

Productivity Commission – Reforms to Human Services:  
Issues Paper December 2016

**Submission from Health Performance Council SA**  
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Health Performance Council



Government  
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Health Performance Council

## Introduction

Health Performance Council (HPC) is the South Australian Government's statutory Ministerial advisory body established under section 9 of the Health Care Act 2008 to provide advice to the Minister for Health on the performance of the health system, health outcomes for South Australians and specific population groups, and the effectiveness of community and individual engagement. HPC is not a body that advocates or advises on behalf of any particular group.

HPC has a working framework for reviewing health system performance that we apply as a set of key principles to consider in our data analysis and commentary. We look for situations when it appears system or policy changes may be causing unwarranted widening of health outcomes gaps between specific population groups. Most especially we are concerned about specific population groups in our community that can be excluded and therefore vulnerable such as, and not exhaustively, Aboriginal peoples, people who live in rural and remote South Australia and culturally and linguistically diverse populations.

HPC publishes four yearly reviews of the South Australian health system performance that are tabled in SA Parliament. We post the output of all our activity to our website to ensure it is available to all: [www.hpcsa.com.au](http://www.hpcsa.com.au)

This written submission echoes the discussion items shared with Presiding Commissioner, Stephen King, and colleagues from the Productivity Commission at our teleconference on Tuesday 24 January 2017. Prior to this teleconference, HPC Secretariat provided the Productivity Commission with four HPC reports as background to our work and interests:

- HPC Annual Report 2015-16
- 2016 edition of HPC State of Our Health, a searchable online statistical report with measures about South Australian population demography, health status of the community and emerging trends in health outcomes
- 2014 HPC 4-Yearly Review (2011-2014) Report 'What's Working, What's Not'
- 2013 HPC report Improving End of Life Care for South Australians.

HPC suggests the policy recommendations in the final inquiry report include these four preconditions for moving to the next stage of examining the scope for human services reform that increases competition and consumer choice:

- transparency of monitoring and reporting outcomes of human services including public and private hospitals, primary care, dental services, end of life care and aged care
- appropriate consumer and community information literacy, in particular health literacy where service providers are accountable for creating health literate environments and investing in independent advocacy that enables people to build their health literacy in ways that reflect individuals' needs, values and preferences (Australian Commission on Safety and Quality in Health Care definition of Patient and Consumer Centred Care [www.safetyandquality.gov.au](http://www.safetyandquality.gov.au))
- government stewardship including sufficient, equitably distributed funding for human services, mechanisms for regulation, safeguards and investment in regulatory systems. Regulatory systems should be designed to offer assurances that a reform of human services is capable of producing desired social outcomes in quality, access and equity, and demonstrate how it incorporates service user feedback and complaints management
- recognition that a balanced and consumer-centred health system fosters better health outcomes and is most efficient when it integrates preventive and primary care with hospital services. Any recommendations around public hospital reform should set clear objectives to achieve integrated models of care and collaboration to meet the needs of consumers and to coordinate services. Adding to the existing evidence base, we refer the Productivity Commission to the Health Foundation's study published on 1 February 2017 in the BMJ that found older patients who saw the same general practitioner most of the time were admitted to hospital 12 per cent less for conditions that could be treated in general practices than those who had a lower continuity of care.

This HPC submission comments on the following requests for information in the Productivity Commission December 2016 Issues Paper: Section 3: feedback on characteristics of human services and Section 5: public hospital services information availability and complements to moving to competition and choice.

HPC assumes the Productivity Commission is using the terms 'service users' and 'consumers' interchangeably in this inquiry. When HPC writes about consumer choice, we mean this to be both individual consumer and community level.

## HPC responses to specific Requests for Information for this inquiry

### Section 3 Tailoring Reform Options

#### Request for Information 1: feedback on characteristics of human services

We contend that Issues Paper figure 1 framework should emphasise characteristics of safe, high performing human services that strengthen self-determination at an individual and community/governance level. We suggest the following amendments:

##### *Government stewardship:*

- Add new characteristic: Sufficient, equitably distributed funding
- Expand ‘consumer safeguards..’ with specifics of mechanisms such as peer support and professional advocacy
- Strengthen ‘initiatives to inform users,..’ to ensure the universal right to essential services such as health by facilitating effective communication between service providers and service users who may need language assistance. It is imperative neither language, religion nor cultural differences should be a barrier to health care and good health outcomes
- Expand ‘setting rules for,..’ to include accountability of service providers for managing service users with multiple and complex needs between providers

##### *Service providers:*

- Add new characteristic: The capacity for providers to coordinate services for service users with multiple and complex needs
- Add new characteristic: Ensure decisions that affect service users and communities are made with and for them

##### *Service users:*

- Add new characteristic: The level of self-determination at an individual and community/governance level
- Expand ‘Access to user-oriented...’ that information/measures on price and quality should be developed, applied, measured and monitored in a consumer-centred way, rather than the phrase ‘user-oriented’

## **Section 5 Public Hospital Services**

**Request for Information 15 asks about what information should be available, what data should be published to facilitate improvements in public hospital services: performance indicators, how improvement would happen as a result; and who should resource this**

HPC agrees that more performance information about quality, access, equity and health outcomes of all public and private hospital services, primary care, dental services, end of life care services, aged care services and primary care should be transparent and in the public domain. Public awareness of performance measures may stimulate hospitals to review and improve their work, will provide general practitioners with more information to help guide their referrals, and will be of use to consumers. We note, as the Productivity Commission did in the November 2016 Study Report, that reviews of international experience indicate introducing more performance information for service users and a policy of consumer choice into public hospital services has great potential to empower consumers and give them greater control over the conditions of their care.

In support of consumer and community choice and equity of access, we endorse the National Statement on Health Literacy by the Australian Commission on Safety and Quality in Healthcare (ACSQHC). ACSQHC states the complexity of the health system is challenging for everyone who uses it and works in it. ACSQHC states about 40 per cent of adults have the level of individual health literacy needed to meet the complex demands of everyday life. Low health literacy is associated with higher rates of hospitalisation and emergency care, and with higher rates of adverse outcomes generally. Addressing health literacy is a service provider quality issue. This should not be seen as a reason to blame consumers: rather it is an indication of the challenge and imperative for service providers to deliver health literate environments in which service users can access the information they need and want, when and how it is relevant to them.

Further, data generated by hospital activity should be available for health statistical collections allowing safe privacy-protecting use of publicly funded data with data linkage as a critical evidence source for improving the overall effectiveness of hospital and health services provision. Strong government stewardship is needed to implement current Australia-wide supportive policies and pathways for data linkage and the use of linked data for these purposes, as the process appears to have been weakly implemented and is hardly working. In general principle HPC supports the key points in

the Productivity Commission Draft Report on Data Availability and Use (October 2016) in favour of tackling barriers to sharing and releasing public and private data so that more is available for interrogation and increasing use and value of Australia's data.

HPC also discussed with the Productivity Commission whether it would be more effective for the inquiry to look beyond public hospital services to review how the private health system relates to the public system, and where there might be opportunities for improving outcomes with the ways the private system works for service consistency, access to services and operation efficiencies.

With public and private sectors providing data there is great potential for studies in health service planning and evaluation, monitoring of the safety and quality of service delivery, assessing proper use and unexpected side effects of new drugs post-marketing (including late effects), and for health system research into the comparative effectiveness, costs and cost-effectiveness of new treatments and alternative models of care. These data are absolutely crucial to address disparities in health and unwarranted variation in service delivery across the population, including for potentially vulnerable specific population groups such as, and not exhaustively, the aged, the socioeconomically disadvantaged, the geographically remote, Aboriginal and Torres Strait Islander people, and culturally and linguistically diverse communities.

## **Section 5 Public Hospital Services**

### **Request for information 17 on what else would complement a movement to greater competition, contestability and user choice.**

HPC is open to the possibility that more competition and consumer choice may play a part in the health care system of the future, but applying market principles in health care needs to be done in a way that improves human services performance and improves consumer outcomes in the aggregate and between specific population groups. It must be designed to comply with the National Safety and Quality Health Service Standards.

While the Productivity Commission December 2016 Issues Paper identifies international examples that indicate service areas in which competition could present an opportunity locally, there seems little explanation about how the 'competition and choice' policy settings are expected to drive improvements in individual or population health outcomes or service delivery outcomes. HPC is concerned there is little attention to how equity indicators should be used in part of an overall outcomes framework. HPC prioritises equity indicators when applying our working framework for reviewing health system performance, as did the former National Health Performance Authority in its health performance reporting framework.

We note, as in the Productivity Commission November 2016 Study Report, the reviews of NHS England choice and competition reforms show in some instances costs exceed benefits. In the next stage of this inquiry, HPC asks the Productivity Commission to examine what is the cost effectiveness of competition, and how does this compare with other policies for increasing hospital quality and health outcomes.

More specifically, HPC is concerned that the Productivity Commission should consider specifically how quality of care and health outcomes can be improved in rural and remote areas where effective competition may be difficult. HPC recommends this inquiry seek insights from the National Disability Insurance Scheme trial sites including the market position statements developed for each jurisdiction, analysis of challenges of service provision and workforce distribution in rural and remote areas and measures to plan and manage market failure.

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