Session III: Improving Allocation Efficiencies in Health Care
Australian experience and future perspectives

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Canadian Agency for Drugs and Technologies in Health
Alberta Health and Wellness
Osteba: Basque Office for HTA, Government Health Dept, Spain.
Summary features of Australia’s health system:

- Universal access to benefits for privately provided medical services (GP, specialists) under Medicare – funded by the Australian Government, with co-payments by patients where charge is > schedule fee.

- Eligibility for public hospital services, free at the point of service, funded jointly by the states and Australian Federal Government.

- Growing private hospital activity, largely funded by private health insurance, which in turn is subsidized by the Australian Government through rebates on members’ contributions to private health insurance. (Here, Medicare covers up to 80% of scheduled fee.)
Currently, 5,703 items are listed on the MBS.

The majority of these items are longstanding (including the bases for their item fee).

Only a very small proportion (around 3%) of items (accounting for around 1% of total MBS expenditure), having been formally assessed against contemporary evidence of safety, effectiveness and cost-effectiveness.
According to the DoHA, key issues for managing the MBS into the future are:

- the need for a process to establish a robust evidence-base for those items not considered by the MSAC;
- need to institute processes for systematic and rolling reviews of MBS items to examine the evidence-base for existing items and cater for changes in clinical practice;
- the need to develop processes to review Schedule fees to ensure that they represent value for money;
- need to maintain the fiscal sustainability of the MBS.
Reviews of existing MBS items

Review of existing MBS items

A key component of the MBS Quality Framework is the implementation of a systematic approach to reviewing existing MBS items to ensure they reflect contemporary evidence, offer improved health outcomes for patients and represent value for money. The primary focus of the reviews framework is quality-related issues with the key objective of identifying and evaluating current MBS services which are potentially unsafe, ineffective, or inappropriately used.

The new MBS review process involves several stages from identification to decision implementation, being:

1. Environmental scanning – identifying potential review topics
2. Prioritisation and scoping of potential reviews
3. Evidence-based review of selected services
4. Review outcomes considered by the MBS Quality Framework Expert Advisory Committee (MQFEAC)
5. Advice to Minister
6. Government decision
7. Implementation.
MBS Quality Framework: 4 key elements:

- Introduce time-limited listing for new MBS items that do not undergo an assessment through the MSAC;
- Require an evaluation process for all time-limited items at the end of the time-limited period and before items can be approved for long-term MBS listing, as well as evaluation of amendments made to MBS items;
- Strengthening arrangements for appropriately setting fees for new MBS services; and
- Establishing systematic MBS monitoring and review processes to inform appropriate amendment or removal of existing MBS items.
MBS Quality Framework approach to MBS reviews

1. Environmental scanning

- Data analysis
- Literature review
- Advisory Committee Referral
- Compliance activity
- Stakeholder feedback

Legend

- Process
- Decision Point

2. Criteria based review prioritisation and scoping

MBS Quality Framework Expert Committee

3. Review

MBS Quality Framework Expert Committee

Advice to Department

- Delist
- Amend item and/or fee
- No change

4. Advice to Minister

5. Government decision

6. Implementation
Scanning & Prioritisation Project (Elshaug et al)

- **Multi-platform approach**
  - Broad Literature search;
  - Targeted database analysis;
  - Opportunistic Sampling (experience/clinical input)

- **156 Candidates**
(Proposed) Primary Review Outcomes

- addition or removal of MBS items;
- changes to the Schedule fee;
- refinement of MBS item descriptors to better target patient groups, clinical indicators and/or promote the use of optimal clinical pathways; and/or
- potential for interim-listing pending the collection of item-specific data.
Brief history: Recent Australian events

PAIN WE HAVE TO HAVE
Health reform will hurt a lot — but there is no avoiding it

HEALTH accounts for 9 per cent of GDP, a figure that will rise to 12.4 per cent in a little over 20 years. But not all of the money is well spent now and many billions will be wasted in the future without reform. Kevin Rudd made the point in a speech last week when he referred to research that found a common treatment for fractures to the spinal cord had the same benefit as doing nothing. But imagine the howls from doctors who provide the procedure and what they would tell their patients if funding for it were cut.

Patterns. And more money is not the only answer. As Mr Rudd points out, 15 per cent-plus of patients wait too long for elective surgery — a figure that has not improved over time.

But while there is no single solution, the first step is to accept that health needs the equivalent of the 1990s reforms, which ended uncompetitive work practices and industry subsidies in state-regulated industries. For a start, Canberra could suggest to NSW, firmly, that it follow states that fund health according to the number and...

‘Useless’ treatments to be culled

Sid Maher...
Recent Australian events

The Federal Government has cut your Medicare rebate on Cataract Surgery by 50%.

Are they blind to the facts?

Cataract Surgery:
- Allows seniors to keep their drivers’ licences
- Reduces social isolation and depression in the elderly
- Reduces falls and hip fractures in the elderly

Slashing the rebate will only:
- Increase costs for pensioners
- Force patients to pay bigger gaps
- Blow out public hospital waiting lists.

"Grandma’s not happy!"

Find out more - www.grandmasnothappy.com.au

Have this dangerous rebate cut reversed. Write to your local MP or phone your local radio station today! Or contact Council on the Ageing (COTA)
(02) 9286 3860, email info@cotansw.com.au

This Government needs to start listening.
Recent Canadian events

New Brunswick to de-list some medical procedures

The New Brunswick Liberal government has started work with the province’s medical society on a list of certain elective services which could be de-insured. The deliberations, which are expected to last for at least several weeks, began Wednesday with a review of proposals from the Department of Health.

Health Minister Madeleine Dubé has already stressed that cataract surgery and hip replacement surgery are not to be on the list of things New Brunswickers will have to pay for out of their own pockets.

However, Medical Society President Dr. Allison Kennedy told the New Brunswick Telegraph-Journal he has heard that bariatric weight-loss surgeries may be one of the things on the list, and he speculated that vasectomies could be another.

He also expressed surprise that the government wants to look at de-listing again after having dropped a number of procedures in the 1990s. “I thought we had removed most procedures (where) there was a consensus that they were medically unnecessary,” he remarked.

The government ........
one person’s waste...
Arthroscopy of the knee for osteoarthritis: International research, recommendations + Australian practice

Blue Cross Blue Report, 2007
Cochrane, 2008
NICE, 2008
But, the community is noticing

“In the last 2 years, doctors recommended treatment you thought had little or no benefit?”

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Cathy Schoen et al. Toward higher performance… Health Affairs. 2007, 26(6); 717-734.
Adapted from Exhibit 2, page. 721
Implementation Considerations:

1: High-level decision; formal policy agenda

2: Regulatory frame; transparent, independent

3: Resourcing of committees; existing or new

4: *a priori decision* goal posts (~uncertainty);
   - restrict use, reduce reimbursement, remove

5: Candidate selection; protocol driven
   - pre-specified, transparent criteria

6: Agreement on mechanisms/models
   - Guidelines / $ levers / PBMA
thankyou

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