the table.
- Together, we've seen that if we can continually monitor and measure outcomes, minimize the variance in care pathways, share data and expand access, we can support the well-being of countless health systems worldwide.



*By 2018, the U.S. Department of Health and Human Services wants 90 percent of all Medicare payments to be value-based.<sup>1</sup>*

## “TURNING WORDS INTO ACTIONS: PARTNERSHIP IN HEALTHCARE” WITH THE KING’S FUND

— October 2015

Another primary concern of value-based care is moving from the theoretical to the practical—how can we start implementing value-based models and monitor their outcomes for health systems worldwide? This was the aim in partnering with The King’s Fund, a UK-based nonprofit dedicated to improving healthcare in England, to sponsor a private roundtable meeting with top policy experts and officials from the UK’s National Health Service (NHS) during the annual Integrated Care Summit.

As a global organization that works with stakeholders and professionals across the broader healthcare continuum, Medtronic is stepping forward to put the full power of our technologies, services, resources and people to work with new partners—in new ways—and usher in the era of value-based healthcare.

To this end, we work with many stakeholders—including the policy experts who attended The King’s Fund meeting—to expand patient care

management capabilities that utilize at-home care, remote monitoring and telehealth solutions.

### Event Key Takeaways

- Solutions will only succeed if integrated care is built upon the foundation of shared accountability for improving outcomes.
- Integrating care in local markets presents unique market-specific obstacles, including proximity to providers, the number of quality specialists, and existing infrastructure and facilities ready for integrated care. For these reasons, it’s critical to take a localized approach.

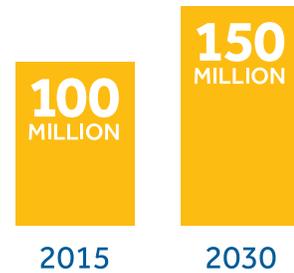
Collaborating with partners to localize and perfect strategies will be key in this transition. We’re currently working with the British Medical Journal to host a forum in Sweden on quality, patient safety and how implementing the principles of value-based healthcare will bring us Further, Together.

## “THE POWER AND NECESSITY OF HEALTHCARE PARTNERSHIPS IN ASIA PACIFIC” WITH THE BRITISH MEDICAL JOURNAL

— September 2015

Like the West, healthcare systems in the Asia Pacific region are facing enormous challenges due to aging populations, the burden of communicable diseases and the rise in non-communicable diseases (NCDs). With healthcare costs rising and governments around the world struggling to ensure equitable access to quality health services, how can we work together to come up with new approaches to solve these critical issues?

## PATIENTS WITH DIABETES



In 2015, China recorded 100 million patients with diabetes and 1.5 million deaths from the condition, the highest number of diabetes cases and mortality of any country. That number is predicted to rise to 150 million by 2030.<sup>5</sup>

To effectively treat these conditions and overcome these public health threats, partnerships between public and private stakeholders who have a vested interest in value-based healthcare will be an important part of the solution. In order to pivot successfully, however, all stakeholders need to understand the expertise others can offer to make quality healthcare sustainable and affordable. That’s why Medtronic worked with the British Medical Journal and convened leading public and private experts in Hong Kong to emphasize the importance of partnerships in delivering better patient outcomes at lower overall costs.

### Event Key Takeaways

- Although the focus of healthcare partnerships is on improving access and patient outcomes, these partnerships have additional benefits. Industry partners gain a greater understanding of healthcare systems, improve market access, and strengthen their corporate reputation through working together.

# €2.3B

## NHS TRUST DEFICIT

53 percent of NHS finance directors have said the quality of care has worsened in their area in the last year, while there is an estimated €2.3 billion NHS trust deficit.<sup>2, 3, 4</sup>

<sup>1</sup> U.S. Department of Health and Human Services. <http://www.hhs.gov/about/news/2015/01/26/better-smarter-healthier-in-historic-announcement-hhs-sets-clear-goals-and-timeline-for-shifting-medicare-reimbursements-from-volume-to-value.html>. January 26, 2016. Accessed April 18, 2016

<sup>2</sup> The King’s Fund. Quarterly Monitoring Report. <http://qmr.kingsfund.org.uk/2016/18/survey>. February, 2016. Accessed April 18, 2016.

<sup>3</sup> According to the Bank of England, €2.3 billion converts to approximately \$3.59 billion as of May, 2016. Source: <http://www.bankofengland.co.uk/boeapps/iadb/Rates.asp>

<sup>4</sup> The English National Health Service (NHS) consists of trusts – organizations that serve a geographical or specialized healthcare function (such as ambulance service or emergency care) for residents. Source: <http://www.nhs.uk/NHSEngland/thenhs/about/Pages/authoritiesandtrusts.aspx>

<sup>5</sup> Pacific Bridge Medical. 2015 Update on the Diabetes Market In Asia <http://www.pacificbridgemedical.com/publication/2015-update-on-the-diabetes-market-in-asia/>. October 26, 2015. Accessed April 18, 2016.