

# PHILIPS



## Roadmap to resilience: A post pandemic vision of healthcare delivery

Written by

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## About this report

*Roadmap to resilience: A post pandemic vision of healthcare delivery* is a three-part series that looks at the future of resiliency in Australia and New Zealand's health systems.

The series was informed by desk research and additional insights from in-depth interviews with key opinion leaders across health institutions, universities and government administration.

Our thanks are due to the following for their time and insight (listed alphabetically):

### **Adam Elshaug**

Professor of Health Policy and Director of the Centre for Health Policy at The University of Melbourne, Australia

### **Ian Town**

Chief Science Advisor at the Ministry of Health, New Zealand

### **Stephen Duckett**

Health Program Director, Grattan Institute, and Emeritus Professor of Health Policy at La Trobe University, Australia

### **Jackie Cumming**

Independent Health Services Research and Policy Consultant, Waikanae Beach, New Zealand

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## Article 2: Pathways to health system resilience

While the covid-19 pandemic has shed light on the pre-existing vulnerabilities of health systems worldwide, it has also brought key areas of resilience-building into urgent and sharper focus. Issues such as supply chain shortages, staff burnout and challenges to meet the ongoing surge in healthcare demand were experienced globally, in addition to regional and country-level challenges that have been more unique and contextual. In Australia, for example, the resilience of rural health service delivery has been questioned. Professor Adam Elshaug, Director of the Centre for Health Policy, University of Melbourne, Australia, comments that the health system's resilience "was always going to be tested, not only in the big cities, but in smaller regional areas. Many cities only have 15-25,000 people, with relatively small, regional hospitals, small emergency departments, and sometimes only two ICU beds. When we had surges in some of these regional areas, doctors and nurses there really sounded the alarm bells." Professor Ian Town, Chief Science Advisor at the Ministry of Health, New Zealand, explains that in a similar vein, the resilience of the New Zealand health system was challenged by healthcare financing, working in silo and insufficient workforce planning. A Health and Disability Review of the New Zealand health system conducted just before the covid-19 pandemic highlighted some of these challenges as well, recommending a more integrated system which 'deliberately plans ahead with a longer-term focus'.<sup>1</sup>

Against the backdrop of the ongoing covid-19 pandemic, and following on from [Article #1](#) and the various ways in which resilience in healthcare is defined, this second article explores different strategies and pathways for building more resilient health systems in the future, in the context of Australia and New Zealand.

**"Long-term policy, financial resourcing and the fragmentation of care have been challenges. Healthcare is all about people, and it's delivered by people to other people. If you don't have enough healthcare staff, then you simply cannot demonstrate resilience."**

Prof Ian Town, Chief Science Advisor at the Ministry of Health, New Zealand

Shifting economic realities, some of which have been exacerbated by covid-19, drive the need for new healthcare delivery approaches. The concept of value-based healthcare, first introduced by Michael Porter and Elizabeth Olmsted Teisberg in 2006,<sup>2</sup> has gained more traction in recent years, particularly as a way to increase patient satisfaction while lowering service delivery costs. The idea behind value-based care is a focus on patient-centred health services, with incentives to steer providers and the health system towards a fee-for-value rather than a fee-for-service.<sup>3</sup> By shifting towards value-based rather than volume-based care, the goal is to improve health outcomes and access to quality healthcare, with patients spending less on care and the health system benefiting from cost savings in the long term.<sup>4</sup> Embedded in this model is a shift from responsive to preventative and from episodic to continuous healthcare. Where resilience is concerned, value-based healthcare could, for instance, ensure prevention and early management of chronic diseases before, during and after a crisis tests the health system. High levels of patient literacy, together with funding models that promote patient-centred care and risk-sharing among service providers through health insurance plans, for instance, could further build health system resilience.<sup>5</sup>

## Value-based Health Care Benefits



**Patients**  
Lower costs and better outcomes



**Providers**  
Better care efficiencies



**Payers**  
Stronger cost controls & reduced risks



**Suppliers**  
Stronger cost controls & reduced risks



**Society**  
Reduced healthcare spending & better overall health

Source: NEJM Catalyst © Massachusetts Medical Society

Changes made to the *National Health Reform Agreement 2020-25* in Australia have also attempted to shift towards a more value-centric approach, with an emphasis on sustainability. Specific reforms outlined include empowering people to be more health literate, reducing the burden of chronic illness, improving quality of life through a focus on prevention, and having value and outcomes be the key determinant of healthcare fees.<sup>6</sup> Policy changes to realise this are currently in progress, such as implementing outcome metrics in performance and accountability frameworks across national health funding agreements.<sup>7</sup>

In order to make a successful transition to value-based care, healthcare funding models will also

need to adapt to changing demands and new ways of working. With fees being charged for value rather than volume of healthcare delivery, governments will need to find innovative and flexible ways of providing affordable and accessible care, while ensuring an equal level of risk-sharing among providers. New Zealand’s Accident Compensation Corporation (ACC) model is a good example of this. Regardless of their residence or employment status, everyone in the country is covered by a no-fault insurance scheme if injured in an accident. The scheme covers treatment and rehabilitation costs, with the goal of a healthy return to everyday life as soon as possible.<sup>8</sup>

Value-based healthcare is not a new concept to Australia’s health system. However, its implementation to date has been limited, and of late, further hampered by the pandemic. A reason for this is that in order to be truly successful, value-based care requires large-scale changes across the entire healthcare system. System-level change, from the way health care is planned, financed, delivered and evaluated, takes time and shifts in ways of thinking, responding and adapting. Health care delivery also remains largely provider-centric, rather than patient-centric. To move towards patient-centred outcomes, incentives and ways of working need to be geared towards outcomes rather than processes. Finally, measuring value, particularly from a patient perspective, can be challenging. While metrics such as patient-reported outcome measures (PROMs) and patient-reported experience measures (PREMs) have been developed for different disease conditions and contexts,<sup>10</sup> the adoption of these measures at the system level – particularly where legislation and regulation are concerned – are still a long way off. As a result, most

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The Future Health Index 2021 country report for Australia highlights that while almost 20% of health care leaders believe value-based care is already a part of their eco-system, a further 18% have had to de-prioritize the shift due to the pandemic.<sup>9</sup>



Source: Future Health Index

examples of successful value-based care continue to be small, pilot projects.

Strategies geared towards disease prevention and health promotion are also critical to the resilience of a health system. Despite calls to increase funding and efforts in preventive healthcare, investment in this space has been low and slow. In 2018, Australia spent AUD\$3.3 billion on health prevention, which amounts to \$132.3 a person, and 2.5% of all healthcare spending.<sup>11</sup> However, new models and pilots of preventive care are being trialled in different parts of the country. *Cardiology in Community* is an example of integrated, coordinated care with early diagnosis and intervention, delivered through general practitioners, pharmacists, and specialists in the 'wider healthcare neighbourhood' in the Western Sydney Health District.<sup>12</sup> Another example from the *Leading Better Value Care* initiative in New South Wales focuses on diabetes high-risk foot services by providing access to specialist care in multidisciplinary outpatient foot clinics, with the goal of preventing hospitalisation due to foot infections.<sup>13</sup> Programs such as these effectively steer touchpoints of care to the community and primary care facilities, improving accessibility, saving long-term costs and improving the patient's care journey.

New Zealand's upcoming health reforms are an example of a proposed shift towards preventive healthcare. From July 2022, the health system will transition to oversight by a single Crown entity – Health New Zealand – that will replace the 20 district health boards. With a greater emphasis on primary and community healthcare, the idea is to remove duplication and improve efficiency within

“A nationally-led service works better than a fragmented one. The trend in New Zealand’s reforms is to have more centralisation of policy and process with local delivery in partnership with communities. The new public health agency is meant to fix the problem of the fragmentation, and areas where we’re lacking including in funding, in a sufficient workforce, pandemic planning, and in laboratory surveillance to predict or at least anticipate trends in infectious diseases. It’s really been a direct response to provide a more coordinated, nimble, resilient health service.”

Prof Ian Town, Chief Science Advisor at the Ministry of Health, New Zealand

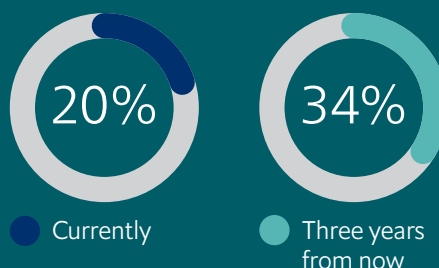
and across the different regions of the country.<sup>14</sup> New Zealand's Minister of Health, Andrew Little, was quoted as saying, “The reforms herald a change in focus for the health system – we will treat people before they get sick so they don't need to go to hospital, thereby taking the pressure off hospitals. He suggested that the reforms will enable their health system to have the capacity to manage the health needs of an ageing population and respond better to public health crises like covid-19.<sup>15</sup> Efforts to ensure that people receive

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The Future Health Index 2021 country report for Australia reports that in the last year, investments in digital health technology, particularly in telehealth and virtual healthcare, have become a more urgent priority among Australian healthcare leaders.<sup>9</sup>

Source: Future Health Index

Healthcare leaders in Australia who say healthcare professional-to-patient telehealth is one of the digital health technologies they are most heavily investing in now and in the future



preventive and primary healthcare rather than overwhelming tertiary care settings are examples of resilient health care practices that could steel the health system against future emergencies and crises.

Finally, expanding accessible healthcare, particularly in rural and more remote settings, is vital in building resilience and ensuring equity. This requires access to and sharing of information across the care ecosystem to enable appropriate, timely clinical intervention and decision-making. *Collaborative Commissioning* is one such example of a whole-of-system approach to incentivise local autonomy and accountability for delivering patient-centred, outcome-focused cardiology care in the community in New South Wales.<sup>16</sup> Through partnerships with local health districts and primary health networks via *Patient Centred Co-Commissioning Groups*, a strong sense of patient engagement and accountability in the community is fostered, with responsibility for care shared between providers and organisations.

Dr Jackie Cumming, Independent Health Services Research and Policy Consultant in New Zealand, echoes the importance of community-led responses to building resilience and trust of the health system, particularly at the primary care level. She also notes that “there’s been an increasing number of Maori-led and Pacific-led healthcare providers, mostly via non-governmental organisations, helping to increase covid-19 vaccination uptake”, highlighting the need for the health workforce to reflect the populations that they serve. Greater diversity and representation in the health workforce will also help support a more resilient health system.

Prof Stephen Duckett, Health Program Director at Grattan Institute, notes that “everybody recognises the covid-19 pandemic sped up a number of changes in the health system. I think once some of those changes, like the expansion of telehealth, have occurred, it’s hard to go back.” The adoption of digital health technology will underscore the speed and effectiveness of all of these changes. The next article in this series will explore this topic in greater detail.

## Philips insight

### About the Future Health Index 2021 report

The Future Health Index (FHI) is a research-based platform commissioned by Philips. It is designed to help determine the readiness of countries to address global health challenges and build sustainable, fit-for-purpose, national health systems. Since its inception in 2016, the FHI program has used credible research to derive actionable insights that have initiated dialogue across the industry, with the aim to drive change.

The Future Health Index 2021 report is based on proprietary research with almost 3,000 healthcare leaders across 14 countries. Now in its sixth year, the 2021 report reveals the challenges healthcare leaders have faced since the onset of the pandemic and explores where their current and future priorities lie. It outlines a new vision for the future of healthcare, shaped by a fresh emphasis on partnerships, sustainability and new models of care delivery, both inside and outside the hospital.

To read the full methodology, please visit: <https://www.philips.com/a-w/about/news/future-health-index/research-methodology.html>

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