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CONFERENCE ABSTRACT

HealthLinks: Incentivising better value chronic care in Victoria

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Introduction: As the system manager for Victoria's acute care system, the Department of Health and Human Services recognises the benefits of integrated approaches for patients with chronic and complex conditions. However, Victoria's current hospital funding model is not particularly well suited to supporting integrated care for these patients.

Health links: Chronic Care is a funding-neutral reform that aims to support Victoria's Public Health Services in adopting approaches that better identify patients at risk of becoming frequent users and responds to their chronic care needs earlier.

Description of policy context and objectives: In Victoria, activity based funding has been the preferred approach to funding public hospital services. However, the acute inpatient activity based model is often cited as a barrier to the delivery of integrated hospital-wide care for some groups of highly complex patients.

Over the past decade, Victorian hospitals have put in place service responses to help reduce the risk of hospitalisation for these patients, such as those delivered through substitution and diversion programs such as the Health Independence Program. However, there has been little concurrent development of the funding models underpinning this shift in healthcare. For many complex and chronic disease patients, their journey through the hospital system is funded via many different funding streams.

While discrete funding streams offer ways to account for, and cost, different types of services they can also lead to artificial boundaries being created between service streams. These funding streams lack the flexibility providers are seeking to deliver integrated care across the continuum of the patient's journey.

In order to test if it is possible to deliver better value care for these complex patients, from within existing resources, Victoria will trial the use of a capitation funding model in 2016-17.

Target Population: Patients with chronic care needs who are at risk of multiple acute admissions in a 12 month period.

Highlights: Using Victorian linked data (Victorian Admitted Episode Dataset and Victorian Emergency Minimum Dataset) a prediction algorithm has been developed that identifies patients who are at risk of three or more admissions in the next 12 months (positive predictive value =32%). The predicted average resource utilisation of the group prescribes a capitation payment for each identified patient.

Health services will build on existing, or define new, clinical and service interventions to be implemented.

Transferability: The approach is being formally evaluated over a two year period with patient monitoring continuing for a further 12 months. Early observational findings will be available by November 2016.

Conclusions: The Department of Health and Human Services (DHHS) is working with a small group of Public Health Services to test if the use of a capitation funding model, based on the average acute inpatient resource utilisation of this group, will drive alternate models of care, including better integration across service streams. Ultimately the aim is to deliver better patient value from within existing acute care funding resources.

Keywords: chronic care; funding; policy; integrated care; trial