



Future Trajectories of Healthcare study: A summary

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Introduction

The healthcare system has seen dynamic, transformative shifts in the past years. The area's key stakeholders have developed their strategies of digitalisation and procedural change. As the healthcare industry as a whole is becoming increasingly scrutinous of outcomes, and digital transformation enables a broader understanding of patient treatment and wellbeing, these stakeholders are moving to value-based partnerships.

The [Future Trajectories of Healthcare study](#) by [Vertical](#) looks at the major transformations the healthcare system is facing and explores the key changes that will need to be made to continue to have a well-functioning healthcare system in the future.

Three actions to transform for the future

In order to keep up with the major transformations facing the healthcare industry, stakeholders in all areas must take action in these three key areas. These changes are described in brief in this document; see the full report, "[Future Trajectories of Healthcare](#)", for deeper information and for insights from health industry experts.

1

Validate the “value” in value-based healthcare

The move towards value-based care is central for innovators. What is the status of value-based care in Finland, and who is responsible for it in the healthcare system?

2

Harmonize digitalization efforts within the healthcare system

Fragmentation of digital channels is becoming a roadblock. Is it plausible to coordinate a collaborative environment for delivering digital services?

3

Drive innovation through collaboration

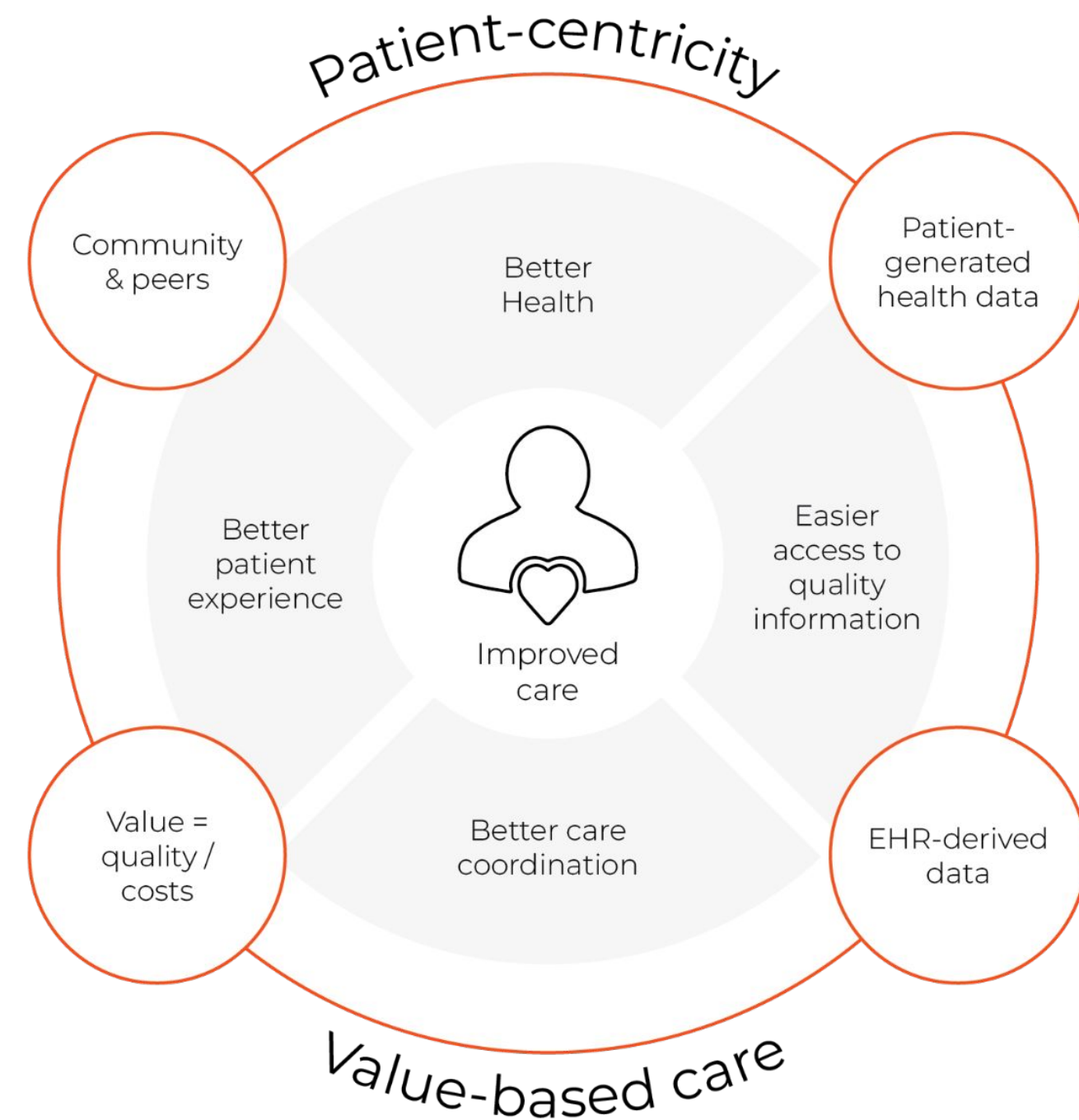
Technological developments occur rapidly and challenges are becoming increasingly complex. Can more transparent collaboration provide tools for improving digitalization and access to healthcare?

1

Validate the “value” in value-based healthcare

Value-based healthcare

Value-based healthcare is a healthcare system framework enabling more value creation for the patient. Value equals the improvement in a patient's health outcomes for the cost of achieving that improvement. It opposes other (more widely adopted) frameworks where healthcare providers are paid for the volume of delivered services.



Graphic based on IBM (2019) and Elvar Insights (2016)

Value-based healthcare

Value-based care has been identified as a central opportunity for enabling improved access to healthcare and retaining a high standard of care. However, concrete actions for implementing this framework in Finland are still to be taken.

The Future Trajectories of Healthcare study identifies five key changes that must happen in order to speed up the transformation towards value-based care.

5 key changes to accelerate the transformation to value-based care

- 1** National metrics for assessing the impact of value-based treatment must be developed and taken into use.
- 2** Procurement practises must be developed from being based on cost reduction to more strongly focus on value.
- 3** Healthcare regions must be financially incentivised based on value-based treatment results.
- 4** A public reimbursement system for digital health solutions must be introduced.
- 5** A way to catalog digital treatment options must be developed to reduce fragmentation.

Our vision for value-based healthcare

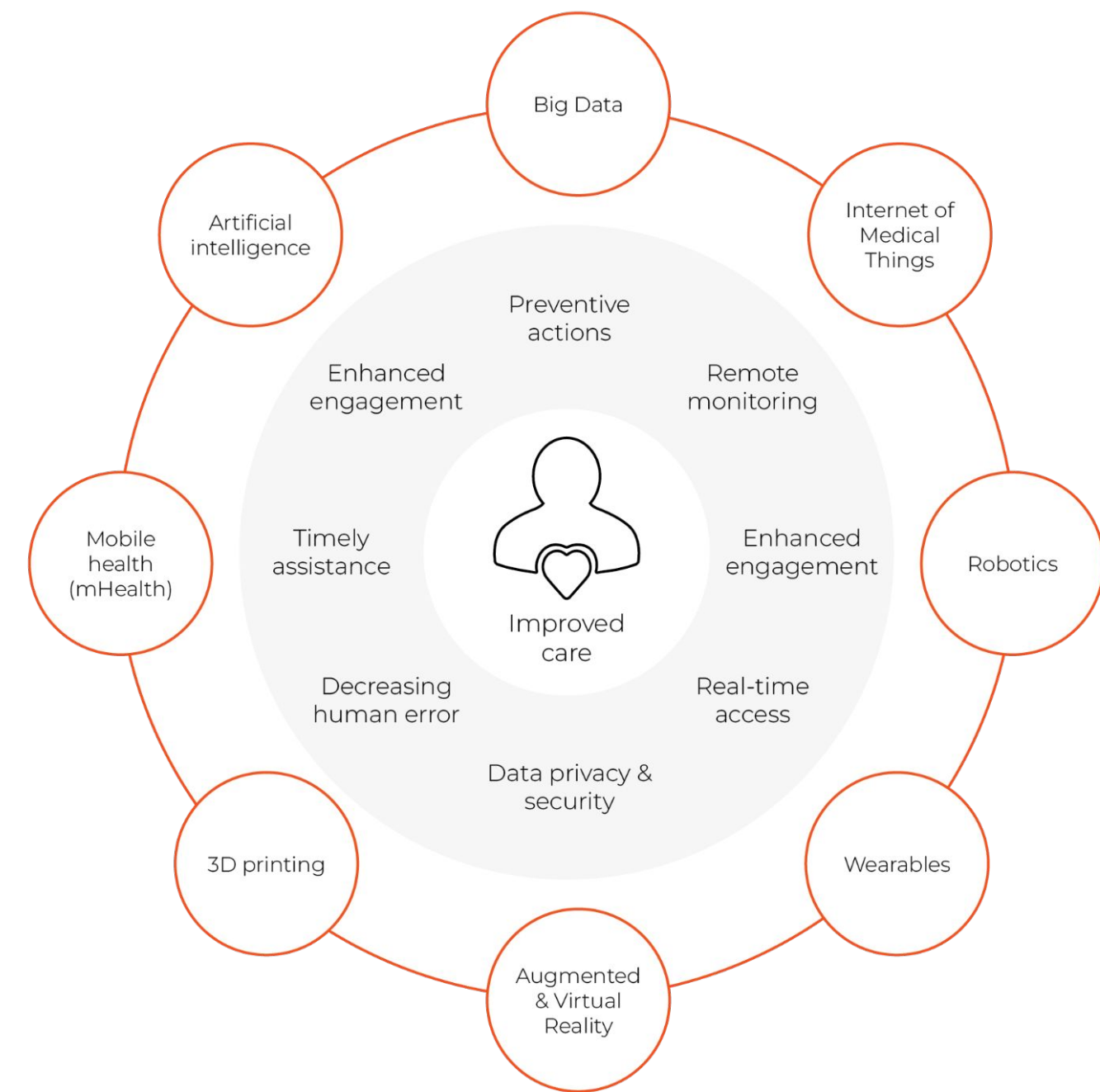
Finland will successfully move to value-based healthcare when **the government takes ownership of the transformation**, enabling the healthcare sector to transform.

2

Harmonizing digitalization efforts
within the healthcare system

Digitalization in the healthcare system

By digital treatment, we refer both to the treatment journeys, as well as the healthcare IT and technologies enabling the creation of a digital dimension to care, and the coordination of it. Digital solutions are a key factor in the transformation towards value-based care.



Graphic based on StartUs Insights (2020) and PreludeSys (2022)

Digitalization in the healthcare system

The digital dimension of healthcare is an enabler of improved access and value-based care. However, digital treatment will not leapfrog in the next decade without significant effort, and a requirement is the harmonisation of standards and modular platforms.

The Future Trajectories of Healthcare study identifies four key ways digitalization efforts must be harmonized in order to increase the viability of digital treatment.

4 ways to harmonize digitalization efforts in order to increase the viability of digital treatment

- 1** Harmonised interfaces for digital treatment solutions must be developed to improve the scaling of digital solutions across healthcare regions and systems.
- 2** A strong focus must be on making it possible for evidence-based digital treatment to be an alternative to traditional treatment, not only an addition.
- 3** Giving, managing, and revoking consent for the use of healthcare data must be made easy for citizens.
- 4** Collaboration between healthcare professionals, healthcare organizations, patients and solution developers must be improved to further the holistic understanding of treatment chains and needs.

Harmonizing digitalization efforts within the healthcare system

The digital dimension of healthcare is an enabler of **improved access and value-based care**.

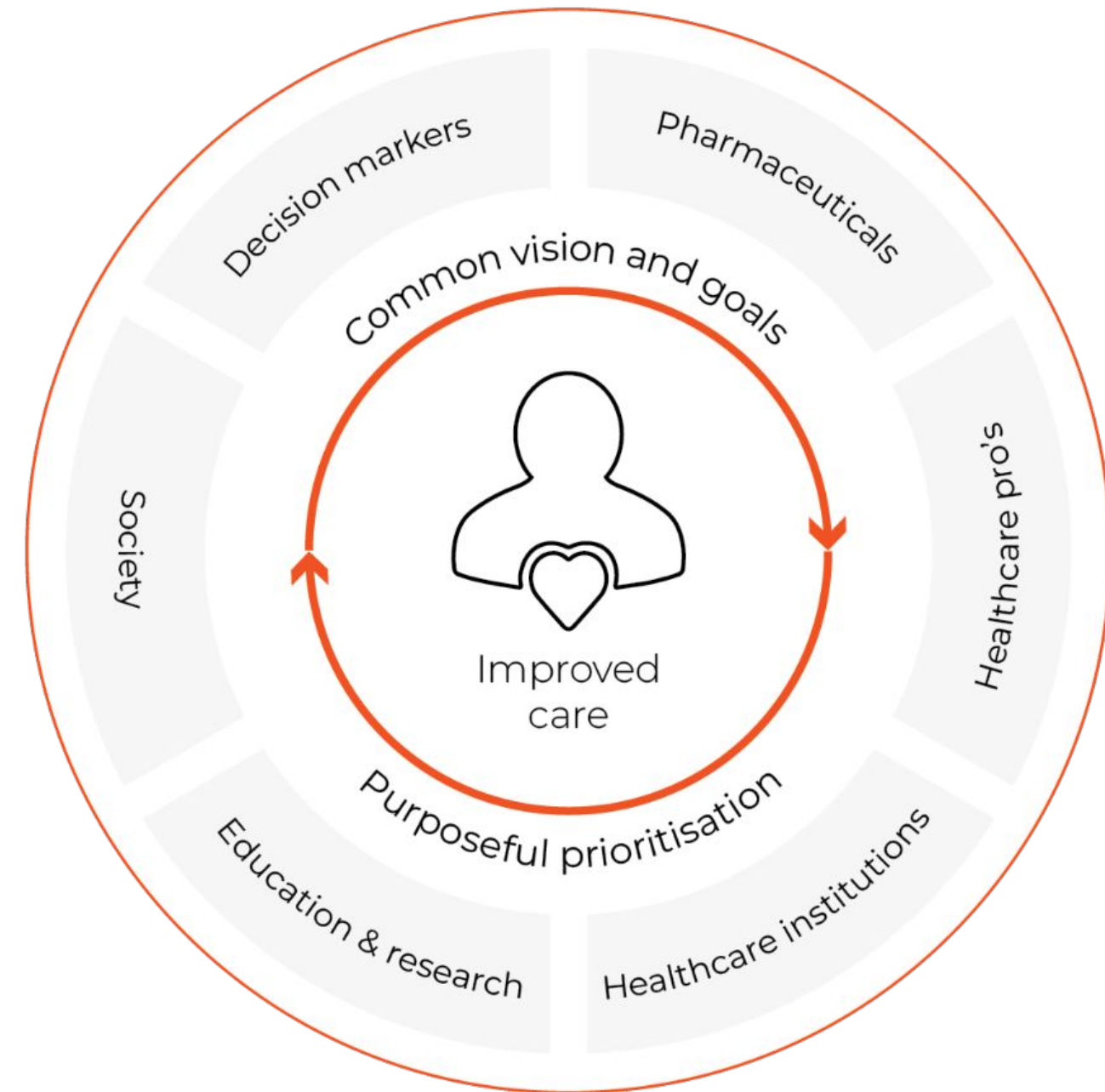
However, digital treatment will not leapfrog in the next decade without significant effort, and a requirement is the harmonisation of standards and modular platforms.

3

Driving innovation through collaboration

Driving innovation through collaboration

Identifying ways to build purposeful and genuine collaboration between public and private organisations, based on mutual benefit and goals, is central to the success of improved care.



Graphic © Vertical, 2022

Driving innovation through collaboration

Addressing healthcare challenges will increasingly require improved collaboration between public and private players, helping to ensure the optimal allocation of resources to solve core issues.

The Future Trajectories of Healthcare study identifies three key shifts toward improved collaboration to more effectively drive innovation.

3 ways to more effectively drive innovation through collaboration

- 1** Ways of working in both public and private organisations need to be adapted to allow for faster response to changing user needs, market realities, and requirements.
- 2** To prioritise critical challenges to solve and plan the solutions most effectively, public, and private organisations need to collaborate closely and transparently.
- 3** Procurement practises must be developed to support long-term value creation and enable systematic collaboration over longer time spans between the public and private sectors.

Driving innovation through collaboration

Addressing healthcare challenges will increasingly require **improved collaboration between public and private players**, helping ensure the optimal allocation of resources to solve core issues.

Summary

The shift towards **value-based care** has become a central topic of the healthcare industry. Governments seek ways to ensure access to healthcare today and in the future. Digitalization of healthcare and the use of data has been outlined as one of the central enablers of value-based care. Simultaneously, over the past years we have also seen a tremendous upswing in digital care solutions, boosted most recently by the global COVID-19 pandemic and the need for new service channels, such as remote solutions. The development of value-based care is seen as inevitable by many.

To make sure Finland stays on the forefront of development of healthcare, and value-based care in particular, Vertical, along with top experts from across the healthcare ecosystem, believe that actions in three critical areas will be of enormous benefit to the entire system:

- 1. Validate the “value” in value-based healthcare**
- 2. Harmonize digitalization efforts within the healthcare system**
- 3. Drive innovation through collaboration**

Vertical is working with leading stakeholders in the healthcare ecosystem to tackle these challenges. To find out how your organization can get involved, contact us at info@vertical.vc!

Interested to read the full Future Trajectories of Healthcare report? Get in touch!

The full 33-page report is full of insights from over 20 foremost experts in the healthcare ecosystem in Finland, including the Ministry of Finance, the Ministry of Health and Social Services, leading university hospitals, innovator companies, and other crucial stakeholders.

For more information about the study or for purchase inquiries please contact Kenneth:

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Recommended actions

Based on the findings of this study, we have outlined three statements and 12 critical actions that need to take place to speed up the development towards value-based healthcare.

Finland will successfully implement value-based healthcare if the government takes the transformation of healthcare seriously.

The digital direction is an enabler of value-based care. Treatment will be more efficient in the next decade with less effort, and a real harmonisation of modular platforms.

Addressing healthcare will increase collaboration between private players and optimal allocation to solve core issues.

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Focus area 1

Validation of value in value-based healthcare



Value-based care incentives motivate providers to organize care in a way that the results of care are measured, rather than the costs. Combined with a patient-centered approach, value-based care can improve care outcomes and decrease overall costs over time.

Value-based care is becoming a priority for the next ten years and will become its decade.

Riitta Aejmelaeus
Budget Counselor, MD,
specialist in Geriatrics,
Ministry of Finance

Required actions

Value-based care has been identified as a central opportunity for improved access to healthcare and retaining a high standard of care. However, concrete steps for implementing this framework in Finland are still to be determined.

What needs to take place to speed up the transformation to value-based care?

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Challenges and opportunities related to value-based healthcare in Finland

Even though Finland has raised a high bar in healthcare, several changes need to be made before value-based healthcare in Finland can become a reality.

As attested by our interviewees, the first challenge to overcome is the fragmentation of digital treatment channels. It is difficult to follow the impact of the treatment if the information is dispersed across different channels and not easily accessible. Some regions in Finland are already moving to address this and build solutions, yet they are still catching up, according to Janne Martikainen (UEF).

“Procurement departments need to understand that cost reduction is not the most optimised approach to procurement. The main target is to allocate the resources in a value-based way”

Riitta Aejmelaeus
Ministry of Finance

Patient-Related Outcome Measures (PROMs) need to be consistently assessed for value-based healthcare to take place at scale, and it has been argued that Finnish infrastructure is not quite there. Laura Pitkänen from the Ministry of Finance claims that most health information systems (HIS) in Finland do not include the functionality for e.g., automatically sending follow-up questionnaires to patients at the right time. Even though this software exists and is commercially available, municipalities often do not procure it due to, e.g., lack of budget, prioritisation, or other reasons.

Moreover, the opinion of local officials and public procurers on novel solutions is often not easily swayed.

According to some of our interviewees, it is rare to find an early adopter, which is understandable, seeing how they operate within growing demand and limited resources. Public procurement models include a relatively novel innovative public procurement model⁴ aimed at, for example, enabling procurement of more innovative solutions, but how widely these are used, and how often these procurements lead to longer time impact is unclear. On the other side, hospital officials and individual healthcare professionals may be apprehensive of measuring the outcomes and sharing the data because they are afraid of getting in the centre of attention, individual mistakes being highlighted, or alike. This again might be linked back to challenging organisational cultures or misaligned incentives among organisations and individuals.

There is currently no national consensus on which metrics should be used in assessing the impact of value-based treatments

“To change that mindset, [procurement departments] need to understand that cost reduction is not the most optimised approach to procurement. The main target is to allocate the resources in a value-based way”, says Riitta Aejmelaeus from the Ministry of Finance. Disseminating knowledge and demonstrating over and over how value-based solutions can be cost-effective in the long run seems to be one of the few ways forward to combat this mindset. Then again, even if an enthusiastic procurer takes on a project and pilots it, it is often the case that they would not have enough in their budget to invest in the solution long-term, to be able to scale it enough to where it becomes cost-effective and decreases the overall spending. One solution could be to implement a fund specifically designed to help companies and procurers close this gap, as was brought up by Janne Martikainen (UEF). The Centre of Expertise for Impact Investing of the Ministry of Economic Affairs and Employment has published a document⁵ directed to the Committee of the Future of the Parliament of Finland mentioning a fund of this kind, but no further documentation was found regarding whether such a fund is actively being implemented, indicating a need to improve communication between such entities and the public. Part of the mindset issue referred to earlier is that

⁴ <https://www.hankintakeino.fi/en/sustainable-and-innovative/what-innovative-procurement>
⁵ <https://www.eduskunta.fi/FI/vaski/JulkaistuMetatietojen/Documents/EDK-2020-AK-297469.pdf>

Interested to explore what
healthcare system transformations
could mean for your organization?

Let's discuss!

To make the actions identified in the Future Trajectories study
actionable for your organization, we have created a **hands-on
workshop framework**:

- Creating understanding of market needs
- Mapping out the areas with largest impact for your business
- Defining how to best capitalize on those opportunities

Vertical has successfully deployed these workshops for players
throughout the healthcare ecosystem and with particular focus on the
pharmaceutical industry. Vertical is a Helsinki-based healthcare
consultancy creating strategies for enhanced engagement with
patients, collaboration between stakeholders, and the purposeful use of
technology in order to create better healthcare.

To find out more and discuss how our healthcare transformation
workshops can work for your organization, contact Kenneth:

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