Private Healthcare Australia

Better Cover. Better Access. Better Care.

Measuring what matters

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About Private Healthcare Australia

Private Healthcare Australia (PHA) is the Australian private health insurance industry's peak representative body. We have over 20 registered health funds throughout Australia as members and collectively represent 98% of people covered by private health insurance. PHA member funds provide healthcare benefits for more than 14 million Australians.

Response

PHA supports the government's commitment to measuring what matters to improve the lives of all Australians. We look forward to assisting government with this process. PHA and our member health funds invest heavily in research to understand what matters to our 14.5 million members, and those who are not currently members. These families represent a broad cross section of the community, in every state and territory, every suburb and every town. Some of these families struggle with significant health challenges, while many others are living their lives without immediate health challenges, with health insurance in case things change.

Good value health care helps all these families, supporting them to reach their goals and aspirations - including ensuring they can continue to afford private health insurance and keep the industry sustainable. Traditional economic measures of health are not valued by Australians, and PHA commends the Albanese Government for recognising the need to address this and provide services that are valued by the community.

PHA and our member funds provide strong data analysis, sound policy advice and experience across the industry that can help governments formulate indicators and help measure what matters.

Why measuring what matters is important for health care

Our health financing system was designed in the 20th century, yet we are dealing with 21st century problems. Demand for healthcare is growing at an unsustainable rate, driven by the dual burdens of a rapidly ageing population and the growing prevalence of chronic disease. This unsustainable growth is placing pressure on access and costs for both patients bearing out-of-pocket costs and taxpayers. Outside of what is currently measured, the burden of treatment on consumers is increasing.

The Economist in April this year outlined a disturbing global trend. All around the world governments are pouring more and more money into health services, as productivity plummets. At the same time, consumer satisfaction is falling. Our health system is increasingly failing to provide value for money and failing to provide public value to consumers,

Throwing more money at a system to keep doing the same thing will only reinforce the existing bottlenecks and create inflationary pressures with no guarantee more people will benefit. We have to do things differently.

The policy themes

PHA supports the broad themes identified in the initial consultation, but we recommend that the government consider rewording the first two in the section on health as listed below:

- A society in which people are in good physical health.
- A society in which people are in good mental health.

Separate objectives of good mental and good physical health are not the best way to address the intent.

First, good health is not possible for many people, so requiring "good health" may be seen as exclusionary. Many consumer advocates speak of "best possible" health to address this concern.

Second, it would be more appropriate to combine these as one objective covering "mental and physical health." The comorbidities are very significant, and PHA does not see a strong reason to separate the two. Indeed, it is often counterproductive to treat only one disease when it is likely to result in another – the overall intent of measuring what matters suggests that treating health holistically would be a preferred option.

Third, good health is only a useful objective if it allows you to better achieve goals. Health should be seen as a tool for life, rather than an objective in itself. Millions of Australians live with chronic health conditions, and reaching an objective of good health would compromise their lives in other ways.

When the government gets to the indicators, PHA will argue that low value health care must be eliminated. Low value care is where the burden of treatment is higher than the burden of disease. Burden of treatment includes not only the cost of intervention, but also the burdens of understanding the condition, juggling, monitoring and adjusting treatments, efforts to engage with others for support as well as financial and time burdens on the individual[1] (for example, taking time off work or interruptions to community engagement, study or caring duties).

As an illustration, the Disability Support Pension could be renamed the Chronic Disease Support Pension - more than half those receiving the DSP have chronic health conditions as their primary diagnosis. Many Australians living with chronic health conditions need to spend so much time managing their health condition that they are unable to work, care for others, or otherwise participate in the community. Often the objective of improving their health is actually stopping them achieve what they want from their lives.

What are we measuring currently?

Currently, health measurement is dominated by provider interests, with politicised measures. Examples include bulk billing statistics, the number of people on a waiting list, and national- and state-wide data that bear little relation to consumer experiences.

For example, bulk billing statistics have been widely used and manipulated in recent years. The headline figures do not match people's experiences. Better measures are available, including the proportion of patients bulk billed rather than consultations, and measuring actual out of pocket

[1] Sheehan et al 2019, at https://bmcgeriatr.biomedcentral.com/articles/10.1186/s12877-019-1222-z#:~:text=Treatment%20burden%20refers%20to%20the,diet%20and%20exercise%20%5B3%5D.

costs. Asking consumers their experiences may also uncover billing practices that are not reported to the Australian Government.

Health indicators are difficult to measure as people are different – the same intervention may have significantly different results for different people. However, while standardised measures help standard people – they generally discriminate against the most vulnerable in the community.

What should we be measuring?

Measuring wellness should include greater measuring of outcomes from treatment, not just pathological outcomes, but function outcomes. A simple question to ask is if the treatment made things better or not.

Introducing measurements of burden of treatment is vital. Up until very recently, convenience has never been a feature of our health system, but advances in technology and rapidly evolving consumer expectations are changing this. We can do much better ensuring that consumers can receive the same quality care with lower burden of treatment. Proxy measures could include reducing length of stay in hospital, more treatment conducted in the home or in the community, and time waiting for a general practice appointment.

The measurement of health interventions should be linked to the other policy themes, including accessing care, inclusion, and the ability to work. This would help shift the provider-driven health system from one measuring activity by clinical staff and institutions, to a system measuring what matters for everyday Australians.