



Consumers  
Health Forum  
of Australia

Representing consumers on national health issues

# ***Making Smart Choices: Reducing Health Costs and Improving Health***

*Carol Bennett*  
*Chief Executive Officer*





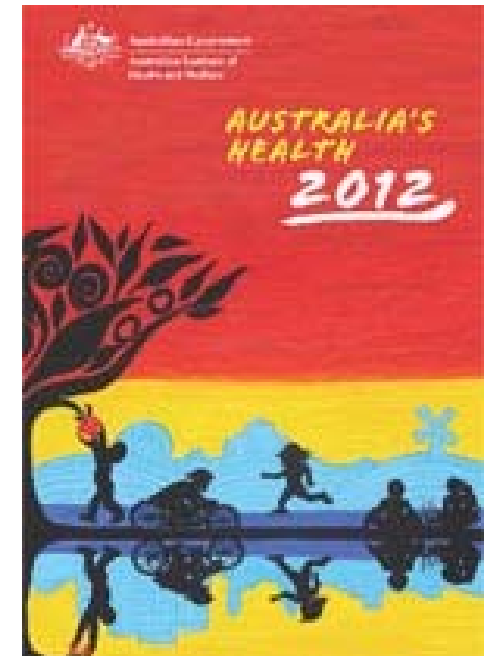
# The CHF agenda

- Achieve better outcomes for the people who pay for and use the health system - health consumers
- Make health care more accessible – cost, etc.
- Make health services more flexible and responsive to health consumers needs
- Drive reform in work practices, information sharing and consumer engagement
- Improve safety and quality
- Make the health system accountable for achieving better health



## What we know

- Australia doing well in terms of:
  - mortality (length of life)
  - smoking rates
  - immunisation
  - feeling satisfied or pleased
- Not doing so well in terms of:
  - diabetes
  - obesity
  - other risk factors





Consumers  
Health Forum  
of Australia

## What we know

- Health expenditure rising – as are expectations
- Hospital is the most expensive place - \$46.3 billion of \$121.4 billion healthcare expenditure
- 39% of hospital work is primary care
- Mostly government (tax payer) funded
- Increasing out of pocket – \$24 billion a year
- \$7 billion on dental – mostly private
- Over 5 million prescriptions a week



## What we do not know

From the AIHW report summary

*‘There is no nationally coordinated approach to primary health-care data collection, which means there is little information available to answer fundamental questions such as ‘Why do people consult a health professional?’ and ‘What was the outcome from the consultation?’*



## What we do not know

- No clear link between health outcomes and health service data
- Limited primary care data or linkages data
- Limited data on quality of health services or their outcomes
- We do not really know the consumer experience of health care
- We do not really know quality of care or outcomes

## Four critical measures to improve health and reduce costs

1. Produce and use better information for health care decision-making
2. Promote health and enhance disease prevention efforts
3. Align financial incentives with health quality and efficiency
4. Correct price signals in health care markets





## Want to save \$billions – invest in prevention

- Reduce smoking
- Reduce high blood pressure
- Improve diet
- Increase activity
- Reduce obesity
- Reduce binge drinking







## Align financial incentives with health quality and efficiency and correct price signals

- Most health providers are paid for their activity, not their health outcomes. In some ways we reward illness not health
- Even when the known cost of service provision reduces, changing the amount paid for services can be difficult – e.g. cataracts and ophthalmologists, price disclosure and pharmacy owners
- System inertia – change is hard when you are challenging income levels etc.



# Produce and use better information for health care decision-making

## One example - better end of life care

- When surveyed, more than two thirds of Australians said they wanted to die at home.
- In reality, two thirds of Australians will die in a hospital, or another clinical setting.
- One in five Australians will die in an Intensive Care Unit. This figure is increasing.





## Appropriate end of life care – one of the issues facing older health consumers

*“ [People are] getting sick at home, being put in an ambulance, coming into the hospital ... It’s a process which has happened subtly. And it’s happened without any discussion within our society. It’s just what we do. And we do it for what we consider are in the best interests of patients. We want to look after them. We want to cure them. And in doing so we’ve set up a situation where it’s difficult to die peacefully.”*

Professor Ken Hillman



# What are we doing on information – National Health Performance Authority

The National Health Performance Authority will:

- Report on hospitals and primary care
- Identify high-performing services
- Release its information to the public

CHF hopes it will also:

- Measure and report on consumer experience
- Drive improvements
- Promote patient-centred care



## What are we doing on payments - National Healthcare Agreement

- An agreement between all Australian governments
- Indicator 58 is 'Patient satisfaction and experience', measuring 'Nationally comparative information that indicates levels of patient satisfaction around key aspects of care they received' BUT
- Consumer experience of care has not been adequately measured





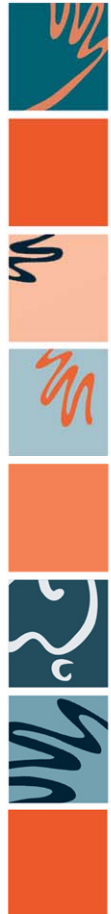
Improving the information on which we  
base decision making and payments?

One simple idea...



## What it should be

- Uniform
  - A national and internally-consistent instrument capable of international benchmarking
- Discerning
  - Beyond the “choice of brekkie” experience, not tending to the “7/10 result”
- Mineable
  - Standard data taxonomy with data being publicly mineable in aggregate scores at various levels









# Shaping our future for better health and lower costs

- If we want our services to be efficient and sustainable, we must ensure they are directed to and measured by their achievement of better health outcomes
- To do this we must look beyond service use data and begin the real work of measuring health and the experiences of health consumers. If we do not, the growing need to be able to make an informed choice in an information age will ensure this vacuum is filled

