

Australian Health Care Homes offer some promise but fail to meet expectations

Summary

- Australia's health system is a mix of public and private funding and provision, with the aim of universal coverage and good health outcomes at reasonable cost. Primary care is a key component. General practices are almost entirely independent, privately owned businesses for which the major source of revenue is fee-for-service with a primary care physician. Improving models of care, particularly for those with chronic disease, is a challenge shared with other countries.
- The Australian Health Care Homes Trial was conducted from October 2017 to June 2021. It featured voluntary enrolment of more than 11 000 patients across 227 participating primary care practices; 106 practices and 7754 patients completed the trial.
- The model was intended to encourage shared (multidisciplinary) care for patients with chronic disease, supported by a move from fee-for-service doctor-oriented care to a bundled payment for chronic disease management that did not require a patient-doctor encounter.
- The new payment provided more flexibility in that it could fund nurses and allied health staff as well as alternative types of service delivery, such as telephone consultations. It provided more certainty in that it assured an annual revenue stream. The trial aimed for a stronger emphasis on team-based care and continuity with providers, which were expected to deliver better services and better health outcomes.
- While there were promising results in indicators for chronic disease management, the overall impacts on patients' reported health and the use of secondary and tertiary services did not show significant improvement. There was no net reduction in health care costs.

Key elements of the programme

- Voluntary enrolment of patients with a practice, including nominating a general practitioner (GP) as a preferred clinician, to provide continuity of care with the practice and one practitioner to improve care coordination
- Risk adjustment based on the complexity of the patient's illness using a standardized tool and bundled payment for chronic disease
- Shared-care planning within the practice and with other community and hospital services

Results

- Less than half the participating practices completed the trial (106/227); practices were more likely to withdraw if they had relatively few enrolled patients, were owned by a corporation or felt that the payment did not cover the costs of care.
- Compared with a matched group of patients not participating in the trial, enrolled patients had more contact with GPs and were more likely to have clinical measures of risk factors recorded – such as blood pressure, lipids and HbA1c (glycated haemoglobin, as a marker of diabetes severity). The number of GP consultations was reduced, but there was little impact on other services.
- Patients were positive about having more frequent encounters with the practice nurse and the opportunity to telephone and email the practice.
- The Health Care Homes model did not reduce the overall costs of caring for these patients compared with costs for the matched group.

Facilitating factors

- Practices and participating GPs volunteered for the trial so were likely to be supportive of the model before implementation.
- Substantial sign-on incentives were provided to support making changes to the practice before the trial commenced.
- Training and support for practice staff were provided from national resources and coordinated locally.
- Payments were changed to align with the model of care.

Inhibiting factors

- The Trial faced entrenched opposition from some stakeholders and some parts of the medical profession. Practices had insufficient lead time to make the necessary changes.
- Not only practices but also individual practitioners within practices had to agree to participate. There was less impetus for change where only a small proportion of doctors agreed or where only a small proportion of practice patients were enrolled.
- Financial incentives were directed at the practice; it was not clear how these flowed to individual practitioners and how this affected individual participation.
- The payment was perceived as being too low for some cases; the three tiers of payment were not adequate for patients with more severe and complex conditions. As a result, practices were exposed to high financial risk, and were unlikely to enrol more complex patients.
- Many aspects of the new information-sharing platforms were reported to be cumbersome and time-consuming for staff to learn.

- The coronavirus disease (COVID-19) pandemic occurred during the final 16 months of the trial, which added other pressures to general practices, particularly difficulties in retaining staff while dealing with the roll out of vaccinations.
- Uncertainty about the future of the Health Care Homes model towards the end of the trial increased the drop-out rate.

Lessons learned for other settings

- Trials are a valuable approach to testing reforms but need to be designed for better understanding of how behaviours among providers, patients and organizations will change in response to altered incentives.
- Sufficient time is required to ensure detailed design of the reform and adaptation of service delivery and provider business models so that the transition to reform is smooth.
- The scale of the changes must be considered – that is, practices and payments must be sufficiently large so that the investment in change is justified by increased rewards and the changed exposure to risk is manageable. It is important to understand how incentives flow within an organization and how rewards and penalties are shared.
- A clear agreed upon strategic direction can increase certainty. A staged roll out of new reforms should involve not only increasing the scale of participation but also investing in change management, monitoring and evaluation to refine the intervention while addressing ineffective elements and barriers to successful implementation.

This policy brief is based on Hall J, van Gool K, Haywood P, Pearse J, Mazevska D, Yu S, et al. *Australian Health Care Homes trial: case study*. Geneva: World Health Organization, Organisation for Economic Co-operation and Development; 2023.