Agenda:

• Timeline of primary care funding
  • Medicare 1984 -2016/7
• Proposed changes
  • PCMH
• An example of a successful primary care initiative
The changing world of 1° care funding - 1984

Share of primary care Funding

100%
The changing world of 1° care 2016

Share of primary Care Funding

- GPs
- Primary Health networks
- Pharmacists
- PHNs
- Allied Health
A move towards more chronic disease and preventative care items

**Chronic disease MBS items**

- GPMP
- GPMHP
- TCA

**Preventative health MBS items**

- 45-49yr old health checks
- Health assessment for older persons (>75yrs)

**Practice incentive MBS item numbers**

- Annual cycle of care (asthma, diabetes)
- PIPs
- SIPs
Rising costs but not remuneration

HEALTH COSTS BLOWING OUT?

NOT FOR GP CARE
The amount of money governments are spending on GP care for each Australian has remained virtually unchanged for six years — just $304

The real cost explosion has been in hospitals. Spending per person in a public hospital increased 18.5% over the same period

WHAT GOVERNMENTS SPEND PER PERSON — 2006/07 TO 2011/12

Source: Productivity Commission 2014
Rising costs but not remuneration

• In the past decade:
  • There has been a 74% increase in health spending in state and federal budgets.

• In the past two decades:
  • Hospital expenditure has increased by 5.5X
  • Primary care expenditure has increased by 2.5X
Government changes to Medicare:

Freezing the rebate until 2018
Challenge 1: The Knowledge Doubling Curve

• It is estimated that the doubling time of medical knowledge in:
  • 1950 was 50 years;
  • in 1980, 7 years;
  • and in 2010, 3.5 years.
  • In 2020 it is projected to be 0.2 years—just 73 days.

• Students who began medical school in 2010 will have experienced approximately three doublings in knowledge by the time they complete their medical training.

• IBM has made a prediction that when the IoT (internet of things) is in full swing, the doubling time of all human knowledge will be 12 hours.

https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3116346/
Challenge 2: Older, sicker more complex

• 1 in every 2 Australians (50%) have at least one chronic condition.¹

• Nearly a quarter of all Australians (23%), have two or more chronic conditions.¹

• 3 in every 5 Australians (60%) aged over 65 years, have two or more chronic conditions.¹

• Comorbidities in PWD 83.8 %.²

Challenge 2: Older, sicker more complex

- 167 conditions constitute 85% of GP’s work
- 5 conditions constitute 85% of specialist’s work

Challenge 2: Older, sicker more complex

- Australians who are high users of the health system see as many as five different GPs per year

- Half of all potentially avoidable hospital admissions in 2013/14 were attributed to chronic conditions.
GP consultations

- the mean length was 14 minutes
- the median was 12 minutes
- 10% were timed as 6 minutes or less.
The changing world of 1° care 2017 and beyond
The changing world of 1° care 2017 and beyond
Brave new world or same old, same old?

PCMH:
- Backstory
- What is it?
- Australian version
Relationship Between Provider Workforce And Medicare Spending: General Practitioners Per 10,000 And Spending Per Beneficiary In 2000

Spending per beneficiary (dollars)

8,000

7,000

6,000

5,000

4,000

General practitioners per 10,000

SOURCES: Medicare claims data; and Area Resource File, 2003.
NOTE: Total physicians held constant.

Source: Baicker & Chandra, Health Affairs, April 7, 2004
Relationship Between Provider Workforce And Quality: General Practitioners Per 10,000 And Quality Rank In 2000

Quality rank

1

26

51

General practitioners per 10,000

SOURCES: Medicare claims data; and Area Resource File, 2003.
NOTES: For quality ranking, smaller values equal higher quality. Total physicians held constant.

Source: Baicker & Chandra, Health Affairs, April 7, 2004
Australia: GPs offer value for money

Average Cost per Service

If these additional services had been performed by other medical specialists or emergency departments, they would have cost significantly more.

- GP: $47 + $5 patient contribution
- Specialist: $82 + $38 patient contribution
- ED Visit: $396 - $599
Key principles of the Patient Centred Medical Home model:

- Accessible
- Continuity
- Patient Centred
- Comprehensive
- Quality and Safety
- Coordinated
Australian story: PCMH

About 65,000 Australians will participate in initial two-year trials in up to 200 medical practices from 1 July 2017.

01

About 65,000 Australians will participate in initial two-year trials in up to 200 medical practices from 1 July 2017.
PCMH: Annual payment

• One off set-up payment of $10,000

• 3 Tiers:
  • Most complex ~$1800 ($1,795)
  • Moderately complex ~$1200 ($1,267)
  • Least complex ~$600 ($591)
New software, data capture and reporting requirements

The following organisations have self-declared that they meet the requirements as set by the Department of Health, click on their logo for further information:

The minimum requirements and criteria having to be met by each provider can be found HERE.

<table>
<thead>
<tr>
<th>description</th>
<th>item</th>
<th>frequency</th>
<th>Rebate/ BB rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Visit</td>
<td>36</td>
<td>Once</td>
<td>$71.70</td>
</tr>
<tr>
<td>Subsequent consult</td>
<td>23</td>
<td>7</td>
<td>$37.05</td>
</tr>
<tr>
<td>BB incentive for concession card holder</td>
<td>10991</td>
<td>8</td>
<td>$12</td>
</tr>
<tr>
<td>GP management plan</td>
<td>721</td>
<td>Once</td>
<td>$144.25</td>
</tr>
<tr>
<td>Team care arrangement</td>
<td>723</td>
<td>Once</td>
<td>$114.30</td>
</tr>
<tr>
<td>Domiciliary Medication Management Review (DMMR)</td>
<td>900</td>
<td>Once</td>
<td>$154.80</td>
</tr>
<tr>
<td>Nurse item number</td>
<td>10997</td>
<td>5 times per annum</td>
<td>$12.00 x 5</td>
</tr>
<tr>
<td>GPMH plan</td>
<td>2717</td>
<td>Once</td>
<td>$134.10</td>
</tr>
<tr>
<td>GPMH consultation</td>
<td>2173</td>
<td>1</td>
<td>$71.70</td>
</tr>
<tr>
<td>Care plan review</td>
<td>732</td>
<td>3</td>
<td>$216.15</td>
</tr>
<tr>
<td>TCA review</td>
<td>732</td>
<td>3</td>
<td>$216.15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$1550.50</strong></td>
</tr>
</tbody>
</table>
Conclusions

• Primary care has an excellent ROI
  • Better quality
  • Bend the cost curve

• With appropriate resources, primary care practices are able to transform themselves into high performing patient centered medical homes

• Renaissance of primary care or capitation by stealth?

• Data and information driven reform or bureaucratic nightmare?
Funding for primary care
Past, present and future
Gary Kilov
Ralph Audehm
DCGP Core Team

MODEL

Placing experienced Credentialled Diabetes Educators – Registered Nurses (CDE-RNs) into general practices to work alongside GPs managing patients with diabetes at risk of complications
Features of model

- Enhanced patient education with DNEs
- Sustainable systems in general practices
- Consistent Evidence Base Care
- Coordination and liaison

24/7 telephone advice & support by DNE
staffing

- 8 diabetes nurse educators - 5.4 full time equivalent
- 19 general practices and with 77 GPs
## Patient characteristics

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Patients recruited</td>
<td>1576</td>
</tr>
<tr>
<td>Patients exited</td>
<td>273</td>
</tr>
<tr>
<td>(Reasons recorded - 65.5% low risk, 14.4% refused care, 11.9% moved/changed GP)</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>54.9%</td>
</tr>
<tr>
<td>Average age (range)</td>
<td>63.9 (20-91)</td>
</tr>
<tr>
<td>Receiving benefits/pension</td>
<td>68.3%</td>
</tr>
<tr>
<td>Primary school education or less</td>
<td>53.0%</td>
</tr>
<tr>
<td>Secondary school education or less</td>
<td>92.6%</td>
</tr>
<tr>
<td>Language other than English at home</td>
<td>39.4%</td>
</tr>
</tbody>
</table>
# Diabetes & Co-morbidities

<table>
<thead>
<tr>
<th>Condition</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>HbA1c ≥ 9%</td>
<td>20.8%</td>
</tr>
<tr>
<td>Diabetes duration ≥10 years</td>
<td>28.9%</td>
</tr>
<tr>
<td>Past History of Cardiovascular Disease</td>
<td>25.9%</td>
</tr>
<tr>
<td>Past History of Depression or Psychiatric illness</td>
<td>19.9%</td>
</tr>
<tr>
<td>Hypertension</td>
<td>50.9%</td>
</tr>
<tr>
<td>CVD or other diabetes related co-morbidities, depression or hospital presentation in previous 2 years</td>
<td>75.8%</td>
</tr>
</tbody>
</table>
Screening outcomes

% meeting guidelines at baseline and 12 month review
Management Target Outcomes

% meeting management targets

Management Target

- BMI, ≤25
- BMI, ≤30
- Feet
- Microalbumin
- Retinopathy
- HbA1c, ≤7%
- HbA1c, ≤8%
- BP
- Lipids

Baseline
12mth review
Unscheduled contacts

• 547 unscheduled contacts Sep 2002 – Dec 2004
• In 10.6% of contacts patients would have gone to emergency without support
• 16.6% of contacts would have acted inappropriately
Hospital contact data definitions

• Diabetes direct (DKA, hypoglycaemia, hyperglycaemia),
• Diabetes related (eg infections, ischaemic heart disease, foot amputations)
• Non diabetes related (elective surgery for non related causes, TURP, urinary retention)
% with diabetes related hospital contact

![Bar chart showing the percentage of patients with diabetes related hospital contact by type of contact. The chart compares baseline and 12 months of treatment. The chart indicates higher percentages for hospital admission compared to emergency presentation.]
## distinct presentations to emergency

<table>
<thead>
<tr>
<th></th>
<th>BL</th>
<th>rv1</th>
<th>rv2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directly diabetic</td>
<td>19</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Highly related</td>
<td>116</td>
<td>23</td>
<td>9</td>
</tr>
<tr>
<td>Unrelated</td>
<td>156</td>
<td>37</td>
<td>10</td>
</tr>
<tr>
<td>Missing</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>totals</strong></td>
<td>293</td>
<td>51</td>
<td>21</td>
</tr>
<tr>
<td><strong>total population</strong></td>
<td>1036</td>
<td>458</td>
<td>179</td>
</tr>
</tbody>
</table>
## Frequency of presentations to ED

<table>
<thead>
<tr>
<th></th>
<th>no of patients</th>
<th>No of presentations</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>baseline</strong></td>
<td>217</td>
<td>336</td>
<td>157</td>
<td>40</td>
<td>9</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>(last 2 yrs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st rv</td>
<td>46</td>
<td>70</td>
<td>35</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>2nd rv</td>
<td>15</td>
<td>25</td>
<td>11</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
</tbody>
</table>
## distinct admissions

<table>
<thead>
<tr>
<th></th>
<th>BL</th>
<th>rv1</th>
<th>rv2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Directly diabetic</strong></td>
<td>13</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td><strong>Highly related</strong></td>
<td>176</td>
<td>40</td>
<td>12</td>
</tr>
<tr>
<td><strong>Unrelated</strong></td>
<td>275</td>
<td>55</td>
<td>35</td>
</tr>
<tr>
<td><strong>Missing</strong></td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>totals</strong></td>
<td>465</td>
<td>102</td>
<td>47</td>
</tr>
</tbody>
</table>

Total distinct admissions: 1036

BL: 458
rv1: 179
## Hospital admissions

<table>
<thead>
<tr>
<th>frequency</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5 or more</th>
<th>totals</th>
<th>%</th>
<th>individuals</th>
<th>%</th>
<th>LOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>207</td>
<td>54</td>
<td>25</td>
<td>8</td>
<td>10</td>
<td>490</td>
<td>47%</td>
<td>304</td>
<td>29%</td>
<td>1.5</td>
</tr>
<tr>
<td>1st rv</td>
<td>54</td>
<td>9</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>102</td>
<td>22%</td>
<td>69</td>
<td>15%</td>
<td>1.4</td>
</tr>
<tr>
<td>2nd rv</td>
<td>17</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>46</td>
<td>26%</td>
<td>25</td>
<td>14%</td>
<td>5.2</td>
</tr>
</tbody>
</table>
Costings

- ED presentation  $584
- 17% drop in presentations
  - saving per year on 1000 patients $99,280
- Admission  $5,000
- 23% reduction in admissions
  - Savings per year on 1000 patients $1.150,000

- Costings: 5.4 FTE DNE  - $540,000
  - Can be offset by accessing medicare
Diabetes Care Project

- Trial 18 months
- 184 general practices and 7,781 people with diabetes
- Flexible funding - less than what medicare could generate but paid up front
- Increased allied health funding for complex patients
- Care facilitators (Not health staff)
## Intervention groups

### Changes tested

<table>
<thead>
<tr>
<th>Group 1</th>
<th>Group 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated information platform</td>
<td>Integrated information platform</td>
</tr>
<tr>
<td>Continuous quality improvement processes</td>
<td>Continuous quality improvement processes</td>
</tr>
<tr>
<td></td>
<td>Flexible funding based on risk stratification</td>
</tr>
<tr>
<td></td>
<td>Quality improvement support payments (QISP)</td>
</tr>
<tr>
<td></td>
<td>Funding for care facilitation</td>
</tr>
</tbody>
</table>
Change in allied health professional utilisation patterns
Percent of total AHP items

<table>
<thead>
<tr>
<th>Control</th>
<th>Group 1</th>
<th>Group 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>Trial</td>
<td>Baseline</td>
</tr>
<tr>
<td>5,651</td>
<td>5,949</td>
<td>8,249</td>
</tr>
<tr>
<td>13</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>7</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>10</td>
<td>11</td>
<td>12</td>
</tr>
</tbody>
</table>

1 Excludes practice purse activity that could be claimed as AHP items for Group 2.
2 Includes psychologist, chiropractor, occupational therapist, osteopath and mental health nurse appointments.
3 Sourced from cdmNet data (all other groups and periods sourced from MBS data).
Frequency of use of the IT tool
Average number of webpage accesses per provider during the trial

1 From cdmNet provider access report
HbA1c mean change from baseline for Group 2 compared to Control
Percent, HbA1c level

<table>
<thead>
<tr>
<th>People at baseline</th>
<th>Group</th>
<th>Number of people</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Control</td>
<td>1,813</td>
<td>0.01</td>
</tr>
<tr>
<td></td>
<td>Group 2</td>
<td>2,518</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>All</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HbA1c &lt;7.5%</td>
<td>Control</td>
<td>1,237</td>
<td>0.14</td>
</tr>
<tr>
<td></td>
<td>Group 2</td>
<td>1,676</td>
<td>0.015</td>
</tr>
<tr>
<td>HbA1c ≥7.5%</td>
<td>Control</td>
<td>576</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td></td>
<td>Group 2</td>
<td>842</td>
<td></td>
</tr>
<tr>
<td>HbA1c ≥9.0%</td>
<td>Control</td>
<td>179</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td>Group 2</td>
<td>279</td>
<td></td>
</tr>
<tr>
<td>HbA1c ≥10.0%</td>
<td>Control</td>
<td>87</td>
<td>0.036</td>
</tr>
<tr>
<td></td>
<td>Group 2</td>
<td>135</td>
<td></td>
</tr>
</tbody>
</table>
Thank you