



Reorienting general practice funding to support the medical home model and a sustainable healthcare system

Led by a general practitioner (GP) taskforce and informed by grassroots GPs, patients, and key stakeholders, the RACGP has developed a *Vision for general practice and a sustainable healthcare system* (the Vision).

The Vision aims to better support the delivery of efficient healthcare in Australia by strategically reorienting how general practice services are funded. The Vision is based on the patient-centred medical home model (the medical home), informed by the RACGP's definition of quality general practice.

Scope of the Vision

While the RACGP is involved in continuing advocacy and collaboration on these topics, the Vision does not address:

- broader health system reform
- widespread reform of Medicare Benefits Schedule (MBS) item numbers
- funding arrangements for Aboriginal Community Controlled Health Organisations (ACCHOs).

Principles for ensuring a sustainable healthcare system

- Ensuring all patients have access to timely and affordable quality healthcare.
- Recognising the value of patients having a continuing relationship with a general practice (and a usual GP) as their medical home.
- Promoting patient-centred care through involving and engaging patients in planning and delivery of care.
- Actively supporting continuity of care.
- Placing a genuine priority on prevention and early intervention activities.
- Committing to evidence-based, effective and coordinated chronic disease management.
- Promoting research, ongoing education and comprehensive training.
- Supporting a culture of quality and safety improvement.
- Committing to effective and efficient use of health resources.
- Orienting health policy, including systems and workforce, toward primary healthcare services.
- Reducing wasteful or inefficient practices and processes across the healthcare system.

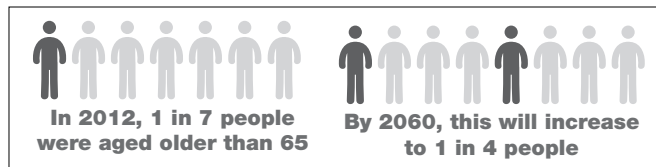
The Australian healthcare system faces challenges

Patients' needs are changing

Australians and chronic disease



Australians aged over 65



Health costs are increasing

Between 2002–03 and 2012–13

▲12.7% Gross Domestic Product (GDP) spending on health

▲40% Recurrent expenditure per person

▲104% Out-of-pocket costs for GP service

Future growth in health costs will be driven by:

- greater capacity and preference to consume more, higher quality health services
- health workforce labour costs
- rising rates of chronic and complex disease
- rapid technological change.

Inequitable access results in poor patient outcomes for:

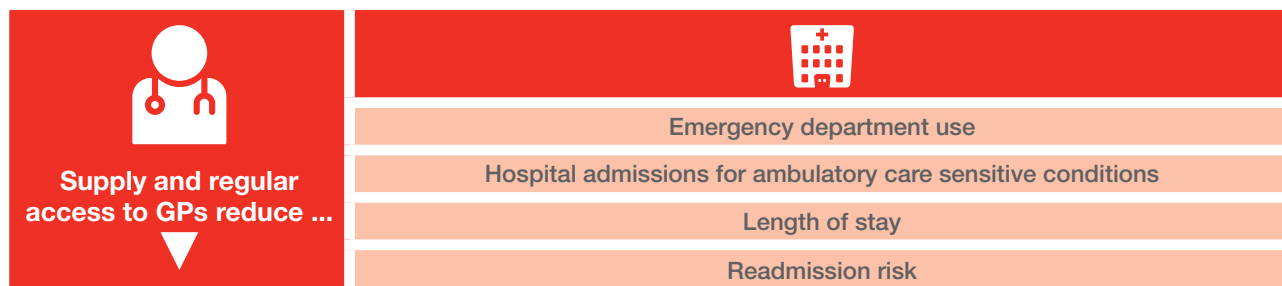
- people living in rural and remote areas
- Aboriginal and Torres Strait Islander peoples
- older people
- culturally and linguistically diverse people.

Primary healthcare is key to addressing the challenges and ensuring sustainability

A high performing and adequately resourced primary healthcare sector will address many of the challenges facing Australians and their healthcare system in the decades to come.

General practices contribute to healthcare system functioning through managing and triaging undifferentiated symptoms, matching patient needs with healthcare resources and providing care at a lower cost outside of hospitals.

Healthcare systems focusing on primary healthcare have lower use of hospitals and have better health outcomes when compared to systems that focus on specialist care.



Numerous barriers prevent GPs and their teams from achieving improved health outcomes

Barriers include (but are not limited to):

- the continued freeze on indexation, threatening the viability of patient services
- inadequate support for continuity of care, required to improve outcomes for patients with complex and/or multiple conditions and comorbidities
- inadequate support for preventive health activities
- inadequate recognition of varying levels of practice and service complexity, hindering general practices from providing a comprehensive range of services
- uncertain and poorly targeted funding, making practice viability difficult to establish and maintain
- growing specialisation of the medical workforce, shifting care away from the primary healthcare sector.

An alternative model seeking better outcomes

The RACGP's Vision seeks to reorient the healthcare system toward a GP-led primary healthcare system, underpinned by the medical home.

The Vision proposes retargeting and significantly expanding the Practice Incentive Program (PIP), to better recognise and support the roles of GPs and general practices. It presents a systemic approach to providing incentives, supporting the establishment of the medical home through voluntary patient enrolment (VPE).

The medical home is an approach to providing quality patient care whereby each patient has a stable and ongoing relationship with a general practice that provides continuous and comprehensive care to people at all life stages.

The medical home facilitates a partnership between individual patients, and their personal GP and extended healthcare team, allowing for better-targeted and effective coordination of clinical resources to meet patient needs.

The implementation of the medical home:

- increases access to appropriate care
- decreases use of inappropriate services (particularly emergency departments)
- increases provision of preventive services (eg cancer screening)
- improves care experiences for patients and staff
- results in cost savings to funders.

Summarising the Vision

Each element of the Vision is set out in the table below. Fee for service will remain the cornerstone of general practice funding, recognising its value in supporting GPs and their teams to provide flexible care to their patients regardless of practice size, structure, infrastructure and geographical location.

Together, the elements will support general practices to operate within a medical home model, improving outcomes for patients and effectively utilising scarce health resources.



















	Payments	Separation of payment	Purpose	Benefit	
		 GP  Practice			
	Fee for service	✓	%	Support patients to access care regardless of need, location or practice	Maintain flexibility and responsiveness
	Patient enrolment	✓	%	Formalise relationship between patients and their GP	Care is patient-centred, continuing, coordinated and comprehensive
	Complexity loading	✓	✓	Respond to socioeconomic and Aboriginal and Torres Strait Islander status, rurality and age profile of local community	Reduce health inequalities
	Comprehensiveness	%	✓	Recognise GPs and general practices for the range of services they provide	Patients can access a comprehensive range of primary care services from their general practice
	Coordination	✓	✓	Improve continuity of care between healthcare providers and sectors	Improve patient outcomes through better coordination
	Research	✓	✓	Support innovation and improvement led by GPs and general practices	Innovation and quality becomes an integral part of practice culture
	Practice nursing	✗	✓	Continue to support team-based care	Patients receive services from a practice team, improving access and care
	Teaching	✓	✓	Train the next generation of doctors	Workforce and training sustainability
	IT and infrastructure	✗	✓	Expand service capacity and information management capacity	Greater use of practice information for innovation and improvement with space to expand
	Indexation of payments			Maintain value of payments over time	Align payments with the increasing cost of providing health services

Figure 1. Activities and infrastructure required to achieve healthcare sustainability

A key feature of these payments is the clear delineation between payments for individual GPs and general practices, recognising the role of each in delivering and/or coordinating different elements of the Vision.

Funding and implementing the Vision




Funding the medical home will require both initial and ongoing investment. However, any investment will be at least cost-neutral as efficiencies in the system are achieved.

There are efficiencies to be found and savings to be redirected to better support GPs and their teams		
Emergency departments		One-third of emergency department presentations could be managed by GPs = \$1.4 billion every year
Hospitalisations		6% of hospitalisations are preventable = \$2.5 billion every year
Outpatient services		More than 400,000 general practice/primary care services are provided in outpatient clinics = \$108 million every year

The RACGP recognises the need for a considered and comprehensive approach to implementing change within general practice and the health sector more broadly. GPs are time-poor and want to focus on providing good quality care to patients, practices are balancing the increasing costs of providing care with meeting the needs of patients and change takes time.

Therefore, we see sense in adopting a staged approach to implementation, with VPE the first element to come into effect.

The implementation of the RACGP's Vision will see a range of benefits for patients, healthcare providers and the Federal Government.

	Increased access to efficient services		Quality and safety improvements
	Better disease prevention		Service innovation
	Better chronic disease management		Reduced hospital admissions
	Cost savings		Increased patient involvement in their care

More details on the Vision, including references and more information about each of the elements introduced in this summary, are available at www.racgp.org.au/vision