Australian Government

Department of Health

Australian Government
Department of Health

Primary Healthcare Reform
The Australian Experience

Professor Mark Booth
First Assistant Secretary
Primary and Mental Health Care Division
Department of Health, Australia

Australian Embassy, Washington DC
July 14, 2014

Overview

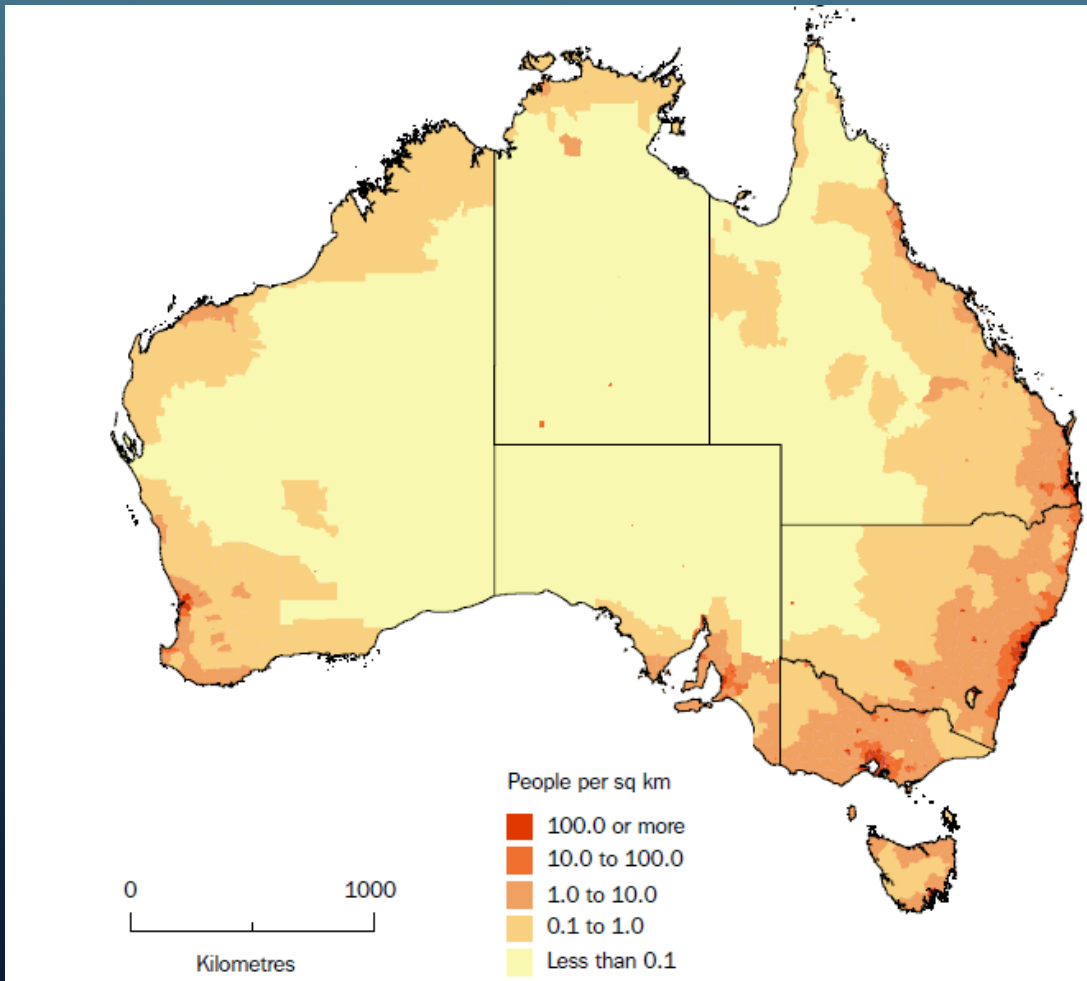
- Australia's demographics
- Australia's healthcare system
- Life expectancy and health spending
- Organized primary healthcare
- Innovation – shared learnings
- Incentivizing primary care
- Common reform themes and issues
- Take away messages

Australia's demographics

30,000 GPs
22,000 FWE –
97.4/100,000
71% located in major cities

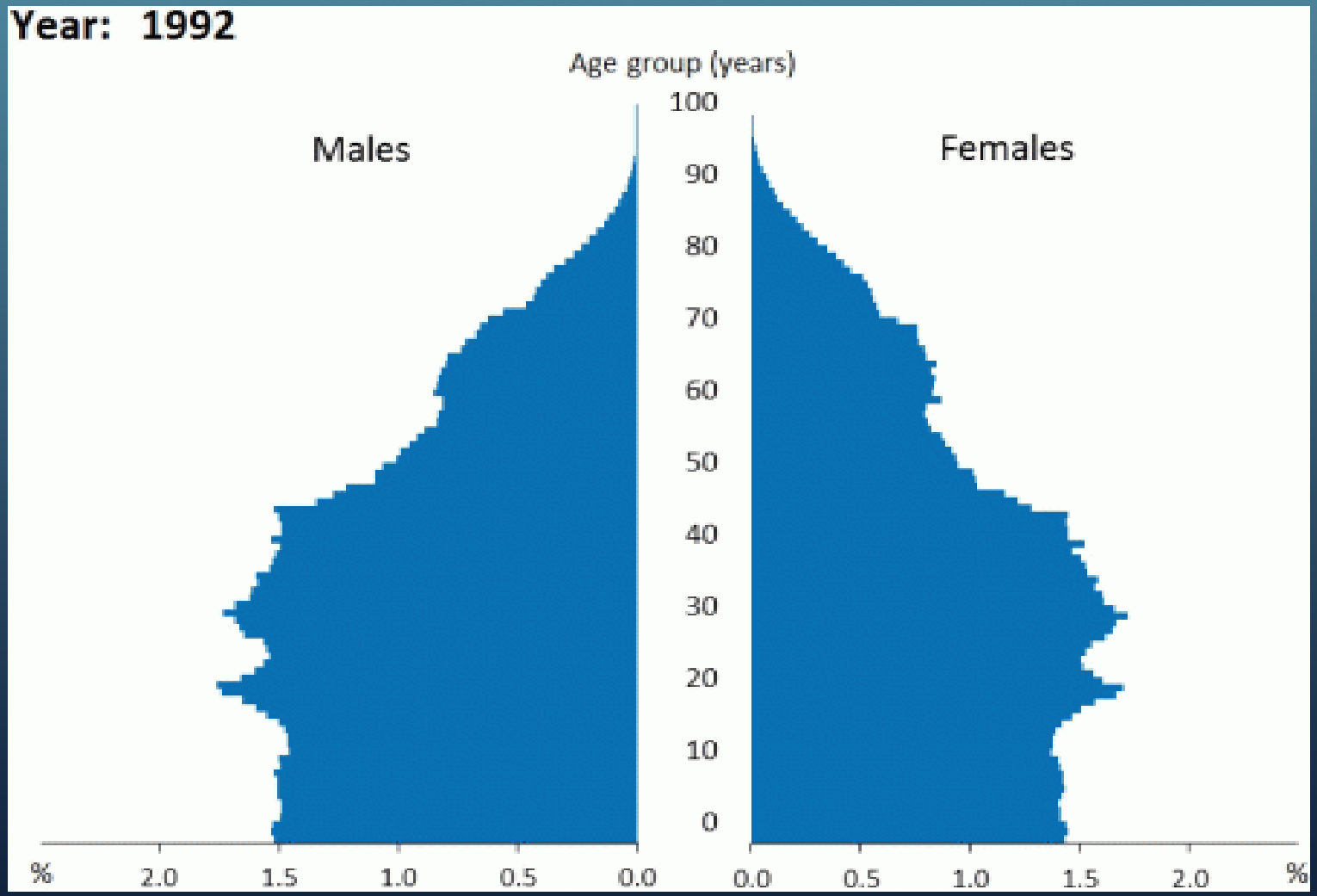
136 Local Hospital Networks: 123 geographical/ 13 state

753 Hospitals
- 180 Metro
- 417 Regional
- 156 Remote



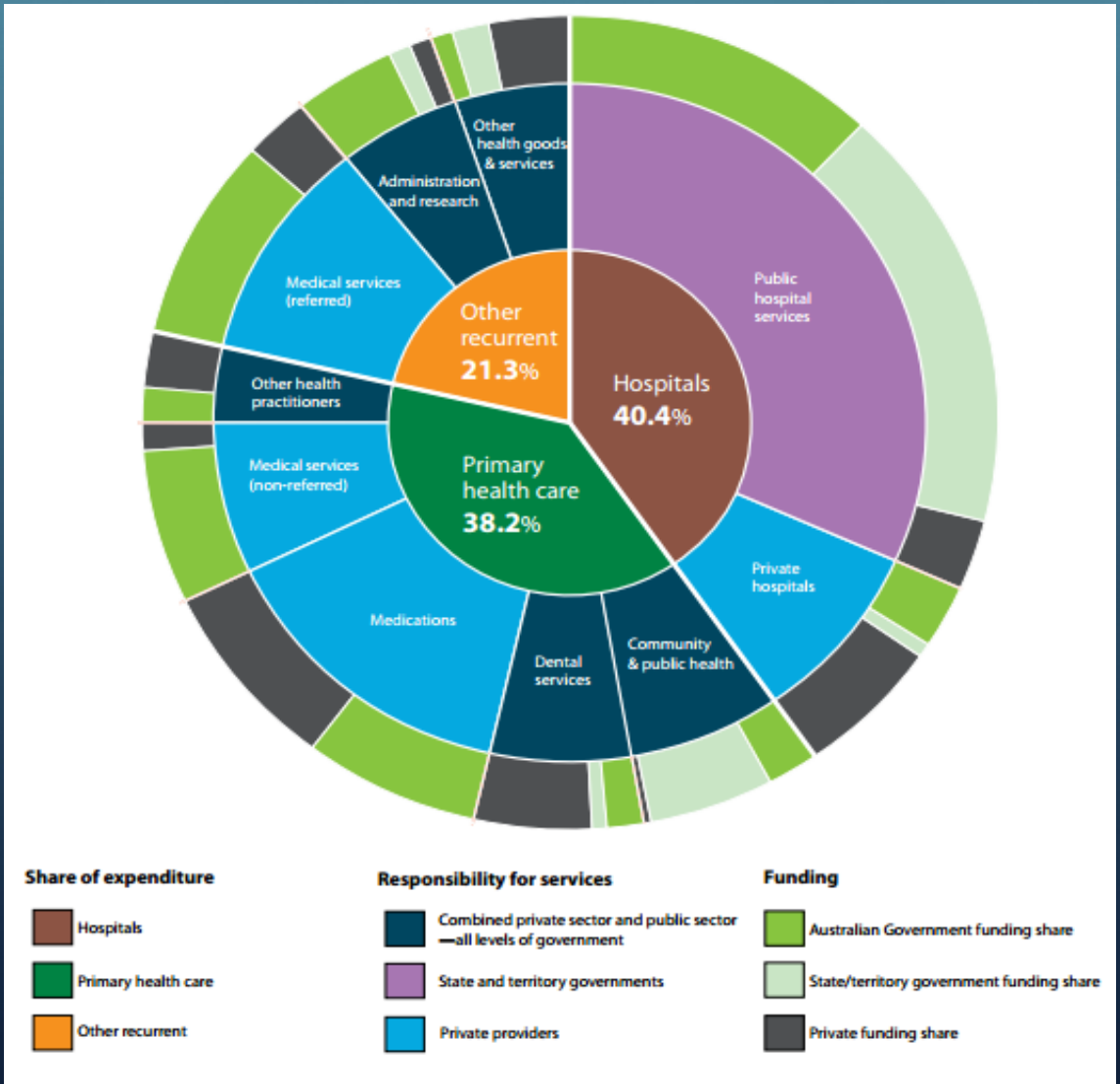
Source: Regional Population Growth, Australia (3218.0).

Age Structure



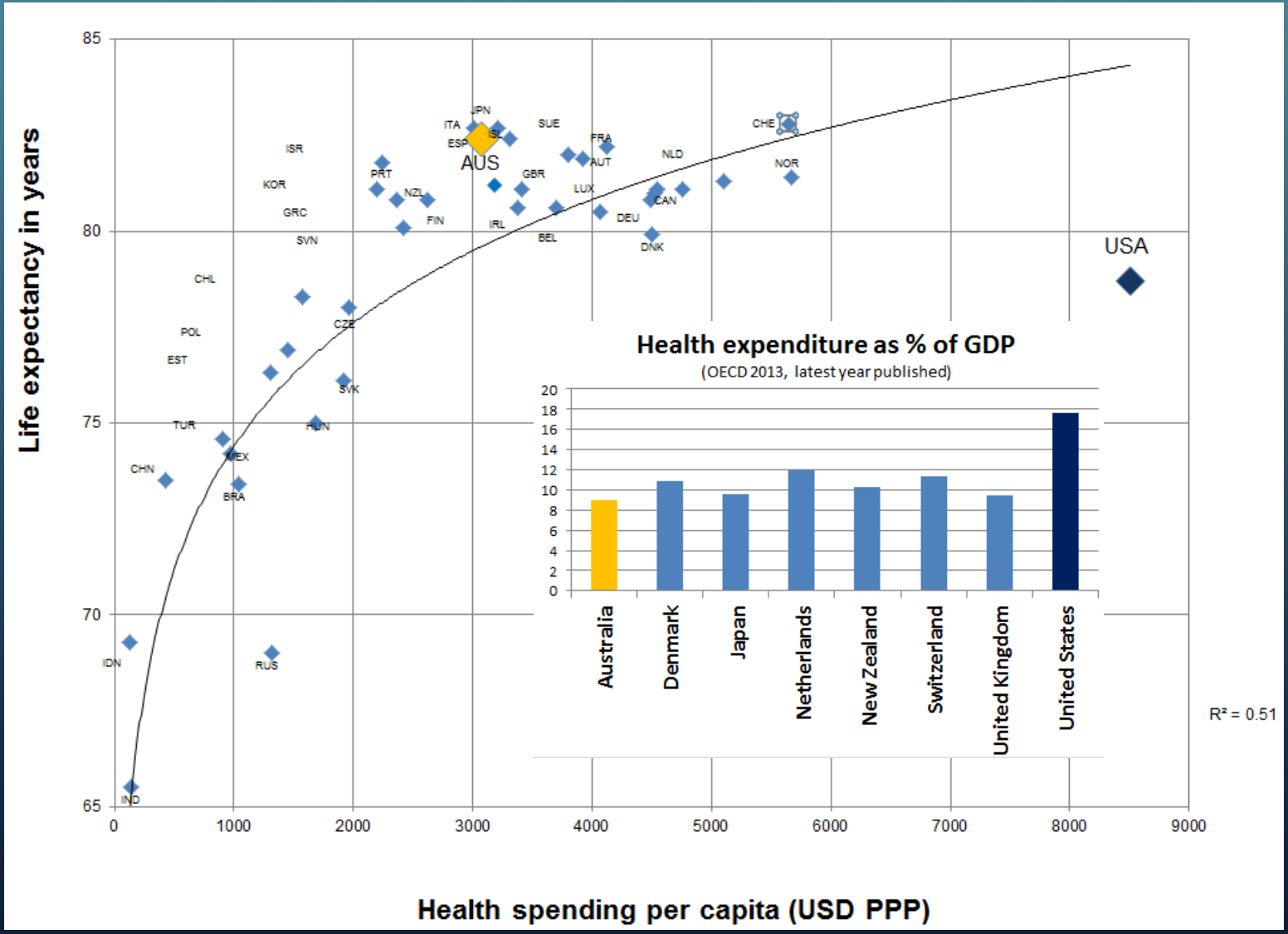
Source: ABS 2012, Australian Demographic Statistics, March 2012, cat. no. 3101.0
ABS 2008, Population Projections, Australia, 2006 to 2101, cat. no. 3222.0

Australia's Healthcare System



AIHW: Australia's Health, 2014

Life expectancy and health spending (2011)



Source: OECD Health Statistics 2013, http://dx.doi.org/10.1787/health-data-en; World Bank for non-OECD countries.

A personal health reform timeline and snapshot

UK 1980's and 1990's

- Managerialism
- Internal Market
- GP Fundholding
- NHS Trusts
- Patient Charter

NZ Late 1990's - late 2000's

- Health Funding Authority
- Independent Practitioner Association
- Ministry of Health
- District Health Boards
- PHOs
- National Health goals and targets

Australia from late 2000's

- NPHC Strategy
- National Health Reform Agreement (2011)
- Medicare Locals
- Primary health networks

Organized primary healthcare

- Federated structure and disparate funding models led to ‘voice’ of general practice not being adequately heard
- Isolated GPs needed support to guide patients through increasingly complex health system
- Patients falling through gaps in the health system
- Increased evidence around primary care focussed health system as most cost effective organisational form
- Transitioning from informal to formal primary healthcare arrangements

Transition of organized primary healthcare

1992 1996 2007 2010 2011 2012 2013 2014 2015

Phase 1
Divisions of General Practice

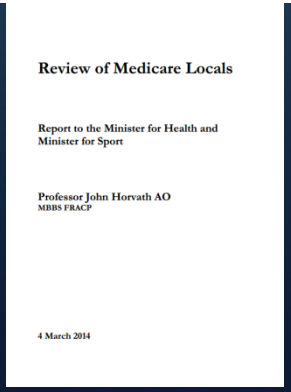
15 → 124 → 110

Phase 2
Medicare Locals

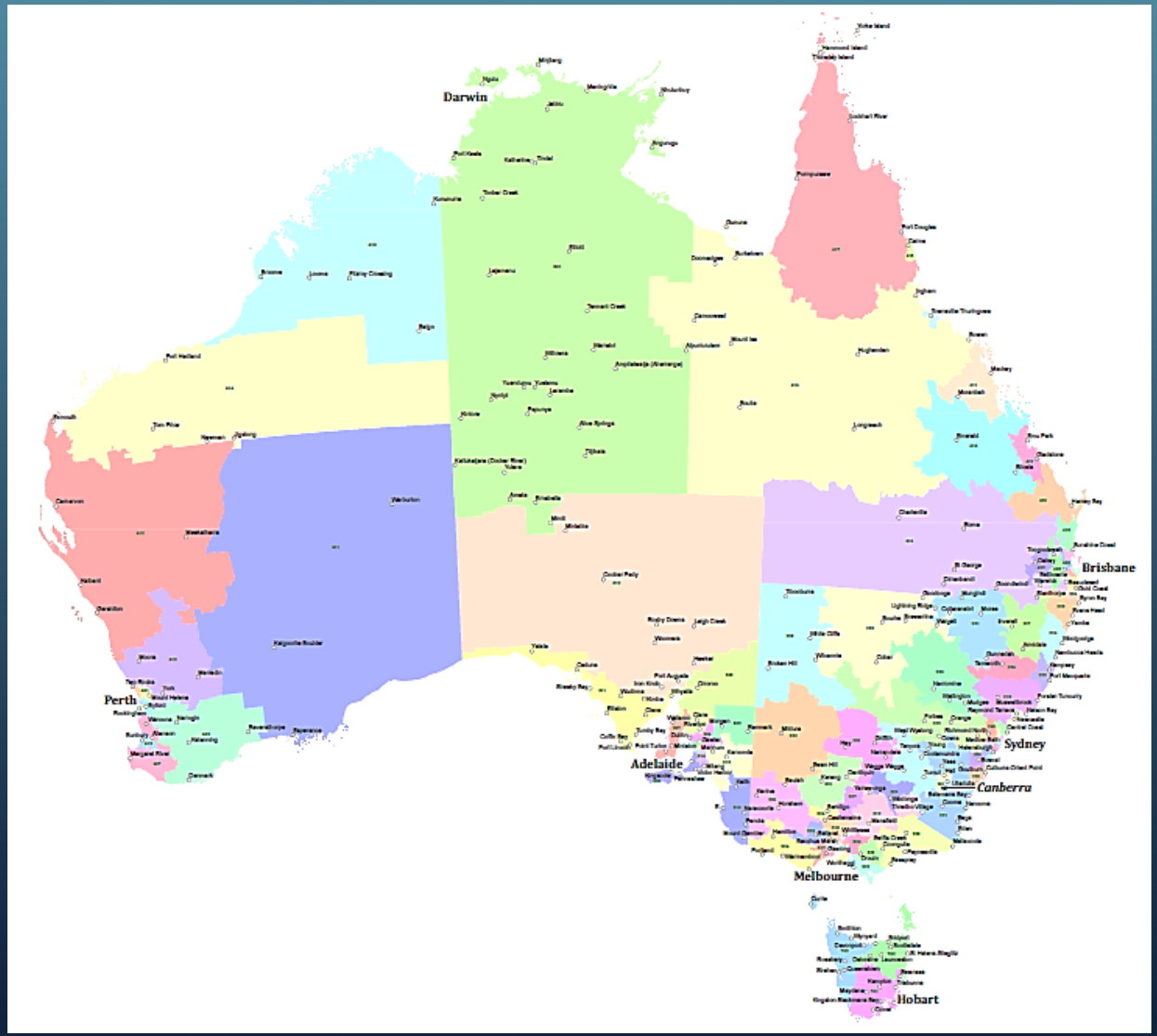
19 37 61

Phase 3
Primary Health Networks

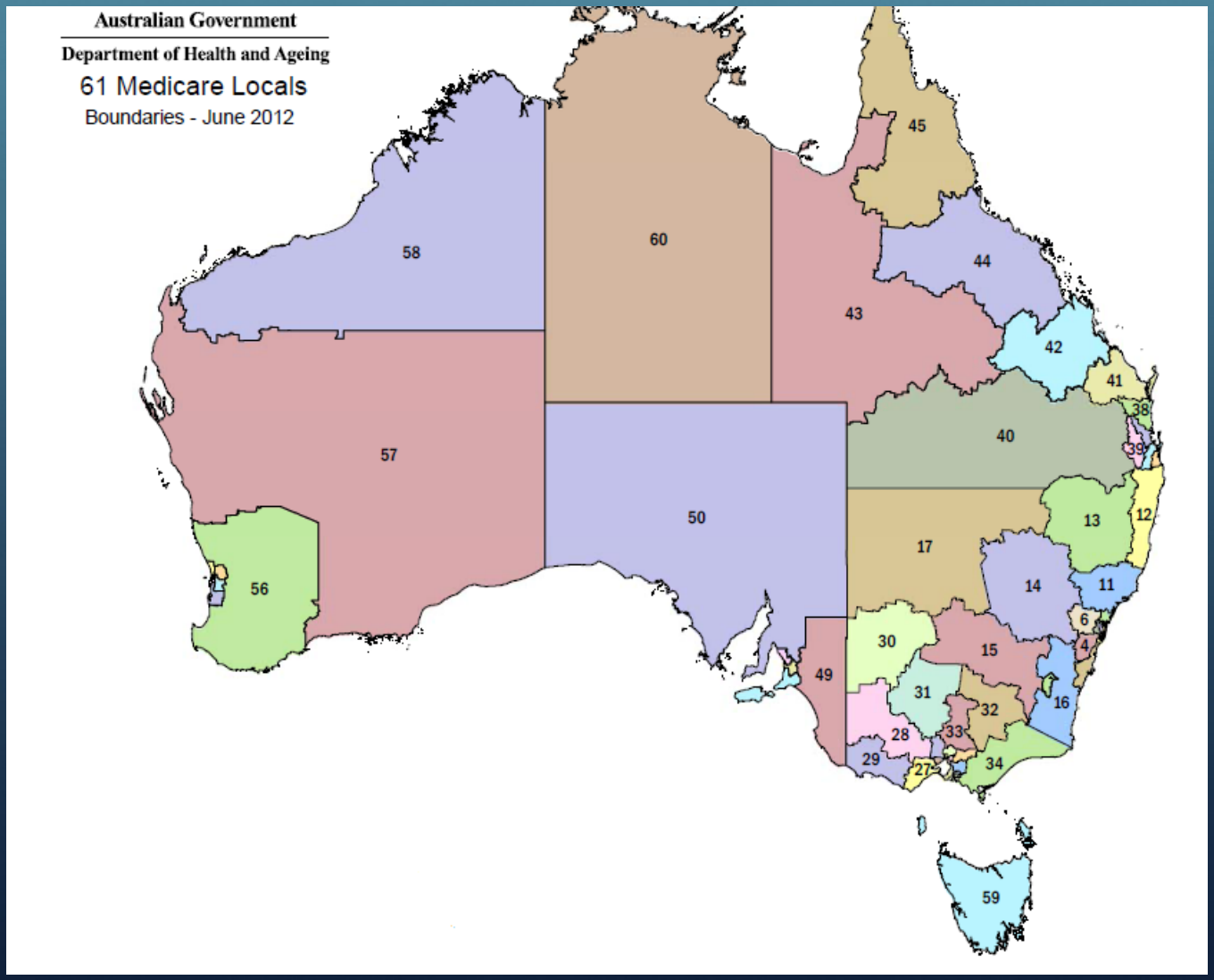
24?



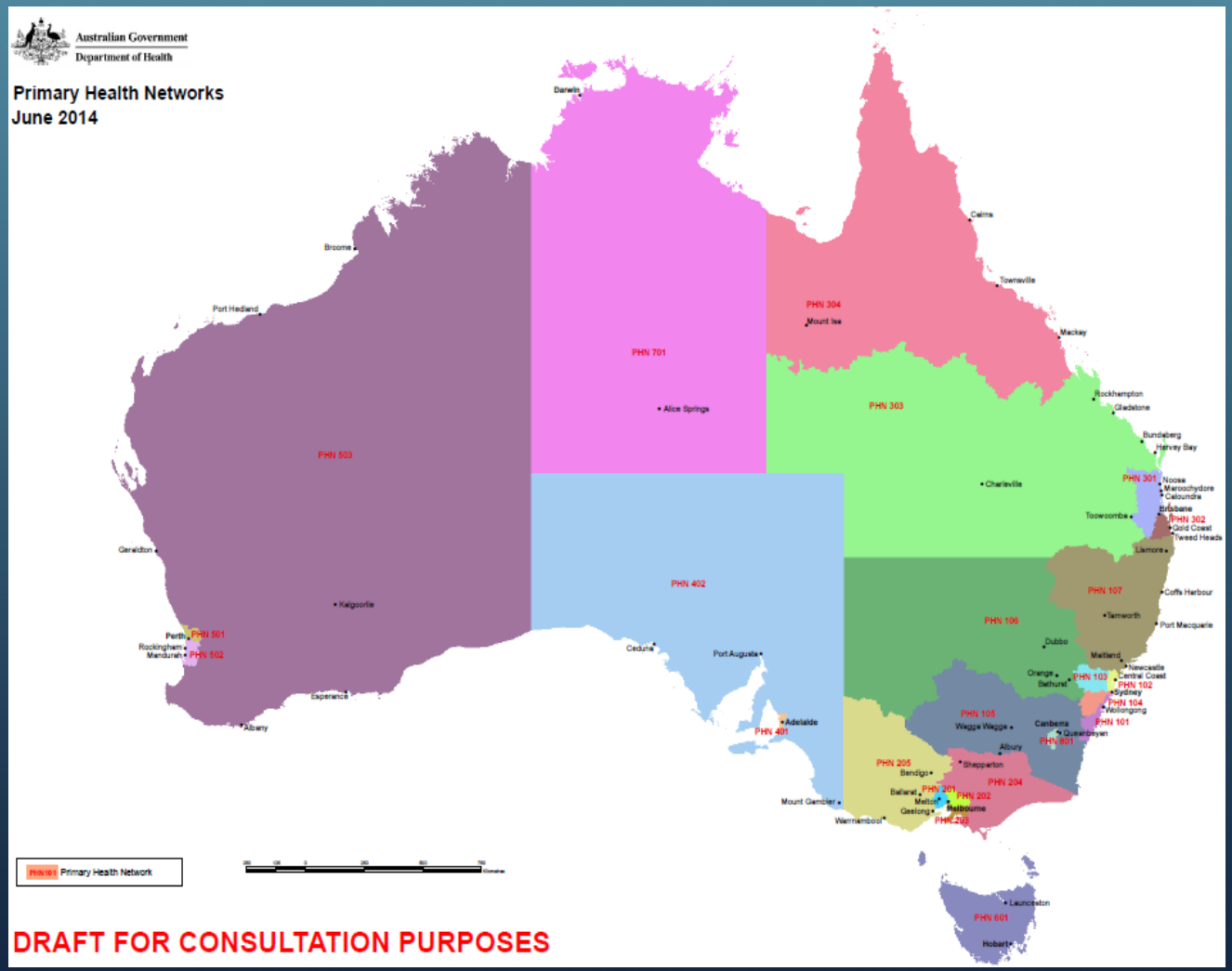
Phase 1 – Divisions of General Practice



Phase 2 – Medicare Locals



Phase 3 – early thoughts on PHNs



Phase 3 – Primary Health Networks (PHNs)

- Recognition of the need for an entity to assist primary health care – the ‘assisting’ hand
- Fewer, larger, PHNs to capture benefits of economies of scale
- Where viable, separating purchasing and providers to improve competition
- Increased focus on general practice – clinical councils
- Increased contestability to stimulate innovation and high performance
- Transition-in period from early 2015 to ensure continuity and minimise disruption

PHNs - Innovation and shared learning

- Medicare Locals develop patient care pathways, focused on providing health care providers across the primary, secondary and community sectors
- Actively partnering with acute providers to address the needs of their local communities
- Supporting the transformation of a fragmented primary health care sector into an integrated primary health care system
- Also working across health care sectors to improve integration and coordination of care

Payment Mechanisms

Medicare

Fee for Service

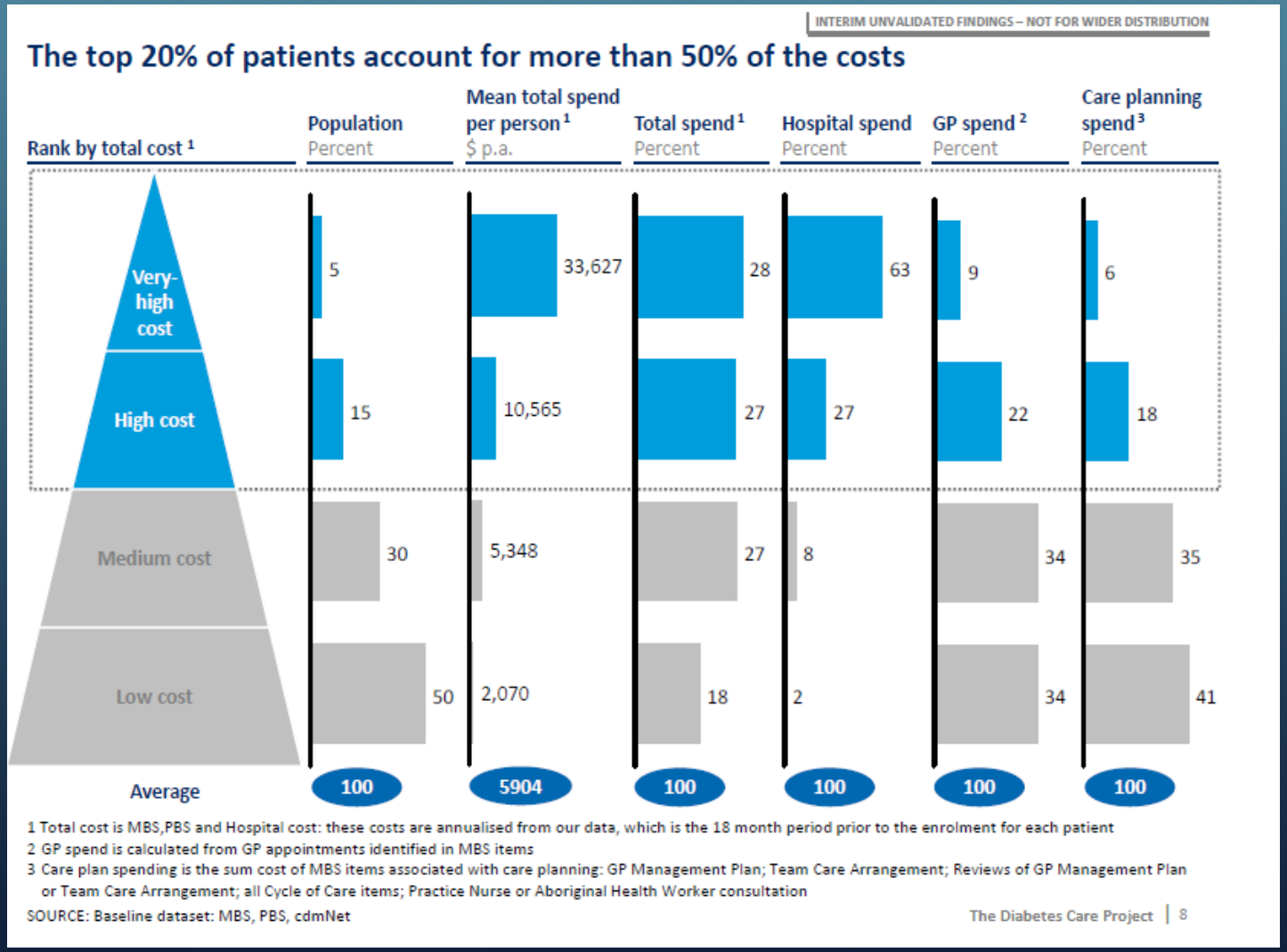
Pay for performance

Capitation / block funding

Incentivizing primary care

- Practice Incentive Program
- Focus on improving quality care – linked to accreditation
- 5,200 practice participate (around 75% of all practices)
- 10 incentives e.g. diabetes management, cervical screening, asthma care
- Evidence suggests positive contribution to rates of accreditation and improved patient care
- Blended funding models appropriate to desired outcomes

Diabetes Care Pilot



Diabetes Care Pilot

The DCP results show an improvement on a number of dimensions for IG2, and limited improvement in IG1

All numbers compared to control

Positive and significant | Negative and significant | Not significant

		IG1	IG2	Units
Patient experience	Continuity of care	0.23	0.94	Score (out of 24)
	Diabetes related stress	0.03	-1.33	Score (out of 80)
	Self-management	-0.33	2.82	Score (out of 88)
	Quality of life	-0.01	0.01	Score (out of 1)
Clinical processes	Care plan created and renewed	31	52	%
	AHP visits	0.06	4.01	#
	Annual cycle of care completed	-4	20	%
Clinical measures	Patients with HbAIc OOR[1]	-5	-23	%
	Patients with systolic blood pressure OOR[2]	9	-4	%
	Patients with total cholesterol OOR[3]	12	1	%
	Patients with depression	9	-11	%

1 HbAIC OOR>7.5%
2 Systolic BP OOR>150 mmHg
3 Total cholesterol OOR>5 mmol/L

SOURCE: : DCP baseline and final data

Common themes and issues

- Important role for a primary health care organisation in the health system
- Primary healthcare focus to contain costs
- Policy directions to improve access
- Supporting GPs to deliver high quality care
- Moving from demand to need
- Clinician involvement essential
- Measuring performance improvement

Take away messages

- Disparate healthcare systems benefit from an entity that organizes and coordinates health care (population level) through innovative solutions
- Clinician engagement is pivotal for the success of organizational reforms
- GPs at the centre of holistic patient centred care to drive health system improvement and cost containment
- Opportunities to work with data to improve population health through research and planning
- Blended funding systems and incentive mechanisms can drive practice improvement

Australian Government

Department of Health

Thank you

Mark.Booth@health.gov.au

Australian Government

Department of Health

Data to support population health

- National, jurisdictional and local activities
  - National Health Information Agreement
  - Western Australia data linkages project
  - Medicare Locals comprehensive needs assessment
- Examples of long data linkage in WA – Linkages occur in pockets
- Improving government use of data – EDW and the planned consolidated Performance and Productivity Commission
- Potential for PHNs may serve as regional data custodians

Australian Government

Department of Health

Data to support population health research

- Making national health data more available to researchers to link it with other data such as survey and social services data
- Challenge – balance the important right to individual and organisational privacy against the need to make data available to work to improve the health of the nation
- Australia is achieving this balance by appointing integrating authorities which take responsibility for the linkage process from start to finish.
- These organisations facilitate access to and linkage of data for health researchers in a highly secure environment

Australian Government

Department of Health

National Health Information Agreement

- Established to coordinate development, collection and dissemination of health information in Australia
- Outlines structures and processes through which Commonwealth, state and territory health and statistical agencies work together to improve maintain and share national health information:
  - availability of nationally consistent high quality health information;
  - support policy and program development
  - improve the quality, efficiency and accountability of health services provided to individuals and populations; and
  - promotes the efficient, secure, confidential and timely use of information.