

# Executive Summary

Courage, collaboration and system thinking are needed to change how health care is delivered in WA for a healthier, more sustainable future.

The Sustainable Health Review (SHR) Panel was tasked by the State Government to guide the direction of the WA health system to deliver patient-first, innovative and financially sustainable care.

Spending on health in WA has more than doubled in the past 10 years yet outcomes in population health and acute care in WA have not improved at the same rate. Without intervention, health spending is projected to approach 38 per cent of the State budget by 2026-27 at the expense of other critical services such as education, housing, policing and transport.<sup>3</sup>

Our pillars of sustainability are anchored to the internationally recognised 'quadruple aim of healthcare': patient experience; staff engagement; quality, safety and population health; and cost and waste reduction.<sup>4,5</sup>

We have heard loud and clear that Western Australians want health and social care that addresses all of the factors that influence health rather than focusing solely on hospitals and beds.

The SHR is not about cutting costs, it is about understanding how costs can be avoided, waste reduced, and where re-investment will have the most impact on people's lives and minimise rising costs in the future.

Through eight Enduring Strategies and 30 Recommendations, this Final Report seeks to drive a cultural shift from a predominantly reactive, acute, hospital-based system – to one with a strong focus on prevention, equity, early child health, end of life care, and seamless access to services at home and in the community through use of technology and innovation.

These necessary changes cannot be achieved overnight. Sustained change takes time and requires leadership and ongoing political commitment. It must build upon effective community, consumer, carer, staff and service provider input.

Implementation will require a meticulous dedication to change that must reinforce the importance of acting together, while holding people accountable for agreed outcomes. A staged approach with publicly reported measures to drive progress and collaboration between the health system, partners and the community will support lasting change.

## The facts are clear

Western Australia's health system is among the best in the world.<sup>6</sup> Despite this, there is no doubting the increasing pressures the WA health system currently faces. Demand for health services has grown substantially over the past 20 years as the population has grown and aged, and the incidence of chronic disease, obesity and mental health conditions has risen.

Not all people in WA have fair access to health care and some experience worse health outcomes because of social, economic and cultural inequality. More Western Australians are part of a 'sandwich generation': caring for young children and older relatives.<sup>7</sup> They are required to navigate multiple systems that have become so complex that people often do not receive services when they need them or end up in hospitals when they do not need to be there.

Many people recognise that for every decision made about services or treatments provided, there is a cost and trade-off for the WA community that cannot be ignored. Expectations may be beyond that which the public sector can deliver and honest discussions need to be had to consider the best use of public funding and about what is driving up underlying costs. We need to see shifts in behaviour and people doing things differently and the better use of resources to get the best value for the health of all Western Australians.

## Key Facts

### Demand for services

- ED attendances have outpaced population growth over the past 10 years.<sup>1,8</sup>
- Approximately 190,000 of the one million attendances to WA Emergency departments (ED) in 2017–18 could have been potentially avoided with treatment in primary care or community settings.<sup>1</sup>
- Five per cent of people going to EDs in WA in 2017–18 accounted for more than 20 per cent of all attendances; they often had complex conditions and visited EDs frequently.<sup>1</sup>
- 90 per cent of people attending an ED for acute mental health care in WA in 2016–17 waited for up to 15 hours before progressing to a suitable care environment.<sup>9,10</sup>
- Seven per cent of all hospital admissions in 2017–2018, costing an estimated \$368 million, were potentially preventable with appropriate care and management outside of hospitals.<sup>11</sup>
- There are growing waiting lists for public surgical outpatient clinics, with people waiting on average nine months for their first appointment for an initial surgical assessment.<sup>12</sup>

### Population health

- Chronic diseases are responsible for 73 per cent of deaths in Australia. \$715 million of hospital costs in WA were attributed to chronic conditions in 2013.<sup>13,14</sup>
- 69 per cent of WA adults aged 16 years and over were classified as overweight or obese in 2017; 26.5 per cent of children aged five to 15 years were classified as overweight or obese in 2017.<sup>15,16</sup>
- WA's older adult population (people aged 65 years and over) is projected to rise by 50 per cent in the next 10 years.<sup>17</sup>
- The number of new cases of dementia in Australia is projected to increase to 451 people per day by 2036 and over 650 people per day by 2056.<sup>18</sup>
- Up to 70 per cent of Australians prefer to die at home – but currently in WA, 61 per cent of people were in hospital on the last day of their life.<sup>19,20</sup>
- In WA approximately one-third of people aged 16–44 years (35.7 per cent) drink at levels considered to be high risk for long-term harm.<sup>15</sup>

- The life expectancy for people with mental illness in WA, who often have multiple physical and mental health conditions, was 15.9 years lower for males and 12 years lower for females compared to the general population.<sup>21</sup>
- WA's suicide rate was approximately 20 per cent higher than the national average in 2016 and has been consistently higher than the national average since 2007.<sup>22</sup>
- Aboriginal Western Australians experience a significant gap in life expectancy; a gap of 13.4 years for males and 12 years for females compared to non-Aboriginal people.<sup>23</sup>
- People living in regional WA experience significant difference in health outcomes, with mortality rates for some conditions, such as coronary heart disease, 1.5 times higher than for people living in metropolitan areas.<sup>24</sup>
- People who live in lower socioeconomic circumstances face much poorer health outcomes, with diabetes 2.6 times as high and coronary heart disease and stroke 2.2 times as high compared to people in the highest socioeconomic group.<sup>24</sup>
- Heatwaves are responsible for more deaths in Australia than any other natural disaster and will likely worsen with climate change.<sup>25</sup>

### Funding

- The WA health system remains focused on acute care, with 74 per cent (\$6.5 billion) of the State health budget (\$8.8 billion) directed at hospital services in 2018–19.<sup>26</sup>
- Only 1.6 per cent of total health expenditure in WA is spent on prevention activities each year – this includes Commonwealth, State and Local Government expenditure.<sup>27</sup>
- Out-of-pocket gaps that Western Australians have to pay have widened and are linked to Commonwealth policy decisions.<sup>28</sup>
- WA has a lower number of General Practitioners (GPs) per person (79 GPs per 100,000 population compared to national average of 96 GPs per 100,000); does not receive a fair share of Commonwealth expenditure on the Medicare Benefits Schedule (\$695 per capita compared to national average of \$888 per capita); and does not receive a fair share of Commonwealth expenditure on the Pharmaceutical Benefits Schemes (\$270 per capita compared to national average of \$332 per capita).<sup>29</sup>



**Figure 1: Shaping a more sustainable health system**

## Culture change

The WA health system cannot deliver sustainability on its own. To truly address sustainability, WA must expand its definition of health care and acknowledge that the WA health system extends beyond hospitals, and is strongly interdependent with primary care and a wide range of health and social care services.

Change is inextricably linked to creating purposeful partnerships with people, communities, industry and the non-government sector, and between levels of government to address the myriad of factors that are essential to health and wellbeing. These partnerships must be based on shared objectives and common purpose, new levels of trust and respect, and formal sharing of risks and benefits.

Western Australians expect to shape the health and wellbeing system they will potentially rely upon. The expectations of people using health services and their carers are changing. They want their views sought and respected. They want more knowledge about their health and the means to improve it, and to have both quality in life and dignity in death.

They expect their health and wellbeing services to act transparently, work with them, and cooperation between various agencies, levels of government and the public and private systems to co-create services that work.

Throughout the course of the SHR, many submissions from WA's health and social care sector noted the importance of shared responsibility and partnership, and highlighted the win-win outcomes that could result for individuals and the community.

Consumer and clinician engagement through partnership is recognised as the most effective and enduring catalyst for sustainable change.

We have heard from Western Australia's passionate and committed health workforce about how important leadership and courage will be going forward to improve workforce practice and culture, and the need to take a more proactive role in shaping a health workforce fit for the future.

They have shared with us first-hand experiences of great practice and innovation already underway.

Consumers and staff acknowledge and appreciate the role digital health can play to enable equitable access to a modern efficient health system.

Patient navigation apps, telehealth and virtual treatment, remote monitoring, health robotics, artificial intelligence and virtual reality are just some of the innovations shaping health care of the future. These innovations fundamentally change the nature of the relationship between people, providers and systems.

## A more sustainable trajectory

Over the past five years, the WA health system has taken steps to improving the foundations of system sustainability with a decrease from a decade average of nine per cent expenditure growth per annum to two per cent per annum in 2017–18 and 1.4 per cent budgeted growth in 2018–19.<sup>26</sup>

There are signs which indicate that the health system is gradually becoming more efficient; however, the cost of hospital services and labour in WA still remain well above national benchmarks. Perverse incentives remain where health service providers get more funding for more activity carried out in hospitals than in the community. Investment in prevention is not driven across the health system and more often funding is short-term. In the longer-term, the WA health system needs greater predictability of the budget footprint in which it operates.

Health will need to stay within agreed budget parameters set by Government that recognise growth in demand, adjustments for national and state policy, funding changes such as private to public shifts, and Government Wages Policy. Any significant increases in wages, operating costs or budget over-runs in the short to medium term will make it challenging for the WA health system to stay within its existing budget forecast.

The WA health system will need the ability and incentives to reinvest in areas that promote sustainability objectives. There needs to be greater flexibility for the WA health system to invest and reinvest in more proactive health interventions that acknowledge the importance of having a safe place to live and the benefits of social participation, prevention and early intervention in good health care.

There will also need to be a more strategic focus on capital and recurrent expenditure, making it clear where it is necessary to invest to save.

Opportunities exist to improve efficiencies in operational areas, support services and procurement to reinvest savings into frontline person-centred care. The WA health system will also need significant investment in digital healthcare and in training the workforce of the future.

## Enduring Strategies

This report puts forward eight Enduring Strategies to progress the sustainability agenda. We have made 30 Recommendations that identify what needs to be changed, with priorities that must be considered in implementation. They come as an interdependent package and to be effective at sustaining change, should not be 'cherry picked'.

These Enduring Strategies were developed following extensive engagement on the 12 Preliminary Directions in our [Interim Report](#). They are strongly informed by evidence and best practice, and were consistently reinforced in discussions with stakeholders in metropolitan and country areas.

We have focused on issues that will be fundamental to shift the system over the next two, five and 10 years that should result in better outcomes across the pillars of sustainability for people using services, health workers, and the WA community as a whole.



**Figure 2: The Panel's eight Enduring Strategies for sustainability**

**1** Commit and collaborate to address major public health issues

Commitment and collaboration to address major public health issues will see a greater focus and investment in community health and prevention at a local and State level. A bold, generational focus on lowering levels of obesity and harmful alcohol use will be led through partnership with local communities, local government, not-for-profit organisations, industry, schools and the Commonwealth. New levels of consumer, carer and public engagement and conversation will be embedded into the fabric of the health system to maintain a focus on improving the overall health and wellbeing of the population.

A sustained effort to reduce disparities in health outcomes and access to care, especially for Aboriginal people, Culturally and Linguistically Diverse communities and people living in low-socioeconomic circumstances, will be prioritised. The health system will strive to be a leader in reducing its environmental footprint and actively mitigate the effects of climate change.

**2** Improve mental health outcomes

Mental health is one of the most critical issues to be addressed to meet sustainability objectives and improve health and wellbeing outcomes. The whole system requires sustained, holistic and transformational reform. Difficulties in mental health services are not limited to any one area of service and the complexity of mental health service delivery and funding is not unique to WA. The Panel has observed a number of highly concerning matters which have been consistently reinforced through consultation.

Priorities must be identified and investment made to address poor mental health outcomes and immense pressures. This includes capacity and balance in prevention, early intervention, community, step up / step down, acute and recovery mental health, alcohol and other drug services. Mental health care must be integrated with physical health. Efforts should be focused on improving the patient journey and greater transparency of quality, safety, patient experience and outcomes.

There must be a strengthened collective focus and clearer accountabilities to plan and deliver evidence-based services that are built around people experiencing poor mental health. Planning should acknowledge the criticality of those with lived experience and providing adequate and safe housing and supported accommodation. Models of care that improve access to responsive and connected mental health, alcohol and other drug services in the most appropriate setting should be prioritised and implemented.

### **Great beginnings and a dignified end of life**

A whole-of-government and community focus on support during pregnancy and the first 1,000 days of life will see children and families achieving the best start in life to become physically and mentally healthy adults.

A dignified end of life will become part of community conversations, with greater planning and support for people to have more choices and access to appropriate end of life care.

### **Person-centred, equitable, seamless access**

Strong partnerships with primary care will improve care in the community for people with a range of chronic and complex conditions and enable more appropriate and timely access to specialist outpatient services. Telehealth and virtual services will become a regular part of service delivery in country and metropolitan areas, with much greater coordination and safer access for country patients to the services they need.

Older people will be better supported at home and have better access to treatment in aged care facilities. WA Health will pursue negotiations with the Commonwealth to ensure hospitals no longer continue to be the default aged care provider because of a lack of appropriate aged care places. The interface between health, aged care and disability services will be managed to enable care in the most appropriate setting and to ensure people do not fall between the gaps as changes to aged care and disability services are rolled out.

### **Drive safety, quality and value through transparency, funding and planning**

Partnerships with consumers, clinicians and researchers for high value health care will ensure clinical variation and waste is reduced, and that only treatments with a strong evidence base are funded. New funding mechanisms will drive quality and value for patient care and community, supporting new models of care and joint commissioning with primary care and the non-government sector. A strong partnership with the Commonwealth will see a fairer allocation of resources while progressing common areas of reform through Primary Health Networks.

A steadfast focus on long-term system planning to best meet community need will involve partnerships with primary care providers and the mental health sector to share data to jointly plan for population health needs.

Capacity pressure points will be addressed where possible through repurposing or updating existing facilities, using current unused capacity or collaborating with providers to deliver services with greater use of contemporary models of care and digital technology.

The Panel has given priority to progressing the co-location and integration of women's health services currently located at King Edward Memorial Hospital to the Queen Elizabeth II Medical Centre site. This is a priority to ensure access, safety and quality of maternity and neonatal services, and presents an opportunity to introduce more contemporary, integrated models of care.

Pressure points in the Peel-Murray region, Armadale and Bunbury will need to be addressed through consideration of any infrastructure requirements through collaborative planning with local communities, primary care and other providers.



## **Invest in digital healthcare and use data wisely**

Investments in data systems and analytical capability will drive safety and quality, and support decision making for high value health care, innovation and patient choice. Digital technology will empower people through greater access to data and health information with privacy appropriately managed; provide access to innovative, safe and efficient services; and assist in promoting and protecting the health of Western Australians.

Building capacity and capability for data analytics and transparent reporting will deliver the benefits of making information more freely available while protecting the need for privacy and confidentiality. This will support the WA health system to capitalise on new and emerging technologies such as predictive analytics, big data, and moving towards the real-time use of data to further transform health care.

Steps to build system capacity will include the progression of a phased and prioritised roll out of electronic medical records across the WA health system to improve patient experience, quality and efficiency of services. People with complex health conditions will be supported and encouraged to use electronic health records to improve their care and health outcomes.



## **Culture and workforce to support new models of care**

A systemwide culture of courage, innovation and accountability will build on the existing pride, compassion and professionalism of staff and support the collaboration necessary for sustainable change. Capability will be developed to produce a cohesive, outward-looking system that works in partnership across sectors, with a strong focus on system integrity, transparency and public accountability.

Contemporary workforce roles and scope of practice will be progressively implemented where there is a proven record of supporting better health outcomes based on community health needs and interdisciplinary models of care, rather than profession-based approaches. Partnerships with universities, vocational training institutes and professional colleges will be harnessed to shape the skills and curriculum to develop the health and social care workforce of the future.



## **Innovate for sustainability**

A systemwide approach to innovation built upon partnerships between clinicians, consumers and a wide range of external partners will quickly develop, test and spread initiatives delivering better patient care and value. There will be an open approach to experimentation and a culture that supports innovation at all levels, from whole-of-system policy and program design, to the most basic aspects of on-the-ground service delivery.

Research, innovation and translation activities and investments will be linked to the WA health system's clinical, public health and mental health priorities. Innovation and research will be embedded into core business, supported by the Government's Future Health Research and Innovation Fund to nurture a more vibrant innovation, research and translation culture in WA.

### **How will change succeed?**

The WA health system is already on the journey toward improved sustainability. The implementation planning to support the rollout of the SHR needs to acknowledge that the health system must continue to manage demand and provide high quality care, while progressively transforming the way it operates.

Recommendations must be appropriately prioritised and supported as part of a well-executed implementation strategy which provides regular and ongoing feedback to Government and the community on changes being made.

The change journey and timelines we describe are challenging, and we have recommended a staged approach to implementing recommendations. We have selected four time horizons to depict the possible progression for each Strategy, and these are intended to support robust implementation planning. The focus will be on driving change rather than ticking boxes and the sequencing may change as new information emerges. In the short-term, the focus should be on setting up for success, identifying early priorities and building momentum. More significant change should be seen in the medium-term with a sustainable system being embedded at 10 years.

Implementation of the SHR will benefit from the lessons of past reviews and draw upon more recent changes in the governance of the WA health system. The SHR comes more than a decade after the 2004 Review, *A Healthy Future for Western Australians* (the Reid Report).<sup>30</sup>

Though \$7 billion of infrastructure investment transformed the health system, implementation of the Reid Report fell short in bringing about the required cultural and behavioural change, and the embedding of sustained changes to models of care that were needed to address underlying sustainability pressures.

Our Interim Report identified a number of ‘inconvenient truths’ that need to be acknowledged and addressed. We have therefore identified a collection of critical success factors for implementation.

### **Metrics and transparency to drive change**

You cannot improve what you do not measure or fully understand. It needs to be clear from the outset what the WA health system seeks to change, with commitment to openly reporting progress. Transparency and metrics to drive change will be fundamental to gain and maintain public trust and drive ongoing system improvement. We have selected 12 domains for outward facing measures to drive changes that go to the heart of sustainability. These are essential to support the health system moving from transactional and process driven measures to outcomes that focus on improving health and wellbeing, which support sustainability objectives. Progress should be publicly reported and become part of the WA health system performance dashboard.

### **Leadership and engagement**

Sustained change takes time, and requires authentic leadership and ongoing political commitment. It requires system thinking, systems change expertise and a culture of fortitude and support to successfully innovate and improve. Good health outcomes require the health system to be decisive, and partner with the community to collaborate. These partnerships will be critical to providing the State Government with the social licence to make changes.

### **Investment**

Funding and investment in health will need to be more value and outcome driven, with greater flexibility to innovate and partner. The WA health system must prioritise and look at where it makes its investment in prevention, service redesign and innovation, alongside finding ways to become more efficient.

### **Analytical and diagnostic capability**

Focusing on key population groups according to their health status or stage of life is also critical to sustainability. It is vital that we support those with the greatest health needs and target the root cause of the demands on the system of people needing care. Data analytics is considered one of the most valuable tools for transforming health care in the future.

### **Governance and implementation**

We have recommended the formation of an Independent Oversight Committee, independently chaired, appointed by and reporting to the Minister for Health. This should be supported by a strong and appropriately resourced Sustainable Health Implementation Support Unit to support and facilitate innovative approaches to change, benefits realisation, engagement and communications.

Initial and ongoing prioritisation and sequencing of recommendations based on data, evidence and key stakeholder input will be vital, with staging designed to build momentum and develop capacity for long-term system transformation.

We support the development of a 10-year State health plan – effectively used by major health systems nationally and internationally. This approach should include integrated clinical, infrastructure, public health, digital, and workforce planning and provide the opportunity for local communities to have their say and enable more detailed discussions across issues at a local level.

The SHR is not intended to be a comprehensive corporate or service improvement plan for the WA health system. It seeks to build on what works well in WA, to address where there is scope to improve, and to identify where it clearly needs to act to progress sustainability objectives.