



Avant Position Paper

Primary healthcare reform

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Avant supports:

- ▶ GP-led, well-coordinated team-based care for patients with chronic disease, as evident in models such as the 'medical home'
- ▶ Initiatives that improve patient engagement with their own healthcare
- ▶ Technology that allows secure, timely and seamless communication within all areas of the healthcare system
- ▶ Measurement of patient health outcomes for the purpose of continuous quality improvement and education
- ▶ A role for funders which does not interfere with practitioners' clinical independence
- ▶ Appropriate remuneration for practitioners for the provision of good quality, team-based care, data-driven quality improvement, meaningful use of technology and an improvement in quality and safety.

Future initiatives should not lead to increased administrative burden or medico-legal risk.

July 2016

Background

In April 2015, the Australian Minister for Health, the Hon Sussan Ley MP, announced plans to review and reform Medicare under the Healthier Medicare initiative.¹

Medicare is the Commonwealth-funded health insurance scheme that provides free or subsidised healthcare services to all Australians.²

Medicare was introduced in 1984 as a universal system with the goal of providing Australians with affordable, accessible and high-quality healthcare. Then Health Minister Dr Blewett described Medicare's enabling legislation as "a major social reform" that would "embody a health insurance system that is simple, fair and affordable".³

Demand on health services and the level of health expenditure has increased significantly since the Medicare system was introduced.⁴

Australia currently spends about 9–10% of its GDP on health.⁵ Given a multitude of contributing factors, which include the ageing population, an increasing burden of chronic disease, the current fee-for-service structure, and increasing patient demand, this spending is predicted to increase further.⁶

There is pressure to create more cost-effective models of care that provide universal access to services while delivering high-quality healthcare.

In Australia,⁷ as in many countries,⁸ chronic disease represents the major driver of increasing healthcare utilisation and costs, with 85% of the disease burden in 2010 caused by chronic (non-communicable) disease.⁹ Chronic disease currently accounts for over 90% of all deaths and is the leading cause of death and disability in Australia.¹⁰ Australians have some of the highest reported prevalence of chronic conditions in the world.¹¹

Primary healthcare, and specifically general practice, is at the forefront of our health system and will have to respond to the increasing burden of chronic disease.

Increasingly, concerns have been expressed about the sustainability of the current Medicare system, particularly its ability to deliver safe and efficient care to patients with complex chronic health conditions.¹²

The Primary Health Care Advisory Group (PHCAG) is one of the priorities of the Healthier Medicare initiative. The PHCAG undertook a national consultation process in mid-2015 and in its report dated December 2015, recommended a new model of primary healthcare for patients with chronic and complex healthcare conditions, the Health Care Home. Key features of the Health Care Home are:

- ▶ Voluntary patient enrolment
- ▶ Patients, families and carers are partners in managing the patient's care
- ▶ Patients have enhanced access to care using available technology
- ▶ Patients nominate a preferred clinician
- ▶ Flexible and integrated delivery care
- ▶ A commitment to high quality, safe care
- ▶ Data collection and sharing by patients and healthcare teams to measure outcomes and improved performance.

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Avant's experience

Avant is Australia's leading medical defence organisation. It is a mutual organisation, owned by its members, and provides medical indemnity insurance and medico-legal assistance to more than 68,000 healthcare practitioners and students around Australia, including over 17,000 GPs, and GP registrars. Avant also offers practice insurance to over 1,100 general practices and private health insurance through its subsidiary, Doctors' Health Fund.

Our experience insuring and assisting GPs and primary care practices has revealed gaps in the provision of primary healthcare that have led to reduced quality and safety and increased medico-legal risk. These gaps include:

- ▶ fragmentation and lack of continuity of care
- ▶ poor or inefficient communication mechanisms between providers, including between GPs, allied health, specialists and hospitals
- ▶ lack of central and coordinated management.

Case study

Dr X is a GP in an outer metropolitan area of an Australian city. His patient, Mr A, had multiple comorbidities and was on multiple medications including warfarin. Mr A needed to have semi-elective surgery and had also attended three different general practices. His specialist, Dr Y left the management of Mr A's medications and peri-operative anticoagulation to Dr X. However, Dr X was on holidays at the time and was not aware of this responsibility. The other GPs involved in Mr A's care were not aware of these events and as a result, he suffered severe complications because his anticoagulation had not been closely monitored. Had Dr X and Dr Y worked in a system which encouraged team-based care, patient registration with one practice, and with a care coordinator who was responsible for follow-up, streamlined communication, and engagement of the patient with his healthcare, Mr A's outcome may have been different.

This scenario is based on Avant claims experience to date. Certain information has been de-identified to preserve privacy and confidentiality.

The current Medicare system favours the provision of episodic care, and does not necessarily support complex, multidisciplinary, patient-centred care:

- ▶ The current system generally only funds general practice for the provision of face-to-face care by GPs. This can impede the delegation of tasks to other non-medical team members. It also acts as a barrier to access, which impacts on patients with complex and chronic conditions, particularly those patients in rural and remote areas.
- ▶ Medicare requires that GPs personally complete various orders and requisitions for what are often well-defined and guideline-driven tests and referrals. When combined with funding that requires face-to-face consultation, delegation of tasks to other team members is impeded. The consequence is that GPs are performing tasks that could be performed by non-medical staff, which would be more cost-effective and efficient.

Funding models of chronic disease which use ambiguous, complex, or impractical item numbers that are open to misuse (intentional or inadvertent), may actually impede, rather than support, the provision of good quality care. In our experience, audits of the existing chronic disease management item numbers are a source of claims; these item numbers therefore increase medico-legal risk.

Fostering a more collaborative approach to healthcare, including both public and private stakeholders, and the linkage of data held in disparate systems, across both primary and inpatient care, is essential to delivering patient-centred care.

There is an opportunity to explore collaboration with other bodies such as private health insurers and primary health organisations in the delivery of services for the prevention and management of chronic disease.

Avant's position

General practice is at the front line of primary healthcare. It is a wide and varied speciality with a broad knowledge base. The pivotal, central, and gatekeeper function of GPs in our health system has provided a foundation for the development of a strong doctor-patient relationship which is often continuous and offers longitudinal and lifetime care.

For patients with chronic disease, retaining these fundamental elements of the system is crucial. Retaining the current capacity to respond to acute care is also important and provides flexibility of access.

Avant believes that a strong and well-supported primary healthcare sector will enhance the care of all patients, especially those with complex and chronic conditions. As

described in the National Primary Health Care Strategic Framework, strong primary care results in better outcomes for patients and lower hospitalisations.¹³

A strong and sustainable primary healthcare system:

- ▶ is multi-disciplinary, team-based, GP-led, collaborative and patient-centred involving all participants in the healthcare system
- ▶ encourages continuity of care and effective follow-up of patients
- ▶ supports the coordination and transition of patients in their journey through the healthcare system
- ▶ measures and evaluates health outcomes with the aim of continuous improvement
- ▶ encourages and supports data-driven quality improvement and sharing data from various sources
- ▶ incorporates and integrates technology that allows secure, timely and seamless communication with all parts of the system, including patients. This could include delivery of services by telehealth and the use of shared electronic health information systems
- ▶ effectively engages patients in their own healthcare
- ▶ is appropriately funded and incorporates payment mechanisms that better support the delivery of safe, high quality care.

Many countries have been exploring models of care that are designed to achieve the “triple aim of healthcare”¹⁴, namely, to reduce healthcare costs, whilst maintaining the quality and experience of care provided to individuals as well as patient populations. These key features are fundamental principles in the model used to describe the “patient (or person) centred medical home”. Avant acknowledges research which shows that a highly functional medical home model results in the delivery of cost-effective, high quality care.¹⁵ Avant supports GP-led well-coordinated multidisciplinary team-based care for patients with chronic disease, as evident in models such as the medical home.

Measurement of patient health outcomes is important for continuous quality improvement and education. However, any reform towards measurement should be gradual, well planned and not increase the administrative burden for doctors and practices. Reform should be cautious so as not to perversely incentivise the provision of care to one group of patients over another.

Funding arrangements including Medicare item numbers for chronic care should be simplified so that their application does not lead to increased administrative burden and medico-legal risk.

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Future initiatives should not lead to increased administrative burden or medico-legal risk.

Key links

- ▶ Avant's submissions on the Primary Health Care Advisory Group Discussion Paper
<http://www.avant.org.au/advocacy/avants-submissions/>

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