



Australian Government

Productivity Commission

Integrated Care: An outsider's view

Presented by
Ralph Lattimore

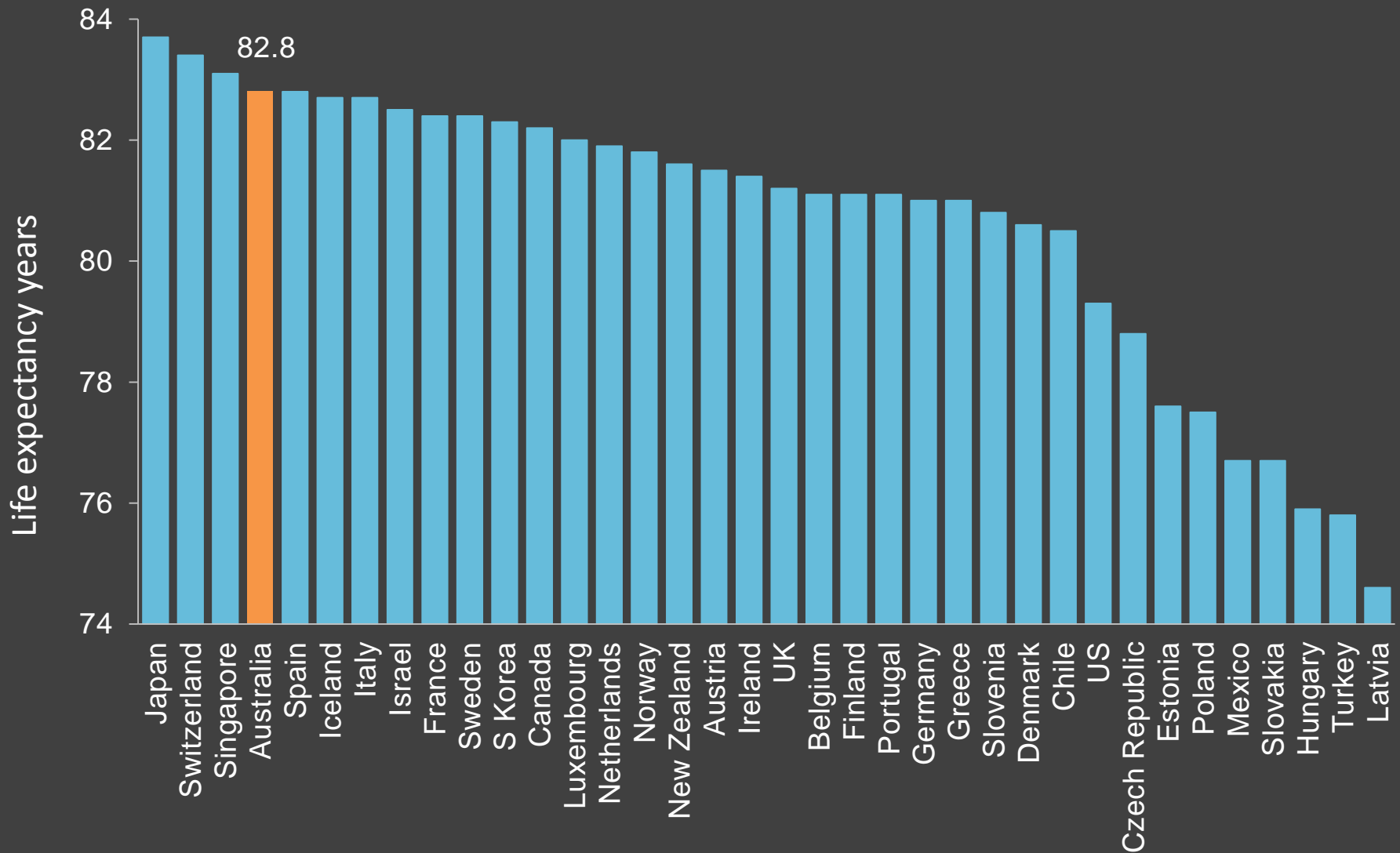
ADMA, Thursday 13 September 2018



Obstacles

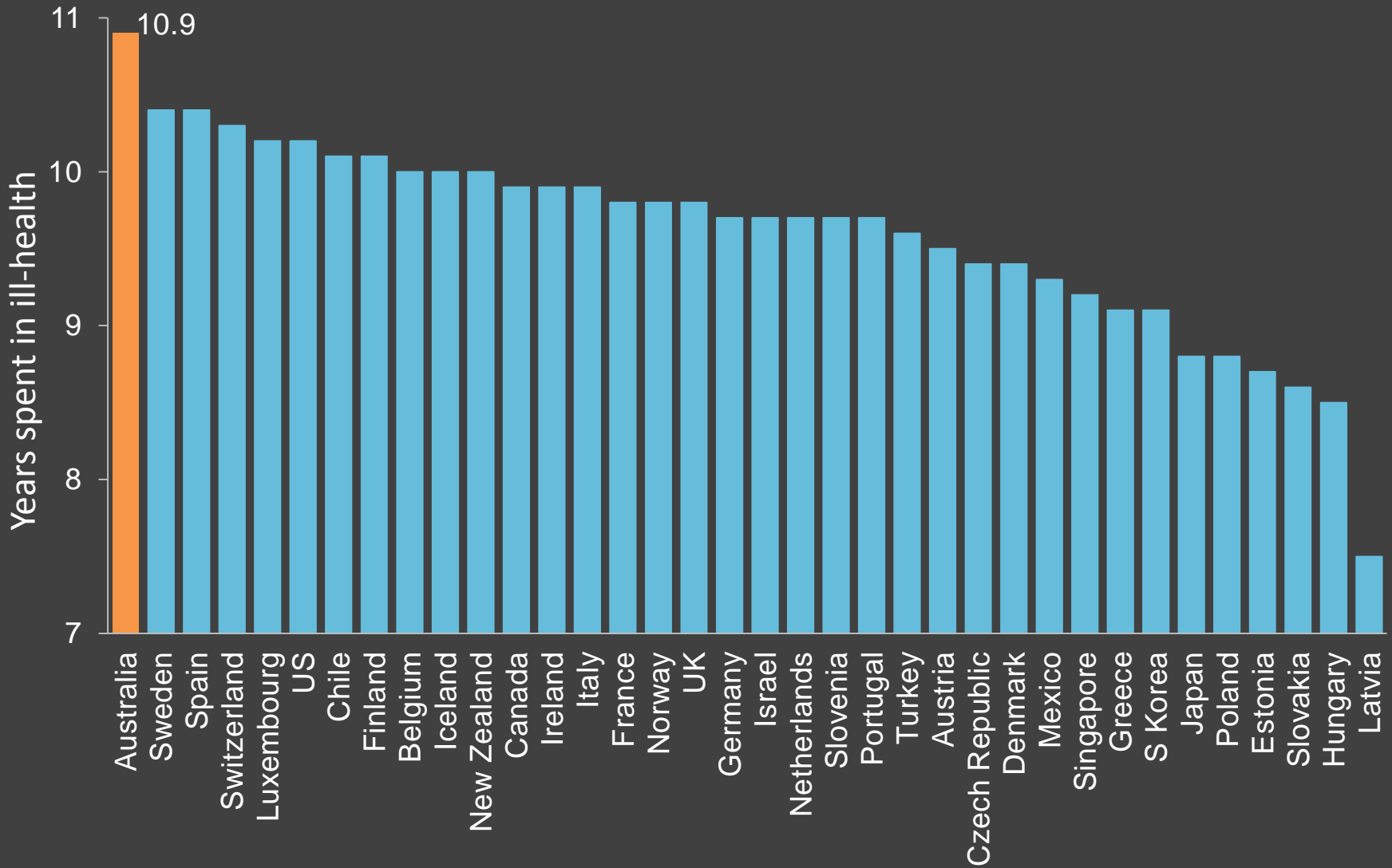
- Motivate change
 - It's not just a process matter for health departments, but a broad policy imperative
 - Need to demonstrate potential gains
- 'Clinical culture' and 'patient capacity' do not match well
- Top-down models
- Funding models
- Inertia
- Preventative care is a poor cousin

➤ Australian live relatively long lives



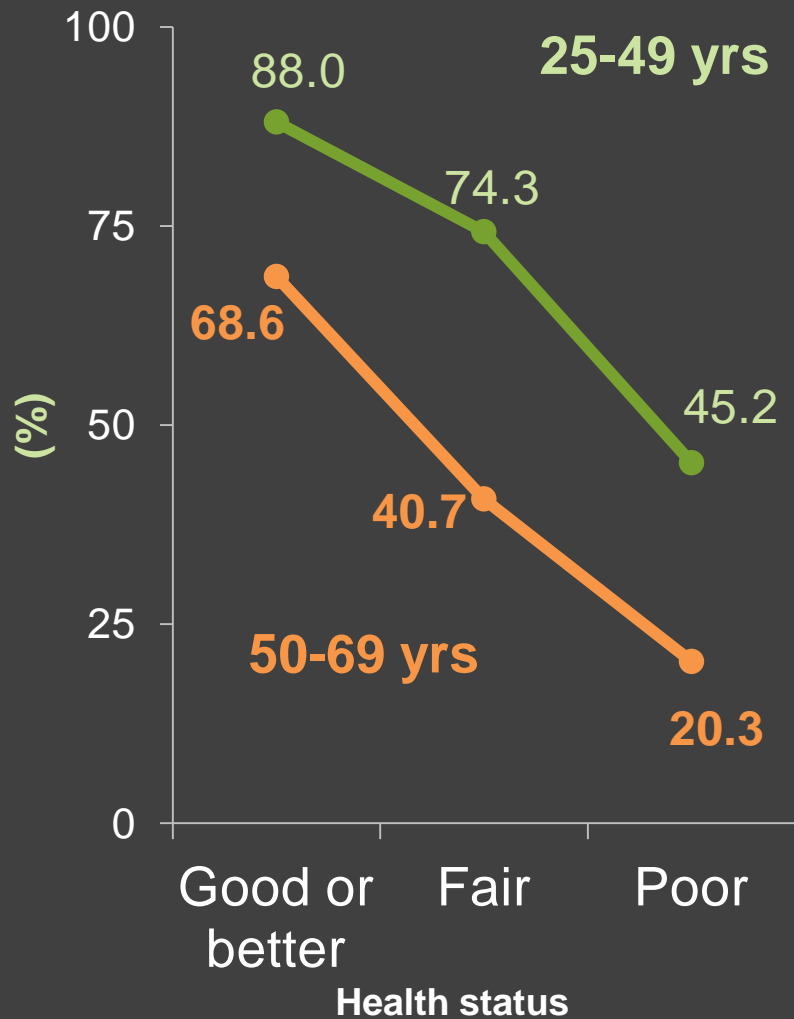


But poor awareness of lengthy time spent in ill-health

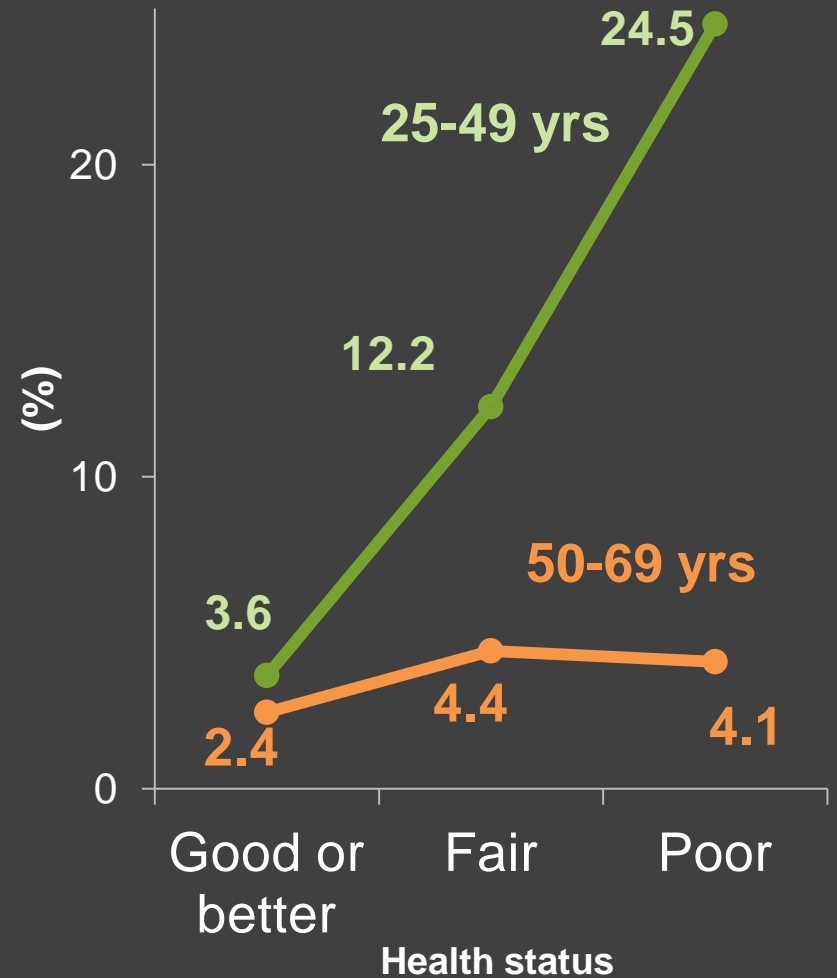


➤ Outcomes of poor health

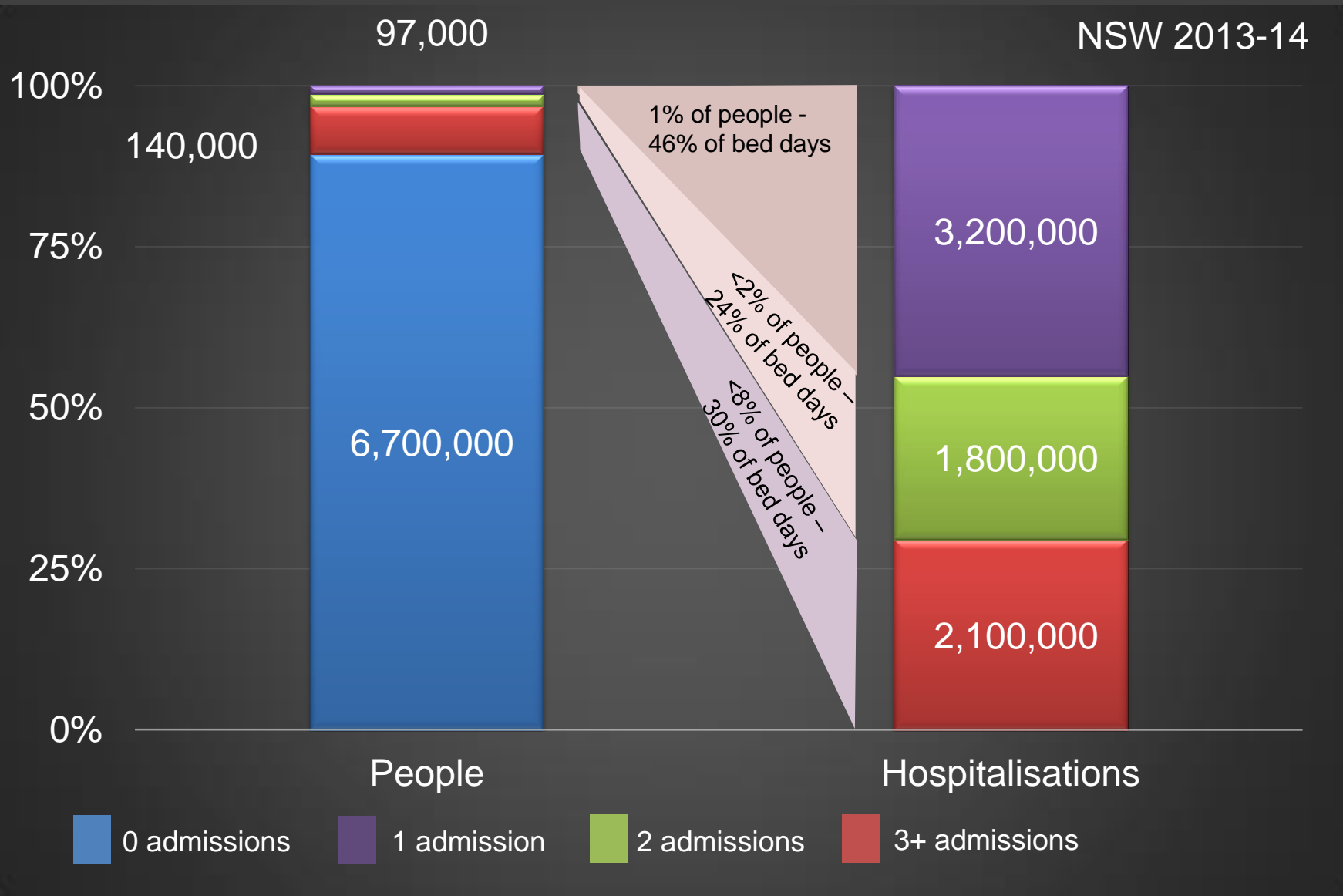
Bad for labour force participation



Bad for unemployment



➤ A few count for almost all tertiary care



➤ Ambulance frequent flyers in NSW



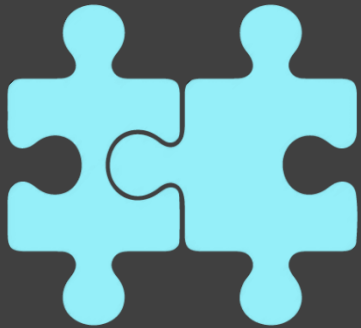
2,693 people
used 64,434 ambulance trips



10 people
used 1360 ambulance trips

Ambulance Service of NSW July 2013 – July 2015

➤ The net gains from system-wide action are **big**



Better
integrated care



Improved funding
models



Better use of
technology

Health care reform could produce benefits of
\$140 billion over the next 20 years



➤ Being person-centred is easy to say...



Person-centred



- Clinical mindsets
- Health literacy
- Knowledge
- Self-management
- PREMs & PROMs
- Choice
- Shared decisions



➤ Poor health literacy

60% of adults

75% of adults aged over 55 years

40% of people with a qualification
in health



➤ Patient-centred care: “The patient will see you now”

Waiting rooms are pure waste

Excessive waiting costs

\$900 million annually



➤ The essential ingredients of integrated care ...



Person-centred



- Clinical mindsets
- Health literacy
- Knowledge
- Self-management
- PREMs & PROMs
- Choice
- Shared decisions



Seamless lifetime
care



- **Thick linkages**
- **Clinical Team ethos**
- **Proper incentives**
- **Data**
- **Accountability**
- **Time and money**
- **From prevention to end-of-life**

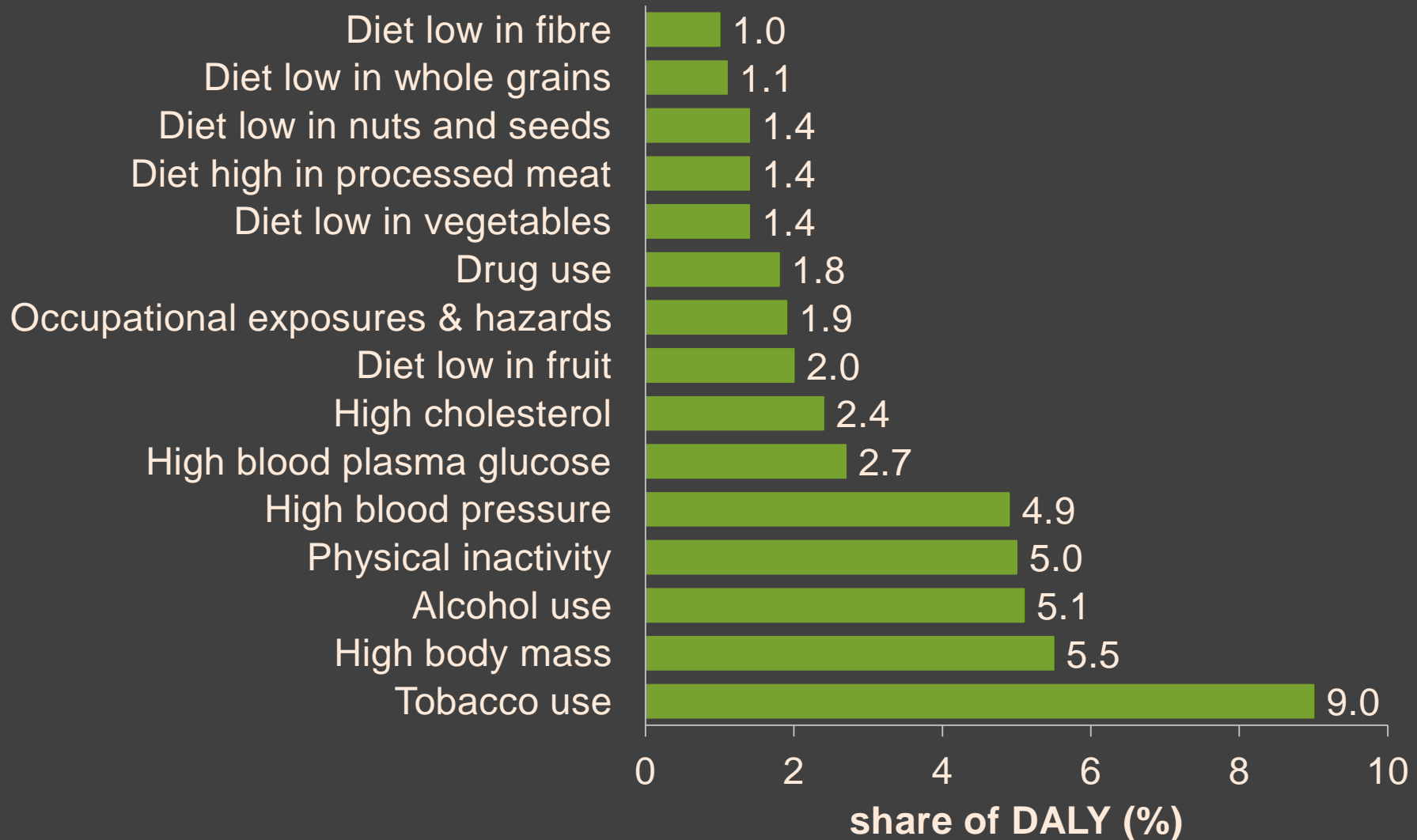


➤ Go local and flexible with pooled funding

Current situation	PC Proposal	Features
Activity Based Funding of hospitals	Extend ABF with a Prevention and Chronic Condition Management Fund	<ul style="list-style-type: none"> • Outside of hospital • Pool Cth and State funding • Performance contract – retain savings • Long timeframe (5 years)
Hospitals limited engagement in primary sector	Amend s.19 of Health Insurance Act to allow hospitals to help fund primary care	<ul style="list-style-type: none"> • Coordinate with PHNs • Allows state funding
Health Care Homes (under development)	Allow LHNs-PHNs to introduce local variants	<ul style="list-style-type: none"> • Engage States • LHNs help stratify patients, • LHN can co-fund • Engagement of all key local health entities



➤ Preventable disease is a good target for policy



➤ GPs and prevention

Patients having no discussions with GPs about risks

60% of smokers

87% of overweight people

66% of obese people

82% of people drinking too much

81% of people with limited exercise

87% of people with poor diet



➤ The essential ingredients of integrated care ...



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Seamless lifetime care



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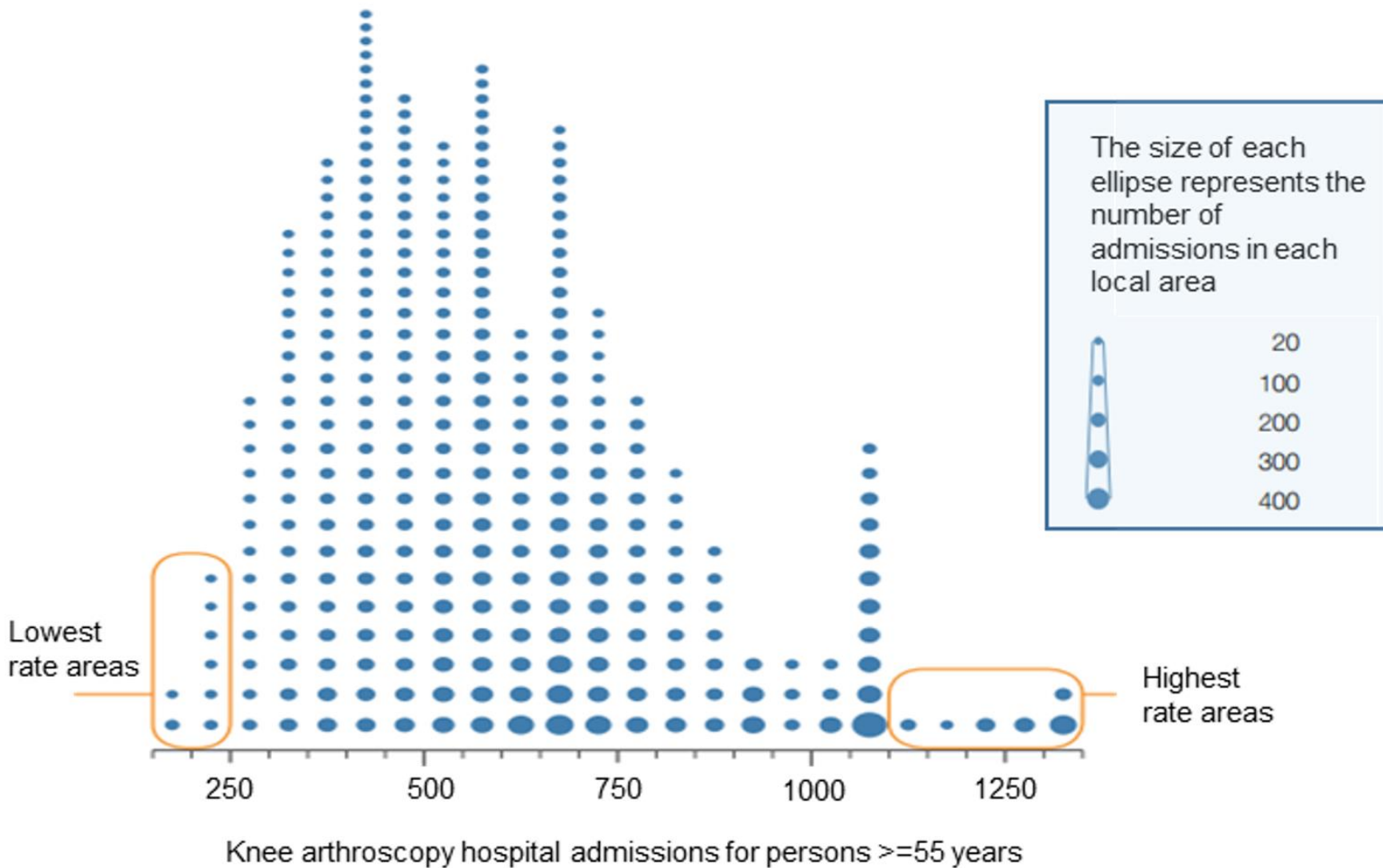
Dynamic efficiency



- **Innovation**
- **Learning & diffusion**



➤ Australia can cut wasteful spending



➤ The paradox of technology in health

I use a fax machine almost daily, as well as other arcane technologies, such as a pager that has to be carried around at all times. These rather quaint examples make for fun anecdotes to regale non-medical friends with, but they speak to something more profound: the generally abject quality of communication tools employed by health care practitioners

Dr James Dando (Major Sydney Hospital)



➤ Human capital *negatively* correlated with IT use

Take up of
computers



96% of GPs

37% of specialists

22% of surgeons



➤ The essential ingredients of integrated care ...



Person-centred



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- Health literacy
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Seamless lifetime care



- Thick linkages
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Dynamic efficiency



- Innovation
- Learning & diffusion



Outcomes




- **Lives**
- **Health**
- **Economy**
- **Power**
- **\$**



➤ Some examples of how integrated care helps

	Reduction in hospitalisation	Impact on recurrent hospital cost per patient
Inala Chronic Disease Management Service, 2007-08	46%	-\$2000
Western Sydney Diabetes Initiative, 2012-16	45%	-\$4000
Mt Drutt HealthOne, 2006-12	41%	-\$100
The Diabetes Care Project, 2011-14	17%	+\$100
HARP, 2004-05	41%	+\$600



Higher degree of integration between primary & tertiary sectors



➤ Key recommendations

- Reduce demarcation of roles between the Australian Government and States
 1. Regional funds for LHNs and PHNs
 2. Local autonomy
 3. Rigorous evaluation
 4. Explicit diffusion champions
- Make patients the centre (PREMs, PROMs, ethos of clinicians, literacy ...)
- Don't forget prevention and its key actors
- Act more quickly on low-value interventions and de-fund
- Make data a key resource for all

