

# Outcomes Based Commissioning: Diabetes Practical Case Study

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# Defining commissioning for outcomes

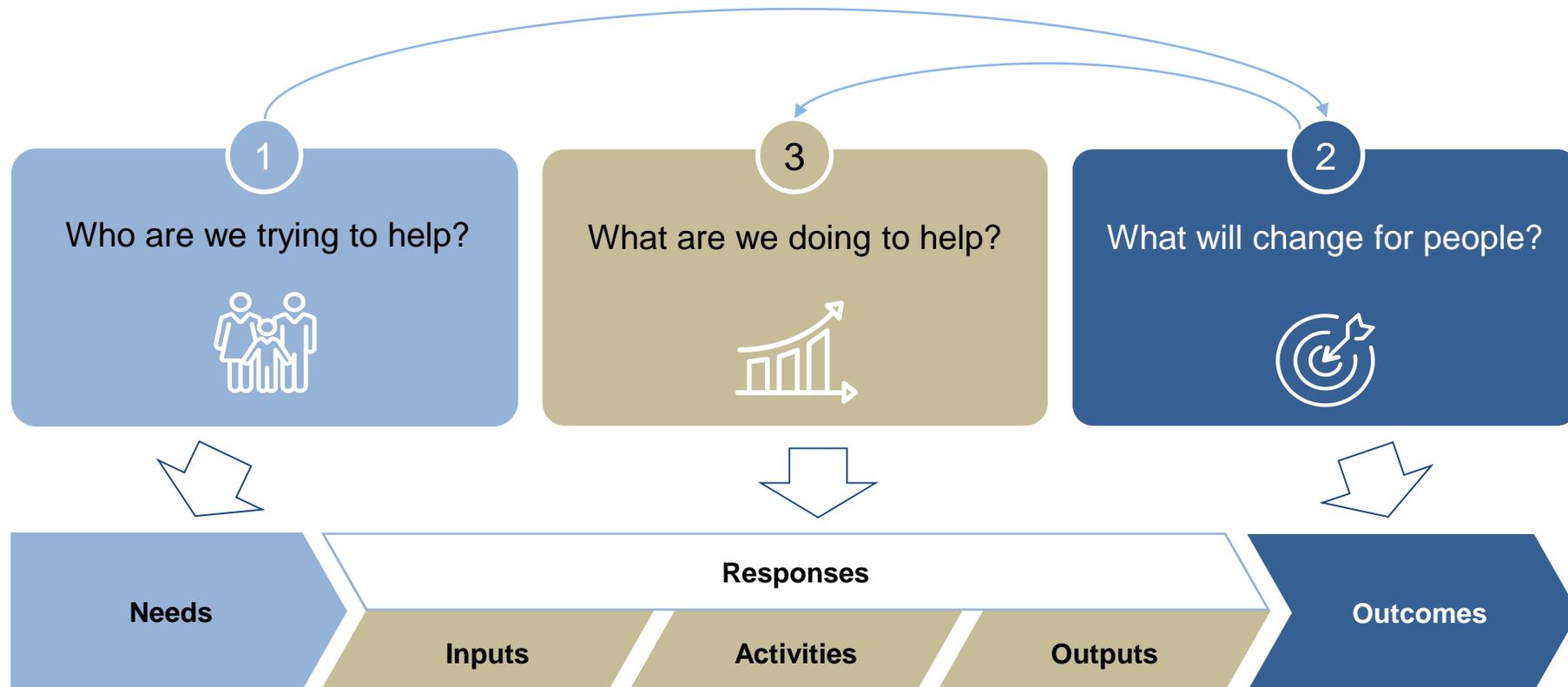


# We need to start by defining what we mean by an outcome

**“Changes that happen in the lives of people for the better.”**

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# OBC starts by understanding needs, identifying outcomes, then designing responses

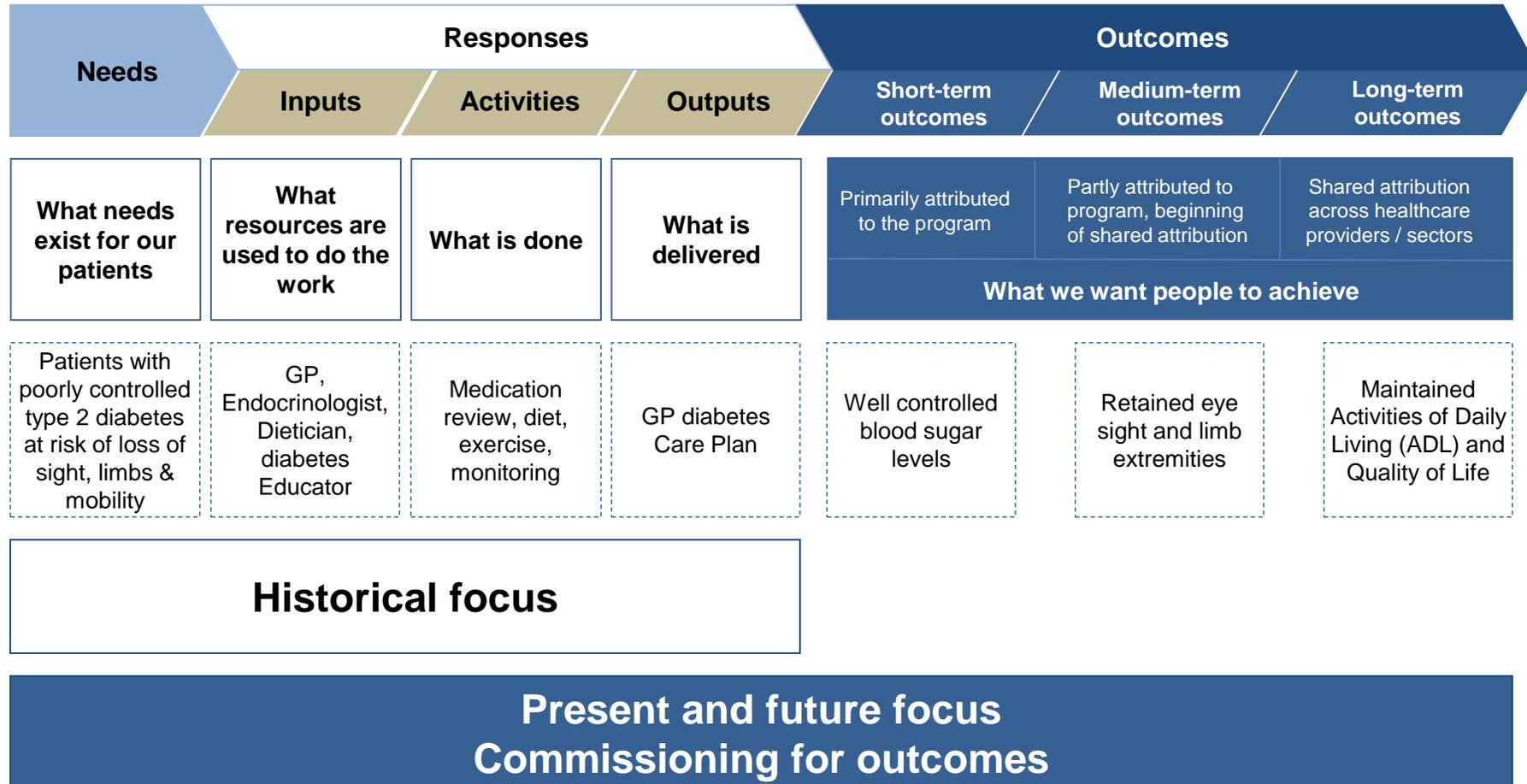


# Commissioning for outcomes for patients with diabetes



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# Start by understanding the program logic for patients with type 2 diabetes



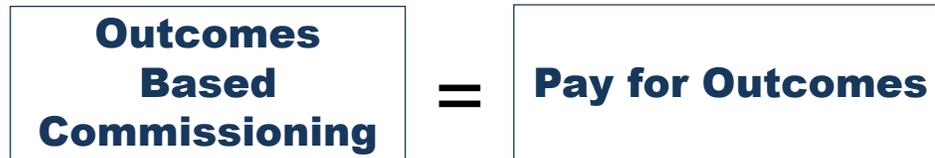
# Differentiating commissioning for outcomes from paying for outcomes



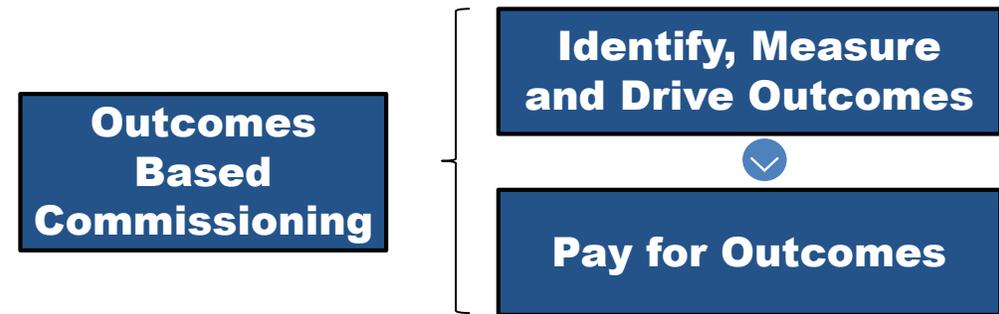
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# ‘Outcomes-based commissioning’ does not mean ‘paying for outcomes’

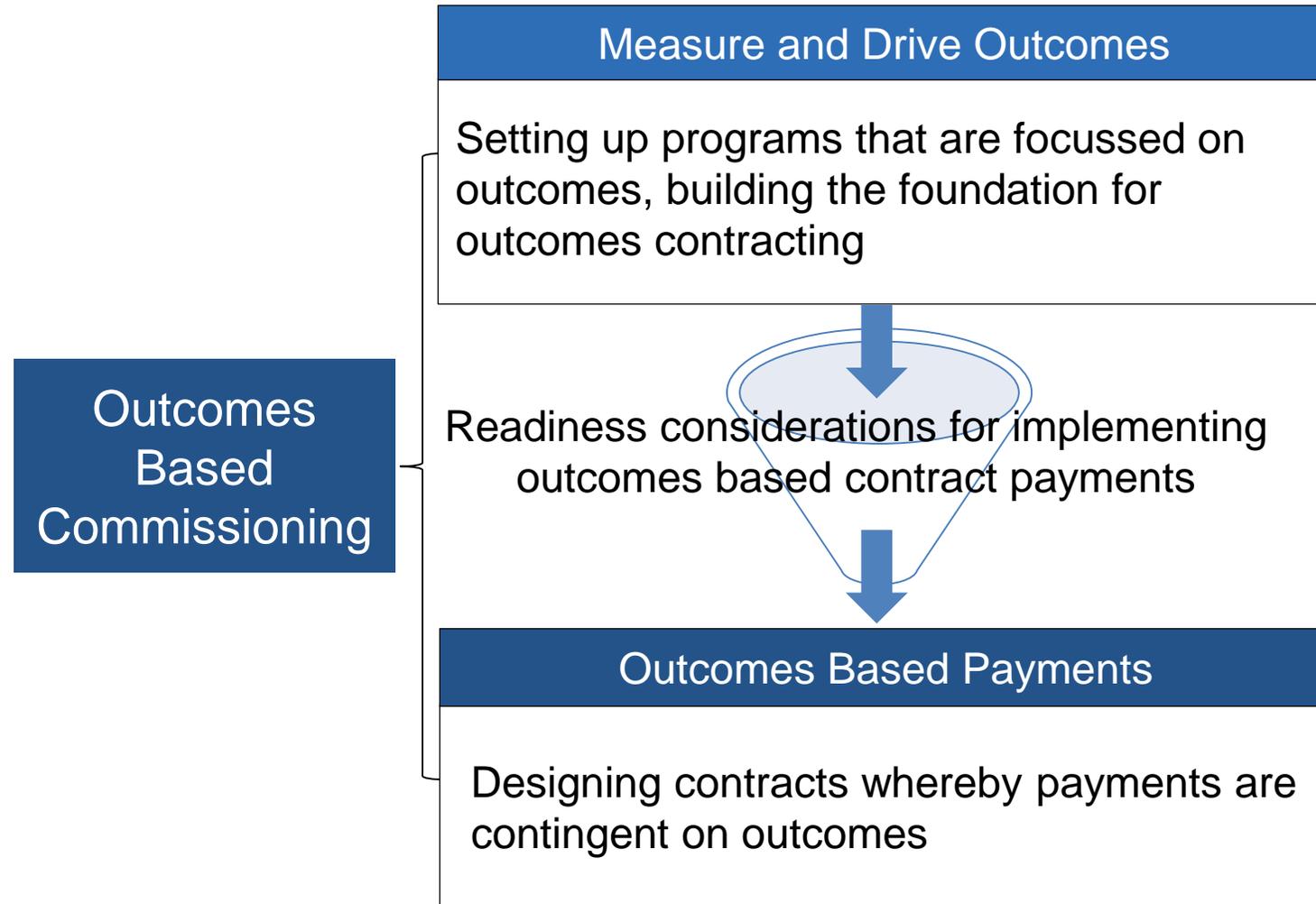
## Commissioning myth



## Commissioning reality



# ‘Outcomes based commissioning’ encompasses measuring, driving and paying for outcomes

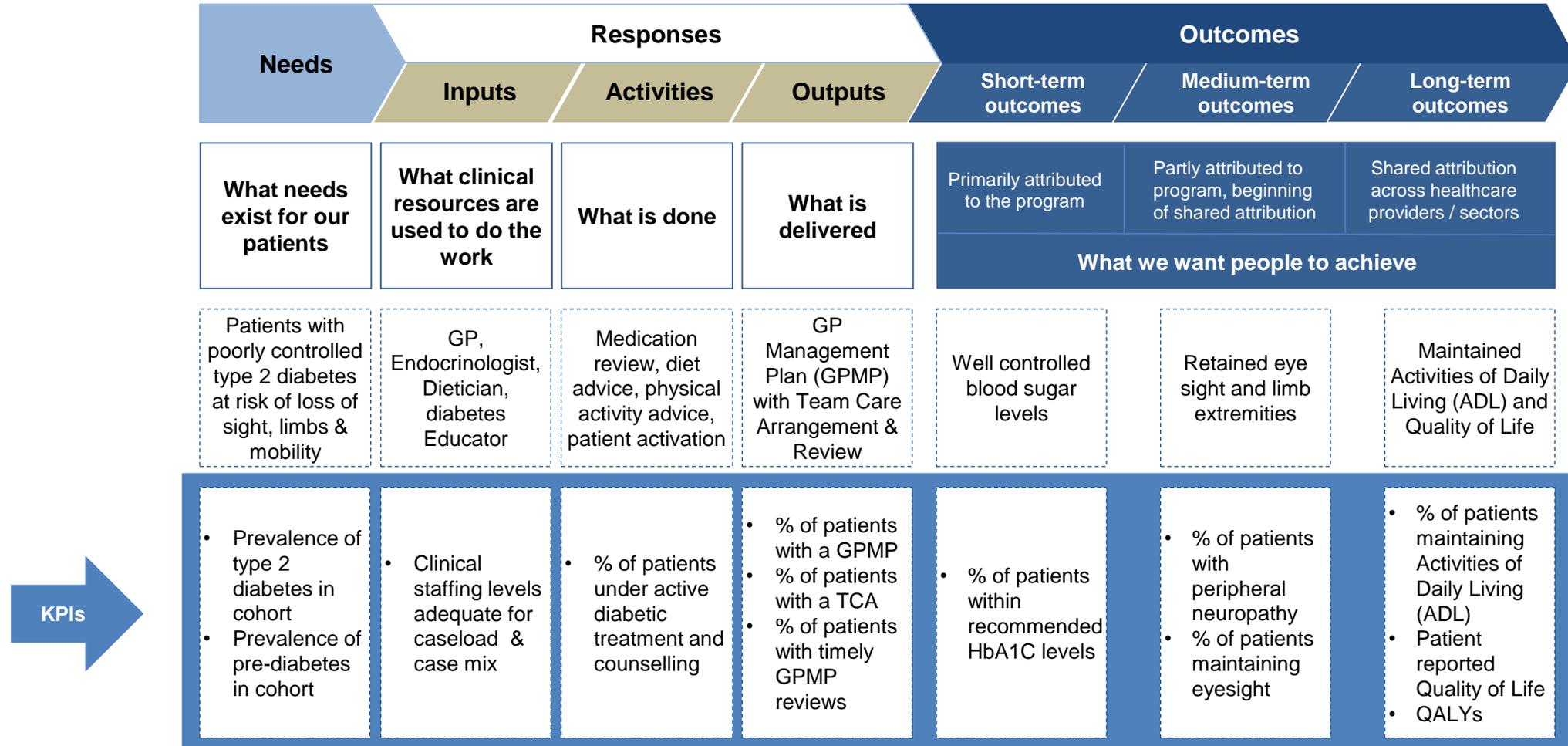


# Measuring and driving outcomes for diabetes patients



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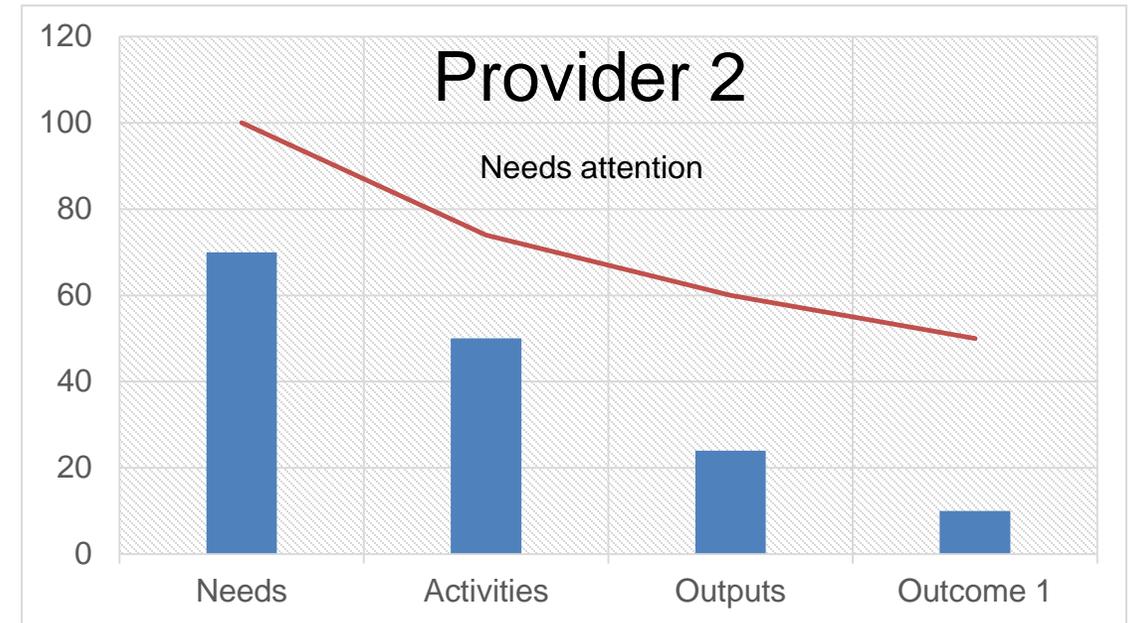
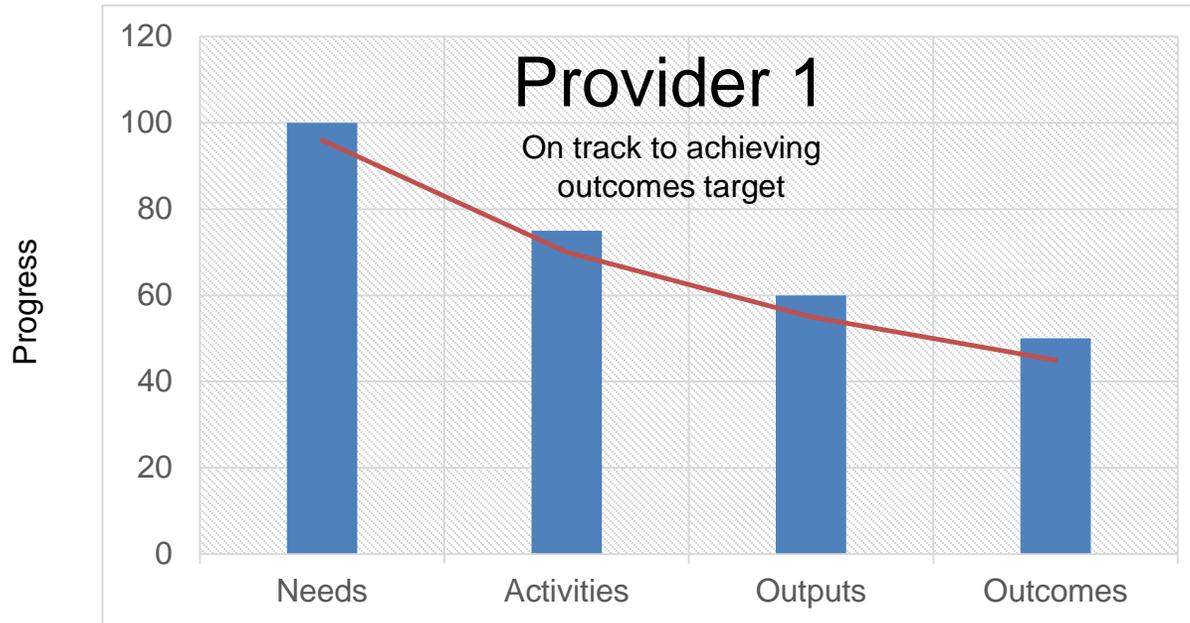
# Select a balanced set of KPIs to monitor progress towards diabetes outcomes



# Measure and drive diabetes outcomes by tracking each provider's trajectory towards outcomes

ILLUSTRATIVE

Key  
— Target  
█ Actual



No. of patients with type 2 diabetes in cohort	No. of patients under active diabetic treatment and counselling	No. of patients with a GP Management Plan	No. of patients within recommended HbA1C levels
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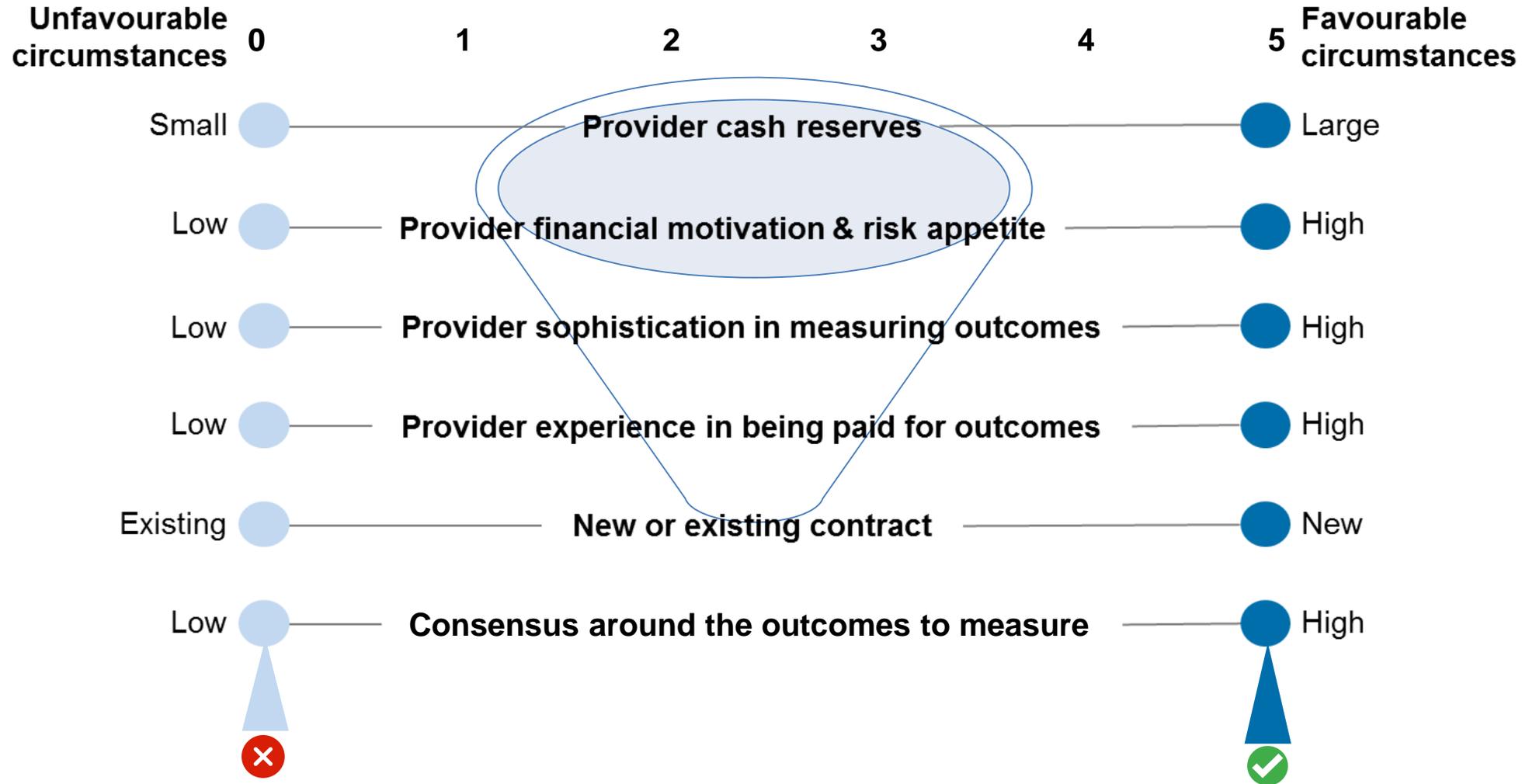
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# Paying for outcomes for diabetes



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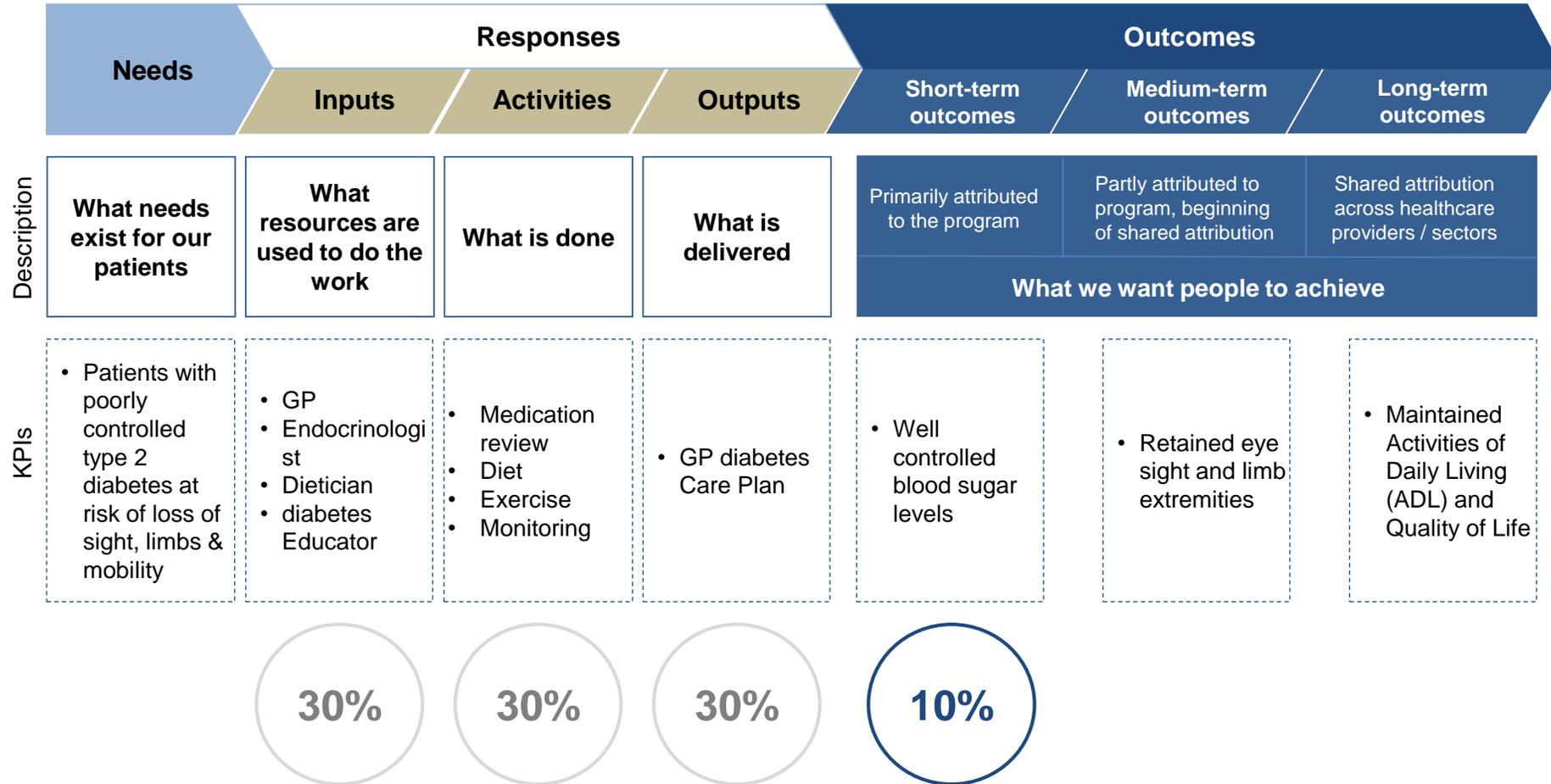
# Consider whether paying for outcomes makes sense for the diabetes care providers in question



# The outcomes payment size depends on provider-specific considerations

	Inputs	Activities	Outputs	Outcomes (adjusted for need)	When to use
Large outcomes payment	10%	20%	20%	50%	when circumstances are highly favourable
Small outcomes payment	20%	35%	35%	10%	when circumstances are less favourable

# Here is an illustrative payment mix



# Consider whether to use a 'carrot' or 'stick'



# The risks of paying for outcomes

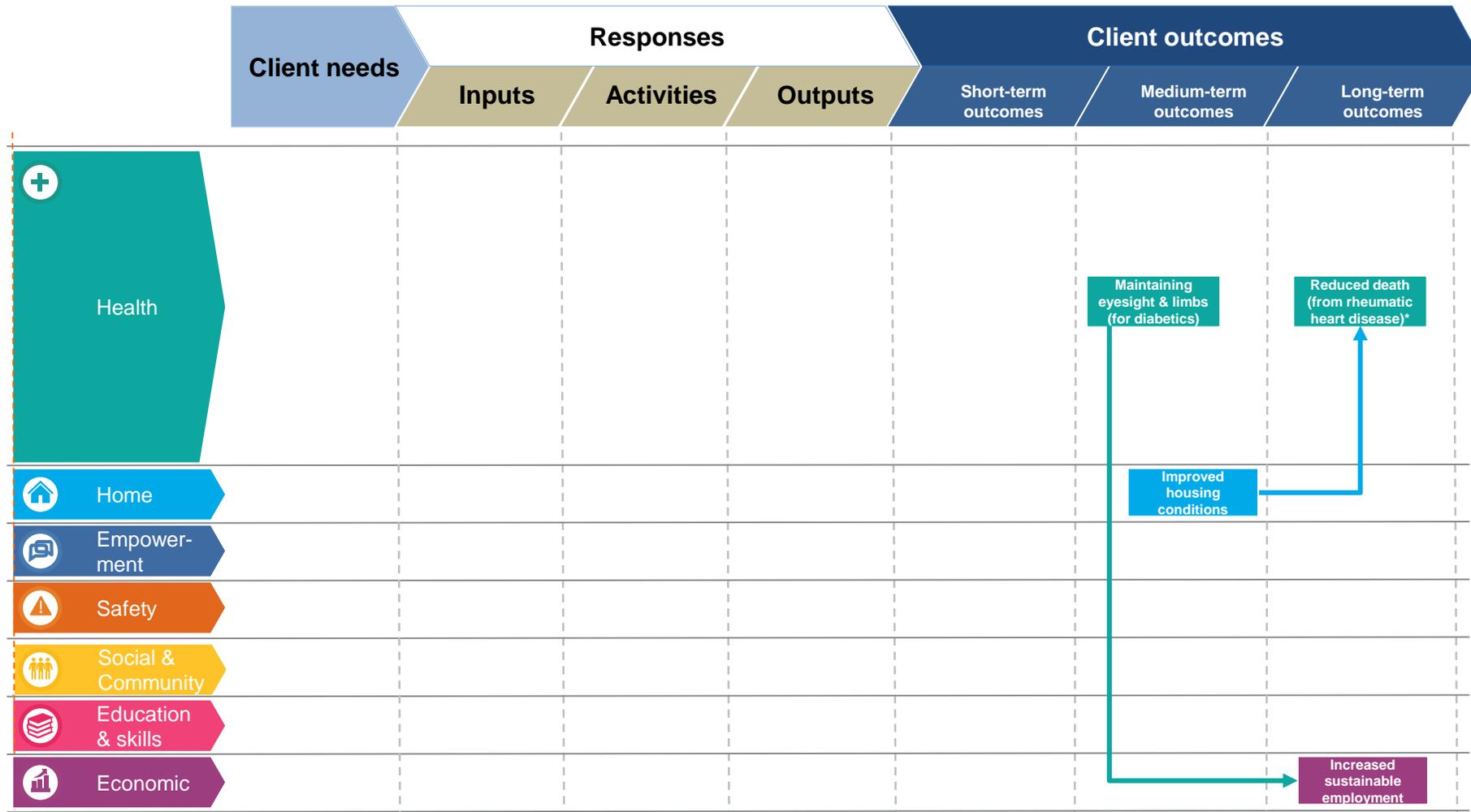
# 'Gaming' may be inadvertently encouraged by outcomes payments

Gaming type	Description
Cherry picking	Service providers 'cherry pick' less complex clients for whom outcomes can more easily be achieved
Goal displacement	Providers attempt to achieve the outcome performance targets at the expense of other non-measured outcomes
Threshold effects	Service providers only focus on achieving the target outcomes up to the threshold of the target
Ratchet effects	Service providers attempt not to exceed performance targets, even if easily achieved, to ensure these targets are not increased in future

# Considering outcomes across the wider social determinants of health



# Consider the two-way linkages of outcomes between health and other parts of government



\* Note the rheumatic disease example provided is unrelated to diabetes!

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# Thank you

**If you have any questions about this presentation or would like to hear more about commissioning for outcomes, please get in touch with Jay Rebbeck:**

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