One in Four Lives
The Future of Telehealth in Australia

March 2014

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Contributing to a Sustainable Australian Health System

The Australian health system cannot survive in its current form.

Treasury modelling predicts that on current trends health care costs will consume more than 100% of the entire revenue collected by the States by 2046. A 'perfect storm' of an ageing health workforce, the rising incidence of chronic conditions and increased expectations of both consumers and healthcare professionals is contributing to unprecedented demand on our health system.

It is essential that we act now to ensure our health system remains sustainable and accessible for current and future generations. The adoption of innovative models of care (the way in which healthcare services are delivered) and appropriate enabling technologies will provide the government with mechanisms to manage the existing health budget more effectively and efficiently.

Telehealth – the remote management and delivery of health care – is one such model, with the potential to improve efficiencies, reduce hospitalisation and improve how healthcare services are delivered.

It is time to move beyond pilots and funding for individual programs, and instead support a more flexible funding model for Telehealth that will allow the whole of the health industry to develop cost effective models of care.

This paper summarises published evidence and the experience of a broad range of healthcare industry experts to demonstrate the impact of chronic disease on our health system and provide recommendations on how Telehealth can be implemented on a broad scale in Australia, without additional impact on government budgets.

Although much evidence for Telehealth has been established through recent large-scale studies, there remain significant structural barriers to its uptake in Australia. An inclusive approach to different advances in care delivery using Telehealth is required, one that encourages investment from industry in proven models of care.

The models of care in the Australian Health System are unsustainable in their current form.

Telehealth for remote management of healthcare can relieve demand on the system.

The Challenge

The real challenge in Telehealth today is not the development of the appropriate technology, which is already widely available. Telehealth early adopters battled through third world-like internet connectivity, expensive hardware based solutions, a lack of industry standards, a relatively non-existent funding stream and a wall of health industry resistance. Today, we are spoiled for choice when it comes to technology: inexpensive and free web based video conferencing (VC) solutions for consultation abound, some of which are interoperable. Broadband and 4G internet is now widely available throughout the country and some parts have access to the National Broadband Network (NBN). There is a funding stream, via Medicare, that has enabled Telehealth to become a mainstream activity, with the Royal Australian College of General Practitioners (RACGP) and many specialist colleges creating guidelines and clinical standards to assist clinicians with delivering care online effectively.

The real challenge in Telehealth today lies in creating sustainable, profitable business models that can meet the needs of governments, services operators, clinical practice and patients.

These models are likely to be leveraged from government funding pools such as National Disability Insurance Scheme (NDIS), Aged Care, Department of Social Services (DSS) and/or Medicare. Any new model will need to utilise a hybrid of government and user pays funding for Telehealth to be sustainable and scalable. It is thus increasingly important that governments and industry work together to ensure that information is shared transparently to create informed policy decisions around healthcare funding.

The One in Four Lives Initiative

The *One In Four Lives* Industry Initiative has been developed by organisations from several sectors including the AIIA, BT, Medibank Private, Philips, and the University of Western Sydney and is supported by not-for-profit operators and leading health academics. It aims to encourage the participation of industry in broadening the available business models and promoting industry and government collaboration on growing Telehealth in Australia – providing cheaper, faster, more efficient healthcare solutions through innovation.

The name of the new body reflects the fact that more than seven million, or one in four Australians, are affected by chronic health conditions.[1]

The expected result of the proposed widespread adoption of Telehealth services is a shift in the forecast growth in demand in the health system from the acute to the primary sector, providing effective delivery of care in a lower cost model. The outlook for health budgets is further improved as Telehealth services improve the ability and willingness of patients to manage their own conditions, leading to a gradual constraint in the growth of demand.

The inclusion of different models of care in the existing funding structure – under the broad banner of Telehealth – will support a variety of business models that lead to wide-scale Telehealth adoption.

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The Need to Take a
Strategic Approach

Health systems worldwide face sustainability pressures and challenges, leading to widespread reform agendas including the adoption of new models of care and enabling technologies. In many countries this has led to the creation of substantial eHealth strategic plans and implementation policies, which in some cases have included Telehealth. Australia's eHealth plan has notably omitted this area, and despite the introduction of the Medicare Benefits Scheme (MBS) video consultation items and a considerable number of localised independent clinical and commercial activities in Telehealth, there has been no clear government direction on how the Telehealth landscape should unfold.

This is despite acknowledgement that it could provide rapid impact in priority areas such as rural and indigenous quality of healthcare, and meet the growing demand for access to conventional delivery channels of healthcare in the primary and acute sectors.

With appropriate high level direction setting driven by a National Strategy or set of Sectoral Strategies, Telehealth could be marshalled to play a major role in enabling changes to the service models and the delivery required to respond to the needs of both the primary and acute sectors. Clinical, business and industry perspectives on such directions have been articulated by several professional groups in the past two years, including ATHS[2], MTAA[6] and ANCCH[3]. Substantial groundwork by CSIRO[4] and NICTA[7] in addressing technological needs as well as government leadership in direction setting for the Digital Economy[5] has provided much guidance for the related policy setting and decision making necessary to advance this endeavour.

Much mention has been made in the press of individual Telehealth activities as if they were highly novel, to the detriment of establishing a vision for Telehealth as a broader based aspect of healthcare reform.

A well-disseminated National Strategy that enabled such examples to be contextualised against a large-scale imperative would address this gap.

There seems to be some consensus from the findings of the mentioned Telehealth activities that a National Strategy for Telehealth should be targeted, purposeful and efficient in nature. We should use such a strategy to drive development of new business models, and/or clinical interventions, rather than passively accept those that might present serendipitously in convenient or timely circumstances. For example, efforts to leverage the NBN by initiating a series of pilot projects with an expectation that these would be taken up elsewhere to achieve scale, would appear to be ineffective in the absence of some guiding strategy or policy framework.

Telehealth could be marshalled to play a major role in enabling changes to the service models and delivery required to respond to the growing demand for healthcare in Australia.
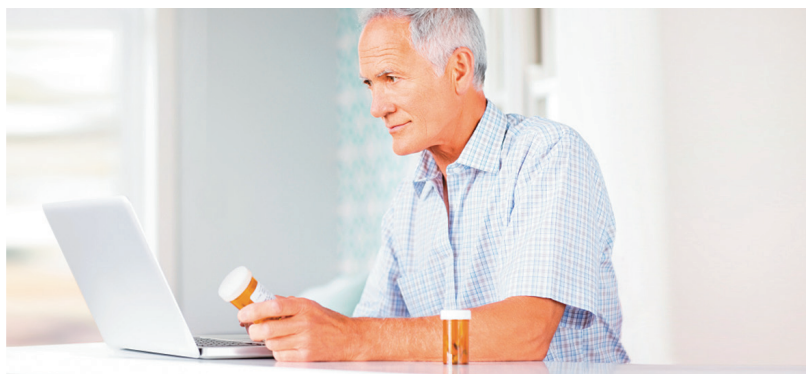
Realising the Strategic Vision

The Australian Government's commitment to Telehealth is critical in the ongoing development of new, more cost effective models of care. Better industry collaboration through groups such as the *One in Four Lives* initiative can assist in making more informed funding decisions that can improve return on investment and overall health outcomes across Australia.

Although a National Strategy is an urgent need, it may take time to elicit appropriate inputs from all stakeholders, and in the interim it may be appropriate to advance a few more obvious opportunities in parallel with the strategy development, to accelerate its eventual adoption. The recommendations of *One in Four Lives* as outlined here are therefore the first step toward a mainstream Telehealth strategy.

If Telehealth is to be one of the tools of a sustainable health system, it must further be part of a wider and long-term commitment to service redesign that seeks to support self-care and to better co-ordinate care and treatment to people with chronic conditions (and their carers) in the home environment.

While funding incentives are important, a multi-pronged approach is needed to change provider and user behaviour.

The next phase of Telehealth adoption in Australia is pivotal. We must seek to fund other modalities outside of video consultation to encourage industry to find more efficient and cost effective service models. We must make those choices on a soundly justifiable and evidence supported basis, and introduce them in a structured approach so that their deployment is well managed and monitored, and their benefits and impacts are well established and understood.

The healthcare industry cannot expect to operate Telehealth services that are 100% reliant on government funding, they must develop services that offer consumers an improvement on existing models of care that will warrant some level of co-payment in lieu of other costs that may be associated with long waiting times, travel or worsening health. The introduction of some level of co-payment is likely to have a positive effect both in terms of industry's willingness to invest in the sector and on the value consumers place on Telehealth services however without well devised government funding decisions the costs of Telehealth will become too great for providers to deliver and for patients to afford.

Recommendations
for the Future of Telehealth

One in Four Lives aspires to the creation of a sustainable market for Telehealth services that attracts industry investment and drives the use of scarce health care resources more efficiently.

A two-phased approach is required, with the initial phase being the development of a cost neutral National Telehealth Strategy for a sustainable market. Recommendations for changes to existing funding structures are also included in this phase, offering significant opportunity for downstream savings.

In the second phase, the focus is on executing the strategy and realizing the remainder of the recommendations, which support the introduction of new business models in new areas of care that will enable Telehealth to be adopted as an appropriate alternative delivery mechanism. Immediate benefits can be realised through allowing the adoption of Telehealth within current funding structures.

The *One in Four Lives* Initiative has six recommendations to enable the widespread delivery of Telehealth Services in Australia:

One in Four Lives Recommendations: PHASE ONE

	Recommendation	Implementation	Expected Benefit
1	The Australian Government **develops a National Telehealth Strategy** for a sustainable market.	The *One in Four Lives* initiative will convene open forums to encourage wider industry participation in the strategy development.	A real world perspective on how an industry-supported model would work can be provided to inform the Government's development of a Telehealth strategy.
2	**Eligibility for existing MBS attendance items is broadened** to allow for coordinated care through multi-disciplinary teams delivering care through different modalities.	Allow for remote – and lower cost – delivery of care where appropriate through, for example, Store and Forward technologies, and the Remote Monitoring of Vital Signs for chronic conditions.	A coordinated care approach is more easily facilitated, particularly in regional and rural areas where remote consultation or monitoring may be the most reliable method of care delivery. It broadens scope to services appropriate to be included within a Telehealth service framework, whilst also restricting unlimited access.
3	**Home Care Packages** provided on a Consumer Directed Care basis allow for appropriate provision of further Clinical Services where requested.	Clinical Services – for example GP and specialist consultations – be expanded beyond the nursing, allied health, remote monitoring and therapies currently prescribed in the guidelines.	Provides appropriate, full scope of care options for those with multiple health issues that must be monitored but can be supported remotely. Appropriate care plans are implemented to support the consumer ageing in place and detect deteriorations in condition early enough for intervention.
4	**MBS video consultations items** continue to be supported for Telemedicine consultations provided by GPs, specialist practitioners and residential aged care facilities, with the introduction of a co-payment capability.	The introduction of the ability to claim the Medicare rebate at point of consultation – as with the traditional model – with the patient charged only the gap between the specialist fee and the rebate.	Increases the participation of clinicians, constrains unfettered demand and promotes a focus on the clinical appropriateness of the consultation.
5	The acute sector is funded through DRG codes that are **not dependent on the care being delivered within a hospital setting** for specific programs – early discharge programs, hospital in the home, step-down care.	Broaden the delivery of 'acute care in the home' – currently covering conditions such as DVT, cellulitis, community-acquired pneumonia and acute exacerbations of COPD – to fund all clinically appropriate delivery of acute care in a residential setting.	The acute sector is able to access lower cost models for delivering care, with an expectation of improved patient outcomes.

	Recommendation	Implementation	Expected Benefit
6	**The current funding structure for Health in Australia** – covering the MBS Schedule, Activity Based Funding and private contributions – be reviewed in light of the National Telehealth Strategy, with a view to encouraging Telehealth as an option to support the long term sustainability of the health system.	A request is submitted to the Productivity Commission to initiate the review. A best practice repository is established, to which *One in Four Lives* can contribute the industry perspective on lessons learnt and successes of existing Australian programs.	A more strategic approach to a sustainable health service is developed, inclusive of emerging digital technologies. Provides the opportunity to ensure any extension of servicing such as under a Telehealth model can be achieved without additional pressure on costs. Business models are encouraged that draw on existing government, industry and private funding sources to support wide scale adoption of Telehealth.

One in Four Lives – Government and Industry Stakeholder Engagement

The *One in Four Lives* Initiative was conceived as a broad collaboration of industry and government stakeholders coming together to create a sustainable market for Telehealth in Australia. The publication of this White Paper has been made possible through the ongoing efforts of the founding partners from across the healthcare industry, supported by leading academics and not-for-profit organisations.

It is important that engagement of key stakeholders continues and that the initiative actively seeks the involvement of as many interested industry participants as possible. To that end, the program of work for the initiative over the next year will include:

1. **Public discussion** of the recommendations set out in this White Paper
2. **Open forums** to promote further industry and government participation
3. **Consultation** with Federal and State government on the development of a National Telehealth Strategy

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