

FOI Disclosure

Reference Number: FOI/021/24

Date Published: 19 August 2024

Information requested:

I am investigating performance-based contracts (outcomes-based/value-based contracts), with a particular focus on such agreements in the healthcare sector. From what I have researched, while value-based solutions are not new, there has not been a significant drive to implement them in Scotland (for example Public Health Scotland utilizes 23 such contracts and performance-based contracting is not currently implemented in NHS 24). In light of the above, I have the following questions:

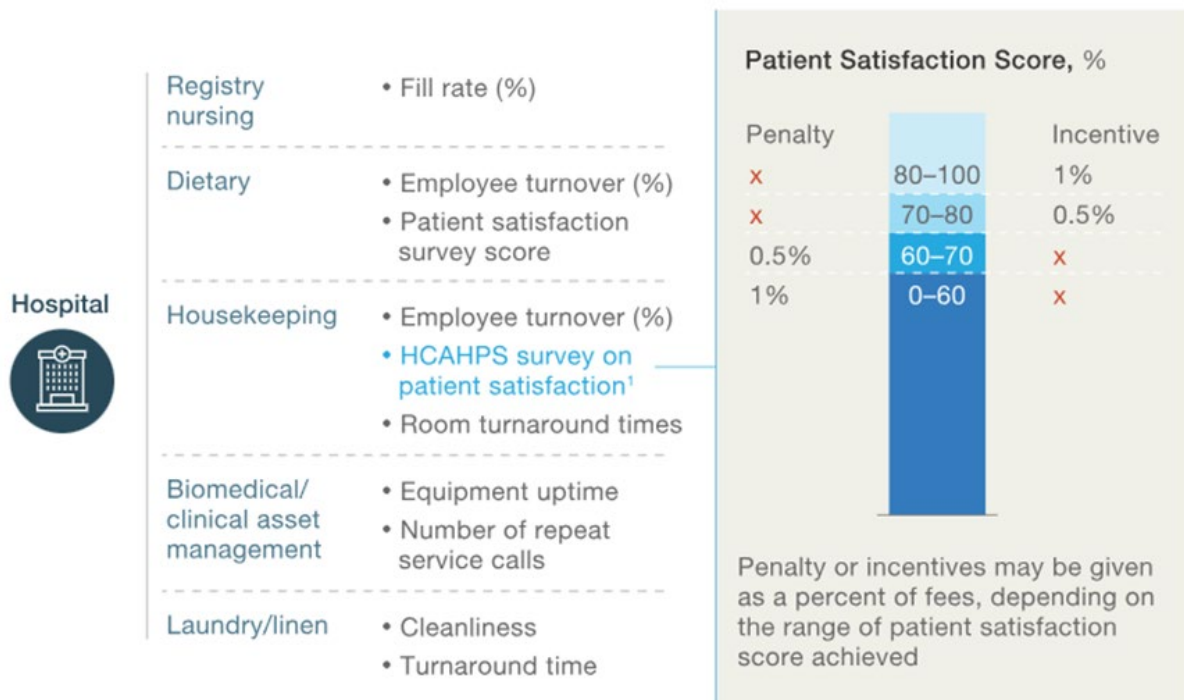
1. Are performance-based contracts being utilized in the broadly defined healthcare sector in your Health Board?
2. If so, what specific cases of such contracts can be identified?
3. Will the number of such contracts increase, decrease, or remain the same in the future?
4. Have there been any legal proceedings or court rulings related to such contracts?
5. If so, what specific cases of such legal proceedings or court rulings can be identified?
6. Do these contracts improve the quality of healthcare services?
7. Are such contracts positively evaluated?
8. Are these contracts available for analysis? I would like to analyse the specific Performance Indicators used in these contracts.
9. Is there any specific legislation that provides the legal basis for entering into such contracts for healthcare services? In other words, what is the legal basis for entering into such contracts in the healthcare sector?

For further clarification:

I am interested in any performance/value/outcomes-based contracts in the healthcare sector that you can provide me with (have information about). These could include controversial contracts for providing medical services (in other words: treating people) and holding entities accountable for performance/quality/outcomes. An example of an outcome that could be used to assess a medical service provider (from a low-income country) is: "6. Average duration of waiting time before providing appropriate attention to a child (in hours and minutes from arrival to beginning of attention). The expected result is a 50 percent reduction. Full achievement of this target will represent 10 percent of the total additional award in this contract. The current baseline value for this indicator is estimated at forty minutes (as an average) in the area covered." Such contracts are the most important for me. They are in great use for example in Germany what can be really surprising.

Another example would be a contract similar to Exhibit 1 below.

Example incentive metrics



¹Accuracy of HCAHPS score as a metric may vary based on other factors, such as age of hospital. Client and vendor should work together to define other metrics during walkthroughs or create innovative program structures (eg, absolute survey score versus change in score).

Source: McKinsey; "Purchased services and supply management contracting strategy for hospital systems" (March 2016)

A definition of performance-based incentives: "monetary payments or other material rewards that are provided on the condition that one or more indicators of performance change, that predetermined targets are met, or both." - R. Eichler, R. Levine, *Performance incentives for global health. Potential and Pitfalls*, Washington 2009, p. 18, <https://www.cgdev.org/sites/default/files/9781933286297-Levine-performance-incentives.pdf> [access 06.07.2024]

Elements specific to performance-based agreements include performance targets and how they will be measured and validated, payment terms that link payment to results, reasons for termination, and specific reporting requirements. – op. cit. R. Eichler, R. Levine..., p. 67.

Response:

1. No.
2. We give notice under section 17 of FOISA that we do not hold the information requested.
3. We give notice under section 17 of FOISA that we do not hold the information requested.
4. We give notice under section 17 of FOISA that we do not hold the information requested.
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8. We give notice under section 17 of FOISA that we do not hold the information requested.
9. We give notice under section 17 of FOISA that we do not hold the information requested.