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Designing a new cost-effective health care system for Australia

A model of patient care that provides a one-stop-shop for treatment will help relieve pressure on Australia's health system, a report by UOW's Graduate School of Medicine recommends.

Rates of chronic disease and patients suffering more than one complicated illness (multimorbidity) are driving up the cost of providing health care in Australia.

To alleviate these rising costs, recommendations from The National Commission of Audit Phase 1 Report in 2014 included increasing the role private health insurers play in chronic disease management in primary health care settings.

In response, private health insurer Peoplecare commissioned an investigation, led by Professor Andrew Bonney, the Roberta Williams Chair of General Practice at the Graduate School of Medicine, of successful international models that integrate cost-effective care across different health services.

The report proposes two models: a bundled payment system that makes it possible for different elements of care for specific chronic diseases to be purchased, delivered and billed as a single product or service; or the implementation of a patient centred medical home (PCMH) model, which requires changes to the way that everyday general practices are run.

The PCMH model provides a coordinated pathway of care, from first contact through to supplementary care, supported with practice tools such as health information technology.

Each care pathway is reviewed by the GP and in some cases the patient will see the GP first, such as for undiagnosed symptoms, a medication complication or a serious acute condition. The physician is provided regular progress reports and takes overall responsibility for the welfare of the patient.

Professor Bonney said the review showed that patient-centred care can lead to reductions in hospitalisations and emergency department visits as well as provide improved access to care, better prevention of illnesses and higher quality chronic care.

He said establishing an evidence base is a prerequisite in order to inform the development of new models of care in the Australian context.

"Our review of different healthcare systems identified a number of key principles that underpin successful cost-effective primary care models as well as improve patient health indicators and reduce avoidable emergency department usage."

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By expanding their coverage to primary care settings, private health insurers could complement the health system at both state and commonwealth levels, thus reducing current government cost-shifting in chronic disease management.

Peoplecare CEO Michael Bassingthwaight said, "As a not for profit mutual health fund we are interested in helping to identify options that will not only result in a more sustainable health system but improve health outcomes for our members".

"We believe that an evidence-based approach to understanding how to improve chronic disease management in primary care will play an important role in this."

"We also believe however that any new models of care must be based on a number of key principles to ensure success - fairness, trust, respect, shared risk, accountability, college-endorsed pathways, transparency and excellence in medical care."

The report was co-authored by Professor Don Iverson (Swinburne University) and GSM consultant Ms Bridget Dijkmans-Hadley.

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Peoplecare is a national, not for profit health fund which has been caring for its members since 1953. Peoplecare is a high performing, multi-award winning company with a range of health covers that have been independently rated amongst the best value in Australia and has developed a reputation for the highest levels of customer satisfaction.