The Royal Australasian College of Physicians

RACP submission to the MBS Review Taskforce consultation paper.

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November 2015

Executive Summary

This Review provides an opportunity to examine whether the Medicare Benefits Schedule (MBS) is optimally structured to support high-value clinical care. This submission makes the case for re-orienting the MBS to better reflect the needs of our community and contemporary clinical practice.

The Royal Australasian College of Physicians (RACP) makes a number of recommendations to support Australia's health system promoting high-value and patient-centred care. These include:

- The introduction of alternate payment models to complement the dominant fee-for-service MBS model; including consideration of bundled payments for 'packages' of care for long-term or complex conditions;
- A MBS system that is more connected to the eHealth agenda, to support improved data capture and facilitate effective performance and quality reporting at both individual and organisational levels; and
- Greater harnessing of clinician-led initiatives that are working to identify and promote high-value patient-centred care.

These three interventions underpin the RACP's response to the MBS Review Taskforce's (the Taskforce) Discussion Paper, and are explored in more detail below.

Introduction

The RACP welcomes this opportunity to provide input to the Taskforce's consultation process.

The RACP believes that any reform plans for health care should be underpinned by the principles of universality and access to care as a fundamental human right, based on need.

Confronted by the challenges of an aging population, chronic disease and co-morbidities, Indigenous health gaps, pressure on access to services and payment arrangements designed decades ago, the RACP supports the Taskforce's work to ensure the MBS supports and facilitates affordable access to best-practice health services.

The RACP believes that an important outcome of the Review is the establishment of an improved process to support ongoing transparent reviews of the MBS to ensure it stays up-to-date with current clinical practice and the evidence of effective approaches to payment models. The close involvement of key stakeholders, consumers and clinicians should be an essential aspect of these processes.

In 2014, the RACP introduced EVOLVE, a physician-led initiative that reflects the College's commitment to a high-quality, safe and effective health care system. EVOLVE is part of a growing national and international movement to analyse medical practices and reduce the use of low-value clinical procedures and interventions, encompassing initiatives such as the Choosing Wisely campaign. The primary objective of EVOLVE is to ensure improved patient safety and quality of care through a reduction in practices that are of little to no clinical value.

Our experience in developing and implementing the EVOLVE initiative places the RACP in a unique position to offer advice to the Taskforce in the current review process.

Current MBS Model

The MBS was originally established with the aim of providing a "fee-for-service structure for a comprehensive range of services, providing health benefit and value for money, and that service provision and pricing should support high-quality service provision."[1]

The RACP supports the Taskforce's work to ensure that the MBS accurately reflects and promotes high-value clinical practice. There are instances where the schedule has not kept pace with changes in clinical practice due to advances in medicine. The Clinical Committees being established must be tasked with identifying instances where MBS item descriptors or the reimbursable values are out of date and need revising. The Taskforce should also put in place a system that includes regular reviews so that the schedule supports and reflects evidence-based high-value clinical practice.

The current MBS model effectively supports its original aim in many areas of care; those requiring acute, episodic clinical services. However, the dominance of the fee-for-service model means it is deficient in cases where patients have complex or long-term chronic issues. Changing patient needs demand that the MBS is reoriented to better support ongoing, coordinated care provided by a multidisciplinary health care team.

The MBS must also be rebalanced in order to appropriately value cognitive clinical practices.

The value of clinical teams consulting on a patient's care must be fully recognised and supported. Increasing collaborative processes with consumers and their carers during discharge and care planning has been shown to deliver measurable benefit on patient satisfaction, and reduce the rates of hospital readmission.[2] These clinical discussions and communications however require both systemic and structural support.

It has been shown that fee-for-service models may result in fragmented care with minimal coordination across providers and health care settings.[3] It is recognised that they can incentivise the quantity of services that are offered rather than the quality of care that is furnished. The MBS Review is an ideal opportunity to implement changes that encourage clinical discussions and closer collaboration around patient care.

In particular, transitions between health care settings are a potentially vulnerable time for patients. A lack of effective and timely communication may lead to inappropriate,

[1] Department of Health."Medicare Benefits Schedule Review Taskforce, Public Submissions: Consultations Paper," September 2015.
[2] Shelby-James T, Currow D, Butow P, Davison G, Williams H, Bonnici J. Case conferencing and care planning: an exploratory study. Australian Government Department of Health and Ageing Local Palliative Care Grants Program, 2009.
[3] The Miller Center. "Cracking the code on health care costs," University of Virginia, http://web1.millercenter.org/commissions/healthcare/HealthcareCommission-Report.pdf. 2014

unnecessary or even harmful clinical services being provided. The MBS should be adjusted to support improved and timely information exchange between providers – including, but not limited to, the use of appropriate technology.

It is also important that the MBS facilitates care being provided in the most suitable location, and by the most appropriate healthcare professional. An effective health system is one where providers are supported to work at the top of their scope of practice, and where the role and value of multidisciplinary teams is taken into account.

A Blended Payment Model

In order to better respond to the needs described above, the RACP supports a greater emphasis on implementing a blended payment approach within the MBS model. This approach should consider the potential value of introducing quality or outcome payments and bundled care payments. These could be at the level of the clinic or organisation rather than the individual provider.

International research demonstrates that bundled payments can align incentives and better support health care professionals working together across specialties and settings to meet their patient's needs.[4] Similarly, a recent Australian analysis determined that bundled payment models not only support high-value and patient-centred care, they also assist in regulating health care spending by reducing avoidable complications and ensuring the most efficient and responsive health care system.[5]

This position is consistent with the commentary from the Primary Health Care Advisory Group[6] and the recent discussion paper[7] from the Royal Australian College of General Practitioners (RACGP) which both commented on the need for changes to be made to payment systems to support better integrated care, care coordination and the patient-centred medical home.

In the Review Discussion Paper, the Taskforce notes that there are already a number of instances where the existing system utilises a bundled payment approach, including the provision of IVF services. The RACP believes that the MBS review is a timely opportunity to consider other areas of care where alternative payment models would be more effective than the current system in promoting and supporting high-value, effective care.

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[4] Dummit, L., Marrufo, G., Marshall, J. & Bradley, A. "CMS Bundled Payments for Care Improvement (BPCI) Initiative Models 2-4: Year 1 Evaluation & Monitoring Annual Report," Lewin Group, https://innovation.cms.gov/Files/reports/BPCI-EvalRpt1.pdf. 2015

[5] Dawda, P. "Bundled payments: Their role in Australian primary health care," Australian Healthcare and Hospitals Association (AHHA). https://ahha.asn.au/sites/default/files/docs/policy-issue/bundled_payments_role_in_australian_primary_health_care_0.pdf. 2015

[6] Primary health care advisory group. Better Outcomes for peopel with chronic and complex health conditions through primary healthcare. Aug 2015

[7] Royal Australasian College of Physicians. RACP Submission: Better Outcomes for people with Chronic and Complex Health Conditions through Primary Care 2015

A more connected health system

The vast amount of routinely collected MBS data is not currently being optimally used. Often this is because the 'payment' data collected insufficiently described the clinical context. The RACP would support the Taskforce exploring how this data could be harnessed to better support the delivery of high-value quality care.

There is growing evidence that quality of care is enhanced by the availability of hospital IT and the adoption of a greater number of IT applications, which is associated with desirable patient outcomes even after adjusting for hospital characteristics.[8] [9]

Public and transparent reporting of performance data – including data from the range of settings where care is provided – has been shown to drive performance improvements in some areas leading to improved patient outcomes, particularly if aligned with financial systems.[10] [11]

In addition to contributing to safety and quality of care for patients, a well-utilised health information system is vital to be able to strategically and effectively plan future health services and respond to emerging issues. MBS data at the population level could add significantly to this health data and be used for planning population level disease prevention and disease management strategies.

Regular feedback to individual providers on their patterns of care would also be valuable to clinicians. This regular feedback loop is an important aspect to continuing quality improvement (CQI) and enables practitioners to get a whole-of-practice view.

High-value, Patient-centred Care

The RACP supports the Taskforce's goal of facilitating high-value patient-care. The RACP's EVOLVE initiative assesses the prevalence, costs and potential harms of low-value practices and interventions to develop a list of the top five low-value interventions within each specialty. Considerations of clinical context – to judge whether or not a service or procedure is warranted for a particular patient – is critical when creating the EVOLVE lists of low-value interventions.

The College recommends that if an MBS funded test or procedure is identified as being used in higher numbers than is considered necessary, further analysis is undertaken to identify the specific circumstances under which the service is of low value. Any changes recommended by the Review should not remove or constrain the service being provided to patients with appropriate clinical characteristics. This is not to say there could be many instances where

[8] Furukawa and Adam, Health information technology and hospital quality of care, AMIA Annu Symp Proc. 2008 Nov 6:864

[9] Menachemi et al, 'Hospital quality of care: does information technology matter? The relationship between information technology adoption and quality of care', Health Care Manage Rev. 2008 Jan-Mar;33(1):51-9

[10] Aina and Kocher, 'Achieving better patient outcomes today', Health Int 2008 7:30-41;

[11] Lindenauer et al, 'Public reporting and pay for performance in hospital quality improvement', NEJM 2007 356: 486-496

the recommendation is to tighten or clarify the circumstances under which a service is covered by the MBS.

The RACP supports the Review's approach of ensuring the Clinical Committees are clinician-led and have sufficient and appropriate input from experts practising in the field. Their experience and expertise is fundamental to ensuring that appropriate consideration is given to the impact on clinical practice; including consideration of unintended consequences. A key strength of physician-led initiatives, such as EVOLVE, is that they provide evidence-based and expert-informed guidance to clinicians without imposing on their clinical judgement. Initiatives like EVOLVE, if strategically considered by government, offer significant value to complement the efforts to keep the MBS abreast of evolving evidence and to effectively support clinical practice adjusting in line with this evidence.

Conclusion

The RACP acknowledges the challenges facing the Taskforce in this review of the MBS. We encourage the Taskforce to ensure that the focus remains on improving the system so that it prioritises high-value patient-centred care and supports better capture and use of valuable health care data for continuous safety and quality improvement. Processes to support ongoing transparent reviews of the MBS to ensure the payment system encourages high-value care and adapts to new evidence should be one of the reviews central objectives. The College looks forward to continuing to contribute to the work of the Taskforce and to ongoing improvements to the MBS.