



25 February 2015

One Health System
Department of Health and Human Services
GPO Box 125
Hobart TAS 7001

By email: onehealthsystem@dhhs.tas.gov.au

Delivering Safe and Sustainable Clinical Services – Green Paper

Dear Sir/Madam,

Bupa commends the release of the *Delivering Safe and Sustainable Clinical Services Green Paper* (Green Paper) by the Tasmanian Government. We welcome the opportunity to contribute to this opportunity to help shape the public health system in Tasmania and look forward to working with the government to help deliver better health outcomes for all Tasmanians.

Please find our submission below, which focuses on section 3.4 of the Green Paper - public-private partnerships that could be explored for the delivery of health services in Tasmania. Additionally, please find enclosed a case study report (The Manises Model Explained) which provides an overview of the integrated PPP Bupa operates in Valencia, Spain.

As a leading global health and care partner, with a long commitment to Tasmania, Bupa is acutely aware of the important role the private sector can play in the provision of critical health and care services. In 2012, we set out our Bupa 2020 vision which includes our ambition to *have a big impact on world health* and to *be a healthcare partner to millions more people around the world*. Bupa is committed to making a real difference in health and it is through this lens that we approach the question of the role of the private sector in working with the government and community to improve the health of all Tasmanians and deliver a sustainable public health system.

About Bupa Australia and New Zealand

As part of the international Bupa Group, Bupa's Australian and New Zealand businesses share a common purpose of longer, healthier, happier lives. We are focussed on providing sustainable healthcare services, support and advice to people throughout their lives, and on leading the industry in the promotion of preventive health and wellness.

We provide a wide variety of services for around 5 million customers across Australia and New Zealand. In Australia, we provide health insurance and aged care services, as well as delivering healthcare services. These include, GP services (through Bupa Medical) health coaching (through

Bupa Health Dialog), corporate health services (through Bupa Wellness), eye care (through Bupa Optical) and dental (through Bupa Dental Corporation). In addition, Bupa Medical Visa Services provides visa medical examinations to approximately 250,000 people annually across Australia and other visa and migration services to the Department of Immigration and Border Protection. In New Zealand, Bupa has rest homes, retirement villages, personal medical alarms and a brain rehabilitation business.

Since 2002, Bupa has invested more than AUS\$4 billion in Australia and New Zealand's health care sector, acquiring and building its health insurance, health services, preventative health, chronic disease management and aged care businesses.

Bupa in Tasmania

Bupa has a long and proud history in Tasmania, with one of its original brands MBF being the first private health insurer to begin operations in the State on 6 August 1952. Today, Bupa remains the number one provider of health insurance to Tasmanians as well as continuing to extend the health services that it provides to Tasmanians. In 2014 alone, Bupa's care for the health of Tasmanians across hospital, medical and ancillary services has totalled more than \$148 million in benefits paid.

In Tasmania, Bupa employs more than 200 people, across 4 retail health insurance branches, 7 locally-branded Dental Corporation practices, an optical store and a residential aged care facility. Additionally, on 4 March 2015, Bupa will be officially opening its first Bupa branded dental clinic in Hobart with 4 chairs and 4 dentists.

Our Bupa Wellness business is also quickly expanding its provision of services to Tasmanian Corporate clients, as well as supporting Workcover Tasmania in its health related events. Through this business, we continue to work with key State government departments to extend our health partnership and offer a sustainable wellbeing program to State employees. This includes, working with Tasmania's Department of Education where a number of online and onsite services are being piloted throughout Tasmania; and the Department of Health & Human Services in the delivery of a number of one off services to various employee groups through the North and South of Tasmania. Bupa are working closely with both departments to monitor outcomes and identify ongoing needs to ensure the ongoing provision of the most effective and sustainable solutions. Additionally, we are working with the Department of Justice to assist them in the formation of wellness champions and supported an Online Health Assessment with outstanding uptake levels, a Team Activity Challenge and the delivery of the annual Bupa Winter Well Flu Vaccination program.

Public-private partnerships

What public-private partnerships should we explore for the delivery of health services in Tasmania?

When governments are confronted with multiple economic and social issues, a public-private partnership can enable the government to harness the innovation and capital of the private sector, providing the government the opportunity to reallocate scarce resources to other areas of need enabling better outcomes for the community as a whole. Public-private partnerships deliver

efficiencies by providing greater transparency of activities, pricing and performance and allow the government to benefit from major capital investment to deliver critical healthcare infrastructure such as hospitals.

There are several different approaches to public-private partnerships that the Tasmanian government could explore with providers of Health and Care services. These include those that focus on the delivery of a specific service; or others which focus on integrated programs of health care delivery where a service provider is tasked with managing health outcomes at a population level with the service remuneration aligned with the objectives the Tasmanian Department of Health.

Innovative approaches towards public-private partnerships continue to be developed by governments both within Australia and globally. One such approach is social impact investment¹, whereby risk and benefits are shared between the government and provider and the provider is rewarded for outcomes rather than simply rewarded for delivering or managing the service². This approach could bring about benefits for both the Tasmanian government and the people of Tasmania.

Some areas of focus for public-private partnership that could be considered by the Tasmanian government for the delivery of health care services may include:

Primary health care service delivery

The Tasmanian government may consider partnering with a health services provider to deliver primary health services including GP, allied health and diagnostic services. The service provider could be tasked to commit to minimum service delivery standards, ensure availability of practitioners and also be rewarded for delivering health outcomes such as a reduction in unnecessary hospital admissions. This offering could be augmented by the delivery of mobile primary and dental health services that could assist patients in rural areas. A primary health care service could also act as a coordination point for other care coordination programs.

Hospital at Home service

The Tasmanian government may consider partnering with a health services provider that could be tasked with delivering a Hospital at Home service on behalf of the public hospital system. The service could provide acute nursing care and support for hospital-admitted patients in their homes for the whole or only part of the admission, providing a substitute for hospital accommodation. The service may also be used to support early discharge for particular types of cases. The service could be rolled out gradually, commencing with a trial in a specific geographic location. This type of partnership allows the Tasmanian government to provide additional hospital beds without significant capital investment, as well as deliver better service to patients who have a preference to remain in their homes.

Operation of a single (set of) or multiple health facilities

The Tasmanian government may consider a partnership that would see a health services provider act as the main operator of one, or a discrete set of Tasmanian health facilities. The service provider's involvement could be varied. Initially it may be limited to taking over responsibility for service delivery of a particular type of health facility, such as an acute public hospital, or a defined selection

¹ <http://www.forbes.com/sites/realspin/2014/09/20/is-social-impact-investing-the-next-venture-capital/>

² NSW government – Social Impact Investment Policy
(http://www.dpc.nsw.gov.au/__data/assets/pdf_file/0011/168338/Social_Impact_Investment_Policy_WEB.pdf)

of health facilities such as community health centres, dental health facilities or allied health facilities. The role of the services provider could gradually be expanded to include operations of different types of health facilities (e.g. operating both dental and allied health facilities) or become the main provider for a particular type of health service (e.g. operating multiple hospitals or operating the majority of dental health facilities).

Chronic Disease Management Program

The Tasmanian government may consider a partnership with a health service provider to deliver a single, or set of Chronic Disease Management program(s). These programs may include weight reduction for diabetics programs, osteoarthritis management programs, chronic heart failure management programs and others. The health services provider could be tasked with patient recruitment or work alongside the Tasmanian Health Authority to recruit patients. Services would most likely be provided remotely through telephonic coaching with on-site face-to-face support delivered through either an existing or established facility.

Coordination of service delivery for a specific type of patient

The Tasmanian government may consider a partnership whereby the health services provider focuses on a patient cohort, as opposed to the type of health facility. Under this arrangement, the health services provider may commit to the delivery of a particular type of patient and coordinate the patient journey through different health facilities. Cohorts may include patients suffering from Chronic Heart Failure, Chronic Obstructive Pulmonary Disease or Diabetes. This service could initially be on a discreet regional basis and rolled-out over time, or it could commence state-wide.

Integrated healthcare delivery

The Tasmanian government may consider a more holistic partnership agreement whereby the health services provider is responsible for delivering a fully integrated healthcare system. This approach could be supported by a per-capita funding mechanism, which covers all the services likely to be needed by each person in the area. Importantly, the infrastructure and assets remain owned by the public and at the end of the public-private partnership agreement period, these must be handed over to the government in good, working condition. The funding arrangement ensures that financial incentives for the Government and the health service provider are completely aligned with the outcomes provided for patients, who receive excellent quality care, centred on them, their needs, and a high degree of choice in the way they receive their treatment. An example of such a partnership agreement in practice in the Spanish province of Valencia where Bupa operates an integrated health care system for the health area, Manises.

Case study of an integrated health care delivery public-private partnership

Valencia is divided into 24 health areas and of these 24 areas, five are operated as public-private partnerships, with the one in Manises operated by Sanitas, Bupa's Spanish arm. Importantly, across all five health areas operating under public-private partnership models the government spends between 30-37% less per capita, compared to the publicly-managed health areas in Valencia.

The Manises partnership began in May 2009 under a 15-year agreement between the regional government of Valencia and Sanitas. The government pays Sanitas a per capita payment to manage healthcare resources and provide integrated primary, specialised and long-term care to the population of Manises. This payment also covers the costs incurred by Sanitas constructing a new hospital as well as the management and maintenance of existing primary care centres and other healthcare facilities. Importantly, the infrastructure and assets remain owned by the regional government and at the end of the Manises agreement period, these must be handed over in good, working condition.

This public-private partnership offers advantages for a range of stakeholders by: providing affordable, high quality healthcare; enabling cost containment and increased cost predictability for government; promoting patient choice; and incentivising investment in innovation and prevention.

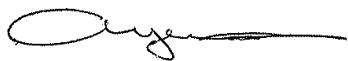
The Manises model is unique in Valencia as it is the only partnership to integrate primary, specialised care and long-term care. Integrating three levels of care in this way enables healthcare providers to actively share responsibility for a person's health. In practice, it means patients experience smooth, continuous care, without gaps or duplications - rather than being provided with a series of isolated procedures.

Through this model, high quality, cost-effective care is provided to a population of nearly 200,000 people who are 'assigned' to the Manises PPP's catchment area. An important feature of this model for consumers however, is that while they are assigned to a local hospital, they are free to choose where they want to be treated. If a patient decides to be treated in a hospital other than Manises Hospital, Sanitas is required to pay that hospital a fee and if patients from outside of the Manises catchment area are treated at Manises Hospital, Sanitas is reimbursed part of the fee amount. In other words, the provider receives some funding for patients they attract from outside of their district and loses funding for patients within their catchment area, who seek treatment elsewhere. The per-capita payment model also gives Sanitas an extra incentive to effectively manage costs while also promoting better, high quality healthcare because a healthier population also means that the demand for future healthcare services will be lower. This is a significant shift away from traditional, volume-based, pay-per-service models.

Patients report very high levels of satisfaction with their experience of the Manises partnership, with high patient satisfaction survey results still increasing. One reason for this is the ease of access to health services with the average waiting time for a specialist appointment less than 28 days at Manises Hospital (compared to a Spanish average of 53 days), due to efficient management and to longer, more convenient opening hours.

Bupa thanks the Tasmanian government for the opportunity to comment on this important Green Paper. If you have any questions or require further information, please do not hesitate to contact me on (02) 9323 9898.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ayela', with a long horizontal flourish extending to the right.

Ayela Thilo

Head of Government, Policy and Regulatory Affairs
Bupa Australia