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Know the cost as well as the value of healthcare

“Nowadays people know the price of everything and the value of nothing.”

Oscar Wilde

To quote Oscar Wilde's *The Picture of Dorian Grey*: “nowadays people know the price of everything and the value of nothing.” In the NHS, the main emphasis over recent years has been on the value of healthcare (i.e. the quality of care and whether it is evidence-based), with less regard for cost. Within the current economic environment, this approach has come to an abrupt halt.

In the US, major employers, including Boeing and FedEx®, have complained that the cost (and quality) of healthcare to individual patients (consumers) only becomes apparent when the bills are sent out, i.e. after the care has been delivered. These companies are now asking for change whereby the anticipated costs of healthcare and the quality of the care (outcome measures, safety, effectiveness, timeliness, efficiency and equity) are provided in a meaningful fashion, up-front at the time of purchase of health insurance cover (Catalyst for Payment Reform, 2012). The idea behind this is to: a) contain costs; b) inform choice; and c) reduce price variation. There are also moves being made toward linking individual contribution costs to the health status of the individual and his/her approach to illness prevention; it is envisaged that technology and social media will play a key role in this (Towers Watson/National Business Group on Health, 2012). In other words, a healthy lifestyle can reap personal financial benefits.

This concept could be applied to T2D care here in the UK – i.e. patients would be enrolled in a programme of care that focuses on lifestyle first and medication second. The novel feature of such an intervention would be the provision of information about the costs of monitoring and treatment as well as the anticipated outcomes from therapies, e.g. providing the answers to questions such as “how much lower will my HbA_{1c} be?” or “what is my risk of weight gain or hypoglycaemia?” There would be potential here to appeal to the frugal nature of the UK population in showing that although healthcare is “free at the point-of-access”, in reality, it isn't. Patients might be more encouraged to undergo the regular biochemical measurements, and perhaps take medications more often if they understand the costs involved. The uptake of lifestyle change might be enhanced in individuals with more altruistic personalities because they are aware of the knock-on, long-term cost-savings to the NHS in avoiding expensive medications.

This might all, however, be difficult to implement as very few patients and front-line healthcare professionals understand the real costs of care. This lack of basic financial information can lead to inefficient spending and waste. At the present time, the NHS is tasked with making savings, and, unsurprisingly, the initial approach has been to close beds and reduce the workforce. Perhaps investing in the technology to calculate the cost and quality of what we do, and making this available to everyone – patients, relatives, clinicians and management – might make people start to think about the price of what they do, and this in turn might change behaviour. There would be a risk that information on cost alone might sway people into thinking that “more expensive” must mean “better” (although this is not a natural British trait). Even more radical would be to provide financial incentives to remain healthy, but this would be a difficult taxation nut to crack.

In essence, and to misquote Oscar Wilde, it just seems common sense that the healthcare workforce and consumers should know the cost, as well as the value, of the decisions about care that they make, and those made on behalf of them. ■

Catalyst for Payment Reform (2012). *Price transparency: An essential building block for a high-value, sustainable health care system*. Available at: <http://bit.ly/Y7PsLW> (accessed 24.01.13)

Towers Watson/National Business Group on Health (2012). *Performance in an era of uncertainty: Employer survey on purchasing value in healthcare*. Towers Watson, New York, NY, USA

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