

A roadmap towards scalable value-based payments in Australian health care

6 December 2022

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Australian healthcare funding policy needs a rethink and value-based payments will be a necessary step towards securing Australia's healthcare system sustainability. Nevertheless, using financial incentives to change behaviour will require national leadership, substantial investment in better information technology, and improved data collection and sharing.

The value-based payment reform journey will be long and will experience some failures, but it offers considerable opportunities to complement the future needs and preferences of patients. Who bears the risk and who benefits must be transparent and factored into implementation to predict for uncertainties.

It is natural for providers to pushback on value-based payments if the incentive structure fails to compensate for increased risk, fails to cover the marginal cost associated with meeting incentive targets, or fails to attribute health outcomes to care.

The likelihood of developing a program of successful value-based payment models will be substantially greater if state, territory, and federal governments develop a structured and supportive policy and institutional framework around the intent to trial and evaluate multiple value-based payment models nationally.

Four recommendations are made to establish this framework.

Recommendations

1. Develop a cohesive vision and ambitious national 10-year plan for value-based payment integration into the healthcare system.
2. Create an independent national payment authority to implement the national plan through strong relationships with relevant federal government agencies and with state and territory governments.
3. Improve cost and outcome data collection, analysis and access among government and providers, aiming for seamless, low cost collection and effective flow of information.
4. Support provider education and innovation by investing in information technology infrastructure, identifying and promoting best practice care, developing provider tools, and promoting peer-to-peer learning.



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