RACGP
Royal Australian College *of* General Practitioners

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Independent Hospital Pricing Authority
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Via email: submissions.ihpa@ihpa.gov.au

To whom it may concern

Consultation on the Pricing Framework for Australian Public Hospital Services 2018-19

The Royal Australian College of General Practitioners (RACGP) provides this submission to the Independent Hospital Pricing Authority (IHPA) in response to the 2018-19 pricing framework for Australian public hospital services consultation paper (the consultation paper). The submission highlights the absence of primary health care, specifically general practice, in the consultation paper, despite the pivotal role of general practice in the health system. This omission is concerning given IHPA's interest in increasing system integration and safety and quality of care through preventing avoidable hospital readmissions and chronic disease management – both of which are central elements of general practice.

This submission covers:

- recognition of the role of General Practitioners (GPs)
- shadow pricing for non-admitted multidisciplinary case conferences
- innovative funding models
- pricing for quality and safety, specifically avoidable hospital readmission.

Recognition of the role of GPs

The RACGP sees the purpose of the health system as supporting patient wellness, providing quality healthcare and ensuring that patients can fully participate in the community for longer. GPs and their teams are central to achieving this. With a focus on keeping patients well, GPs provide preventive healthcare as well as ongoing treatment and management.

Internationally, greater supply of GPs and increased patient access to their preferred GP is associated with lower rates of emergency department presentations and hospital use.(1-3) Researchers in Australia agree that a lack of access to primary healthcare can lead to unnecessary hospitalisation for patients with acute and chronic conditions.(4) The RACGP notes that there is often little visibility in the secondary and tertiary health sectors of the work that GPs do to keep patients well and delaying patients entering the hospital system. The absence of any mention of the role of GPs in

the consultation paper suggests the need for a greater awareness and recognition of our role in the health system.

The consultation paper sets out IHPA's proposals to incorporate safety and quality into pricing and funding for public hospital services. IHPA suggest that this could be achieved, in part, by preventing avoidable hospital readmissions and funding states and territories to develop innovative models of care for chronic disease management. This essentially describes the work of GPs and their teams.

Therefore, the development of these models provides opportunity for greater overlap between IHPA's consideration of funding for public hospital services and other service providers – such as GPs. The RACGP strongly recommends that IHPA give greater consideration of the links between primary and secondary care, and role that GPs can take in supporting those links. In turn, IHPA needs to consider the capacity and support for GPs and their teams to effectively provide care to achieve the desired outcomes.

Shadow pricing for non-admitted multidisciplinary case conferences

Do you support the proposal to shadow price non-admitted multidisciplinary case conferences where the patient is not present for NEP18?

The RACGP supports efforts to encourage multidisciplinary case conferencing in recognition of their use to plan care for complex patients. GPs, as the main coordinators of patient care, should be supported to participate in these case conferences. GP involvement in planning a patient's return to care in the community setting may reduce the risk of readmission or adverse outcomes following discharge.

Therefore, IHPA must ensure that the support required to include a patients usual GP in these multidisciplinary case conferences is considered during the shadow pricing process.

Innovative funding models

What issues should the IHPA consider when examining innovative funding model proposals from jurisdictions?

The consultation paper describes state and territory efforts to fund chronic disease management programs, where treatment is delivered in the community setting. When considering proposals for 'innovative' funding models, the RACGP recommends that IHPA confirm there are links between these programs and the general practice sector. There is risk of duplication and fragmentation of care if the care coordination and chronic disease management role of GPs is not integrated with new models.

The new models of care considered by IHPA should support continuity of care for a patient through their regular GP and practice. Continuity of care is associated with fewer patient admissions for potentially preventable conditions.(5) Where a patient's regular GP or practice team can provide additional care, this existing local health infrastructure must be incorporated into new models of care. This will avoid creating new service streams and new providers, duplicating services, creating further fragmentation, and resulting in waste.

Care delivered in the community is more cost effective than care provided in public hospitals. However, general practice is underfunded and viability is under threat. Therefore, any model exploring shifting care to the community setting must include additional support for healthcare delivery.

The RACGP also cautions against the focus on reducing demand for public hospital services as the main driver for change. Improving patient health outcomes should be the focus of innovative funding models, which will also result in reduced admissions and readmissions.

Should IHPA consider new models of value-based care, and what foundations are needed to facilitate this?

Value-based care as a concept and approach is gathering momentum. The RACGP suggests that Australian evidence is needed to consider the possible role of value-based funding models. Given our health system differs from those where value-based funding has been implemented it is important to ensure the models will be appropriate.

There are many barriers to adopting value-based care approaches, including our current inability to collect, share and collate information about patient health outcomes across the various sectors of our health system.

As with all funding models, there are risks of perverse incentives. When financial incentives or funding is linked to outcomes, access to care can be more difficult for patients with complex health issues. Clinicians may employ selection bias to reach targets or achieve certain outcomes more easily. The extent to which an individual clinician, team or system can control or influence patient outcomes is limited by a range of external factors, including patient socioeconomic status.

Reducing avoidable hospital readmissions

What pricing and funding models should be considered by the IHPA for avoidable hospital readmissions?

Evidence highlights that the risk of readmission decreases when patients can readily access primary healthcare on discharge from hospital.(6, 7) The IHPA must recognise the role GPs and their teams have in preventing readmissions when considering pricing and funding models for avoidable hospital readmissions.

Preventing readmissions occurs while the patient is in the community and is much more likely to occur successfully by leveraging the existing relationship between a patient and their regular GP/practice. The IHPA's pricing guidelines emphasise the need to facilitate access to timely, quality healthcare services. To achieve this aim, the RACGP strongly recommends that the role of general practice is explicitly recognised and supported.

Pricing and funding models which support hospitals to communicate verbally with the patient's GP before discharge from hospital should be considered, especially for patients with chronic and complex problems. While beyond IHPA's scope, this should be in place for both public and private hospitals to prevent avoidable readmissions.

Thank you for considering our submission. We strongly recommend including general practice organisations and GPs in future consultations and advise that this involvement needs to be in addition to the involvement of meso-level health organisations (such as Primary Health Networks). If you would like to discuss any of the above matters further, please contact me or Mr Roald Versteeg, Manager, Advocacy and Policy on 03 8699 0408 or roald.versteeg@racgp.org.au

Yours sincerely

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President

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