



Clinical Variation and Transparency

Dr. Linda Swan
Chief Medical Officer

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Health system challenges

- Our growing but ageing population
- Increasing prevalence of chronic disease
- New technologies



- A sustainable healthcare system continues to innovate and delivers efficiencies to offset these growing cost pressures

Sources: 2013 Intergenerational report, Australian Government, March 5 2016, page viii.
201-2014 MFR, data consulting athena

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Triple aim of healthcare



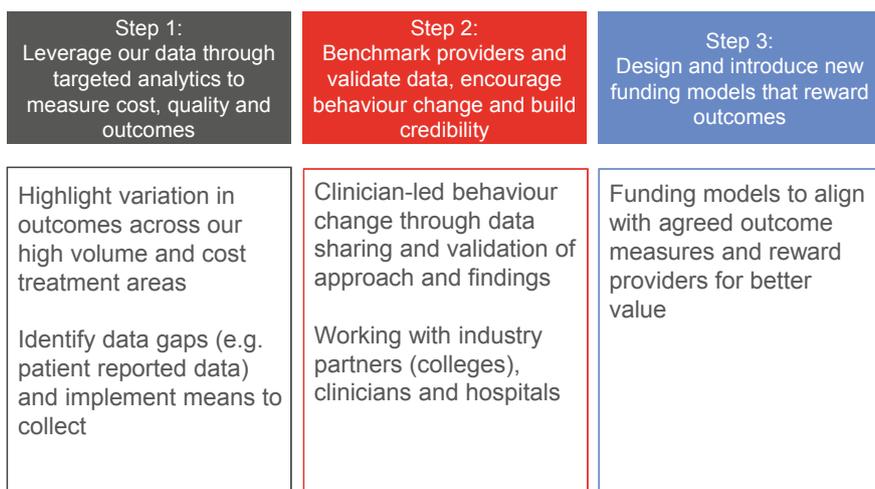
- Recognised international paradigm for health reform
- Core concept is that health reform needs to address all three areas
- Requires a balanced approach to ensure reform delivers optimal value

Reference: Institute for Healthcare Improvement



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Three key steps to shift the focus to value



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Sharing Hospital Performance Data

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Hospital Performance Measurement

- Clinical outcomes
 - Does the hospital perform better than peers
 - Linked to evidence based best practice
- Patient Experience
 - Does the patient report a great experience
- Low Value Care
 - Are there ways to reduce
 - Inappropriate care setting (eg inpatient rehab)
 - Inefficient or ineffective care (eg arthroscopy)
 - Low volume procedures (eg Whipples)

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Clinical Outcome Measures

		Orthopaedic		Cardiac		Ophthal	Obstetric		Urology	Gastro	Gen Surgery		
	Hospital wide	Hip Replacement	Knee Replacement	Stent Insertion	Pacemaker Insertion	Cataract	Vaginal Delivery	Caesarean Delivery	Cystoscopy	Prostatectomy	Colonoscopy	Hernia	Gall Bladder
28 day Readmission	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Complication Rate (HAC)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
% discharged home	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ICU Admission Rate	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Length of Stay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Same day rates	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
PREMS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Total Cost (< 30 day post)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
PROMs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

These measures track over 40% of Medibank volumes and over 50% of outlays



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Risk Adjustment

- ✓ Case Mix
 - Takes into account the hospital's unique mix of patient types
- ✓ Age
- ✓ Complexity
 - 3 or more complex conditions (diabetes, heart disease etc)
- Peer Hospitals = AIHW peer group
- Comparators = All other hospitals (excluding the subject hospital)

Developed through wide consultation with private hospitals, other insurers and industry bodies (ACSOHC, Health Roundtable etc)

External independent advice from University of Melbourne & Monash University
Dependence on Health Roundtable methodology for complexity identification



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Outcomes by Individual Hospital

Specialty	Specialty Grp	Quartile - 14 Day Re-Admits	Quartile - 28 Day Re-Admits	Quartile - Complication Rate	Quartile - Discharged Home	Quartile - ICU Rate	Quartile - Length Of Stay	Quartile - Same Day
CARDIOLOGY	PACEMAKERINSERTION	3	3	3	1	2	3	3
	STENT	1	1	2	2	2	4	3
GASTROENTEROLOGY	COLONOSCOPY	4	4	2	4	4	4	4
GENERAL SURGERY	CHOLECYSTECTOMYLAP	4	4	3	1	2	2	1
	HERNIA	2	2	4	2	4	1	1
OBSTETRICS	CSECTION	3	3	2	3	3	3	3
	VAGINAL	3	3	2	3	2	2	3
OPHTHALMOLOGY	CATARACT	4	4	2	4	3	4	4
ORTHOPAEDICS	HIPREPLACEMENT	4	4	4	2	2	2	3
	KNEEREPLACEMENT	2	2	4	2	2	3	3
UROLOGY	CYSTOSCOPY	3	4	2	4	2	3	2
	PROSTATECTOMY	4	4	1	4	2	2	3

Reported by quartile, compared with peer group
 - Dark Green (1) is good
 - Red (4) is major opportunity for improvement



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Comparative Performance (Risk Adjusted)

	Achieved	Peer	Trend
Average Length Of Stay	2.52	2.53	
Same Day Rate	43.22%	43.11%	
Complication Rate	0.52%	0.57%	
PREMS (Overall Rating)			
14 Day Re-Admit Rate	9.25%	6.62%	
28 Day Re-Admit Rate	13.49%	10.12%	
Discharged Home Rate	96.80%	95.39%	

Year on Year Trend (Increasing)
 Year on Year Trend (Decreasing)

PREMS

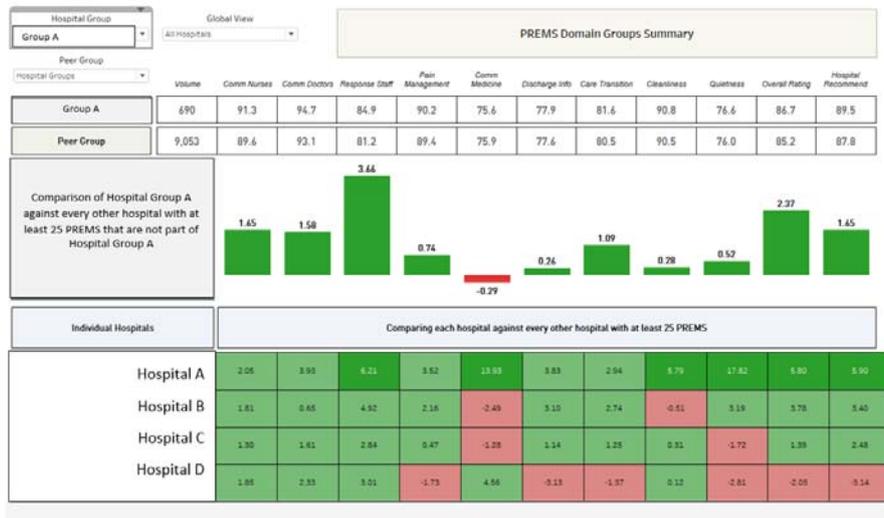
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Process

- Using HCAHPS survey
 - emailed at 45 days
 - Highly validated survey out of the US
 - 28% response rate
- Over 10,000 responses
 - Over 8,000 matched to HCP data
- Reported when > 25 responses
 - From hospital or craft group
- Able to provide report within 3 months of discharge
- Reported by hospital, Group, Peer Group and All Hospitals
 - Includes Public Hospital responses

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PREMS – Group A



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PREMS – Group B



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PREMS – Large Hospitals (Group 1A)

	Comm Nurses	Comm Doctors	Response Staff	Pain Management	Comm Medicine	Discharge Info	Care Transition	Cleanliness	Quickness	Rating	Recommend
Hospital 1	2.82	3.78	8.78	4.11	-14.84	8.07	3.21	5.88	18.42	5.97	8.18
Hospital 2	-0.23	-4.00	1.80	-0.82	0.88	-9.87	-3.88	8.81	-8.04	5.38	2.88
Hospital 3	2.87	1.21	5.78	5.83	6.62	-2.96	1.40	4.70	10.86	4.50	8.49
Hospital 4	2.72	1.54	1.65	2.61	7.30	1.74	2.56	1.22	5.34	3.09	3.73
Hospital 5	3.43	0.87	1.03	2.73	2.86	3.80	2.20	1.23	-5.04	2.88	1.57
Hospital 6	1.85	0.01	2.97	1.07	3.71	2.20	2.21	3.34	3.26	2.48	0.72
Hospital 7	0.71	-0.13	1.80	0.82	-0.44	4.48	1.18	0.92	9.04	2.23	2.86
Hospital 8	-0.47	1.07	1.27	2.48	3.66	-3.84	0.82	1.05	-0.61	1.75	2.55
Hospital 9	1.66	1.50	3.58	1.12	-0.37	2.52	1.60	0.16	-1.25	1.62	2.90
Hospital 10	0.37	5.51	0.52	0.84	12.58	8.72	4.88	0.87	0.85	0.59	0.76
Hospital 11	-0.09	0.38	1.86	-2.14	-2.82	-3.90	-1.79	3.11	2.58	0.58	-0.20
Hospital 12	-2.48	-0.51	-2.20	0.38	-4.43	-2.70	-0.97	1.88	-0.02	0.18	1.23
Hospital 13	-0.81	0.93	-2.28	0.25	-4.83	-4.29	0.61	-0.79	1.57	-0.90	-2.70
Hospital 14	-2.57	-0.89	-2.25	-0.25	-0.04	5.13	0.62	-2.99	-3.52	-1.24	-1.88
Hospital 15	-0.81	1.18	-3.09	0.83	-1.74	-2.34	-5.01	-2.05	0.08	-1.94	-0.32
Hospital 16	2.15	2.18	3.61	-1.18	5.55	-1.93	-1.14	-0.04	-2.53	-1.94	-2.84
Hospital 17	-2.53	-3.31	-5.22	-3.28	-7.70	-0.89	-0.91	-6.42	-8.78	-2.52	-2.95
Hospital 18	-3.54	-1.88	-4.80	-1.86	-2.87	-4.80	-2.03	-0.83	-4.74	-2.61	-4.34
Hospital 19	-1.81	-1.97	-2.97	-2.31	-1.08	-5.89	-2.23	-2.54	-2.44	-2.68	-3.09
Hospital 20	1.19	0.83	1.99	-2.57	0.27	14.28	1.18	0.47	-0.63	-2.98	-0.85
Hospital 21	-2.48	1.44	-0.34	-4.08	-8.31	-8.02	-3.22	1.84	4.51	-8.23	-2.73
Hospital 22	-0.21	0.77	-1.19	-3.20	-13.99	1.21	-1.48	-5.79	-6.78	-4.85	-6.57
Hospital 23	-8.17	4.51	2.10	-3.16	-4.59	-1.46	-4.12	-6.79	10.84	-8.96	-12.22
Hospital 24	-7.74	-10.79	-6.67	-9.14	-13.23	-10.60	-7.06	-4.03	-7.59	-10.46	-11.77

Hospitals ranked by patient overall rating of that hospital
 PREMS results are independent of hospital size
 Patient experience does not appear to correlate with clinical outcome measures

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Low Value Care

Inpatient Rehabilitation

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Background






Australia has one of the highest rates of knee replacement hospitalisations (patients 18 years and over) among selected OECD countries
Australian Commission on Safety and Quality in Healthcare

2003 – 2014

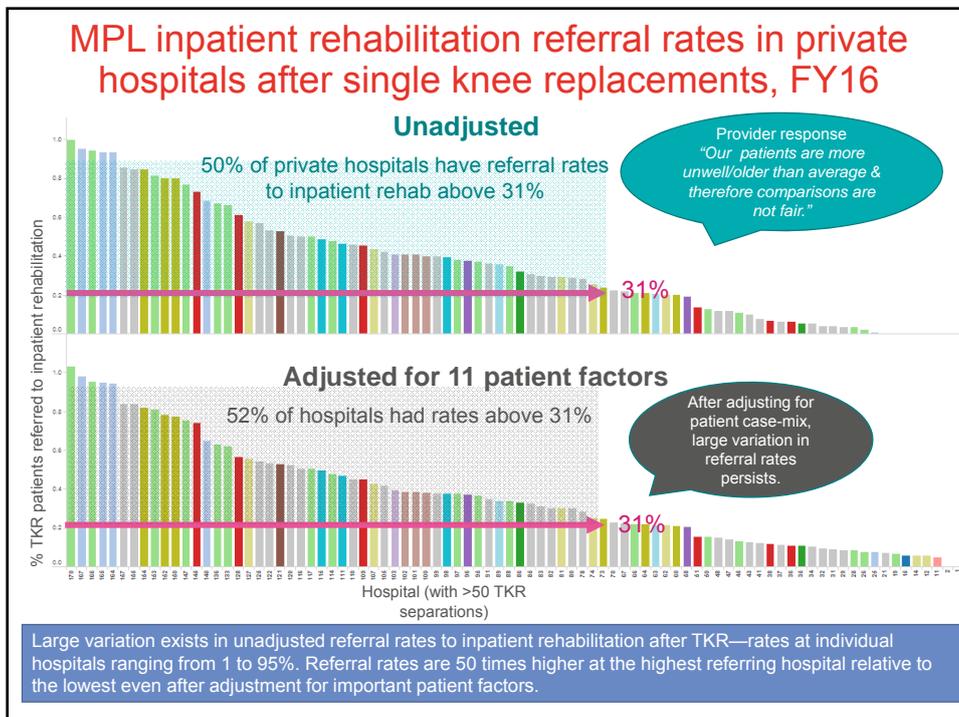
The number of knee replacements undertaken in Australia per year increased by 88%
The Australian Atlas of Healthcare Variation (2017)

70% of joint replacements take place in the private health sector and are supported by private health insurance.
Private Healthcare Australia (2017) Pre-Budget Submission, p. 16

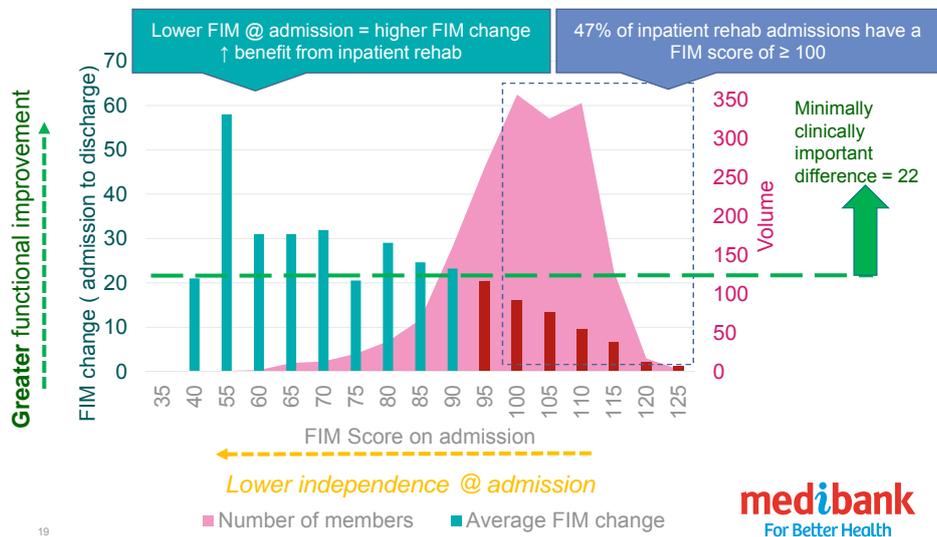
1 in 3 patients in Australia would prefer home-based rehab after knee replacement rather than inpatient rehabilitation.
Buhagiar 2017



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Many MPL TKR patients have high FIM scores on admission to inpatient rehabilitation and make small improvements during their rehab stay



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Rehabilitation Performance Report

	Separations	Average Age	ALOS (Days)	% Readmitted to Acute	Admission FIM	Discharge FIM	Average FIM Change
MPL All		73	12.5	4.8%	96.3	112.4	16.1
Group A	299	76	11	7.1%	92.3	112	19.8
Hospital 1	39	80	12.3	10.3%	92.6	113.8	21.3
Hospital 2	7	68	16.9	0%	101.1	116.1	15
Hospital 3	92	76	10.5	3.3%	91	10.3	19.2
Hospital 4	88	75	10.4	10.2%	92.5	112.5	20.1

- Hospital 4**
- Average age
 - Low function on admission
 - Short length of stay
 - High change in function

- Hospital 2**
- Low volume, but
 - Younger age
 - Healthy on admission
 - Long length of stay
 - Lowest change in function

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Improving Transparency

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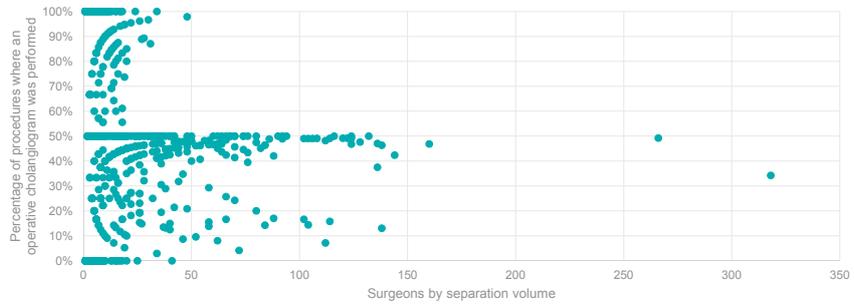
Surgical Variation Reports

General Surgery	Urology	ENT	Vascular Surgery	Orthopaedics
Lap. Chole. Gastric banding Gastric sleeve Hernia Bowel resection Gastroscopy Colonoscopy • with polyp • w/out polyp	Cystoscopy • with resection • w/out resection Prostatectomy • Endoscopic • Radical	Sinus surgery Tonsils and adenoids Myringotomy	Varicose veins Endarterectomy	Hip replacement Knee replacement ACL repair



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Laparoscopic cholecystectomy: % of procedures with an operative cholangiogram

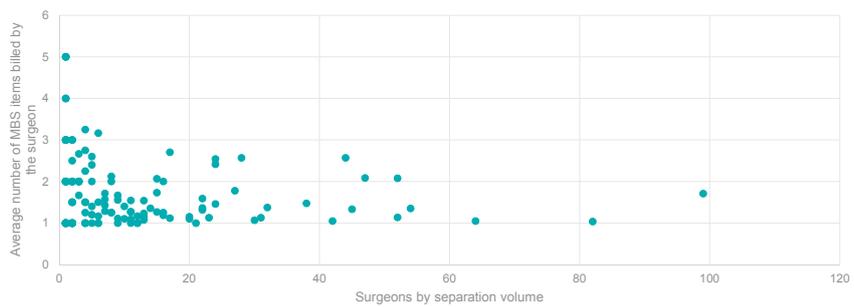


Source: Surgical Variance Report 2017: General Surgery, RACS & Medibank



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Gastric banding procedures: Average number of MBS items charged by the surgeon



Source: Surgical Variance Report 2017: General Surgery, RACS & Medibank



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Medibank Transparency Initiatives

- Standardising industry terminology and simplifying products
- Enhancing surgeons' and hospitals' understanding of variance in practice – *Medibank/RACS variance reports*
- Reducing bill shock by creating greater transparency around out-of-pocket costs – *HealthShare*
- Sharing insights and creating a momentum for change – *health sector engagement*



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