GLOBAL INNOVATION HUB
for Improving Value in Health

Drivers and Barriers for the Implementation of Value Based Healthcare in Latin America

UNIVERSITY OF MIAMI

The Global Innovation Hub for Improving Value in Health brings together countries and international organizations in a partnership for learning and collaboration on value-based healthcare, and to work together to expand the delivery of value-based care at scale.

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EXECUTIVE SUMMARY

Value-based healthcare (VBHC) shifts the paradigm from a fee-for-service healthcare model to a fee-for-value reimbursement model, enabling decision makers to make the best use of finite resources while achieving improved patient and community outcomes. This study assesses the transition to VBHC along multiple dimensions in Brazil and Mexico, with an additional focus on Argentina. The study identifies barriers and opportunities to unlock value in Latin American health systems.

The study emphasizes a sustainable transition to VBHC though shifts in health policy, service delivery, procurement processes, cost and outcome measurement, data / IT infrastructure design, and new financial models. Researching the current state of these areas across three critical Latin American countries in the G20 provides novel perspectives to inform the regional roll out of VBHC. In turn, the report provides recommendations on how to implement value-based models, given the barriers present in each country and across the region.

Background: Multiple Latin American countries have begun adopting reforms in pursuit of VBHC. VBHC is a paradigm shift in healthcare delivery that prioritizes the achievement of optimal patient outcomes relative to cost over traditional fee-for-service models that focus on the volume of services provided. At its core, VBHC seeks to maximize value for patients, communities, and society by emphasizing quality, efficiency, and patient-centered care.

Limited research has assessed VBHC in Latin America, as well as the drivers, barriers and opportunities related to designing, implementing, and sustaining VBHC. The proposed report will evaluate VBHC primarily in Brazil and Mexico, with an additional section on Argentina, and compare VBHC broadly across Latin America.

Several driving factors currently demand a greater focus on VBHC in Latin America. These include rapid epidemiological transition with an ageing population and higher burden of Chronic Non-Communicable Disease (CNCD), fragmented health systems, rising healthcare costs, and overwhelmed health systems emerging from the COVID-19 pandemic. Latin American

policymakers have implemented strategies to contain costs in some countries, but other countries have not attempted to implement such strategies or have abandoned them.

There are several barriers to implementing VBHC in Latin America. These include limited healthcare infrastructure, limited data, antiquated procurement processes, limited capacity to deliver care, high out-of-pocket expenditure, limited revenue, and fragmentation of health systems; many of these barriers must be addressed at national, state, and local levels in the region's federal systems of government.

Methods: The report relies on mixed analytical methods in the form of scoping literature reviews for Brazil and Mexico, key informant interviews in Argentina, Brazil, and Mexico, and a series of qualitative indicators for high-value health systems used as proxies for progress towards value-based care.

Results and Conclusions: Brazil and Mexico have both taken some steps toward adopting and implementing VBHC. In Brazil, the concept has gained momentum with initiatives focusing on quality of care and patient outcomes rather than just volume of services. The establishment of integrated care models and the adoption of digital health technologies have facilitated better patient management and resource allocation. Additionally, there are several initiatives underway to support value-based procurement in both the public and private sectors. For example, the HVS (Health Value Score) pilot incorporates quality measures encompassing processes, outcomes, and patient experience, aligning them with associated costs to generate a single score for patients that two private sector providers serve. This scoring system has proven effective in assessing value-based payment programs and has now expanded for evaluation of dozens of non-profit hospitals. Further, the Adequate Childbirth Project is a public-private-non-profit collaboration between the Ministry of Health, the Brazilian Federation of Gynecology and Obstetrics Associations, and Hospital Israelita Albert Einstein. This initiative focuses on improving maternal and neonatal outcomes by promoting evidence-based practices in childbirth, with hospitals participating in the program have reported a significant reduction in cesarean section rates and improved maternal and neonatal health outcomes.

However, challenges persist in Brazil, including a fragmented healthcare

system, procurement practices that undermine value, limited data interoperability hindering the scalability of VBHC initiatives, and low uptake of value-based practices in the public sector. For instance, Brazil's Constitution mandates that public procurement processes must prioritize low-cost options, which frequently comes at the cost of quality and undermines value for patients in the public health system.

Mexico has made some progress in promoting value-based practices in a few limited areas, such as the Ministry of Health's telemedicine program to improve access to specialized care in remote and underserved areas. But Mexico's progress on VBHC is in its earliest stages. Efforts to improve healthcare infrastructure and expand insurance coverage have enhanced access to care, particularly for underserved populations, but the quality of services these populations can access needs considerable improvement. Systemic issues such as a fragmented health system, inefficiencies in healthcare delivery, procurement processes based on lowest cost, not value, inadequate healthcare financing, and socioeconomic disparities continue to impede the widespread implementation of VBHC principles.

Both Brazil and Mexico must address these challenges to realize the full potential of VBHC and ensure equitable access to high-quality care for all.

Argentina has faced financial and governance challenges in incorporating value into the health system. However, Argentina's new administration offers potential opportunities for reforms that produce rapid gains in a progression toward value. For example, the integration of electronic health records and the implementation of patient-centered care models in hospitals like Hospital Italiano de Buenos Aires enhance care coordination and patient outcomes and represent limited signs of progress. However, barriers such as fragmented healthcare systems and limited interoperability of health information technology hinder the widespread adoption of value-based care practices across the country

Recommendations: Latin America's transition to VBHC will require a comprehensive approach that includes policy reforms, infrastructure investment, and stakeholder collaboration. Economic crises and the COVID-19 pandemic showcase the need for resilient health systems based on value, which can increase public and

private sector appetite for VBHC. Currently, the private sector has advanced much farther than the public sector in implementing value-based programs across the region. The public sector must catch up, but it is critical to note that national health system reforms are not enough; state and municipal governments must also be involved in initiatives and collaborate with the private sector to unlock value across fragmented health systems. We elaborate on these recommendations in the comparative section of the paper.

INTRODUCTION

The movement toward value-based healthcare (VBHC) is progressing in many countries around the world. Growing populations, longer life expectancy, the epidemiological transition to chronic and non-communicable diseases, and rising costs for high-tech care necessitates that government and private-sector providers devise new ways to ensure that resources are spent on the most efficient interventions. In this report, we evaluate the transition to value-based care that is currently in its early stages in Latin America, with a focus on Brazil and Mexico. These two G20 member countries, along with Argentina, have a mix of public and private health providers in pursuit of Universal Health Coverage (UHC) but still largely reimburse based on a fee-for-service model. We address the progression toward VBHC using these countries as a lens through which to discuss the broader challenges and opportunities for VBHC across Latin America.

What is Value-Based Healthcare (VBHC)?

VBHC is a paradigm shift in healthcare delivery that prioritizes the achievement of optimal patient outcomes relative to cost over traditional fee-for-service models that focus on the volume of services provided. At its core, VBHC seeks to maximize value for patients, communities, and society by emphasizing quality, efficiency, and patient-centered care. This approach aligns incentives to reward healthcare providers for delivering high-quality care that leads to better patient outcomes while minimizing unnecessary costs. By focusing on the value delivered to patients rather than simply the volume of services rendered, VBHC aims to improve healthcare quality, enhance patient satisfaction, and optimize resource allocation within healthcare systems.

VBHC in Latin America has made significant strides while facing persistent challenges. Progress is evident in the adoption of innovative care models, increased emphasis on patient outcomes, and the integration of technology to enhance healthcare delivery. Countries like Brazil, Mexico, Chile, Colombia, and the Dominican Republic have implemented initiatives to improve the quality and efficiency of care while controlling costs. However, challenges such as fragmented healthcare systems, limited data infrastructure and infrastructure in general, and disparities in access to care

remain prominent across the region. Additionally, economic instability and political factors often hinder sustained investment in healthcare infrastructure and workforce development. Advancing VBHC in Latin America will require cross-sector collaboration, investment in digital health, and policy reforms to address systemic barriers and promote equitable access to high-quality care for all populations.

We assess progress toward VBHC in the region beginning with its two most populous countries, Brazil and Mexico. We will also briefly examine Argentina, given its unique position and relevance as the only other G20 member country in Latin America. In all three countries, we collect data on an array of quantitative and qualitative indicators based on the Harvard and Global Innovation Hub's High-Value Health Systems Model (HVHS; Garcia et al., 2023). The HVHS model consists of 10 interdependent and mutually reinforcing design components that characterize the ongoing transition in health systems towards a value-based orientation. Our version of these indicators lets us evaluate public and private sector progress toward VBHC across 15 domains: the use of digital data, analytics, cost measurement systems, outcome measurement systems, performance benchmarking, integrated care pathways, value-based payment models, value-based procurement, integrated provider networks, program for strategic change, context of system receptivity, the innovation ecosystem, adoption system, VBHC urgency, and context for resilience.

The following key high-level questions structure our approach to assessing VBHC in Latin America:

1. What is the current state of Value-based Healthcare in each country and in the region?

1.1 Does the country have institutions or teams dedicated to value? Are there any specific value-related programs? What are the country experiences regarding implementation of value?

2. What policies are in place to support the development and rollout of VBHC?

2.1. What are the opportunities in the region for VBHC? What are the unique aspects in LATAM health systems that represent opportunities or barriers?

3. How will value based care support achieving and sustaining Universal Health Coverage (UHC)?

4. What are the key areas of innovation within the health system?

Country-indicators, key informant interviews, and literature reviews help to address these questions using the methodology described below.

METHODS AND DATA

The Harvard High-Value Health System Model

We draw from concepts advanced through research and reports culminating in the Harvard High-Value Health System (HVHS) Model, which was developed with the support of the G20 Global Innovation Hub. High Value Health Systems (HVHS) distinguish themselves from other existing health systems through three central principles. First, they emphasize value, which is operationalized as delivering health services "effectively, efficiently, responsively, and equitably".

These systems are also oriented toward patients, who are empowered to understand where value in healthcare is lacking through transparency and data availability as well as to advocate for better services through efficiency gains in resource use. The systems must be intelligent and flexible as they use extant technology and data to reach groups that are underserved by traditional health systems.

HVHS must also be sensitive to the national context in which they are embedded. High-value health systems align with the characteristics of patients, policies, and institutions to increase responsiveness in health service delivery and better promote well-being. The scale with which high-value health systems implement innovations and promote reforms then also reflects the challenges and opportunities of the political, economic, and social context in which the systems are found.

Ultimately, the HVHS Model pursues "value for money and value for many" a goal that we adopt in evaluating VBHC in Latin America.

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EVALUATING VBHC IN BRAZIL, MEXICO, AND ARGENTINA

In this report, we engage in an evaluation of the transition to VBHC across Brazil, Mexico, and Argentina using the following health system domains: 1. digital data systems, 2. analytics, 3. cost measurement systems, 4. outcomes measurement systems, 5. performance benchmarking, 6. integrated care pathways with bundled services, 7. value-based payment models, 8. value-based procurement, 9. integrated provider networks, 10. strategic change platform. The next five areas cover the national health system's receptivity to VBHC: 11. context, 12. innovation ecosystem, 13. adoption system, 14. VBHC urgency, and 15. health system resilience.

We summarize these health system domains along with aspects of system receptivity and describe how they create value below:

(1) Digital data systems enable more efficient and effective delivery of care, improve patient outcomes, and control costs. These systems facilitate information exchange across healthcare providers, allowing for comprehensive patient records that are accessible at the point of care. With real-time data analytics, health systems can identify trends, predict outcomes, and personalize treatment plans, ultimately improving patient outcomes while optimizing resource utilization.

(2) Analytics harness data to drive informed decision-making and improve patient outcomes. Through advanced analytics techniques such as predictive modeling, machine learning, and data visualization, healthcare providers can gain valuable insights into patient populations, disease trends, and treatment effectiveness. These insights enable proactive interventions, personalized care plans, and targeted resource allocation, leading to better health outcomes and reduced healthcare costs. Analytics also support population health management initiatives by identifying at-risk populations and prioritizing preventive care efforts. Additionally, analytics help streamline operations by optimizing workflows, reducing inefficiencies, and identifying opportunities for quality improvement.

(3) Cost measurement systems provide crucial insights into resource allocation, efficiency, and cost-effectiveness. These

systems enable health systems to accurately track and analyze expenditures across various dimensions of care delivery, including clinical services, administrative expenses, and supply chain management. By understanding the true costs associated with different aspects of care, organizations can identify opportunities for cost reduction without compromising quality. Cost measurement systems also support value-based care initiatives by aligning financial incentives with outcomes, thus encouraging providers to deliver high-quality, cost-effective care.

(4) Outcome Measurement Systems provide objective data on patient outcomes, allowing providers to assess the effectiveness of their interventions and improve care delivery processes. These systems enable healthcare organizations to identify areas for quality improvement, implement evidence-based practices, enhance patient satisfaction, and foster trust among stakeholders.

(5) Benchmarking creates value for high-value health systems by enabling them to compare their performance against industry standards and best practices, identifying areas for improvement and opportunities for innovation. By benchmarking key metrics such as clinical outcomes, patient satisfaction, and operational efficiency, health systems can set realistic goals, track progress towards achieving them, and ultimately enhancing the quality and value of care.

(6) Integrated pathways with bundled services enable high-value health systems by streamlining care delivery, improving coordination among healthcare providers, and enhancing the patient experience. By offering bundled services that cover the entire continuum of care for a specific condition or procedure, health systems can optimize resource utilization and reduce inefficiencies. This approach improves transparency in pricing, informs patients, promotes standardized care protocols, and reduces variations in treatment, leading to better outcomes and lower costs.

(7) Value-based payment models incentivize providers to focus on delivering high-quality, cost-effective care that improves patient outcomes. These models shift the emphasis away from fee-for-service reimbursement towards rewarding value and outcomes, encouraging providers to prioritize preventive care, care coordination, and

evidence-based practices. By aligning financial incentives with quality metrics and patient outcomes, value-based payment models promote greater accountability and transparency within the healthcare system, while also controlling costs and ensuring the sustainability of healthcare delivery

(8) Value-based procurement promotes the selection of products, services, and technologies that offer the best outcomes at the lowest cost. By prioritizing value over price alone, health systems can ensure that their procurement decisions align with their goals of delivering high-quality, cost-effective care. Value-based procurement encourages collaboration between healthcare providers and suppliers to identify innovative solutions that improve patient outcomes and enhance operational efficiency.

(9) Integrated provider networks foster collaboration among healthcare providers, promoting seamless care coordination, and improving the continuity of patient care. By bringing together primary care physicians, specialists, hospitals, and other healthcare professionals under one network, patients benefit from a more holistic approach to their healthcare needs. This integration allows for better communication and information sharing among providers, leading to more informed decision-making and reduced duplication of services e.g., Kaiser Permanente's integrated networks in the United States.

(10) Strategic change platforms relate to the presence or possibility of leadership for and commitment to a transition to health system reforms in pursuit of value in the public and private sectors, as well as partnerships of the two sets of actors. In many systems, this leadership and commitment must also extend to subnational governments with roles in the health system.

System Receptivity: the extent to which a national health system is ready and capable of adopting and effectively implementing a healthcare model that emphasizes high-quality care and improving patient outcomes while controlling costs. This receptivity can be understood through several key components:

(11) Context, which we divide into the political, economic, social, technological, epidemiological, and legal context of the country where we evaluate VBHC, including the public and private sectors.

(12) Innovation Ecosystem refers to the factors that promote or impede innovation in the design, development, implementation, and scaling of value-based health system reform. We focus on governance, financing, partnerships, workforce, and skills for innovation in VBHC.

(13) Adoption System refers to the extent to which there is broad-based support for VBHC transition among major stakeholder groups.

(14) VBHC Urgency emphasizes sustainability in terms of the extent to which each country's current health system is affordable in relation to the country's economic productivity.

(15) Resilience, which relates to the health system's ability to withstand both acute shocks– most recently the COVID-19 pandemic– and chronic stressors, such as fiscal austerity.

PROGRESS TOWARD VBHC IN ARGENTINA, BRAZIL, AND MEXICO

Several factors signal potential challenges ahead for health systems' financial sustainability in Argentina, Brazil, and Mexico, all of which showcase the need to implement value-based programs. With infrastructure predominantly centered on primary care (public sector) or hospital-based care (private sector), there is minimal focus on geriatric medicine and long-term care, posing a considerable issue for aging populations across the region (Ferreira-Batista et al., 2023). This gap mirrors global challenges seen in countries like Canada, China, Italy, Japan, and South Korea, where aging populations have led to significant cost increases, with up to 20% of healthcare spending growth attribute to aging (Jakovljevic et al., 2020; Jakovljevic et al., 2023). Given each country's reliance on tax revenue to fund its public healthcare system, an increasingly aging populace could result in further revenue reductions, hindering necessary investments for cost management.

Various contemporary factors contribute to escalating costs, including unnecessary procedures, the need for healthcare IT modernization, and inadequate organization leading to resource misallocation. Moreover, a surge in vector-borne illnesses and the impact of the COVID-19 pandemic have added strain to the healthcare infrastructure. These challenges manifest through increased healthcare expenses and reduced tax revenues due to heightened unemployment and decreased productivity.

The challenges above highlight the need to transition toward VBHC in Argentina, Brazil, and Mexico. Each country has initiated this transition, and Table I below reports progress in some areas and persistent gaps in others. We identified these areas through literature reviews, quantitative data collection, and interviews with key informants; scores of 0 represent minimal progress, while scores of 3 reflect maximum progress, with the understanding that all countries included in this report have only recently begun any transition toward VBHC; all scores thus reflect recent potential progress to establish a positive trajectory rather than a final set of achievements. The benchmarks are available in the appendix and stem from the coding for

Table I

HVHS Components				
Domain	**Indicator**	**ARG**	**BRA**	**MEX**
1. Digital Data	Presence of systems	2	2	0
	Presence of national policy	3	2	1
	Presence of national unified health records	2	1	0
2. Analytics	Real time analytics	3	2	1
	Citizen empowerment through transparency	2	2	2
3. Cost Measurement Systems	Measurement	2	1	1
	Integration	2	0	0
	Incentives	1	1	0
4. Outcome Measurement Systems	Measurement	2	1	0
	Integration	2	1	0
5. Performance Benchmarking	Is there a health systems performance dataset?	0	3	3
	Is there a health systems performance benchmarking system?	1	1	0
6. Integrated care pathways with bundled services	Integrated care	2	1	3
7. Value Based Payment Models	Implementation	1	1	0
	Risk Adjustment	1	1	0
8. Value Based Procurement	Lowest-cost procurement	0	0	0
	Value-based procurement	1	1	1
	Implementation	1	1	1
9. Integrated Provider Networks	Organization	1	1	2
10. Strategic Change Program	Systemic strategy	2	1	1

the High Value Health Systems Report (Garcia et al., 2023). The coding and scores for each country are available here: https://doi.org/10.7910/DVN/XJBCCP

Table I: Comparative Analysis of the 10 Domains of High Value Health Systems in Argentina, Brazil, and Mexico

The scores in Table I refer to the following assessments of each country's domain:

0: There is no such system, policy, plan, document, or data.

1: There is an explicit plan, policy, or strategy to develop such a system, but is not yet operational *OR* a system is in place but fewer than 25% of providers use it.

2: A system is in place and some providers, between 25% and 50%, use it.

3: A system is in place and most providers, >50%, use it.

A comparison of the indicators in Table I highlights considerable progress in aspects of digital data systems and real-time analytics, especially in Argentina and Brazil. Performance benchmarking in Brazil and Mexico is also noteworthy for the progress each country has

achieved. Low scores on other indicators, such as cost measurement systems, outcome measurement systems, value-based payment and procurement models and integrated provider networks suggest some important barriers to implementing VBHC programs in Argentina, Brazil, and Mexico. These barriers include insufficient healthcare infrastructure, data scarcity, limited capacity to deliver care, high out-of-pocket expenditure, revenue shortages, and fragmentation of health systems. Addressing these barriers requires concerted efforts at national, state, and local levels within the region's federal systems of government, as well as collaboration across the public and private health sectors, to advance toward VBHC.

Table II presents data on the receptivity and resilience of each country's context surrounding VBHC.

Table II: System Receptivity and Resilience in Argentina, Brazil, and Mexico

The scores in Table II refer to the following assessments of each country's health system receptivity:

0: Not receptive; no discussion of the issue, not considered a problem.

1: Low level of receptivity; discussion of the issue as a problem but low-level/few attempts to address it.

2: Medium level of receptivity; common discussion of the issue as a problem and some attempts to address it.

3: High level of receptivity; extensive discussion of the issue as a problem and many integrated attempts to address it.

Indicators in Table II suggest relatively equally receptive contexts for VBHC in each country, with variation across the countries on each specific indicator. For example, Mexico's political context for system receptivity is low, whereas its technological and epidemiological receptivity are high. In general, we see considerable variation within each country on many of these components of high-value health systems, which we expand on for each country case in the section below.

Table II

System Receptivity				
Domain	**Indicator**	**ARG**	**BRA**	**MEX**
11. Context	Political	2	1	1
	Economic	2	2	2
	Technological	2	2	3
	Epidemiological	2	1	3
	Legal	2	2	1
12. Innovation Ecosystem	Governance	1	2	2
	Financing	1	2	1
	Partnerships	1	1	0
	Workforce and skills	2	2	0
13. Adoption System	Presence of Broad-Based support	2	1	1
14. VBHC Urgency	Sustainability	2	3	3
Maximum Score		33		
Score Achieved		19	19	17
Index (Score Achieved / Maximum score)		0.576	0.576	0.515
Resilience				
15. Context	Acute Shocks- COVID-19	1	2	3
	Chronic Stressors- Fiscal Austerity	0	1	2
Maximum Score		6		
Score Achieved		1	3	5
Index (Score Achieved / Maximum score)		0.167	0.500	0.833

Brazil

The Brazilian Unified Health System (SUS) stands as one of the world's most extensive and intricate public health systems, guaranteeing comprehensive, universal, and cost-free healthcare access to Brazil's entire population (Fertonani et al., 2015; Victora 2011). Ensuring nondiscriminatory universal access to public healthcare, SUS extends coverage from pregnancy to end-of-life care, prioritizing health with a focus on quality of life and preventive measures. SUS mandates free and accessible healthcare for all, financed through tax revenues, placing a substantial fiscal and logistical responsibility on states and municipalities serving the 75% of Brazilians who rely on public healthcare. Brazil's healthcare landscape encompasses both public and private sectors, with the latter covering 25% of the population but accounting for a significant 57% share of healthcare expenditure, inclusive of out-of-pocket costs, accessed through employer programs or individual supplementary insurance (Abicalaffe and Shafer 2020).

Brazil's health system has achieved remarkable strides in some areas, for example, by reducing infant mortality, from 53 deaths per 1,000 live births in 1990 to 12 deaths per 1,000 live births in 2019, signifying substantial progress in maternal and child health (Sugiyama et al., 2023). Furthermore, Brazil has made significant headway in combating infectious diseases such as HIV/AIDS, malaria, and tuberculosis through comprehensive prevention, treatment, and education initiatives, with treatment coverage under SUS resulting in notable improvements in overall survival rates and symptom-free survival.

Table III

Indicator	Data Point	Source
GDP (level)	$4.1 Trillion 2020 USD PPP	IMF 2024
GDP per capita	$20,685 2020 USD PPP	World Bank 2024
Disposable income per head	$3,305 2020 USD PPP	World Bank 20224
Total health expenditure (THE) as % of GDP	12%	WHO, 2023
General government expenditure on health as a % of total expenditure on health	46%	WHO, 2022
Out-of-pocket expenditure as a percentage of private expenditure on health	23%	WHO, 2023
impoverishing health expenditures	4.87%	Economist 2022
Health Spending Per Capita	$879 2020 USD PPP	WHO, 2023
public/private coordination score	100	Economist 2022
HDI	0.74	World Bank 2023
Life Expectancy	76.57	WHO, 2024
Population	217,149,324	Brazil Census 2024
Doctors per 1,000	2.41	WHO, 2023
Hospital Beds per 1,000	1.91	WHO, 2023
Cost of Doctor's Visit	$72 2020 USD PPP* This is in the private sector. Most visits for most people are free under the SUS.	Brazil Health Ministry
Health Inclusivity Index	65.8 (19th)	Economist 2022
person-centered care	66.7 (12th)	Economist 2022
People and Community Empowerment	63.9 (18th)	Economist 2022
Inclusive Health Systems	65.1 (20th)	Economist 2022
Health in Society	68.8 (21st)	Economist 2022

Table III presents national indicators summarizing Brazil's health and health systems context.

Progress Toward VBHC in Brazil

Beyond the health outcomes identified above, Brazil has also made strides in transitioning towards VBHC, most clearly in digital data, analytics, and increased focus on value in governmental policies and academic discourse. Despite progress, challenges persist in implementing cost and outcome measurement systems, value-based payment models, and procurement, and lack of political receptivity. While federalism allows for local experimentation and innovation, limited adoption of successful practices across the broader healthcare system underscores ongoing health system fragmentation and persistent obstacles to effective implementation of VBHC.

In Brazil, several initiatives are in progress to measure the value of healthcare services, with one notable example being HVS (Value-Based Healthcare Score) implemented in a pilot program for patients suffering from rheumatoid arthritis through two private

health providers (CASSEMS and UNIDAS). HVS incorporates quality measures encompassing processes, outcomes, and patient experience, aligning them with associated costs to generate a single score ranging from 0 to 5. This scoring system assesses value-based payment programs and provider performance within this relatively narrow context and won the Value Based Healthcare Prize in 2024 from the VBHC Center in Europe (2024; 2iM 2024). Furthermore, ongoing reporting of HVS data and longitudinal analysis of changes over time hold promise in garnering increased support among Brazilian stakeholders for the adoption of value-based healthcare practices, which is the goal from the pharmaceutical industry donors that funded the HVS pilot. For instance, a recent academic study used the score to assess value across 62 non-profit hospitals outside of the pilot group, which demonstrates at least some uptake of the measure (VBHC Center Europe 2024).

Further, Brazil's Projeto Parto Adequado (Adequate Childbirth Project) aims to reduce unnecessary cesarean sections and promote safe, evidence-based childbirth practices. It involves collaboration between the Ministry of Health, the Brazilian Federation of Gynecology and Obstetrics Associations (FEBRASGO), and Hospital Israelita Albert Einstein. The initiative has successfully lowered cesarean rates in participating hospitals, leading to improved maternal and neonatal health outcomes (Barbosa et al., 2021; Government of Brazil 2024).

Like many other examples, however, progress in measuring value and in incorporating evidence-based practices to increase value are at very early stages and the presence of pilot projects in multiple areas should not be taken to reflect national progress across health systems.

Brazil employs a range of public purchasing mechanisms in healthcare to acquire goods and services necessary to meet the healthcare needs of its population. These mechanisms encompass both centralized procurement conducted by government agencies like the Ministry of Health, and decentralized procurement managed by state and municipal health departments. Competitive bidding processes are a key component of Brazil's approach, subject to stringent regulations ensuring low-cost procurement practices. Unfortunately, these requirements frequently undermine value, though they are designed to facilitate access to

essential healthcare resources and services for Brazil's diverse population while upholding responsible stewardship of public funds. For instance, many of these initiatives represent typical efforts to control costs without evaluating quality. The lack of explicit value considerations in procurement frameworks thus hinder the creation of high-value health systems.

Progress toward value-based healthcare in Brazil has begun in other areas as well, albeit at a slow pace. The Private Hospital National Association (ANAHP) has taken steps toward VBHC by implementing International Consortium for Health Outcomes Measurements (ICHOM) standards for conditions like heart failure, stroke, and hip and knee osteoarthritis (ANAHP 2019). Several ANAHP hospitals have also established dedicated value-based healthcare departments to oversee this initiative. While this marks a positive beginning, most hospitals are currently focused solely on measuring outcomes, without incorporating cost considerations. In 2019, the regulatory agency for private health plans (ANS) initiated discussions on value-based payment models (ANS 2023). Meanwhile, discussions on value-based healthcare have commenced in the public sector as well, although practical implementation remains pending (Ramos et al., 2021).

In 2019, the establishment of the Brazilian Value-Based Health Care Institute (IBRAVS), a non-profit organization, marked a significant step towards advancing discussions on VBHC in Brazil. The institute's core mission revolves around consolidating, validating, and standardizing patient outcome data to enhance care delivery based on value (Abicalaffe and Shafer 2020. IBRAVS invites proposals for value-based healthcare projects from various stakeholders including hospitals, health plans, pharmaceutical and device manufacturers, and other healthcare entities. Additionally, IBRAVS organizes monthly webinars featuring distinguished healthcare professionals from its advisory board to promote and disseminate value-based healthcare concepts and initiatives, aiming to foster alignment and widespread adoption of these principles throughout Brazil.

VBHC in Brazil: Persisting Challenges

Digital Data and Analytics: Limited digital data and analytics undermines Brazil's transition to value-based healthcare by limiting the ability to leverage data-driven insights for improving patient outcomes and

optimizing resource allocation. Without robust digital infrastructure and analytics capabilities, stakeholders face challenges in identifying high-value care opportunities, measuring performance, and implementing evidence-based interventions, impeding the progress toward a more efficient and effective healthcare system.

Cost and Outcome Measurement Systems: The slow progress toward cost and outcome measurement systems undermines Brazil's transition to value-based healthcare by hampering the accurate assessment of the value delivered by healthcare interventions and providers. Stakeholders face challenges in evaluating the cost-effectiveness of treatments, optimizing resource allocation, and incentivizing high-value care, ultimately hampering efforts to improve healthcare quality and efficiency due to limited reliable, standardized metrics.

Performance Benchmarking: Missing standards for performance benchmarking makes it difficult to assess healthcare quality, efficiency, and outcomes across different providers and institutions. Without standardized benchmarks, it becomes challenging to identify best practices, track progress, and incentivize improvements, ultimately delaying efforts to enhance value in healthcare delivery.

Integrated Care Pathways: The limited integrated care pathways in Brazil impedes the transition to value-based healthcare by causing fragmented care delivery and disjointed patient experiences across different levels of care. Absent standardized care pathways, healthcare providers struggle to coordinate care effectively, leading to inefficiencies, suboptimal outcomes, and challenges in measuring and improving value in healthcare delivery.

Value-based Payment Models: Critics of Brazil's public procurement mechanisms for healthcare often cite challenges related to inefficiency, bureaucracy, and corruption. Despite efforts to enhance transparency and accountability, irregularities in procurement processes persist, raising concerns about fairness and integrity. The decentralized nature of procurement contributes to inconsistencies across regions, leading to unequal access to healthcare resources.

Value-based Procurement Models: Brazil's lowest cost acquisition law, when implemented in healthcare procurement, mandates that public healthcare entities prioritize the procurement of goods and services based on the lowest cost offered by suppliers. Critics of Brazil's lowest cost acquisition law argue that cost efficiency should not come at the expense of

quality and patient care. Solely focusing on obtaining the cheapest goods and services poses risks, such as compromising essential factors like safety, efficacy, quality improvements, and the long-term sustainability of healthcare provisions. This approach emphasizing price may lead to an absence of attention to other areas, such as product quality, which potentially undermines the quality of care provided to patients.

Integrated Provider Networks: Limited integrated provider networks hinder Brazil's transition to value-based healthcare by leading to fragmented care delivery and inefficient resource allocation across the healthcare system. In the absence of coordinated networks, patients may experience disjointed care experiences, hindering efforts to optimize health outcomes and control costs.

Program for Strategic Change: The absence of a program for strategic change in Brazil undermines the transition to value-based healthcare by limiting coordinated efforts to implement systemic reforms and initiatives necessary for realizing the goals of improved quality, efficiency, and equity in healthcare delivery. Lacking a cohesive strategy, stakeholders may struggle to align their priorities and resources, hindering progress toward achieving sustainable healthcare reforms.

Recommendations for Brazil

Improving the Brazilian healthcare system to align with value-based principles will require scaling Brazil's one off projects, merging public and private sector efforts, and generating buy-in among public sector entities. This entails substantial investments in healthcare infrastructure and ongoing training and professional development tailored to VBHC principles. Next, developing integrated care pathways is an imperative, even in the private sector. Many public sector initiatives to improve healthcare performance and outcomes exist, but most are not focused on value. For example, constitutional barriers requiring low-bid procurement make it very difficult for private enterprises to do business in the public sector, which pushes most companies to operate in the private sector alone and reinforces disparities across the fragmented health system.

In addition to rules requiring low-bid procurement, the health system functions with different rules for each therapeutic area and each area is disconnected from the private sector. Brazil should develop a multi-criteria system for value, for instance through risk sharing models. For instance,

treatments for mental health could include a pharmacological intervention coupled with cognitive behavioral therapy in a full package. Beginning with key therapeutic areas and operating through the National Association of Private Hospitals as well as pursuing other aspects of stakeholder engagement are two of several recommendations that follows in the table and subsequent narrative below.

Table IV: Challenges and Recommendations for Advancing VBHC in Brazil

Challenge	Recommendation
Digital Data and Analytics The lack of comprehensive digital records limits the ability to perform predictive analytics, manage population health effectively, and tailor interventions to individual patient needs.	Invest in data infrastructure, create incentives to adopt electronic health records, enhance healthcare professionals' data literacy and analytics skills, and collaborate with the private sector to foster innovative, customized analytic solutions tailored to Brazil.
Cost and Outcome Measurement Systems, Performance Benchmarking Absence of standardized outcome measures and robust data collection infrastructure to evaluate care	Invest in data infrastructure, capacity building, stakeholder engagement, and VBHC supportive regulatory and policy frameworks.
Integrated Care Pathways Coordination is difficult across different levels of care (e.g., primary care, specialty care, and hospital care).	Adopt and integrate electronic medical records to ensure access to patient information across different levels of care, especially across public and private sectors
Value Based Payment and Procurement The prevailing reimbursement model remains fee-for-service in Brazil's private sector, which is not sustainable. Low-cost acquisitions law limits value-based procurement.	Incubate and accelerate the transition to alternative payment models, such as capitation and adjusted global budget payments. Reform tendering requirements away from strict low-price-only mandate.
Integrated Provider Networks Contracts between payers and providers often exclude manufacturers, which could help bring value.	Manufacturers can support payers and providers through technology, knowledge, and investment to facilitate stakeholders' participation in the patient care cycle.
Program for Strategic Change Awareness of the need for VBHC is low, especially in the public sector	The Health Ministry and ANS should establish quality and value metrics and incentives for healthcare providers to adopt value-based care strategies

Elaborating on the material in Table IV, we argue that the Brazilian healthcare system should follow the example of several other G20 member states to develop robust quality measures, adopt value-based payment models, and leverage data to evaluate performance across various healthcare systems. Furthermore, there are opportunities for pharmaceutical and medtech companies in Brazil to contribute by engaging in value-based agreements and forming partnerships with payers, thereby facilitating the advancement of value-based care initiatives. The following recommendations expand on the material in Table IV for each specific element.

- **Coordinating across the Brazilian healthcare system is essential**. Enhancing coordination among different levels of care, including primary care, specialty care, and hospital care will require the widespread and integrated adoption of electronic medical records and other digital solutions to ensure seamless access to patient information across various levels of care. Coordination across public, private, and non-profit service providers will also help realize potential for value in the health system.

- **Brazil should build data systems specifically for evaluating VBHC** Acquiring accurate data to measure value effectively presents one of the primary hurdles to implementing value-based healthcare in Brazil. Fostering collaboration and communication among healthcare providers is paramount to streamline patient care delivery and improve overall health outcomes. This includes developing robust digital data systems and standardizing measures for cost and outcome measurement as well as performance benchmarking.

- **Brazil must transition away from a fee-for-service reimbursement models** Transitioning from fee-for-service payment to any form of value-based payment model will necessitate significant adjustments for providers in Brazil's private healthcare sector. Providers should undergo evaluation based on objective data input by them and health systems, supplemented by outcomes and trends in population health data. Further, there is growing momentum for adopting alternative payment models, such as capitation and adjusted global budget payments, which offer fixed reimbursements for specific patient populations over a defined timeframe. Adopting these models will

be necessary to move toward VBHC, including through policy reform.

We note that capitation models can risk of treating with cheaper treatments and restricting access to innovative treatments to manage costs. It is important to understand how global budget adjustments are made and how these adjustments incorporate innovative treatments at sustainable prices for providers, governments, and industry.

- **Brazil must transition away from cost-only procurement policies.** Brazil's cost-only procurement policy for healthcare prioritizes selecting goods and services based primarily on their lowest price rather than considering quality, effectiveness, and long-term value. Brazil needs to transition away from a cost-only procurement policy in healthcare to ensure that investments lead to better patient outcomes and long-term cost savings, rather than short-term savings at the expense of quality. Value-based procurement can help prioritize high-quality, effective healthcare solutions that improve overall health outcomes and enhance the sustainability of the healthcare system

- **Brazil should pursue key stakeholders to champion value and share success stories.** Brazil's Health Ministry, the National Supplementary Health Agency (ANS), and the Brazilian Health Regulatory Agency (ANVISA), should work together to establish quality and value metrics and propose incentives for healthcare providers and hospitals to adopt value-based care strategies. Engaging a neutral third party to evaluate both value and quality can enhance the transition to value-based healthcare in Brazil. Given the collaboration between the Health Ministry and the World Bank, extending the invitation to ANS to establish metrics applicable to both public and private sectors would benefit the entire healthcare market.

- **Establishing risk-sharing contracts between payers, manufacturers, and preferred providers is crucial**. In Brazil, there is a growing discourse about supporting providers with technology, knowledge, and tools to deliver value, thereby incentivizing payment based on the value delivered. The involvement of pharmaceutical and medical device manufacturers in value-based healthcare offers significant opportunities. Manufacturers can engage in value-based healthcare

projects in partnership with payers and providers through technology, knowledge, and investment to facilitate stakeholders' participation in the entire patient care cycle.

- **Substantial opportunities exist for cost containment, improved health outcomes, and economic growth.** Despite constraints outlined by the Federal Constitution, various growth markets, such as digital health and pharmaceuticals, show promise, with medical devices demonstrating particularly robust growth. Additionally, leveraging EMR data and practice automation can reduce healthcare costs in Brazil. Effective utilization of EMRs and diagnostic testing can potentially lower downstream healthcare costs by identifying emerging health issues early, provided overutilization is avoided. Incorporating and scaling private sector initiatives can offer a model for public sector education. Here, the suggestion is to lead with the private sector and let the public sector follow. Beginning with key therapeutic areas and operating through the National Association of Private Hospitals would allow pharmaceutical companies, medical tech firms, and service providers to unlock value, at least in private entities.

Mexico

Mexico's healthcare system operates through dual model, consisting of public and private sectors. The Ministry of Health manages the public healthcare system and provides services to the uninsured population through various institutions, including the Mexican Social Security Institute (IMSS), the Institute for Social Security and Services for State Workers (ISSSTE), and the Ministry of Defense (SEDENA) and Navy (SEMAR) (Knaul et al., 2023). These institutions offer healthcare services ranging from primary care to specialized treatments, with IMSS being the largest provider. In recent decades, Mexico has undergone significant healthcare reforms, including the implementation of Seguro Popular in 2004 to improve access to healthcare for the uninsured. However, in 2020, Mexico's government replaced Seguro Popular with a new universal healthcare system called INSABI (National Institute of Health for Well-Being), which has since been replaced with IMSS Bienestar. This shift aimed to provide comprehensive healthcare coverage to all Mexicans, addressing disparities and improving access to quality healthcare services across the country. Despite these efforts, challenges such as unequal access to healthcare, disparities in healthcare quality between urban and rural areas, and funding constraints persist, requiring ongoing reforms to ensure equitable and effective healthcare delivery for all Mexicans.

Indicator	Data Point	Source
GDP (level)	$3.28 Trillion 2020 USD PPP	IMF 2024
GDP per capita	$22,298 2020 USD PPP	World Bank 2024
Disposable income per head	$1,738 2020 USD PPP	World Bank 20224
Total health expenditure (THE) as % of GDP	6.1%	WHO, 2023
General government expenditure on health as a % of total expenditure on health	50.1%	WHO, 2022
Out-of-pocket expenditure as a percentage of private expenditure on health	83%	WHO, 2023
impoverishing health expenditures	4.87%	Economist 2022
Health Spending Per Capita	$610.65 2020 USD PPP	WHO, 2023
public/private coordination score	0 (37th)	Economist 2022
HDI	0.76	World Bank 2023
Life Expectancy	70.2	WHO, 2024
Population	128,455,567	Mexico Census 2024
Doctors per 1,000	2.44	WHO, 2023
Hospital Beds per 1,000	0.99	WHO, 2023
Cost of Doctor's Visit	$51 2020 USD PPP* This is in the private sector.	Mexico Health Ministry
Health Inclusivity Index	60.0 (29th)	Economist 2022
person-centered care	66.7 (12th)	Economist 2022
People and Community Empowerment	60.1 (23rd)	Economist 2022
Inclusive Health Systems	56.2 (27th)	Economist 2022
Health in Society	64.4 (27st)	Economist 2022

Table V: Health and Health System Context in Mexico

As Table V shows, Mexico lags Argentina and Brazil in total health expenditure as a percentage of GDP. Additionally, health spending per capita is almost 50% lower than in Argentina and Brazil. Even more strikingly, Mexico's out-of-pocket expenditure as a percentage of private expenditure on health is almost four times greater than in Argentina and Brazil. Life expectancy is almost six years lower in Mexico than in Argentina or Brazil, and hospital beds per 1,000 residents are also considerably fewer in Mexico. However, Mexico's rankings on the Economist's Health Inclusivity Index are broadly similar to Brazil's and only slightly lower (Argentina is not included in this index; Economist 2022). All to say that Mexico faces some structural disadvantages relative to Argentina and Brazil in delivering healthcare to its population, but it has considerable potential and has, in some ways, outperformed expectations based on spending in terms of health inclusivity scores.

Progress Toward VBHC in Mexico

Mexico has made progress in some aspects of the transition toward VBHC, especially performance benchmarking, integrated pathways for bundled services, and is relatively receptive from technological, epidemiological, and urgency perspectives. However, Mexico faces distinct challenges in implementing digital data, cost measurement, outcome measurement, value-based payment models, value-based procurement, and policy or academic attention paid to value-based arguments. Moreover, Mexico faces barriers to implementation through its political context, financing, workforce, and partnerships, and fragmented health system.

Several initiatives advance Mexico's health system toward VBHC on the margins. For example, the Ministry of Health's Telemedicine Program expanded telemedicine services to improve access to specialized care, especially in remote and underserved areas. The expanded program reduced the need for travel and facilitating timely specialist consultations, which improved access to specialist care, better management of chronic and complex conditions, reduced patient travel costs, and improved health outcomes in remote regions.

Like in Brazil and several other countries in the region, private sector advances have not been matched in the public sector. There are multiple noteworthy private sector initiatives that advance VBHC. First, Médica Sur, a leading private hospital in Mexico City, adopted an integrated care model to enhance patient outcomes and operational efficiency. This program improved patient satisfaction, reduced hospital readmission rates, and enhanced clinical outcomes through coordinated and continuous care (Subias et al, 2023). Second, Grupo Ángeles, a major private healthcare network in Mexico, has implemented preventive health programs to manage chronic diseases and promote wellness, which has improved patient outcomes while lowering costs. Third, Hospital San José in Monterrey has incorporated digital health innovations to enhance patient care and operational efficiency, which increased patient engagement, better chronic disease management, reduced need for in-person visits, and improved clinical outcomes through timely and convenient access to healthcare services.

Similarly, again, though, Mexico's federal system allows for innovation and experimentation in the state governments, including for VBHC (Subias et al., 2023). The remainder of the section describes Mexico's progress toward VBHC on the key indicators included in the qualitative comparison presented in Tables I and II above.

VBHC in Mexico: Persisting Challenges

Digital Data and Analytics Building electronic health records (EHRs) and digital data systems in Mexico poses multifaceted challenges. Foremost among these is the need for robust infrastructure and technological investments to support widespread adoption. Mexico's diverse healthcare landscape, spanning urban centers to remote rural areas, exacerbates the logistical hurdles of standardization and connectivity. For instance, resolving "last mile" problems is complex, as is determining appropriate resource allocation, in some cases for areas with high rates of migration, and in others for insecure areas where the government has lower capacity and less of an institutional footprint. Additionally, ensuring data privacy and security amidst evolving regulatory frameworks demands careful attention as does integration across public and private systems.

Cost Measurement Systems Implementing cost measurement systems for value in Mexico faces challenges stemming from the complexity of the healthcare landscape and systemic issues within healthcare infrastructure. One significant hurdle is the lack of standardized methodologies for cost measurement and value assessment across different healthcare providers and regions, leading to inconsistencies in data collection and analysis. Additionally, the existing reimbursement mechanisms and financial incentives often prioritize volume over value, discouraging investment in value-based care initiatives.

Outcome Measurement Systems Developing outcome measurement systems faces obstacles, such as the lack of comprehensive and standardized indicators that capture diverse healthcare outcomes, including clinical effectiveness, patient-reported outcomes, and cost-effectiveness. The lack of validated metrics hinders accurate assessments and comparisons of the value of different interventions and healthcare services. Additionally, large disparities in access to healthcare and socioeconomic factors contribute to variability in patient populations and healthcare outcomes across different regions and groups.

Performance Benchmarking Creating performance benchmarking systems for value in Mexico encounters numerous challenges, reflective of the diverse healthcare landscape and systemic disparities. The lack of standardized metrics and benchmarks for comparing the performance of healthcare providers and systems is a serious barrier to VBHC. Further, data quality and availability issues hinder accurate measurement for benchmarking performance.

Integrated Care Pathways Integrating care pathways and bundling services is difficult due to Mexico's fragmented healthcare system and current reimbursement models. One major obstacle is the lack of coordination and communication among different healthcare providers and specialties, leading to disjointed care delivery and inefficiencies in resource utilization. Additionally, the traditional fee-for-service payment structure incentivizes volume rather than value, discouraging the adoption of bundled payment models that prioritize integrated and coordinated care.

Value Based Payment Establishing value-based payment models with bundled services requires comprehensive infrastructure and regulatory frameworks to support bundled payments effectively. Mexico's healthcare system is diverse, comprising public and private sectors with varying levels of integration and coordination, complicating the standardization of bundled payment arrangements across different providers and regions.

Value-based Procurement Like value-based payment models, value-based procurement models must overcome the complexity of procurement processes and regulations, which often prioritize cost considerations over value and outcomes. The fragmented health system, comprising both public and private providers, complicates efforts to standardize procurement practices and negotiate bundled service contracts across diverse stakeholders.

Integrated Provider Networks The fragmentation and lack of coordination among healthcare providers spans public and private sectors with varying levels of integration and interoperability. This fragmentation hinders the creation of seamless care pathways and care coordination mechanisms across different providers and regions.

Program for Strategic Change At a fundamental level, the country should address the lack of coordination among healthcare providers and systems, which poses a significant obstacle to implementing cohesive value-based care initiatives. Socioeconomic disparities, cultural attitudes towards healthcare, and varying levels of digital literacy further complicate efforts to design and execute a program for comprehensive change that resonates with diverse stakeholders.

Recommendations for Mexico

Overcoming challenges to VBHC in Mexico requires a holistic approach that combines policy reforms, infrastructure investments, capacity building, and stakeholder engagement to foster a culture of value-based care and drive

sustainable improvements in healthcare quality and outcomes. Such an approach necessitates a collaborative effort involving stakeholders from government, healthcare institutions, and technology providers to build a resilient and inclusive digital healthcare ecosystem in Mexico. Table VI presents a summary of the challenges and recommendation for advancing VBHC in Mexico, followed by an expansion of each recommendation below.

Table VI: Challenges and Recommendations for Advancing VBHC in Mexico

Challenge	Recommendation
Digital data and analytics Fragmented health information systems and limited standardized data across public and private sectors impedes tracking outcomes and measuring the value of care delivered	Invest in healthcare infrastructure to enhance digital health systems as well as to support data collection and analysis.
Cost measurement systems Limited cost measurement systems make assessing the financial impact of healthcare interventions and comparing costs across providers difficult. Healthcare providers and policymakers struggle to identify and implement cost-effective treatments.	Implement standardized indicators of cost across healthcare institutions to assess the effectiveness and quality of care.
Outcome measurement systems and Performance Benchmarking Mexico's limited outcome measurement systems prevent the assessment of treatment effectiveness and patient health improvements. Promoting quality improvements and aligning incentives with the	Implement standardized outcome measures across healthcare institutions to assess the effectiveness and quality of care. Define and collect data on key indicators such as patient outcomes, satisfaction levels, and healthcare costs to

delivery of high-value care are difficult.	evaluate value-based performance accurately.
Integrated care pathways Limited integration of care pathways causes disjointed and fragmented patient care across different providers and settings. This fragmentation leads to inefficiencies, increased costs, and inconsistent health outcomes, making it difficult to deliver coordinated and high-quality care.	Invest in care coordination infrastructure and technology, and targeted interventions to promote equitable access to integrated care pathways
Value-based payment and Procurement The lack of value-based payment and procurement models disincentivizes healthcare providers from prioritizing patient outcomes and cost-efficiency. Misalignment between financial incentives and the quality-of-care results in continued reliance on fee-for-service models, which often lead to higher costs and suboptimal health outcomes.	Introduce financial incentives and reimbursement models that reward high-value care, emphasizing patient outcomes, preventive measures, and cost-effective treatments. Shift to a model that emphasizes the outcomes achieved per unit of expenditure; align payments with the value delivered.
Integrated provider networks Limited integrated provider networks cause care fragmentation and poor coordination among healthcare providers. This disjointed system leads to inefficiencies, duplicative services, and gaps in patient care, undermining efforts to improve health outcomes and reduce costs.	Prioritize patient-centered care models to foster the development of integrated provider networks

Program for strategic change The absence of a program for strategic change limits coordinated efforts to implement systemic reforms and initiatives. Without a cohesive strategy, stakeholders struggle to align their priorities and resources, hindering progress toward VBHC.	Incremental reforms, such as proof-of-concept pilots for value-based procurement in some hospitals or some states, can provide an evidence base to convince other stakeholders to transition to VBHC in other areas.

Collaborative reform efforts should focus on developing comprehensive cost measurement frameworks, aligning reimbursement models with value-based principles. Building robust outcome measurement frameworks, enhancing data infrastructure, quality, and interoperability, developing standardized metrics, and building capacity for performance measurement will increase value across the healthcare system in Mexico.

Regulatory reforms will also be necessary to incentivize value-based care, investment in care coordination infrastructure and technology, and targeted interventions to address disparities and promote equitable access to integrated care pathways in Mexico. Such reforms can help to build robust payment models that incentivize value-driven care delivery while streamlining procurement processes, establishing clear value-based criteria, and fostering innovation in Mexico's healthcare ecosystem.

Mexico should prioritize patient-centered care models to foster the development of integrated provider networks that can deliver high-quality, coordinated healthcare services to all segments of the population.

Incremental reforms, such as beginning with proof-of-concept pilots for value-based procurement in some hospitals or some states, can provide an evidence base that might convince other stakeholders to expand efforts to transition to VBHC in other areas. Such a strategy has the advantage of not threatening current stakeholders and not requiring immediate, systemic reforms, which are frequently not possible. For example, some Mexican states are moving forward with VBHC to reduce waiting times for services, like surgery, after the pandemic. Subnational units and/or private sector service providers could grow those services and then monitor the outcomes from those procedures, which could then be used to promote wider adoption and additional value-based approaches.

Pooled procurement models in Mexico have undermined prospects for the private sector. Rectifying this issue will require tie-ins between pharmacy chains and doctors to identify value and to streamline service delivery. Pharmacy doctors can treat relatively minor issues and assist with preventative measures, while IMSS hospitals can treat more serious issues; patients would have a digital id that follows them everywhere and lets them comparison shop for value at different prices for different services. These proposals on procurement and spending are not revolutionary: a similar amount of resources spent differently could dramatically improve outcomes.

The following specific recommendations expand on this logic and the material in Table VI above.

Standardize Outcome Measures: Implement standardized outcome measures across healthcare institutions to assess the effectiveness and quality of care. This includes defining and collecting data on key indicators such as patient outcomes, satisfaction levels, and healthcare costs to evaluate value-based performance accurately.

Invest in Healthcare Infrastructure: Allocate resources to improve healthcare infrastructure, particularly in underserved rural areas, to ensure access to quality care across the country. This includes upgrading medical facilities, expanding telemedicine capabilities, and enhancing digital health systems to support data collection and analysis.

Promote Interoperability: Encourage interoperability among healthcare information systems to facilitate seamless data sharing and integration across different healthcare providers and institutions. This enables comprehensive patient care coordination and supports value-based decision-making by healthcare professionals.

Incentivize Value-Based Care Practices: Introduce financial incentives and reimbursement models that reward healthcare providers for delivering high-value care, emphasizing patient outcomes, preventive measures, and cost-effective treatments. This can include pay-for-performance programs and bundled payment arrangements tied to quality metrics.

Educate and Engage Stakeholders: Launch educational campaigns to raise awareness among healthcare

professionals, payers, and patients about the benefits of value-based healthcare and the importance of collaborative efforts in its implementation. Engage stakeholders in discussions and decision-making processes to foster buy-in and support for transitioning to a value-based care model in Mexico's healthcare system.

Argentina

Indicator	Data Point	Source
GDP (level)	$1.3 Trillion 2020 USD PPP	IMF 2024
GDP per capita	$26,530 2020 USD PPP	World Bank 2024
Disposable income per head	$43 2020 USD PPP	World Bank 20224
Total health expenditure (THE) as % of GDP	8.5%	WHO, 2023
General government expenditure on health as a % of total expenditure on health	61%	WHO, 2022
Out-of-pocket expenditure as a percentage of private expenditure on health	24.2%	WHO, 2023
impoverishing health expenditures	9.57%	Economist 2022
Health Spending Per Capita	$864 2020 USD PPP	WHO, 2023
public/private coordination score	NA- not included	Economist 2022
HDI	0.84	World Bank 2023
Life Expectancy	75.89	WHO, 2024
Population	45,773,884	Argentina Census 2024
Doctors per 1,000	3.9	WHO, 2023
Hospital Beds per 1,000	5.2	WHO, 2023
Cost of Doctor's Visit	$57 2020 USD PPP* This is in the private sector. Most visits for most people are free for public sector visits.	Argentina Health Ministry
Health Inclusivity Index	NA- not included	Economist 2022
person-centered care	NA- not included	Economist 2022
People and Community Empowerment	NA- not included	Economist 2022
Inclusive Health Systems	NA- not included	Economist 2022
Health in Society	NA- not included	Economist 2022

Table VII: Health and Health System Context in Argentina

Table I above showcases several areas where Argentina has made progress in transitioning toward VBHC, particularly surrounding digital data and analytics, cost measurement systems, and outcome measurement systems. Table I highlights Argentina's receptivity to VBHC in all areas, especially in terms of the country's workforce and skills, broad popular support for reform and the urgency for VBHC.

Our evaluation of progress toward VBHC also highlight Argentina's persistent challenges for performance benchmarking, value based payment models, value based procurement, and its innovation ecosystem (governance, financing, partnerships). Additionally, Argentina's ongoing economic crisis harms health system resilience as does health system fragmentation. Nevertheless, the economic crisis and high receptivity to potential reform

provides opportunities to advance VBHC in both public and private sectors.

Progress Toward VBHC in Argentina

Argentina has progressed toward increasing value in the health system over the last decade. Argentina's National Strategy of Digital Health 2018–2024 helped to digitize and integrate health records that improved access and transparency for individual patients (Government of Argentina 2024). The plan also increased interoperability across different areas of care as well as different government entities in pursuit of both vertical and horizontal integration in the Ministry of Health as well as national, provincial, and local governments.

VBHC in Argentina: Persisting Challenges

Argentina experienced a notable deterioration in health services for quite some time, severely impacting the working and middle classes through an increase in costs and a decrease in the quality of services. Faced with the challenges of budget cuts needed to combat inflation and unsustainable debt facing the new administration, it is crucial to allocate these cuts strategically, protecting essential sectors such as healthcare from even greater damage. The COVID-19 pandemic further exacerbated health inequalities and slowed economic growth, especially in Buenos Aires, which experienced one of the longest lockdowns in the world (Touchton et al., 2023). COVID-19 set back progress on health significantly, especially in the management of non-communicable diseases and chronic conditions in an increasingly aging population. We address comparative health system domains that connect to these systemic challenges below

Digital Data and Analytics: Argentina has also lagged in collecting data on costs and outcomes that could inform patients and providers about service delivery and performance. These data are not currently integrated into electronic health records and are therefore not accessible to the public or to the providers themselves. Integrating cost and outcomes data into digital systems is a concrete way to incorporate more value into the health system along with implementing value-based payment and procurement models.

Cost Measurement Systems: Argentina's fragmented healthcare system, which includes numerous public and private providers with inconsistent data collection practices makes implementing cost measurement systems difficult. Additionally, there is limited standardized metrics and integrated health information systems, making it difficult to accurately track and

compare costs and outcomes across different institutions. This fragmentation and lack of standardization hinder the ability to implement and sustain comprehensive value-based healthcare initiatives effectively.

Outcome Measurement Systems: Creating outcome measurement systems for value-based healthcare in Argentina is challenging due to the lack of standardized clinical protocols and outcomes reporting across various healthcare providers. Additionally, the limited interoperability of health information systems complicates the aggregation and analysis of patient data needed to evaluate healthcare outcomes comprehensively. These challenges are further exacerbated by insufficient investment in health IT infrastructure and training, hindering the effective implementation of robust outcome measurement systems.

Performance Benchmarking: Improvements in consistent benchmarking are needed as this has not kept pace with progress toward digitization and patient access to information. Data is more integrated than before, but persistent fragmentation in the health system fosters persistently fragmented data systems as well, which create challenges for delivering services effectively and efficiently.

Integrated Care Pathways: Argentina's highly fragmented healthcare system, which includes multiple uncoordinated public and private providers, undermines integration of care pathways. This fragmentation leads to inconsistencies in care protocols and hampers the seamless transition of patients between different levels of care. Additionally, the lack of standardized communication and collaboration frameworks among healthcare professionals further complicates efforts to establish cohesive and efficient care pathways.

Value-Based Payment: Once again, Argentina's fragmented healthcare system complicates the standardization of payment structures and the alignment of incentives across diverse providers. Additionally, limited data infrastructure and the lack of comprehensive, accurate outcome measurement systems hinder the ability to effectively link payments to quality and outcomes.

Value-Based Procurement: cost-only procurement policies, which prioritize initial low costs, are prevalent in Argentina. These models prioritize initial low costs over long-term value and quality. Moreover, inconsistent evaluation metrics make it difficult to assess the long-term benefits and outcomes of procured healthcare products and services effectively.

Integrated Provider Networks: Argentina's mix of public and private providers with limited coordination and collaboration. Additionally, the lack of standardized health information systems and communication protocols hinders the ability to share patient information and the continuity of care necessary for effective integrated networks.

Program for Strategic Change: resistance from stakeholders accustomed to fee-for-service models and the lack of comprehensive policy frameworks supporting value-based initiatives hinders the development of a program for strategic change surrounding VBHC in Argentina. Further, limited financial and technical resources for implementing and sustaining such strategic programs further impede the transition to a value-based healthcare system

Recommendations for Argentina

The recent election of Javier Milei represents a significant change in the Argentine health system, with greater integration of the private sector. This transformation could potentially open the door to improvements in service delivery and the exploration of new opportunities in the market. However, the election of President Javier Milei is also likely to lead to cuts to all public sector funding, including for health. For example, there is an opportunity to cut inefficient contracting throughout the public health system, especially as funding goes from the national government to the provinces, to local service providers. There is thus also the potential to decrease the overall health budget without necessarily impacting the quality of healthcare delivery at the point of service. Yet, in a country where at least 40% of the population is currently below the poverty line, there is a real risk that a significant part of the population will be left unprotected. This transition towards a more private health model must consider inclusive mechanisms that guarantee access to medical care for all citizens, regardless of their economic situation.

Table VIII: Challenges and Recommendations for Advancing

Challenge	Recommendation
Digital data and analytics Data on costs and outcomes are not integrated with EHRs and are not accessible to patients or providers.	Invest in advanced digital infrastructure and training programs to ensure comprehensive and interoperable EHRs and robust data analytics capabilities across the healthcare system
Cost measurement systems Lack of standardized metrics and integrated health information systems makes it difficult to accurately track and compare costs and outcomes across different institutions.	Build and implement standardized cost measurement systems across all healthcare providers to accurately track and analyze the costs associated with patient care and outcomes.
Outcome measurement systems and Performance Benchmarking Lack of standardized clinical protocols and outcomes reporting across various healthcare providers. Limited interoperability of health information systems	Establish a national framework for outcome measurement and performance benchmarking that tracks patient health outcomes and compares provider performance to continuously improve care quality and efficiency.
Integrated care pathways Argentina's highly fragmented healthcare system, which includes multiple uncoordinated public and	Implement standardized care pathways that coordinate multidisciplinary care teams to ensure seamless and efficient patient care throughout the entire treatment process.

private providers, undermines integration of care pathways. Inconsistencies in care protocols and impedes transition of patients between different levels of care.	
Value-based payment and Procurement payment structures and the alignment of incentives across diverse providers. Cost-only procurement policies, which prioritize initial low costs, are prevalent	Establish a phased approach to gradually integrate value-based payment and procurement models, starting with pilot programs in select regions to assess feasibility, effectiveness, and stakeholder acceptance before nationwide implementation. These outcome-based payment models will align financial incentives with patient health outcomes.
Integrated provider networks Mix of public and private providers with limited coordination and collaboration. Lack of standardized health information systems and communication protocols precludes sharing patient information necessary for effective integrated networks	Incentivize the formation of integrated provider networks by facilitating partnerships between healthcare entities and implementing regulations that encourage collaboration, data sharing, and coordinated care management across specialties and settings.
Program for strategic change Resistance from stakeholders accustomed to fee-for-service	Implement a comprehensive strategic plan for change surrounding value-based healthcare that includes clear

models and the lack of comprehensive policy frameworks supporting value-based initiatives	objectives, stakeholder engagement, robust data analytics, and phased implementation to ensure effective transition and sustainable improvements in healthcare delivery.

VBHC in Argentina

The following key recommendations emerge from the analysis of Argentina's data in Tables I, II, VII, and VIII. These recommendations are both individual for Argentina relative to its progress surrounding VBHC thus far as well as comparative relative to Brazil, Mexico, and other Latin American countries.

Adopt Outcome-Based Payment Models

Transitioning to outcome-based payment models aligns financial incentives with patient health outcomes. Argentina should pilot these models in select regions to gather data and refine the approach before broader implementation. Collaboration with international organizations experienced in these models can provide valuable insights and support.

Enhance Data Collection and Analytics

Robust data collection and analytics are critical for measuring health outcomes and determining the effectiveness of care. This involves integrating electronic health records (EHRs) across the healthcare system. Argentina should invest in modern EHR systems and ensure interoperability across different healthcare providers. Training healthcare professionals in data management and analysis is essential for leveraging the full potential of these systems.

Foster Integrated Provider Networks and Collaboration

Effective value-based healthcare relies on collaboration among various healthcare professionals, including doctors, nurses, pharmacists, and social workers across the public, private, and non-profit sectors. This approach would promote comprehensive patient care

and improved health outcomes. Argentina Encourage the formation of inter-sectoral teams and provide them with the necessary resources and training. Develop policies and frameworks that facilitate collaboration and communication among different healthcare providers.

Focus on Preventive Care

Emphasizing preventive care can reduce the incidence of chronic diseases and lower healthcare costs in the long term. This includes regular screenings, vaccinations, and health education. Argentina should increase funding for preventive care programs and public health campaigns. Collaborate with schools, workplaces, and community organizations to promote healthy lifestyles and preventive measures.

Engage Patients in Their Care

Patient engagement is crucial for the success of value-based healthcare. When patients are informed and involved in their care decisions, they are more likely to adhere to treatment plans and make healthier choices. Argentina should develop tools and platforms that allow patients to access their health information, communicate with healthcare providers, and participate in decision-making. Provide education and support to help patients understand their conditions and the importance of following prescribed care plans.

RECOMMENDATIONS FOR ADVANCING VBHC IN LATIN AMERICA

Transitioning to VBHC requires a comprehensive approach that included policy reforms, infrastructure investment, and stakeholder collaboration. There are also several important regional opportunities for collaboration and knowledge sharing, such as through PAHO. Economic crises and the COVID-19 pandemic showcase the need for resilient health systems based on value, which can increase public and private sector appetite for VBHC (Touchton et al., 2023). Additionally, it is critical to note that national health system reforms are not enough; state and municipal governments must also be involved as well as the private sector.

The broad differences across countries reflect the wide variety of experiences and progress toward VBHC across the region. For example, Colombia's recent health reforms are noteworthy for their shift towards integrated care delivery, reflecting a paradigmatic change in healthcare. Yet, the collection of health data varies widely across countries due to fragmented healthcare systems, especially in Argentina and Mexico. While Brazil and Colombia boast robust health information systems, the availability of outcome data remains scarce across the region. Notably, we found little formal stakeholder training in VBHC in any country. Despite capitation payments being prevalent in the region, payers across all countries report initiatives focused on outcome-based and bundled payments. Nationwide Pay-for-Performance (P4P) and bundled payment policies are exclusive to Chile. Given the variation in these experiences, we identify five specific recommendations to advance VBHC across Latin America below:

Align Financial Incentives: Health systems should align payment mechanisms with value-based care principles by transitioning from fee-for-service models to alternative payment models (APMs) such as bundled payments, capitation, and pay-for-performance. This shift incentivizes healthcare providers to prioritize quality and efficiency, leading to improved patient outcomes and cost savings.

Emphasize Value Based Procurement: Health systems should emphasize the products, services, and technologies that provide the best outcomes at the best

cost. Low-bid procurement requirements undermine value in favor of price. Instead, focusing on value in procurement can serve as an incremental, non-threatening step toward high-quality, cost-effective care. This includes collaboration between healthcare providers and suppliers for innovative solutions that improve both patient outcomes and efficiency.

The Dominican Republic is working with pharmaceutical companies to gain more value from oncology drugs. There are also efforts underway in the Dominican Republic and Peru to establish ethical guidelines to provide safety rails for value-based procurement efforts in these countries.

Colombia and Brazil have considerable private sector movement in pursuit of value-based procurement but have made only limited gains in the public sector. Some Brazilian municipalities are exceptions here as they now use value-based procurement models to purchase diabetes insulin pumps for children.

Enhance Data Infrastructure: Health systems should invest in robust health information technology (HIT) infrastructure to enable data interoperability, standardization, and analytics capabilities. Establishing electronic health records (EHRs), health information exchanges (HIEs), and data analytics platforms facilitates the measurement of patient outcomes, performance benchmarking, and continuous quality improvement initiatives.

Redesign Care Delivery: Health systems should implement integrated care models and care coordination strategies to enhance care continuity and patient experience. Encouraging multidisciplinary collaboration among healthcare professionals, promoting primary care as a central component of the healthcare system, and facilitating seamless transitions between different levels of care promotes optimization of resource utilization and improves patient outcomes.

Empower and Engage Patients: Health systems should develop patient-centered care approaches by empowering individuals to actively participate in their healthcare decisions and management. Promoting health literacy, shared decision-making, and patient-reported outcome measures (PROMs) helps to align healthcare delivery with patients' preferences, values, and goals. Additionally, health

systems should leverage digital health tools and telemedicine solutions to enhance access to care and facilitate remote monitoring and self-management of chronic conditions.

Comparing LATAM to MENA and the G20

This report is the latest installment in a series focused on exploring the current state of VBHC in different regions around the world. The first report focused on the MENA region and this subsequent report focuses on Latin America. In both Latin America and the Middle East and North Africa (MENA) region, there has been notable progress towards implementing value-based healthcare (VBHC) models in recent years. However, each region faces unique challenges and barriers that influence the pace and effectiveness of this transition.

It is important to note that the progress for Latin America is very recent and often partial. These aspects of progress represent areas where some countries have initiated some efforts toward VBHC in recent years. We report these elements to reflect potential, but, as seen in the individual country data above, "progress" should not be taken to mean that Latin American countries have made equivalent progress to some in the MENA region or to the G20, especially its high income states.

Latin America has made strides in promoting VBHC through initiatives such as the adoption of outcome-based payment models and the establishment of quality measurement standards. Countries like Brazil, Colombia, and Chile have been at the forefront of these efforts, leveraging technology and data analytics to improve care delivery and patient outcomes. An example of progress toward VBHC in Latin America comes from value-based recommendations for vaccines (Argentina, Brazil, Colombia), where National Vaccine Advisory Committees selects the vaccine to be procured informed by a cost-effectiveness analysis. Additionally, Brazil's care model for Type I Diabetes occurs through a public-private collaboration that defines and gathers outcome data to support a value-based tender, beginning in 2022. In both Latin American examples, multi-stakeholder alignment on value attributes; monitoring and reporting performance indicators and the training of stakeholders drove successful implementation. Finally, regulatory reform that moves toward value-based procurement is possible on a national scale. Both Chile and the Dominican

Republic removed requirements for low-bid pricing, which act as fundamental barriers to implementing VBHC, including in Brazil.

Several regional stakeholders, including the Organization of American States (OAS), have helped to foster the adoption of VBHC principles in Latin America. The OAS does not have direct authority over healthcare policy in member countries, but it serves as a platform for dialogue and collaboration. The OAS also provides technical assistance, capacity-building support, and funding opportunities to help member states strengthen their healthcare systems and implement VBHC strategies.

Additionally, the United States Trade and Development Agency (USTDA) is leading the Global Procurement Initiative, which provides training for value-based procurement. This initiative includes regional training for Latin American countries, which extends to Mexico, Colombia, Costa Rica, the Dominican Republic, and Ecuador (USTDA 2024).

In comparison to Latin America, the MENA region has also seen increased interest in VBHC, driven by a growing recognition of the need for healthcare reform and modernization. While progress has been gradual, several countries in the region have taken significant steps toward embracing VBHC concepts and methodologies. Initiatives such as the establishment of quality improvement programs, the adoption of performance-based payment models, and the development of patient-centered care approaches have emerged in various MENA countries. The United Arab Emirates and Qatar have launched ambitious healthcare transformation agendas, focusing on enhancing quality, efficiency, and patient-centeredness in healthcare delivery. Furthermore, investments in healthcare infrastructure and technology, along with efforts to strengthen healthcare governance and regulation, are helping to create an enabling environment for VBHC implementation. MENA also benefited from pre-established regional connections that may be stronger for facilitating regional policy diffusion for health than those in Latin America.

Despite progress, both regions encounter significant challenges in implementing VBHC. In Latin America, fragmented healthcare systems, limited health infrastructure, and insufficient data interoperability hinder the seamless adoption of value-based care models across the region. Additionally,

disparities in access to care and socioeconomic inequalities pose barriers to achieving equitable healthcare outcomes. In contrast, the MENA region grapples with issues such as inadequate healthcare financing, workforce shortages, and a heavy reliance on fee-for-service payment systems, which impede the transition to value-based models. Furthermore, cultural norms, governance structures, and varying levels of political stability contribute to the complexity of healthcare reform efforts in both regions. Overcoming these challenges will require concerted efforts from governments, healthcare providers, payers, and other stakeholders to drive sustainable change and improve healthcare delivery for populations across Latin America and the MENA region.

High-income countries have advanced considerably toward VBHC, though progress is varied. While some high-income countries have made significant strides in embracing VBHC concepts and methodologies, others are still in the early stages of adoption. Countries such as Australia, Canada, Germany, and the Netherlands have been at the forefront of VBHC implementation, with initiatives ranging from payment reform and performance measurement to the development of integrated care models and patient-centered approaches. These countries have leveraged technology, data analytics, and collaborative partnerships to drive improvements in healthcare quality, outcomes, and cost-effectiveness. However, challenges such as funding constraints, regulatory barriers, and cultural resistance to change persist in many high-income nations, hindering progress toward widespread VBHC adoption. Despite these challenges, the growing recognition of the need for value-based approaches to healthcare delivery underscores a global shift toward prioritizing patient-centered care, improving health outcomes, and maximizing the value of healthcare investments.

The following table presents global insights from high-income countries, which show the potential for innovative strategies to advance VBHC.

Table IX: Global Insights for Advancing VBHC

Challenge	Global Insight 1	Global Insight 2	Global Insight 3
Digital data and analytics	Japan implemented a health information exchange (HIE) system that allows for the seamless sharing of patient data across different regional healthcare providers. Advanced data analytics capabilities help to track patient outcomes, manage chronic diseases more effectively, and reduce hospital readmissions.	South Korea established the National Health Information System (NHIS) and the associated Electronic Medical Record (EMR) system to leverage technology to improve healthcare delivery, increase efficiency, and enhance patient outcomes.	Sweden implemented the National Quality Registries, which systematically collect and analyze patient data to improve care quality and outcomes across various medical conditions.
Cost measurement systems	The United States created the Merit-based Incentive Payment System (MIPS), the Advanced Alternative Payment Models (APMs), and the Quality Payment Program (QPP) in 2015 to tie payments to standardized performance measures.	France established standardized cost indicators that allow for comparisons of healthcare performance among hospitals, clinics, and other healthcare providers. These indicators include metrics such as the cost per patient, cost per procedure, and cost per diagnosis.	Singapore created the Agency for Care Effectiveness (ACE), which assesses the cost-effectiveness of medical treatments and technologies to ensure efficient resource allocation and better patient outcomes.
Outcome measurement systems and Performance Benchmarking	Australia launched the Personally Controlled Electronic Health Record (PCEHR) initiative in 2012, (now My Health Record). This national digital health record system allows individuals to access and control their own health information securely online and is universal across public and private care providers.	Australia developed and implemented standardized outcome measures to evaluate healthcare performance and improve quality across the healthcare system through the Australian Health Performance Framework (HPF). Ontario (Canada) has had Quality-Based Procedures (QBPs) for over two decades which	Italy created the National Outcome Programme (PNE), which systematically collects and analyzes health data to evaluate and compare the performance of healthcare providers across the country

		determine the outcome expectation for full funding of health care across various diseases.	
Integrated care pathways	Some Canadian provinces have transitioned to APMs. British Columbia uses capitation, where physicians receive a fixed payment per patient enrolled with them, regardless of the volume or type of services provided. Germany reformed its tendering process to focus on value in 2017; the new legislation balances the price and quality of medical devices. The European Commission modified its procurement directives in 2014 when "most economically advantageous tenders"- MEAT- were recommended to ensure that price was not going to have more than 40% of weight in selecting winning bids. Since then, most European economies have embraced MEAT	The UK created an initiative for Integrated Care Systems (ICSs). ICSs bring together healthcare providers, local authorities, and other stakeholders to collaborate in planning and delivering healthcare services across defined geographic areas.	Qatar implemented the Qatar National Health Strategy, which emphasizes coordinated care models and patient-centered medical homes to ensure comprehensive and continuous care for patients.
Value-based payment and Procurement	In Germany, the pharmaceutical industry supported important digital health initiatives, including the creation of mobile health apps, remote monitoring	South Korea introduced pay-for-performance (P4P) programs in the national health insurance system. Under these programs, healthcare providers	Germany established value-based payment and procurement models for healthcare through its Diagnosis

	devices, and telemedicine platforms for patients to manage their health. Medical technology companies have done the same in various countries (for example, see KOS-BAR project in Poland or efforts to curtail high blood pressure in Kenya)	receive financial incentives based on their performance in achieving specific quality indicators and health outcomes.	Related Groups (DRG) system, which ties hospital reimbursement to the diagnosis and treatment provided, incentivizing efficiency and quality of care.
Integrated provider networks	The U.S. benefited from a "key stakeholder" approach, where groups formed to champion value and share success stories. For example, Accountable Care Organizations (ACOs) are groups of doctors, hospitals, and other healthcare providers who voluntarily give coordinated, high-quality care to Medicare patients.	The UK's, National Health Service (NHS) implemented various initiatives to promote patient-centered care and encourage the development of integrated provider networks. One example is the establishment of Integrated Care Systems (ICSs), which bring together healthcare providers, local authorities, community organizations, to plan and deliver healthcare services across defined geographic areas.	The United Kingdom established integrated provider networks for value-based healthcare through the creation of Accountable Care Organizations (ACOs), which bring together hospitals, primary care practices, and community services to deliver coordinated care and improve patient outcomes.
Program for strategic change		Italy initiated pilot projects and demonstration programs to test value-based procurement models in healthcare delivery. For example, some Italian hospitals have experimented with outcomes-based contracting for medical devices, pharmaceuticals, or	Canada established a strategic plan for change surrounding value-based healthcare through the implementation of Health Quality Ontario's Quality Improvement Plans, which set measurable goals and initiatives to enhance healthcare

		healthcare services. These pilots have served to spread the evidence-base for broader adoption within the country. The Catalonian health system has a sophisticated capacity development approach, which has helped them becoming a global powerhouse in value-based procurement, with recognitions from the European Commission.	quality and patient outcomes across the province.

GLOBAL INNOVATION HUB for Improving Value in Health

LIMITATIONS

The findings we report here stem from three types of data: scoping literature reviews, key informant interviews, and broad comparative indicators of progress toward VBHC, challenges for transitioning toward VBHC, and barriers to implementing VBHC. The results should be interpreted with at least some caution due to inherent limitations in the quantitative comparative approach that assesses complex realities. These indicators have been examined critically in the previously published study on High-Value Health Systems and were deemed representative across relevant dimensions. Yet, factors such as global comparability requirements, data availability, differing update frequencies of databases, variations in health system structures and funding mechanisms among countries, and the predominantly input-based nature of the Index pose challenges. Additionally, the quantitative indicators mainly focus on inputs rather than outcomes, and while a Receptivity section and extensive qualitative data help to address this, the index does not measure healthcare quality. Hence, national leaders are urged to critically assess policy implementation quality to ensure positive outcomes surrounding VBHC.

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CONCLUSIONS

Brazil, there has been a notable shift towards prioritizing quality of care and patient outcomes over mere service volume. Initiatives promoting integrated care models, and the adoption of digital health technologies have facilitated improved patient management and resource allocation. Nonetheless, challenges such as fragmented healthcare systems, disparities in access, and limited data interoperability persist. The private sector has moved farther and faster in pursuit of VBHC than the public sector, but the public sector has also advanced in some areas.

Mexico has also made progress in its pursuit of VBHC, though often in different areas than Brazil. Mexico's efforts have been directed towards the integration of healthcare services, the adoption of digital health technologies, and the implementation of outcome-based payment models. These endeavors have led to improved patient management, resource allocation, and overall efficiency within the healthcare system. However, significant challenges remain on the path to achieving VBHC in Mexico, including fragmented healthcare systems, disparities in access to care, limited data interoperability, and the need for substantial policy reforms. Like in Brazil, the private sector has moved to implement value-based reforms more quickly than the public sector, where receptivity at the national level has not been high. Still, innovation and experimentation at the state level shows some potential for adopting aspects of VBHC in Mexico.

Finally, Argentina has pursued a distinct path in pursuit of VBHC. Argentina has made some progress in adopting health information technology and integrating health networks. These advancements have enhanced the ability to measure and improve health outcomes, streamline care processes, and reduce costs, all of which are central to the value-based healthcare model. However, Argentina's limited access to comprehensive health data, inadequate outcome measurement and reporting, inequitable access to healthcare services, and challenges in healthcare financing and payment models all slow the country's progress toward VBHC. The dominance of Fee-for-Service models and limited adoption of value-based payment models, such as bundled payments or capitation, disincentivize high-quality, cost-effective care. Implementing value-based payment models will require significant structural changes and stakeholder alignment, which are difficult to achieve in the short term.

Policy implementation and reform are crucial for advancing the transition to VBHC across Latin American countries, including in Argentina,

Brazil, and Mexico. These efforts aim to cultivate more efficient, equitable, and sustainable healthcare systems, emphasizing the delivery of high-quality care and enhanced health outcomes. The coming decade holds the promise of transformative change in healthcare across the region, particularly in countries where experimentation has been more prominent, such as Chile, Colombia, and the Dominican Republic. The predominantly fee-for-service system must evolve to ensure comprehensive care for the population, whether publicly or privately insured. Drawing insights from global examples could guide Argentina, Brazil, and Mexico's journey towards value-based healthcare. However, this evolution necessitates the active engagement of various stakeholders, including hospitals, payers, providers, the private sector, and governmental bodies. It also requires a thorough, well-designed national strategy, financing for innovative pilot projects and for future policy implementation, and the creation of data systems that measure costs and outcomes**. Despite the challenges, embracing value-based healthcare is not only feasible but also imperative, offering the potential to deliver cost-effective care while prioritizing the well-being of patients across Latin America**.

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ANNEX

Table VI

HVHS Components		
Domain	**Indicator**	**Unit**
1. Digital Data	Presence of systems	0-3
	Presence of national policy	0-3
	Presence of national unified health records	0-3
2. Analytics	Real time analytics	0-3
	Citizen empowerment through transparency	0-3
3. Cost Measurement Systems	Measurement	0-3
	Integration	0-3
	Incentives	0-3
4. Outcome Measurement Systems	Measurement	0-3
	Integration	0-3
5. Performance Benchmarking	Is there a health systems performance dataset?	0-3
	Is there a health systems performance benchmarking system?	0-3
6. Integrated care pathways with bundled services	Integrated care	0-3
7. Value Based Payment Models	Implementation	0-3
	Risk Adjustment	0-3
8. Value Based Procurement	Lowest-cost procurement	0-3
	Value-based procurement	0-3
	Implementation	0-3
9. Integrated Provider Networks	Organization	0-3
10. Strategic Change Program	Systemic strategy	0-3

System Receptivity		
11. Context	Political	0-3
	Economic	0-3
	Technological	0-3
	Epidemiological	0-3
	legal	0-3
12. Innovation Ecosystem	Governance	0-3
	Financing	0-3
	Partnerships	0-3
	Workforce and skills	0-3
13. Adoption System	Presence of Broad-Based support	0-3
14. VBHC Urgency	Sustainability	0-3
Resilience		
15. Context	Acute Shocks- COVID-19	0-3
	Chronic Stressors- Fiscal Austerity	0-3

Score	Indicator
0	No progress
1	Some progress
2	Moderate progress
3	Major progress