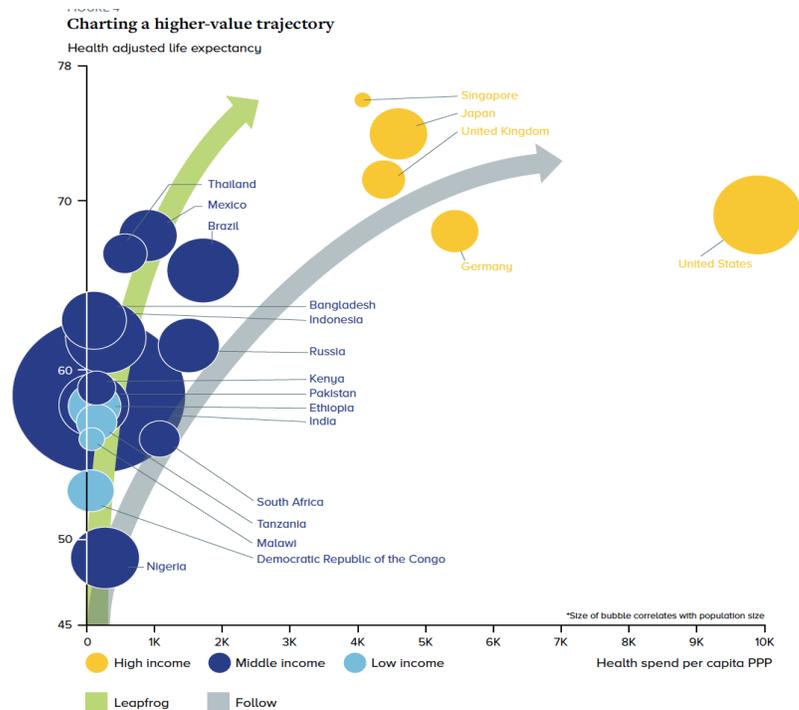


## GDI ISSUE PERSPECTIVE: HEALTH

### WHY IT MATTERS:

One of the Sustainable Development Goals (SDG) is to pursue universal health coverage by 2030. This has made the conversation ripe for how to make changes within global health systems, who pays for care, what is paid for, and with what structure. The SDGs dictate outcomes regarding *care*—reduction in maternal mortality, ending communicable disease epidemics, ending preventable deaths of infants and children—and regarding *systems*—work forces, payments, and access to care and treatment. At the same time that the world is focused on these formidable goals, we are also beginning to see stark data about the role of quality in these health systems. In 2018, the Lancet Global Health Commission on High Quality Health Systems delivered a decisive reckoning: quality has eclipsed access as a driver of survival. Their analysis showed that of the mortality amenable to healthcare, 60% is due to poor quality of care, compared to 40% due to lack of access.<sup>1</sup> Given these trends, and the considerable resources focused on infectious disease and other care-based interventions, GDI sees an unprecedented and largely unaddressed need to support the creation of, and innovation within, high-value health systems.

Historically, health systems in low- and middle-income countries (LMICs) have taken a volume-based approach to health rather than a value-based one. The public sector has focused on coverage rates or access, and the private sector profits when it drives quantity of expensive, hospital-based care. Adhering to this path will create long-lasting structural flaws that increase costs without delivering desired results, similar to what we see in many developed economies. As the graph below illustrates, a system that is engineered around more drugs and procedures produces a high cost per capita that will be unsustainable for most countries, if not all. Developed countries already demonstrate this argument.



### THE CURRENT STATE / THE OPPORTUNITY:

The [framework](#) of value-based care originally proposed by Michael Porter, and subsequently adopted by the World Economic Forum and the G20, introduces a critical opportunity: to create a system engineered

<sup>1</sup> Margaret Kruk et al., The Lancet Global Health Commission, "High-quality health systems in the Sustainable Development Goals era: time for a revolution" 2018.

to keep people healthy by carefully structuring how we measure performance, how we organize our delivery systems, and how we pay for care. Yet, this movement has largely ignored LMICs.

LMICs in particular—like India, South Africa, or Kenya—have an opportunity now to leapfrog their high-income peers on the path to universal health care by pursuing a different path that emphasizes value rather than volume. We see value as having four prongs: (1) As countries strive to achieve universal health care, they can apply *evidence* on the value of health services that prioritize health benefits. (2) Public and private sector entrepreneurs can focus on value-based care *innovation* within health systems. (3) Digital health solutions can enable value-based care by creating *data systems* that measure value, making it easier for innovation and for evidence creation. (4) Investors can incorporate value in their *diligence criteria*, helping establish infrastructure and business models better aligned with health system goals. We are focused on opportunities within each of these prongs and are looking for synergies among them. This is a place where large funders, both government and philanthropic, business interests, and health leaders can coalesce to drive value into systems globally.

### GDI's WORK:

Releasing our landmark report [Leapfrog to Value](#) in 2019, GDI offers a strategy for health systems transformation. We are focused showing progress in the opportunity areas, on innovation and experimentation with established platforms, with the point of view that we must integrate within systems rather than doing standalone pilots that would take years to scale. This takes the form of GDI initiatives staffed by light expert teams who partner with providers and payers that want to operate at the cutting edge, drive design and implementation, influence and advocate.

- **The Leapfrog to Value Innovation Platform.** L2V is establishing a platform alongside the report for value-based care experimentation that will enable LMICs to test and scale transformative approaches to measuring, delivering, and paying for care. L2V ensures that each pilot has a scale partner at the table who is prepared to mainstream effective models.
- **Value evidence.** The [International Decision Support Initiative](#) draws on health economics evidence to guide public and private decision-makers to focus on the highest value health interventions. IDSI is working with national governments in LMICs, including India, China, and South Africa, to help advise leaders on benefits decisions using a value-based lens. Injecting this approach into a largely political process requires strong data analytics and real-world evidence.
- **Mental health.** [citiesRISE](#) reinforces a value-based care outlook through its focus on the prevention of mental illness as the necessary foundation for overall human wellness. The platform brings together international and national leaders in mental health to drive a new level of progress through its networks, experience, and expertise at previously unattainable scale.
- **Digital health.** The [Global Digital Health Index](#) tracks LMIC progress in establishing digital health infrastructure, to standardize a way for countries to benchmark themselves. For donors, this effort helps identify gaps to be addressed and underscores the potential of these technologies to generate value to the health sector.
- **Investment models.** GDI, as others, recognizes that there is an immense financing gap to achieve universal healthcare. However, unlike other initiatives in our portfolio, we are observing that if private interests drive the national conversations (like building more hospitals, financing more drugs or other volume-based efforts), government health care systems will very quickly end up with systems they cannot financially sustain. Therefore, now is the time to make bets on new payment and measurement



paradigms, and advocate perspectives on investments not to make. GDI is currently exploring an impact investing project for value-based health.