



## **Reflections on the Australian Productivity Commission Report: “Shifting The Dial”**

*This paper is a summary of findings with respect to integrated care. This is a personal view and demonstrates my opinions and observations.*

The report addresses complacency in the Australian health care system with a fairly blunt assessment of the current state of affairs.

It comes to a number of key conclusions:

1. While the health system performs well on a number of international indicators, there is room for significant improvement. It notes, for instance, that the proportion of years in ill-health as a percentage of life expectancy is similar to that of Turkey.
2. The system has structural impediments and is not patient-centred. It focuses on episodic treatment and medical procedures.
3. Services are fragmented and there is a particular gap between primary and acute care characterised by poor communication.
4. Data collection is haphazard.
5. The roles and relationships of, and between, public and private healthcare and the health insurance system are not clear.
6. There is scope to improve quality and safety by addressing ineffective interventions, hospital acquired infection and investing in prevention and health promotion.

*The (PC) solution is integrated, patient centred care which is thought to deliver “customised” services to people across the entire health system, to improve health outcomes while delivering high-quality, more cost-effective services to patients.*

The solution reads more like an economic than a traditional health service policy prescription. To quote:

*Patient-centred care involves ‘clinical redesign’ to manage the patient journey through the system. It treats the person as the central party around whom all resources and processes that improve their well-being are assembled. All aspects of health service delivery are coordinated to provide quality outcomes at minimum cost to match the different preferences and needs of all customers.*

Progress towards this objective, first identified in 1985 by COAG, has been poor.

Integrated care requires:

- Acceptance of patient-centredness by all parties across the health care system
- Associated structural reforms to facilitate this philosophy
- Raising citizen health literacy by providing information so that patients can participate in their care.
- Provision of information on system performance, transparency of prices and quality indicators at all levels.

Progress towards integrated care requires *regional flexibility* to meet local needs. Progress has been patchy but Local Health Networks and Primary Health Networks are making some progress. The journey is far from complete and the destination is not widely accepted.

### ***Funding changes are needed***

- The current system of funding silos does not encourage collaborative action. A well-integrated system requires incentives to ensure that patients are directed to the most cost-effective services and prevention is properly emphasised.
- Funding processes are needed that encourage integration.
- Activity based funding has improved *hospital* efficiency
- Fee-for-service does not encourage integration or patient-centredness
- Hospital funding requires new flexibilities to enable the purchase of the most appropriate services, investment in chronic disease and prevention, and perhaps innovative approaches to problems such as loneliness.
- *Primary care* funding care requires a blended payments model which would encourage the use of multidisciplinary teams.
- Regional integrated-care might reduce the importance of MBS funding and increase outcome and quality-based funding.
- Financial incentives are needed to improve *quality and safety*

### ***Better data collection and information sharing is required***

Many of the ingredients for integrated care are available but many investments have taken the form of pilots rather than continuous service improvement.

### **Comments and questions:**

1. The Productivity Commission analysis is good but does not provide a “burning platform” for change.
2. While there have been good examples of progress and informative pilots, consistent policy and leadership seems to be missing.
3. Awareness of systems deficits is strong among citizens and providers but the integrated care solution identified by the PC is not widely shared among politicians, providers or the community.
4. In the last 12 months since publication, it is not clear that this analysis has gained much traction.
5. This report was commissioned under a Coalition Government and other governments may have different priorities.
6. “Good” reports do not necessarily lead to effective or consistent actions e.g. Mental Health service strategies and reports in Australia.

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