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Exploring Healthcare Variation in Australia

20 July 2014

Introduction

A consultation paper titled "Exploring Healthcare Variation in Australia: Analyses Resulting from an OECD Study" was released by the Australian Commission on Safety and Quality in Health Care (ACSQHC).

The Victorian Healthcare Association (VHA) in its submission strongly supports the provision of information that provides health services and clinicians with comparable information showing differences in care delivered across networks of providers. The VHA considers that the provision of comparable information showing variations in care is a key first step to reducing unwarranted variation of care arising from differences in availability of services, clinical referral decisions, and the health and wellbeing of a population.

The VHA agrees to this submission being treated as a public document, and to the information being cited in the final report.

Response to the consultation questions

1. What is your position/role and your area of interest or expertise?

The Victorian Healthcare Association (VHA) is the major peak body representing the public healthcare sector in Victoria. Our members include public hospitals, rural and regional health services, community health services, aged care facilities and Medicare Locals. Established in 1938, the VHA promotes the improvement of health outcomes for all Victorians, from the perspective of its members.

2. Is the information provided on the selected interventions in this paper useful in helping to identify variation? What further information or analysis is required to identify potentially unwarranted variation?

The selected interventions are appropriate and useful for identifying areas of variation. They are useful for prompting questions as to whether the most appropriate services are in place, whether increased targeted public health activity is required, or whether there needs to be increased emphasis on ensuring that clinical decisions are evidence based. While these questions are likely to be raised when there is variation for the reported interventions, it is expected that the process of reducing variation for these interventions is likely to have a positive effect on reducing unwarranted variation in care in other areas.

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However, the interventions in the analysis have limited applicability, and their use as a broad indicator of the degree of variation in healthcare may be misleading. For example, they have little relevance to a neurologist who is more likely to be interested in variations related to interventions in the treatment of stroke. Similarly, there may be opportunities to provide health services with information that compares the effects of different models of care for selected procedures. For example, for hip replacement, there may be benchmark reporting against peers of outcomes such as cost and patient reported outcomes, and inputs such as factors relating to patient complexity, prostheses used, length of hospital stay, and the rehabilitation received. The purpose of this benchmarking is to enable clinicians to understand potential differences in cost and patient outcomes in delivering care in different ways.

The VHA's position is that the selected interventions in the paper form a good basis for identifying variation, however, there needs to be mechanisms to allow the interventions reported to be expanded upon. This could take the form of reporting further interventions through a special interest group, which may then be included as part of the general reporting of variations in care. Further, there needs to be the mechanisms for facilitating further enquiry through benchmarking of different models of care for selected procedures.

3. Is the presentation of the information, the tables and graphs useful? How could the presentation be improved?

The presentation of the information is useful. There are no suggestions for improvement.

4. How should geographic groupings of patient residence be made in future – which units of analysis would be most helpful to explore healthcare variation in future?

The geographic groupings for future analysis should be by the area defined by a local hospital network (LHN) as:

a) Unwarranted variation that relates to clinical preference will most likely be as a result of clinical preference of specialists within the LHN. Therefore, reporting based on a LHN will facilitate the process of determining whether the variation is a result of clinical preference or other reasons (such as access to services that would have averted the admission in the first place).

b) The Commonwealth Government has endorsed the review on Medicare Locals to amalgamate the existing 61 Medicare Locals to a smaller number of Primary Health Networks (PHNs). This will result in a smaller number of networks that cover a much larger area which will make comparison of variation in health care by geographic area less meaningful.

Additionally, admissions to private hospitals should be reported separately to admissions to public hospitals as there are differences in the private and public system that may dominate the reason unwarranted variation occurs. For example, differences in funding arrangements between the public and private sector may result in a higher incidence of admissions for knee arthroscopy in the private

sector, and may mask unwarranted variation in the public sector that is due to reasons that are specific to care delivery in this sector.

5. What can the Commonwealth, state and territory governments, private healthcare providers, primary and community health care providers and Local Hospital Networks do to reduce unwarranted variation?

All have a role in reducing unwarranted variation. However, it needs to start with the peer review between clinicians within a network. Specific actions for reducing variation in healthcare can then be facilitated through a dialogue between networks of health providers and government.

6. What role can clinicians and clinician organisations play to reduce unwarranted variation?

As above.

7. What role can consumer organisations play to reduce unwarranted variation?

Consumer organisations can have a role in identifying and developing specific actions for reducing variation in healthcare, such as informing consumers on relevant choices in care.

8. Are you aware of any local activity to identify and reduce unwarranted healthcare variation?

For 2013-14, the Victorian Department of Health funded 14 Victorian health services the subscription fees to benchmark hospital standardised mortality ratios, hospital readmissions, and the relative length of stay through the Doctor Foster Intelligence tools. Four of these health services, Alfred Health, Austin Health, Melbourne Health, and Monash Health are funded to benchmark against thirty-eight other hospitals from across the United States, United Kingdom, Europe and Australia. Agreements are in place for one year, and will be reviewed at the end of the period[1].

Similarly, 19 Victorian health services (including a large private health service) subscribe to Health Roundtable to perform benchmarking of hospitals compared to peers on cost and activity[2].

This information is welcomed by both health services and clinicians, and there is a desire for this to continue. However, the scope of benchmarking is limited and could be expanded particularly in the areas affecting patient care. Specifically, information that benchmarks decisions in care and the impact they have on clinical efficiency, patient safety, and patient experience is not widely available.

9. Production of a national Atlas of Variation is planned for 2014-15. Which groups and organisations should be involved?

Representation from the stakeholders mentioned above needs to be involved. Peak bodies, such as the VHA, can play a role in facilitating the involvement of the broader sector in a constructive way.

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1 Source: Victorian Department of Health, "Victorian health policy and funding guidelines 2013-14 – Part one", August 2013, p29

2 Source: Health Roundtable, www.healthroundtable.org (as at 30 June 2014)

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10. What areas or themes (conditions, treatments, interventions) should be explored for the atlas? Which specific aspects or activity in these areas should be explored?

The VHA does not have a position on the specific themes and aspects or activity to be explored for the atlas at this time. However, the themes need to be relevant to existing clinical networks in order to constructively inform care, and activity needs to concern variations in care that affects clinical efficiency, patient safety and patient experience.

Further information

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