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hospitals association

the voice of public healthcare®



AHHA Response to Treasury Consultation Measuring What Matters

Submission
31 January 2023



OUR VISION

A for a healthy Australia supported by the best possible healthcare system.

OUR MISSION

To conduct research, educate and influence the healthcare system to achieve better health outcomes, improved patient and provider experience, greater equity and sustainability.

OUR GUIDING PRINCIPLES

Healthcare in Australia should be:

Effective
Accessible
Equitable
Sustainable
Outcomes focused

OUR CONTACT DETAILS

Australian Healthcare and Hospitals Association (AHHA)

Ngunnawal Country
Unit 8, 2 Phipps Close
Deakin ACT 2600

Postal Address

PO Box 78
Deakin West ACT 2600

Phone

+61 2 6162 0780

Email

admin@ahha.asn.au

Website

ahha.asn.au

Socials

<https://www.facebook.com/Aushealthcare/>

<https://twitter.com/AusHealthcare>

<https://www.linkedin.com/company/australian-healthcare-&-hospitals-association>

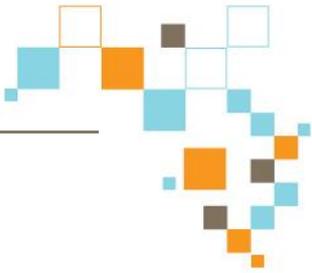
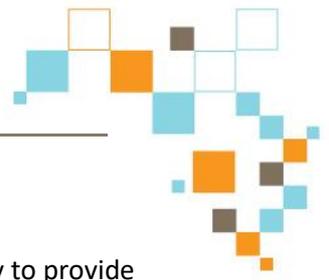


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INTRODUCTION

The Australian Healthcare and Hospitals Association (AHHA) welcomes the opportunity to provide input to the Treasury consultation on ‘Measuring What Matters’ in the Australian context.

As identified in Statement 4 of Budget Paper 1: Measuring what matters, health and healthcare are key drivers in future labour force participation and productivity; therefore:

“Health peak bodies and organisations must be key stakeholders in the development of a framework to measure what matters in Australia.”

It is well understood that many of the preconditions for good health and well-being sit outside the healthcare system with the relationship between health and social determinants, the non-medical factors that influence health outcomes, long established. Health inequities arise from the circumstances in which people grow, live, work and age, in addition to the political, social and economic influences on these circumstances. Poverty, power (and lack of power) are important influences on our health and well-being.¹ For our health system to function as effectively and efficiently as possible attention must be paid to upstream determinants of health and well-being, such as education, environment, housing, justice, inequality, domestic violence, social isolation and more.

AHHA commends the government for recognising this, raising the profile of these important, intersecting and often deprioritised issues to send a market signal that early intervention and prevention activity should be supported and prioritised to the benefit of all Australians. AHHA strongly supports the initiative to broaden the way progress is measured in Australia to include a focus on well-being and improving the outcomes that matter to people and communities.

Significant work is already underway in the health system to reorient the way that measurement is perceived and implemented to better focus on the outcomes that matter to people and communities. Treasury must learn from these experiences in seeking to measure what matters. Leveraging existing capabilities and expertise from within the health system will ensure the development of the Australian well-being framework enhances rather than duplicates efforts to measure what matters.



ABOUT AHHA

AHHA has been the national voice for public health care for more than 70 years, maintaining its vision for an effective, innovative, and sustainable health system where all Australians have equitable access to health care of the highest standard when and where they need it.

AHHA is Australia's national peak body for public hospitals and healthcare providers. Our membership includes state and territory health departments, Local Hospital Networks (LHNs) and public hospitals, community health services, Primary Health Networks (PHNs) and primary healthcare providers, aged care providers, universities, individual health professionals and academics. As such, we are uniquely placed to be an independent, national voice for universal high-quality healthcare to benefit the whole community.

As an independent peak body focused on whole of system reform, AHHA can provide insight into how the healthcare system can contribute to, and enhance the development of a well-being framework to measure what matters. AHHA can foster connections between Treasury and relevant healthcare leaders, services and professionals to inform the development of well-being indicators with real world applicability.



MEASURING WHAT MATTERS IN HEALTH CARE

“Measuring what matters is a principal of value-based health care.”

AHHA has long been committed to ensuring that what is measured within healthcare is what matters to people and communities. This has been demonstrated through our commitment and thought leadership in value-based health care (VBHC), a framework for restructuring health care to focus on facilitating improvements in the outcomes that matter to people and communities for the cost of achieving those improvements, across a full pathway of care.

VBHC AS A FRAMEWORK FOR MEASURING WHAT MATTERS

VBHC² is a global reform movement that provides an evidence-based framework for restructuring health care, focused on achieving improvements in the outcomes that matter to people and communities for the cost of achieving those improvements, across a full pathway of care.

In the Australian universal healthcare system, embedded principles of equity and public value highlight the need to consider community and population health as well as social, environmental, and cultural determinants and outcomes in the conceptualisation of VBHC.^{3, 4}

VBHC promotes movement away from traditional data and measurement approaches that are solely focused on collecting and analysing process and volume metrics designed to demonstrate adherence to evidence-based guidelines, toward measurement approaches that focus on the outcomes that are important to people, families, and communities, and align with how people actually experience care.

VBHC research has demonstrated that the health outcomes that matter to people and communities are multi-dimensional, often encompassing levels of suffering, relief from suffering and disruption to life – not just satisfaction with service delivery.^{5, 6}

In response, the Australian healthcare system has begun to reorient to a more value-based approach that prioritises and measures what is important to people and communities, as determined by them not for them, across a full care pathway.⁷ For example, state and territory governments have begun adopting a VBHC approach to aspects of health system design and service delivery.

This has required a significant cultural shift in the mindset of health professionals and executives with traditional measurement approaches needing to be reframed from focusing on questions of ‘how are we, as service providers, doing?’ to asking consumers and families ‘how are you doing?’ Such approaches are enabling the health care sector to better understand and determine whether people are meeting their care and well-being goals (e.g., pain relief, independent function) at the level of the individual, the community and the population.⁸ This information is then used to design care that drives improvements in the areas of health and well-being that matter to people and communities.

AUSTRALIAN CENTRE FOR VALUE-BASED HEALTH CARE

In 2019, AHHA established the Australian Centre for Value-Based Health Care (ACVBHC) as a central agency to provide thought leadership and build capacity to support VBHC implementation in Australia. The Centre is a national entity established to amplify, advocate, and facilitate a nationally



consistent approach to the development and implementation of health system reform focused on measuring and improving the outcomes that matter to people and communities.

“The ACVBHC is a mechanism through which Treasury could harness existing evidence and capabilities, and connect with a diversity of healthcare stakeholders who are engaged in the process of re-designing services to understand and measure what matters to their communities.”

The ACVBHC brings people together from across Australia and internationally, around the shared goal of creating a value driven health system. It does this through fostering networks of collaboration, sharing practical VBHC examples, disseminating the latest research and evidence and partnering with services to support VBHC implementation.

In 2022 the ACVBHC hosted a policy forum on the topic of Measuring What Matters, bringing together senior executives, managers and clinicians from across hospital, primary and community care services to discuss the enablers and partnerships needed to embed the measurement of what matters into the delivery of healthcare in Australia.



OPPORTUNITIES TO LEVERAGE IN HEALTH CARE

“Measuring what matters is already being explored and practiced in the Australian health system. A national well-being framework must align with existing priorities and indicators to avoid duplication and inefficiencies.”

There is significant reform already underway within the Australian health system that Treasury should leverage in the development of an Australian well-being framework.

Health Ministers across all levels of government have signalled a commitment to VBHC reform with all Australian governments committing to paying for value and outcomes and joint planning and funding at the local level in the 2020-2020 Addendum to the National Health Reform Agreement⁹. This has been backed up by initiatives mapped out in the Australian Health Minister’s National Health Reform Agreement (NHRA) – [Long term health reforms roadmap](#)¹⁰ which provides a flexible approach for jurisdictions as they shift in key areas of reform. What ties many of these areas of reform together is a focus on improving and measuring the outcomes that matter to people and communities.

In the context of this reform agenda, the health system has begun exploring new approaches to healthcare data collection and reporting to ensure that the information collected has meaning, validity and an ability to support every level of the health care system to establish robust models of care which balance evidentiary, clinical and personal need to get the best health and well-being outcomes for the person and the broader population.

Some examples of measurement and well-being approaches that should be leveraged and can provide learnings for Treasury in the development of a well-being framework are highlighted below:

PATIENT REPORTED MEASURES

To better understand and measures what matters to their people and communities’ jurisdictions across Australia are increasingly exploring the implementation of Patient Reported Measures (PRMs).

PRMs is an overarching term that encapsulate patient-reported outcome measures (PROMs) and patient reported experience measures (PREMs). PROMs capture a person’s perception of their own health through reporting on quality of life, daily functioning, symptoms and other elements of health and wellbeing¹¹ while PREMs illicit feedback on the experience of the service provided by a healthcare organisation.¹²

Since 2016, the Australian Commission on Safety and Quality in Health Care (ACSQHC) has undertaken work to drive quality improvement through supporting the uptake of PROMs by reviewing the evidence, and supporting information exchange between early adopters.¹³ In recent years, a number of state-wide PROMs and PREMs initiatives have been embarked upon designed to provide a structured way for ensuring the voices of people and communities are embedded in the measurement of health outcomes.^{14, 15, 16, 17}

The OECD is also developing instruments, definitions and data collection strategies to enable international benchmarks that support health system performance.¹⁸



However, what is missing is a nationally consistent approach that will allow benchmarking across the various Australian jurisdictions, to inform and promote the diffusion of ideas and innovation. The national well-being framework presents an opportunity to augment and enhance the PROMs and PREMs work already being undertaken across Australia through embedding a nationally consistent approach to PRMs within the health component of the well-being framework.

Indicators must be developed in partnership with consumers, health services and health professions and aligned with international best practice.¹⁹

NSW HEALTH GUIDING PATIENT REPORTED MEASURES (PRMS) PRINCIPLES²⁰

1. **Patient-centred** – PRMs and associated processes are patient-centric and give patients a greater say in their care.
2. **Iterative co-design approach** - designed with input from patients, carers, clinicians, and decision makers.
3. **Integrated** - PRMs cover the whole patient journey across all care settings and are integrated to allow a holistic view.
4. **Fit for purpose and meaningful** - PRMs need to be valued and useful for diverse groups of patients, carers, clinicians, and decision makers.
5. **Trusted and reputable** - the tools need to be evidence-based, culturally appropriate and easily understood.
6. **Consistency** - the information collected and systems used allow for comparisons across dimensions of care (core functionality, symptoms and quality of life) and allow flexibility for tailoring to local needs.
7. **Universal coverage** - PRMs are universal, but need to have adequate variation to distinguish between cohorts.
8. **Sustainability** - ensure that PRMs support a sustainable health system that delivers effective and efficient care into the future.
9. **Transparency** – data is available in real time and accessible at multiple levels of the system.
10. **Staged implementation approach** – supports the incremental adoption of PRMs and ensures adequate change management and resourcing.

COMMISSIONING

Another learning opportunity presented by the Australian health system which Treasury should leverage is the work currently being undertaken to develop and embed collaborative commissioning frameworks in system design.

Health care commissioning is a continual cycle that involves planning, designing or procuring, monitoring and evaluating health services to make sure they are performing well and improving the health of the communities that they work within. Collaborative Commissioning demonstrates a whole-of-system approach in which some combination of Local Health Networks (or equivalent), Primary Health Networks (PHNs), and private players come together combining expertise and data insights to develop systems and services that improve the well-being of their local communities.

Several Primary Health Networks, primary health care system intermediaries that provide national coverage with regional understanding, have developed (or are in the process of developing)



commissioning frameworks that embed metrics to better understand the outcomes that matter to their communities. The information is then used to inform the services they fund. Ongoing monitoring of service agreements is increasingly including outcome measures focused on what matters to local people and communities, in addition to process and activity metrics, to better understand if services being funded are making a meaningful difference to the well-being of communities.^{21, 22}

Insights from the process of codesigning and embedding commissioning framework and collaborative commissioning processes focused on measuring and improving the outcomes that matter, should be leveraged to inform the development of the proposed well-being framework.

CASE STUDY 1- ONE WESTERN SYDNEY HEALTH SYSTEM

WentWest (Western Sydney Primary Health Network) and Western Sydney Local Health District (WSLHD) have established a Patient-Centred Collaborative Commissioning (PCCG) governance structure in which clinicians, GPs, consumers and administrators are working together across primary, community and acute care sectors to reimagine what value-based healthcare could look like with patients at the centre, and NGOs, public and private providers working together toward a common aim.

WSPHN and WSLHD are now leading a full system-wide implementation of two new innovative models – Value-Based Urgent Care and Cardiology in Community. These models build on past program successes including a collaboratively commissioned COVID-19 response. This involved co-funding and co-delivering COVID-19 assessment and testing clinics and commissioning general practice to manage low to moderate risk COVID-19 positive patients in the community. Integrated data sets enable transparency in co-delivery and reporting on outcomes in real-time to continually inform implementation.

DATA LINKAGE

There is significant work being undertaken within the health sector to consolidate and link disparate data sets to inform population health planning and well-being insights.

As case study 2 demonstrates PHNs in collaboration with Hospital and Health Services (HHS)/Local Hospital Networks (LHNs) are working to consolidate currently disparate data through linked data initiatives and data sharing governance and processes.

Once again, this activity could be leveraged by Treasury to inform the development of the framework.



CASE STUDY 2 - LINKING UP AND MAPPING OF SYSTEMS (LUMOS)²³

LUMOS is a state-wide data linkage project led by the NSW Ministry of Health in partnership with PHNs, aiming to provide a system-wide view of health needs and service gaps.

It has been developed to address fragmentation of data collection within the health system, with current practices meaning that health information is collected in various care settings at different times across public, private, acute, primary and tertiary care.

The program links general practice data with other health service data including admitted patient, emergency department and mortality datasets to:

- Provide a comprehensive understanding of patient pathways across primary, acute and other healthcare settings.
- Allow early identification of current and emerging population health and well-being issues.
- Identify opportunities for improving health and well-being outcomes.
- Inform data-driven quality improvement and system re-design responses.

The program is rolled out across all NSW PHNs, with over 500 practices participating in the program as of September 2021.

FIRST NATIONS LEADERSHIP

Leadership has long been demonstrated by First Nations peoples and communities in promoting an understanding of the relationship between land and culture with health and well-being. This is particularly apparent in the holistic definition of health long adopted by the National Aboriginal Community Controlled Health Organisation (NACCHO) that it is:

*'not just the physical well-being of an individual but refers to the social, emotional and cultural well-being of the whole Community in which each individual is able to achieve their full potential as a human being thereby bringing about the total well-being of their Community It is a whole of life view and includes the cyclical concept of life-death-life.'*²⁴

These lessons and understandings of First Nations peoples should be central to an Australian well-being framework.

AHHA strongly advocates for engagement and co-design with First Nations Australians to be incorporated in the development of the well-being framework to ensure that a First Nations understanding of well-being is reflected within all elements of the framework.



AHHA RECOMMENDATIONS

In the development of the well-being framework, Treasury should:

- Learn from and leverage the significant body of work already underway within the health system.
- Utilise the knowledge, connections and networks of AHHA and the Australian Centre for Value-Based Health Care.
- Ensure alignment with existing understandings and work addressing preventative health and wider determinants of health.
- Adopt a national consistent approach, codesigned with communities and the healthcare system to inform improvements at all levels of the system.
- Include indicators, benchmarks and targets identified at a national, state and territory, regional and local government area level.
- Ensure that current evaluation and reporting structures are enhanced by a national well-being framework, not duplicated.
- Develop and embed structures and long-term resources to support the important cultural change needed to underpin measurement reform.

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³ Verhoeven A, Woolcock K, Thurecht L, Haddock R, Flynn A and Steele N. (2020). Deeble Issues Brief No 34. Can value based health care support health equity? Australian Healthcare and Hospitals Association, Canberra, Australia.
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⁶ World Economic Forum (WEF) in collaboration with the Boston Consulting Group 2016, Value in healthcare – laying the foundation for health system transformation, World Economic Forum, Geneva, Available: http://www3.weforum.org/docs/WEF_Insight_Report_Value_Healthcare_Laying_Foundation.pdf

⁷ Allvin et al. 2021. 'Person- Centred Value -Based Health Care '. Global Policy Reports, Sprink, Available: <https://www.sprink.co.uk/global-centre-for-pcvbhc/publications-and-events/>

⁸ Liu TC, Bozic KJ, Teisberg EO, 2017, Value-based Healthcare: Person-centered Measurement: Focusing on the Three C's. *Clinical Orthopaedics and Related Research*. vol. 475, no. 2, pp. 315-317, Available: doi:10.1007/s11999-016-5205-5

⁹ Council of Federal Financial Relations 2020, Addendum to the National Health Agreement 2020- 2025, Available: https://federalfinancialrelations.gov.au/sites/federalfinancialrelations.gov.au/files/2021-07/NHRA_2020-25_Addendum_consolidated.pdf

¹⁰ Commonwealth of Australia Department of Health and Aged Care 2021, National Health Reform Agreement (NHRA) – Long-term health reforms roadmap Available: [https://www.health.gov.au/resources/publications/national-health-reform-agreement-nhra-long-term-health-reforms-roadmap?language=en#:~:text=Resources-,National%20Health%20Reform%20Agreement%20\(NHRA\)%20%E2%80%93%20Long%2Dterm%20health,our%20health%20system%20is%20sustainable.](https://www.health.gov.au/resources/publications/national-health-reform-agreement-nhra-long-term-health-reforms-roadmap?language=en#:~:text=Resources-,National%20Health%20Reform%20Agreement%20(NHRA)%20%E2%80%93%20Long%2Dterm%20health,our%20health%20system%20is%20sustainable.)

¹¹ Australian Commission on Safety and Quality in Health Care (ACSQHC) 2022, Patient-reported outcome measures', Available: <https://www.safetyandquality.gov.au/our-work/indicators-measurement-and-reporting/patient-reported-outcome-measures>

¹² NSW Government Agency for Clinical Innovation, What are patient-reported measures? Available: <https://aci.health.nsw.gov.au/statewide-programs/prms/about>

¹³ Australian Commission on Safety and Quality in Health Care (ACSQHC) 2022, Patient-reported outcome measures', Available: <https://www.safetyandquality.gov.au/our-work/indicators-measurement-and-reporting/patient-reported-outcome-measures>

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¹⁶ NSW Government Agency for Clinical Innovation, Patient-reported measures, Statewide programs, Available: <https://aci.health.nsw.gov.au/statewide-programs/prms>

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²¹ Murry PHN 2020, Commissioning Framework, Available <https://www.murrayphn.org.au/wp-content/uploads/2020/02/Commissioning-Framework-Jan-2020.pdf>

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²⁴ NACCHO (n.d.) Aboriginal Community Controlled Health Organisations (ACCHOs), Available at: <https://www.naccho.org.au/acchos/>