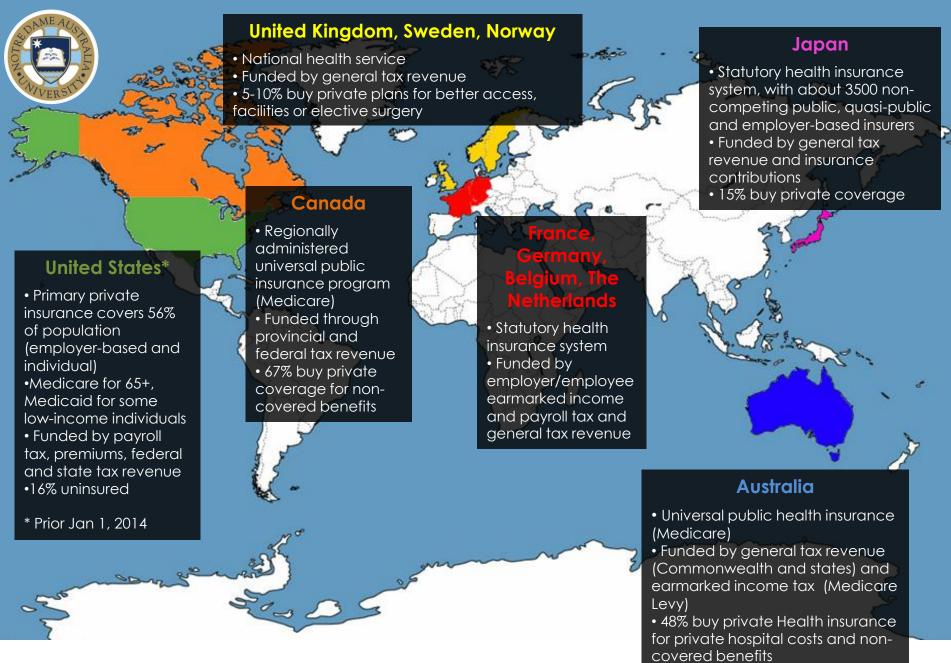


Health Policy Innovation: Insurance as the Catalyst

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Hong Kong Hospital Authority Convention 7-8 May, 2014

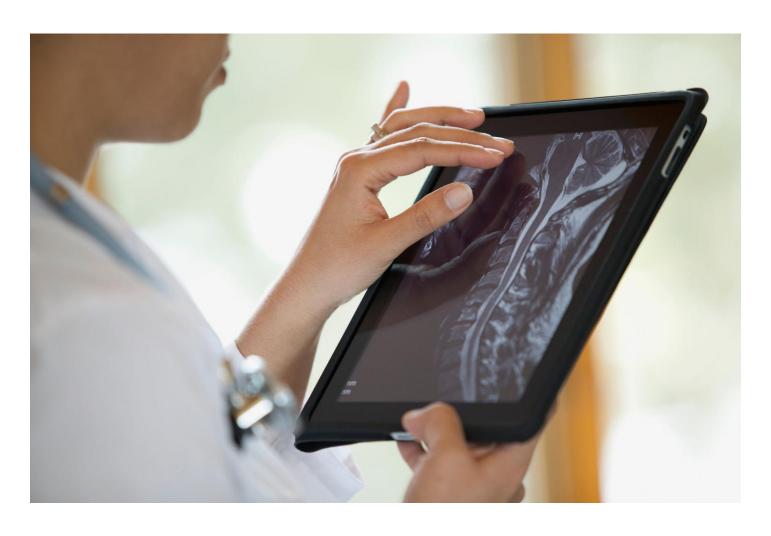


Source: The Commonwealth Fund. 2013. International Profiles of Health Care Systems.



Australia: an example of health insurance innovation





About Australia



- 23 million population
- 31.5% live in rural areas
- 548,000 indigenous
 Australians
- 23% English as a second language
- Federation 6 states, 2 territories



- Medicare universal health entitlement
- 48% have private health insurance
- \$130.3 billion spent on health (2010); 9.3% of GDP
- 70% public, 10% health insurance, 20% direct

- 3 practicing doctors per 1000 people (OECD average)
- 110 million GP visits per year 'gate-keeper'
- 61 Medicare Locals

- 8.9 million hospital admissions in 2010-11
- 60:40 public : private patient admissions
- >55 Local Hospital Networks

What is Medicare?



- Universal entitlement to:
 - Free public hospital care
 - MBS subsidised medical GP, specialists, some others
 - PBS subsidised medications –
 co-payments



- Private health insurance supported:
 - Community rating
 - 30-45 % means tested tax rebate
 - Medicare Levy Surcharge
 - Lifetime health cover policy

The role of the private sector in Australia



- Two thirds of health expenditure funded by governments; one third funded privately
- Two thirds of healthcare delivery by the private sector; one third delivered by the public sector
- 36 different private health insurance providers
- 48% of the population have private health insurance
- Public policy promotes uptake of PHI

Private hospitals in Australia



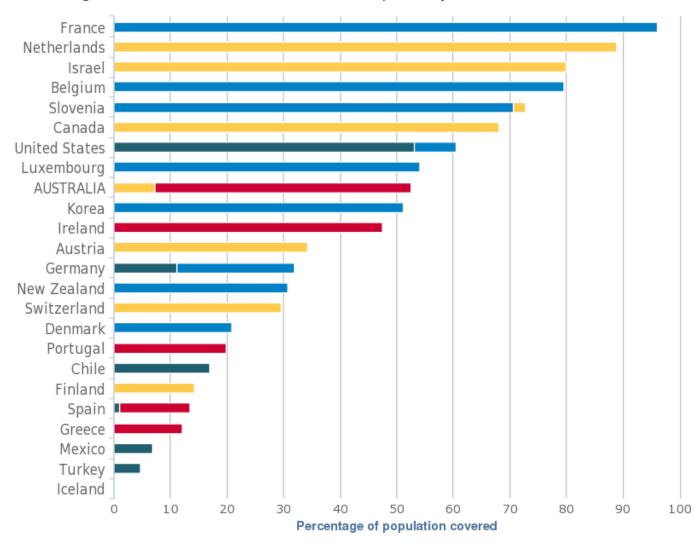
Treatment type	Performed by private sector
Other knee procedures	79%
Mental health treatment (same day)	77%
Surgery for other malignant neoplasms of skin	71%
Lens procedures	70%
Surgery for haemorrhoids	62%
Cancer therapy (chemotherapy)	62%
Surgery for malignant neoplasm of breast	56%

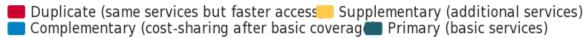
Source: AIHW Hospital Statistics (2013)

Private health care around the world

Nearly 90 per cent of private health insurance coverage in Australia is duplicate, meaning it mirrors the medical benefits of the public system.







Global Health Challenges



- Rising costs of health care best value for health dollar
- Integrating care and chronic disease management – navigating and co-ordinating
- Smart use of data and information technology quality improvement, evidence, better access
- Rising consumer expectations empowering people in their health and health care decisions
- Health is about more than healthcare prevention, health risks, social determinants

Challenge: rising costs Innovation: value-based purchasing





Value-based purchasing: Genesis Heart Care Group



Corporate group of cardiologists agreed to contract with a private health insurer on a higher fee for:

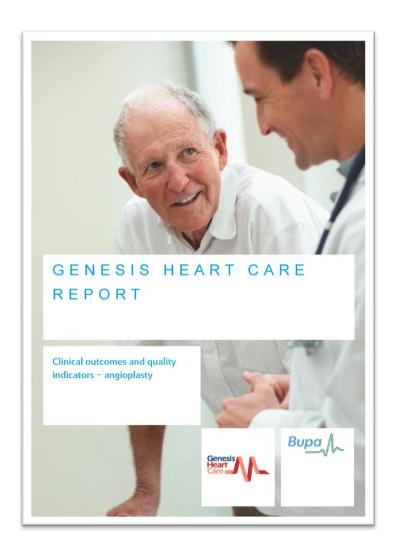
- Guaranteed "No Gap" (no out-of-pocket cost to patient)
- Doctors to measure practice against evidence-based best practice guidelines, report performance through clinical governance framework
- Public reporting of quality and performance measures





Paying for quality









EVIDENCE-BASED TREATMENT

Billions of dollars have been spent on research to determine the best ways to combat disease, reduce risk and to give the best chance of a person having a good quality of life despite living with a long-term health problem. Around the world, one of the ways that people look at quality of health care is to see whether the treatment follows the recommended guidelines. Unfortunately, sometimes it doesn't.

THE RESULTS FROM GHC

WHAT IS THE EVIDENCE BASED TREATMENT?

Treatment

- 92.6% → Prescribing of statins at hospital discharge
- 98.3% → Prescribing of statins at 12 months after GHC cardiologist
- 99.2% → Anti-platelet agents prescribed at the time of coronary event or procedure by GHC cardiologist
- 98% Anti-platelet agents after 12 months for GHC cardiologist

- → Statin therapy in conjunction with diet and exercise is the most commonly recommended way of lowering cholesterol.
- → It is recommended that statins be considered in all patients with CAD. They are not suitable for a minority of
- → Anti-platelet agents are drugs that lessen the tendency of blood to clot (like aspirin). This reduces the risk of subsequent heart attack or other unwanted consequences. It is recommended that all patients should be prescribed an anti-platelet agent unless there are valid reasons otherwise (contraindications)

The results show that immediately and even after 12 months, optimal therapy can be achieved and maintained in a high proportion of patients. These outcomes for GHC patients compare well with figures worldwide. This high percentage suggests that the practices in place are effective at delivering care that matches the evidence for what not be appropriate to prescribe due to factors such as allergies, side effects or drug

HOW THIS CAN BE APPLIED TO YOUR OWN CONDITION

- → If you have high LDL cholesterol you should be prescribed a statin unless there is a reason why your individual condition indicates otherwise (called a contraindication)
- → If you have CAD you should be prescribed an anti-platelet agent unless there is a reason why your individual condition indicates otherwise (called a contraindication).
- → Lifestyle modification is also an important treatment and the evidence suggests that it complements medication in lowering your risk of heart attack in the long term.

QUESTIONS TO ASK YOUR

- → If you have elevated LDL and are not on a statin, ask your cardiologist why they think it is not appropriate for you. It is important that you are aware of any contraindications you have in the event of hospitalisation or an emergency.
- → If you are at increased risk, or already have, CAD and are not taking an antiplatelet agent, ask your cardiologist why they think it is not appropriate for you. It is important that you are aware of any contraindications you have in the event of hospitalisation or an emergency.

works best in patients with CAD. In a small minority of patients, this medication would





Non-payment for wrong care



- Medical errors cost \$2.2 billion per year in Australia
- Half of mistakes potentially preventable
- Private health provider Healthscope agrees to forgo payment from Bupa for 14 defined "Never Events"
- Industry lead influencing Government





14 "never events"



- 1. Procedures involving **wrong patient or body part** resulting in death or major permanent loss of function.
- 2. Retained instruments after surgery requiring further surgical procedure.
- 3. Medication error leading to death (excluding prescribing errors), including:
- 4. Maladministration of potassium-containing solutions, and
- 5. Wrong route administration of **chemotherapy**, and
- 6. Maladministration of insulin.
- 7. Haemolytic **blood transfusion reaction** resulting from ABO incompatibility.
- 8. Suicide of a patient in an inpatient unit.
- 9. Intravascular gas embolism resulting in death or neurological damage.
- 10. Patient death or serious disability associated with a **fall in hospital**.
- 11. Infant discharged to the wrong family.
- 12. Stage 3 or 4 **pressure ulcers** acquired after admission to a healthcare facility.n
- 13. Death or serious disability from electric shock while in a healthcare facility
- 14. Death or serious disability associated with a **burn** in a healthcare facility.

Value-based purchasing

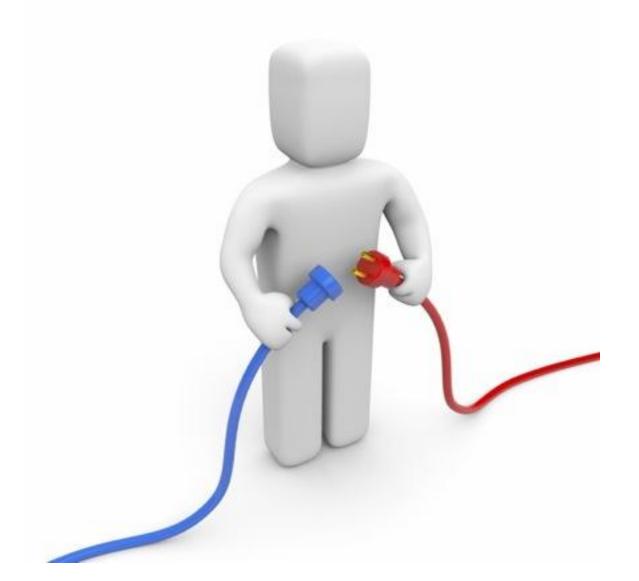


- A number of pay-for-value pilots by the Centers for Medicare and Medicaid Services in the U.S.
- The Physician Group Practice (PGP) Demonstration reported 16% improvement in composite quality scores for acute myocardial infarction, coronary artery bypass graft, heart failure, pneumonia, and hip/knee replacements
- In 2010, participating physician groups earned \$29.4
 million incentive payments based on estimated
 savings in Medicare expenditures for the patient
 population

Source: Deloitte. 2011. Value-based Purchasing: A strategic overview for health care industry stakeholders

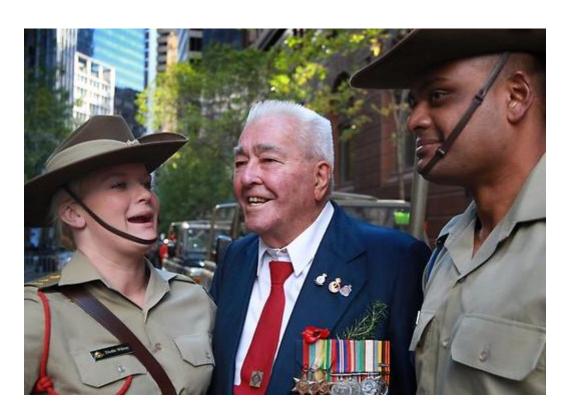
Challenge: integrated care Innovation: connecting care





Bupa Health Dialog: Co-ordinated Veterans' Care Program





DVA contracted Bupa Health Dialog to oversee coordinated case management

Identifies veterans and war widows with chronic health conditions at high risk of hospitalisation

Challenge: Integrated Care Bupa Care Services GP initiative



- Bupa Care Services in Australia employs GPs to work at residential care homes
- Digital health reporting and access to specialists via Telehealth consultations
- Improve complex health care in care homes, link to local hospitals to reduce visits and LOS



Challenge: chronic disease Innovation: health coaching







- Reduced physical inactivity by 49%
- Reduced obesity by 7%
- Reduced smoking rate by 17%
- Reduced those with unhealthy nutritional habits by 56%

Source: Simone Jones et al. 2012. The Connecting Care Telephone Support Service – an innovative approach to delivering effective chronic disease management.



- Reduced medical and pharmacy costs by \$7.96 per person per month
- Reduced impactable hospital admissions by over 10%
- 9-24% who discussed surgical decisions did not proceed
- Diabetes or heart disease patients had 3-6% higher rates of taking recommended tests

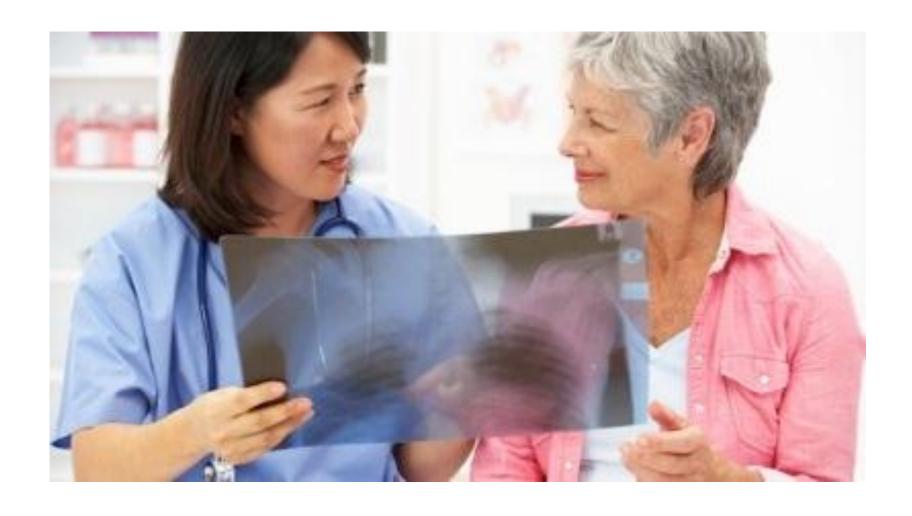
Source: David E. Wennberg et al. 2010. A Randomized Trial of a Telephone Care-Management Strategy. N Engl J Med.

Challenge: consumer expectations Innovation: empowering patients



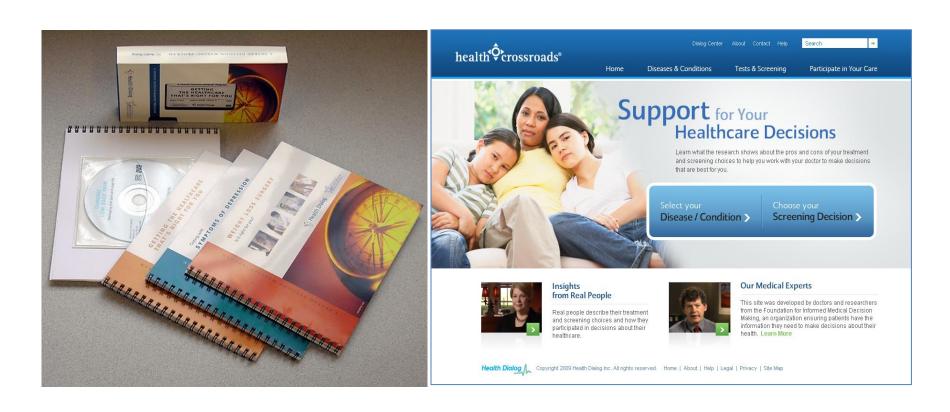


Challenge: empowering people Innovation: shared decision-making tools



Shared decision-making tools





Print Video



Shared decision-making tools: outcomes



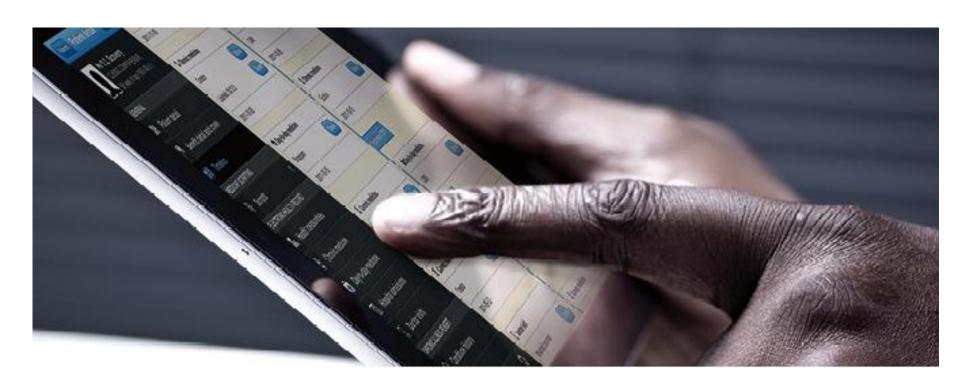
Review of 115 studies show that shared decision-making tools:

- reduce the overuse of elective surgical treatments by 25 percent
- improve patients' knowledge of options
- allow patients to feel more informed
- have more accurate expectations of benefits and harms; and
- participate more in decision making

Source: D Stacey et al. 2003. Decision aids to help people who are facing health treatment or screening decisions. Cochrane Database Syst Rev.

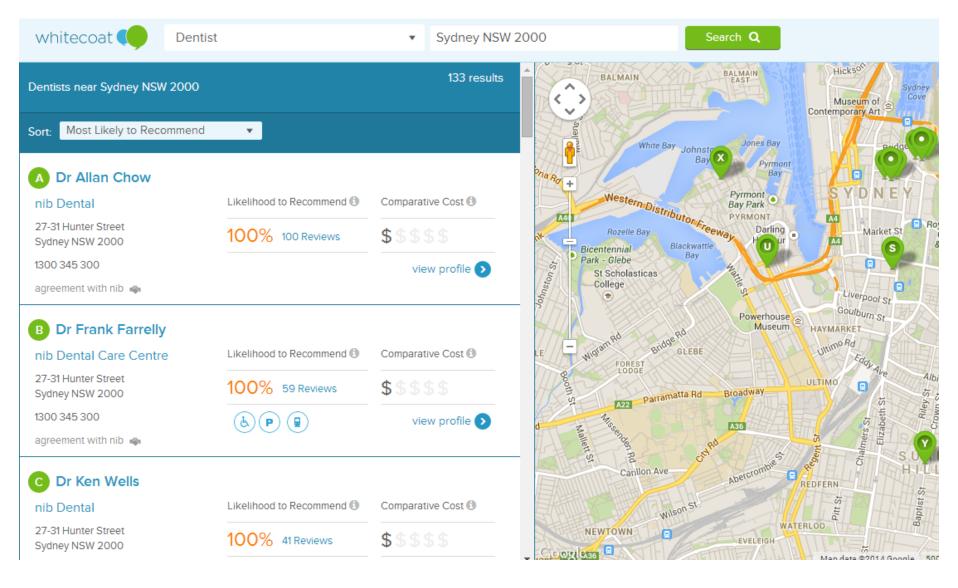
Challenge: empowering people Innovation: person-controlled electronic health records





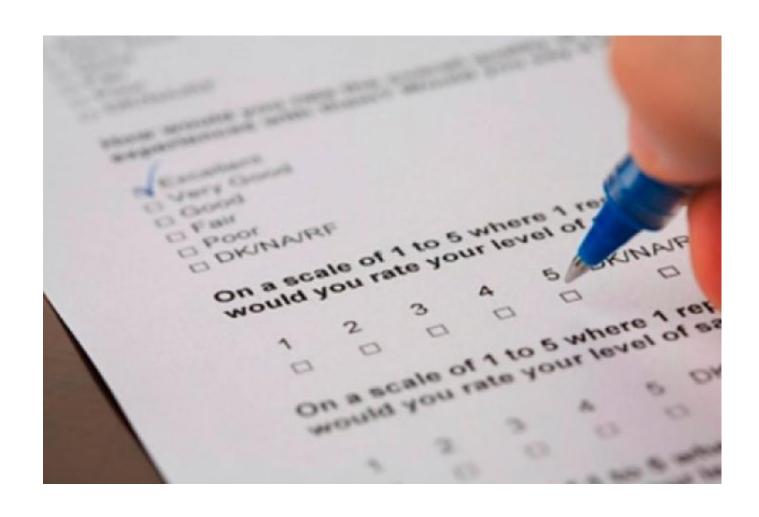
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Challenge: smart use of data Innovation: PROMS





PROMS: Patient Reported Outcome Measures



- Collection of Patient Reported Outcome Measures (PROMs) was piloted by Bupa in the UK and taken up by NHS funded services.
- Patients complete a generic (EQ-5D) and condition specific survey (e.g.
 Oxford Hip or Knee Score, Aberdeen Varicose Vein Score) pre-operative (day
 of surgery or pre-op assessment) and post operative (3 or 6 months depending
 on the condition).
- Routine PROMs collection and reporting on a national scale gives a unique insight into how effective patients feel their treatment has been.
- PROMs can be used n a variety of ways to drive quality improvement and incorporate patients' responses into their care.
- Australia is commencing a number of PROMs pilots.

Patient reported outcome measures



 Following the successful pilot, routine collection of PROMs data for NHS funded care began for four procedures from April 2009:

Hip Replacement

Knee Replacement

Varicose Vein Surgery

Groin Hernia repair

These procedures were selected on the basis of:

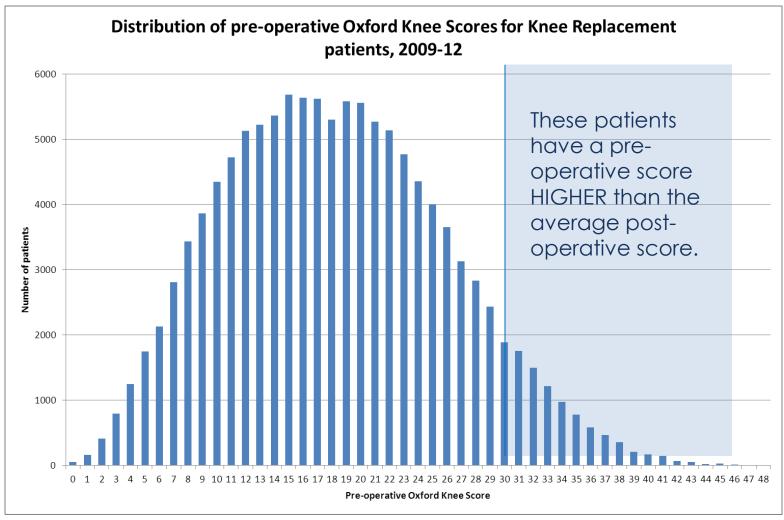
High volume procedures

Significant resource cost

Potential variation in quality

Results: pre-operative scores

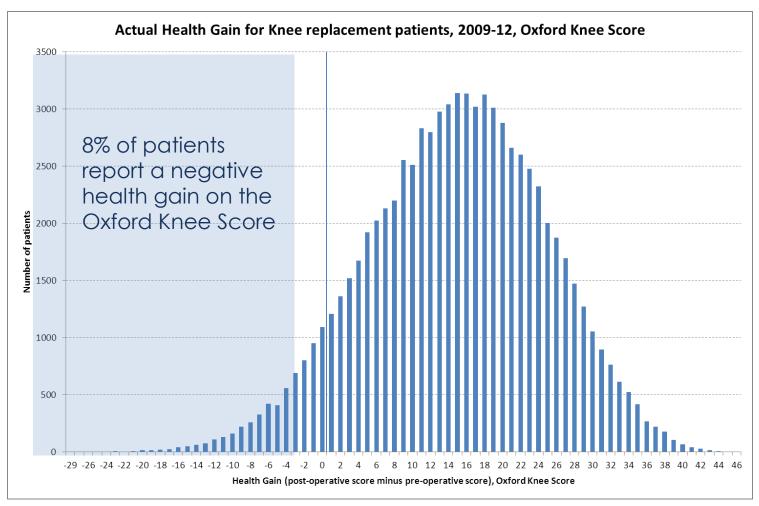




Source: Andrew Vallance-Owen - PROMs Presentation

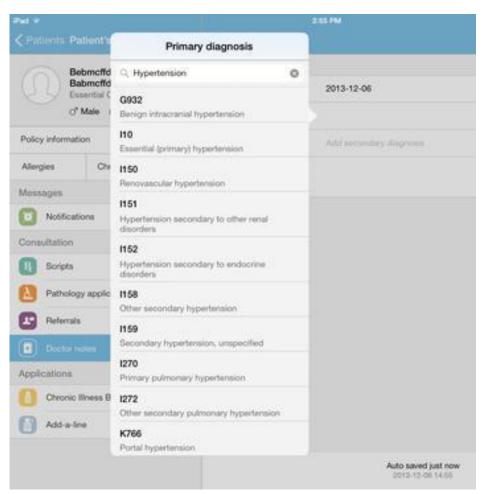
Results: Patients' health gain





Discovery HealthID app





- Clinicians can look up medical history, benefits, prescribed medicines, blood test results, BMI and blood pressure, and write electronic prescriptions and referrals
- Patients can apply online for chronic medicines with real-time approval
- Reduces administration costs
- Discovery also analyses millions of daily claims transactions along with demographic and clinical information to predict members' medical needs and detect fraud



FoodSwitch The George Institute & Bupa Australia





Bupa Health Information Hubs



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- To detect and manage risk early
- To deliver the right care, at the right place, at the right time, for the best price
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