



Sustainable Health Review

Executive Summary of the Interim Report

Purpose of the interim report

The *Sustainable Health Review* was announced by the State Government in June 2017 to develop a more sustainable health system for Western Australia (WA).

This Interim Report outlines the initial observations and views of the Sustainable Health Review Panel ('we' is used interchangeably with 'the Panel').

We are sincerely thankful for the generous contributions in our consultations to date, which have included over 300 public submissions, 19 forums across the State and many other sessions. Passionate insights have been shared with us by consumers and carers, clinicians and staff in the WA health system, Health Service Providers, non-government organisations, industry and the wider community.

The purpose of this report is to reflect what we've heard so far and to check that the 12 Preliminary Directions we have identified are correct.

Across our Preliminary Directions we have made nine Recommendations for Immediate Action where we believe work can commence immediately to bring potential benefits to the people using the health system and to aid the overall objective of sustainability. We strongly encourage the Minister for Health and Mental Health to request the Director General of the Department of Health to develop an implementation plan and provide oversight for these actions.

We have also identified a range of Areas for Further Work which will inform our next phase of consultation and the development of the Panel's Final Report and recommendations due to State Government in November 2018.

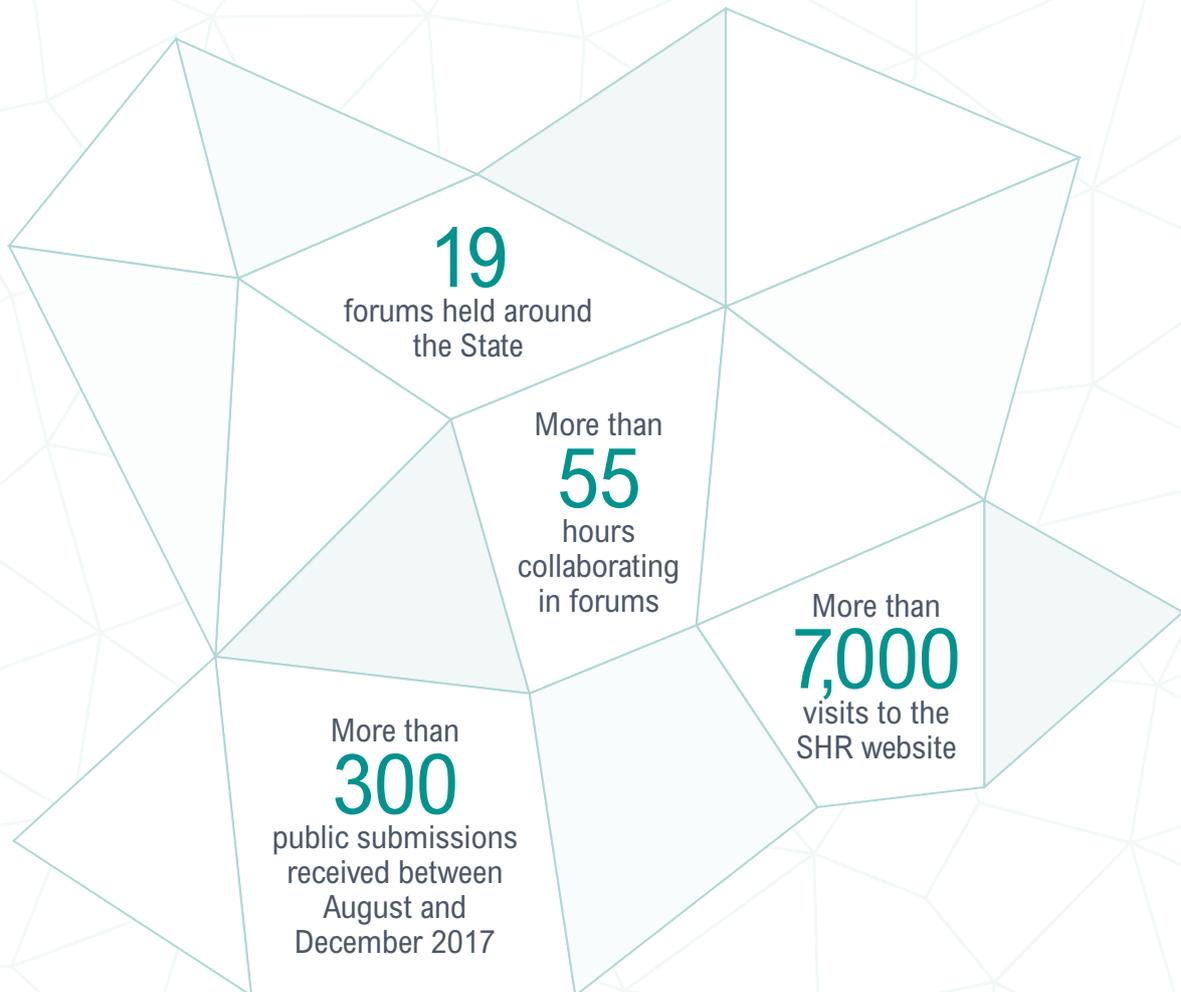
These Areas for Further Work are indicative rather than exhaustive. Additional parts of the Panel's terms of reference warrant further attention including early childhood and youth; dental health; information communications and technology (ICT); alcohol and other drugs; research; teaching and training; and environmental issues and their health impacts.

The Panel acknowledges that some the work outlined in the Interim Report is already underway and supports its progression as a priority.

The Panel once again extends its gratitude and looks forward to further consultation to complete its Final Report.

Robyn Kruk AM
January 2018

The panel heard from people from major centres and remote locations around the State



The Panel commenced its engagement and consultation program in July 2017 and sought input from all individuals and organisations. We have heard from a wide range of health consumers, carers, advocates, clinicians and health staff. We have engaged with young people, private industry, non-government and community organisations, unions and universities. The response to our request for input from within the health sector in particular has been overwhelming.

Executive summary

The Interim Report has been informed by significant consultation with consumers and carers, the WA community, staff in the WA health system, non-government organisations and other partners. It reflects key themes from consultations to date and aims to test the Panel's Preliminary Directions. The Panel will undertake significant further work and consideration for its Final Report.

Context for change

Challenging conversations are taking place nationally and internationally across sectors about how to make the best use of limited resources. The *Sustainable Health Review* comes at a time of significant reform across the WA health system and the public sector more generally, which must be leveraged.

It is clear that what is required for the sustainability of the WA health system now goes beyond buildings. Transformational change is needed, giving emphasis to reinvestment, people, culture and behaviour.

By focusing on sustainability, it is timely for the WA health system to look towards value – to understand what is being spent and being achieved, and measuring the health benefits to patients and the wider community.

The Panel's lens to sustainability therefore focuses on: patient experience; population health outcomes and safety and quality of services; cost and waste reduction; and staff engagement.

The Panel has detailed some so-called 'inconvenient truths' that need to be acknowledged and addressed in a meaningful way if change is to be more than just incremental. We will explore these issues further and respond to them comprehensively in our Final Report.

The health budget has more than doubled over the past decade – increasing from 24.9 per cent of the State Budget in 2009 to 30 per cent of it now. Should this trajectory continue, the health budget will consume nearly 38 per cent of the WA State Budget by 2026/27.

Unfortunately, while health costs have more than doubled, health outcomes in WA have not improved at the same rate. The system focus remains on treatment rather than keeping people healthy. Improvements have been made to reduce the time people spend in hospital but opportunities for more contemporary reform have not been fully embraced. Health remains more provider than patient focused, with WA losing its State leadership role in approaches that focus on keeping people healthy and supported in the community wherever possible.

The WA health system has made \$7 billion in infrastructure investments and should now ensure it uses its existing infrastructure more wisely. This could include options to look at repurposing existing facilities, using current unused capacity or collaborating with other providers to deliver specific services.

Preliminary updated modelling by the Department of Health indicates that across WA there is predicted to be enough hospital bed capacity to serve the community for the next decade. However there are pressure points requiring attention including Armadale, Midland, Joondalup, Osborne Park, Bunbury, Geraldton, and Rockingham/Peel. Commitment is also required to progress plans for King Edward Memorial Hospital for Women and the co-location of women's health services within the Queen Elizabeth II Medical Centre (QEII Medical Centre). Access to both acute and community mental health services require attention.

The people who rely on health services – consumers and carers – are frustrated and feel their views are not sought or respected and want to be more actively engaged in key decisions about their own health, clinical care and the broader planning and funding of WA health services.

WA needs to be more proactive in partnering to meet consumers and carer calls for greater levels of care in the community, more person-centred care and seamless access to support from across our health, disability, aged care and mental health systems. Consumers and providers must currently navigate a maze of systems and complex rules, leading to people falling through the cracks with the hospital system often being where people end up as a last resort.

There can be no hiding from the fact that the WA health system has a poor history of managing its budget over the last 10–15 years. However, the focus on financial accountability and rigour over the last two to three years has set the foundations towards financial sustainability. Over the past two financial years, health expenditure growth has been contained to less than five per cent per annum compared with average growth of approximately 10 per cent per annum in the past decade. There are signs that indicate the health system is gradually becoming more efficient but the cost of hospital services still remains above national benchmarks.

The implications for the WA State Budget, seen in reduced funding for other key services, such as education, housing and police, caused by 'blowouts' in the WA health system budget are not acceptable to consumers or the community. Priorities for the WA health system need to be agreed and progressed within the budgetary framework on the understanding that there will be no new funding. There needs to be a continuing focus on budget controls and an imperative for health to become financially predictable and 'live within its means'.

The WA health system must continue to become more efficient and effective. It needs to better understand its cost drivers and the levers to improve services within its current budget and identify priorities for reinvestment.

The health system should define targets for sustainable expenditure growth with the Department of Treasury, including incentives to drive necessary change in all aspects of health service delivery. The Final Report will address these issues.

Concerns have been raised by consumers, carers and staff around waste in the system and the need to reduce unnecessary tests, treatments and procedures to assist patients and staff to choose health care that will make a difference to peoples' lives and reduce harm. Further efficiencies and savings in corporate and administrative functions must be identified and supported by appropriate technology.

There is significant opportunity to look at how money is distributed across the WA health system to support innovation and address community need. Activity Based Funding has improved transparency and made it easier to see where money is being spent in the WA health system. Activity Based Funding may reward hospitals for delivering more costly services at the expense of other services; however, it should not be a barrier to innovation. A shift is needed to focus on providing high value rather than high volume care in the right setting and to help people stay well. The Panel supports the move to funding models focused on patient-centred care, incentivising performance and collaboration.

Salaries for staff within the WA health system, particularly doctors and nurses, are among the highest in the country, with workforce costs being 13 per cent more expensive in WA than across Australia. Low wages growth, consistent with expectations across the WA public and private sectors, must become a reality of the WA health system. Conditions for special allowances or 'deals' for particular sectors of the health workforce can no longer be justified in the current employment market and alongside moves to team-based care models.

Significant changes have been made to the governance of the WA health system and further work is needed to bed down these changes ensuring clear and robust accountability to the WA community. Greater transparency is needed. Significant advances have been made in the public reporting of the performance of health systems, including investments in key data and reporting systems on quality and safety. Public reporting of all key data including consumer and carer feedback will be a key driver of innovation and sustainability and requires ongoing focus.

Health care does not equal hospital beds. It is well recognised that the \$7 billion spent on hospital infrastructure was needed (1). In some instances expectations may be beyond what the public sector can deliver and honest discussions need to be had with consumers, carers and staff members to consider the best use of public funding.

The WA health system's track record in the delivery of information and communication technology has led to large amounts of money spent in areas that has not necessarily supported the system or improved health outcomes more generally.

The need to improve ICT systems across the WA health system is clear; the challenge is to mobilise and manage the upfront investment in ICT in such a way that it does not compromise the provision of other initiatives.

Robust planning that supports greater use of technology and more contemporary approaches to health care and patient-staff engagement is required. Progress towards a digital health

system including an electronic health record, is critical, with more effective data sharing helping staff, consumers, carers, researchers and the community to make informed health care decisions.

Agreed outcomes that work for consumers and their carers, health partners and other organisations, and the community, must be a priority. Given the massive current and future costs and impacts of chronic disease, this will involve enhanced health promotion to tackle major health problems such as childhood obesity, smoking, alcohol and drug use.

Consumer and carer expectations are changing – they want their views sought and respected. They want more knowledge about their health and means to improve it, and to have quality in both life and death. A focus on consumers and their carers will drive service improvement, innovation and accountability. Consumer and carers also expect cooperation between various agencies, levels of government and the public and private system. There is still inequity in health outcomes throughout WA, including a significant gap in health outcomes for Aboriginal people, those living in rural and remote areas and people experiencing mental health issues.

WA continues to experience high levels of people entering our hospitals with a 49 per cent increase in presentations to emergency departments and a 39 per cent increase in admissions between 2005 and 2015. This continued focus on hospital care is increasingly out of step with community expectations and improvements nationally and internationally.

Key services in WA have significantly lower capacity than the national average. There are significantly fewer General Practitioners (GPs) and residential aged care beds per capita than the national average. There is a maldistribution of GPs in rural and remote WA.

WA receives a low share of Commonwealth funding and support compared with other states in terms of the Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS). This is particularly the case for regional and remote areas of WA, but also in the metropolitan area.

It is critical that the State Government seeks to work more effectively and in collaboration with the Commonwealth Government. This includes exploring opportunities to coordinate services more effectively in the Pilbara and Kimberley regions through improved use of infrastructure, technology and patient transport. This should also extend to other sectors and regions, practitioners and government agencies, including primary care, Aboriginal-controlled health organisations and pharmacists.

The Panel supports exploring a proposal to pilot a joint regional commissioning model (collaboratively with the local community, Aboriginal community-controlled health organisations and the Commonwealth), initially in the Kimberley. The Commonwealth's contribution to pooled funding should be based on its average spend per capita across the State rather than its (typically lower) historical spending at a local level in the Kimberley Region.

Staff and consumers have been clear about the need to improve workforce practice and culture.

The WA health system is often regarded as 'cosy' with a dominance of the medical profession at the expense of other professions, and a reluctance to innovate if it challenges the status quo (2). There is a real opportunity to explore workforce models that better utilise other professions and their full scope of practice, supporting team-based care.

Some staff members have reported feeling not valued or respected and attributed low morale to a lack of meaningful engagement.

Tackling these issues will require an investment in staff and contemporary leadership development to ensure effective clinical and executive leadership through times of change, along with more contemporary approaches to workforce planning.

The WA health system must have the courage to innovate, and be supported to do so. It must challenge the status quo, develop new ways of working and be open and flexible to addressing challenges. It will require difficult conversations and decisions about 'what is needed', 'what is expected', and 'how to make

best use of resources' for a sustainable health system. There has been a reluctance to date to make hard decisions and say 'what stops' or to identify reinvestment priorities. These decisions must be made with consumers and their carers, the community, providers and staff. The health system will need the skills to engage effectively. Sustained change takes time and requires leadership and ongoing political commitment. It must build upon effective community, consumer, carer, staff and service provider input.

There is a real opportunity for everyone to be involved in the change rather than waiting for it to happen. This partnership will be critical to providing the State Government with the social licence to make these changes.

The WA health system has previously struggled with managing longer term change. It is critical that the lessons of implementation from the 2004 report, *A Healthy Future for Western Australians*, by the *Health Reform Committee* are well understood (3). Change will need to be hardwired and monitored at the highest levels to ensure sustainability.

Next steps

The Interim Report has been informed by significant consultation with consumers and carers, the WA community, staff in the WA health system, non-government organisations and other partners. This Interim Report will serve as a starting point for the next phase of consultation and will support the development of the Panel's Final Report and recommendations due to the State Government in November 2018.

Preliminary directions

The Panel has identified 12 Preliminary Directions in this Interim Report. Across these we have made nine Recommendations for Immediate Action where work can commence immediately, and a range of Areas for Further Work which will inform our next phase of consultation and support the development of the Panel's Final Report and Recommendations.

Direction 1: Keep people healthy and get serious about prevention and health promotion

Recommendations for Immediate Action

1. The Department of Health should take an active leadership role across the public sector in developing whole-of-government targets with potential impact for better health outcomes, commencing with childhood obesity.

Areas for Further Work

- Develop and sustain enhanced and new strategies to avoid health impacts associated with smoking and alcohol.

Direction 2: Focus on person-centred services

Areas for Further Work

- The WA health system takes key steps to integrate systems to deliver truly connected care. This includes a pilot of a 'navigator function' to connect people to the right parts of the health system developed collaboratively with key partners, particularly in aged care and disability sectors, to improve person-centred approach to services and ensure our most vulnerable people do not fall between the cracks.
- The WA health system should continue to work with Commonwealth Government agencies and other health and social service agencies to improve interfaces between health, aged care and disability sectors and to progress collaborative service provision to enable a shift to consumer-centric funding.

Direction 3: Better use of resources with more care in the community

Recommendations for Immediate Action

2. Implement a pilot of the Emergency Telehealth Service Model in at least one other specialty in the country and metropolitan area.

Areas for Further Work

- Explore a range of different models (including in the mental health and aged care areas) to enhance emergency department (ED) diversion and avoidable admissions.
- Explore the use of telehealth in the mental health area to increase access to services and support care in the community.
- Undertake a risk/benefit analysis of telehealth and other virtual care opportunities for implementation in metropolitan and country health services, in all care settings. This analysis should include an assessment of the impacts on Patient Assisted Travel Scheme (PATS).
- Formalise more local partnerships with the Western Australia Primary Health Alliance (WAPHA) and develop joint outcomes and associated measures to enhance shared care and improve communication between General Practitioners and hospitals, including outpatient care.

Direction 4: Facilitate effective interaction between acute and community-based mental health services to deliver mental health reforms across the WA health system

Recommendations for Immediate Action

3. In collaboration with the Mental Health Commission (MHC), Department of Health, Health Service Providers, consumers and carers, immediately develop and then implement, an effective, contemporary clinical needs-based model that enhances or replaces the current patient flow model across all health services.
4. Support the immediate review of mental health clinical governance as identified by Professor Hugo Mascie-Taylor in the 2017 *Review of Safety and Quality in the WA health system*.

Areas for Further Work

- Identify current and future mechanisms to ensure appropriate and effective patient care can be delivered for people with mental illness within the community setting.

Direction 5: New ways to support equity in country health

Areas for Further Work

- Develop and expedite options for seamless and safe patient movement around the system through a comprehensive country patient transport strategy, considering cost effective models for emergency and patient transport.
- Investigate formal arrangements for patients and staff in regional hospitals to have a direct association with a metropolitan hospital for access to care for country patients and staff professional development.

Direction 6: Develop partnerships for Aboriginal health outcomes

Areas for Further Work

- Advocate to the Commonwealth Government for a collaborative approach to funding and service delivery to be implemented, for example commencing with a pilot of a joint regional commissioning model, initially in the Kimberley. This should be based on active partnerships with the Commonwealth, State and local government agencies, Aboriginal community-controlled health organisations and non-government organisations.

Direction 7: Create and support the right culture

Recommendations for Immediate Action

5. Identify and report publicly key system quality, safety, financial and performance information at the whole of system, and hospital level as a priority; and further progress public reporting down to department and clinician level.
6. Implement a WA health systemwide employee survey process and benchmark findings to inform and drive systemwide staff engagement programs.

Areas for Further Work

- Launch a one stop portal for consumer information/access on the Healthy WA website. Publish feedback received publicly and at ward level to encourage improvement.
- Develop agreed systemwide core values and metrics regarding workforce health and safety.

Direction 8: Greater use of technology, data and innovation to support consumers, clinicians and drive change

Recommendations for Immediate Action

7. Develop and implement innovative approaches to sharing of patient-level data across public/private providers, including a pilot to demonstrate necessary policy and technology approaches, commencing with pathology results, patient discharge information and medical imaging as an initial priority linked directly to work with the expansion of My Health Record.

Areas for Further Work

- Develop a digital strategy for the WA health system that identifies priorities to support consumers, clinicians and system management.
- Explore options for progression and implementation of a statewide electronic medical record. This should be initially developed in partnership by the Department of Health with one or two Health Service Providers, subject to a robust business case and available funding.
- Support and enact Department of Health-related actions from the Data Linkage Review.
- Partner closely with the Australian Digital Health Agency to support the expansion of the My Health Record program in WA by raising awareness among clinicians and increasing availability of patient information (including pathology, medical imaging results and discharge information) to My Health Record.

Direction 9: Harness and support health and medical research collaboration and innovation

Areas for Further Work

- Continue the increased focus on research and innovation through the State Government's Future Health and Future Health and Research Innovation Fund. Support the enabling of research and innovation translation within everyday clinical practice with the research community, including the Western Australian Health Translation Network. These investments could see WA as a centre of choice for translational and policy relevant research.

Direction 10: Develop a supported and flexible workforce

Recommendations for Immediate Action

8. Cut red tape to hasten the recruitment of staff and reduce unnecessary agency costs. Pilot the broader implementation of a streamlined recruitment process, as tested in the Pilbara region.

Areas for Further Work

- Commence integrated systemwide workforce planning, using a consistent and transparent method for modelling and robust systemwide workforce data.
- Explore options to support and meet regional community needs through programs such as a Rural Generalist program and by increasing both GP proceduralists and Nurse Practitioner training positions and placements.
- Assess and take action as required, where Nurse Practitioners in metropolitan and regional areas are not working to full scope of practice.
- Build a contemporary clinical and corporate leadership program to serve the WA health system and its stakeholders into the future.

Direction 11: Plan and invest more wisely

Areas for Further Work

- Develop options for flexible purchasing and funding mechanisms, pricing and resource allocation which prioritise value, quality, and better population outcomes in consultation with consumers, the Commonwealth, Treasury, non-government organisations and private providers.
- Continue to pursue a fairer allocation of resources and resource allocation with the Commonwealth for rural, remote and regional WA, focusing on balancing the reduced access to GPs, MBS and PBS.

Direction 12: Building financial sustainability, strong governance, systems and statewide support services

Recommendations for Immediate Action

9. Continue implementation of financial sustainability measures ensuring budgetary transparency and enhanced Health Service Provider funding predictability.

Areas for Further Work

- Explore best-practice approaches for meaningful consumer involvement in reforms, including consumer involvement in designing and evaluating services.

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