## Outcome-based evaluation for the health sector

A health outcome is defined as a change in the health of an individual, or a group of people or population, which is wholly or partially attributable to an intervention or series of interventions.[1] The focus of health outcome evaluation is health system reform, to bring about a cultural change within the health system. It is concerned with the need to know which health interventions work, as against those that produce little or no health benefit, and to know which treatment alternatives for a condition are the most cost- and clinically effective in producing health gains, both at individual and population levels.<sup>[2]</sup> This approach needs to be incorporated at all levels of the health system (from household to primary healthcare to hospital care), and at different clinical practice levels (from generalist to specialist). It should also be noted that the 'outcomes' focus has spread to related sectors such as community services and allied healthcare professions, and thus one can increasingly speak of a health and community care outcomes focus.[3]

An integrated health system would require continuity of care to be provided across all these sectors, from a community to a central hospital. Recent government initiatives emphasise this need for continuity of care to be provided across these sectors. Assessing the relative effectiveness of alternative interventions for the same condition is extremely important when considering the allocation and distribution of health resources throughout a health system. For example, it is important to ascertain the effect of a reduced length of hospital stay on the longer-term health outcomes of patients. The need for outcome-based evaluation is based on a number of interrelated factors:[3]

- recognition of the serious limitations on available information about the effects of many services and treatments;
- the perception of large variations in the use of medical procedures between geographical areas, and between physicians;
- (iii) the increasing burden of disease, and changes in demography;
- (iv) concerns as to whether new technologies are actually improving patients' wellbeing;
- (v) concerns about the quality of care;
- (vi) the increasing cost of healthcare; and
- (vii) the increasing empowerment of consumers/patients.

A key factor driving a more rapid move towards national health insurance in South Africa is improving health outcomes, through optimal and efficient use of the available resources, coupled with increased resource mobilisation. For example, substantial efficiency gains could be made by reforming hospital payment mechanisms, particularly since expenditure on hospital services comprises one of the largest shares of total healthcare spending in Gauteng Province. Payment systems based on diagnosis-related groups (DRGs) are one such type of hospital payment mechanism, along with capitation payments, global budgets and a combination thereof.[4] The purpose of the DRG-based payment system is to enable performance and outcome comparisons across hospitals.[5]

There is a need for optimisation of resources with the aim of achieving desired health outcomes.

A health outcome-based evaluation should generate evidence that can be used in the development of targeted interventions. However, any health outcome-based intervention requires a change in organisational culture, and improvements in clinical governance.

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