

Rebuilding Tasmania's Health System

ISSUES PAPER

CONTENTS

Foreword	3
The Case for Change	4
Previous Reforms	4
Tasmania's current performance	4
Rebuilding Tasmania's Health System	5
Benefits of the <i>One Health System</i> reforms	5
Guiding Principles	6
Action for Reform	7
White Paper	9
Overview	9
Tasmanian Clinical Services Profile	9
Achieving a financially sustainable and integrated system	11
Challenges and Opportunities: two case studies	12
Paediatric Rehabilitation Services in Tasmania	12
Volume, safety, quality and efficiency in service delivery	13
Improving patient flow and solving ambulance ramping	14
Next Steps	15

Foreword

The Tasmanian Government is committed to ensuring our health system is efficient and patient centred. We want Tasmania to have the healthiest population in Australia by 2025 and a world class health system where people get the treatment and support they need when they need it.

The case for change has been well established. Tasmanians deserve a better health system – a complete, statewide system which places the interests of patients back where they belong: at the forefront of every decision.

Our health system must be planned according to the health needs of our entire population. It must have statewide consistency in clinical practice and standards and be better governed and held to account for its performance.

The *One State, One Health System, Better Outcomes* reform package will deliver on seven system-wide reform priorities to achieve better outcomes for patients. The priorities for action are:

- Engagement
- Governance and Leadership
- Structure
- Integrated Management and Planning
- Resourcing
- Safety and Quality
- Monitoring and Reporting.

A key feature of the *One Health System* package will be a White Paper outlining the Government's plan for the delivery of safe and sustainable clinical services. The White Paper will clearly define what services can be delivered safely and where, and how care can be linked across the primary, secondary and tertiary sectors.

This Issues Paper commences the community and clinical conversation about the challenges facing the health system and how we configure and provide clinical services in the face of those challenges.

I look forward to working with all Tasmanians as we deliver these significant reforms for our State.

Hon. Michael Ferguson MP
Minister for Health

Tasmanians deserve a better health system: a complete, statewide system which places the interests of patients back where they belong at the forefront of every decision.



Tasmania's current performance

Recent reports continue to demonstrate Tasmania's poor performance on a number of public health service indicators:¹

- Lowest number of public hospital separations per population
- Lowest number of patient days
- Second highest cost per casemix-adjusted separation
- Longest elective surgery waiting time at the 90th percentile
- Highest percentage of patients waiting longer than 365 days for elective surgery
- Highest rate of adverse events
- Highest rate of readmissions for hip replacements, hysterectomies and prostatectomy and
- Lowest number of public dentists per population.

¹ See publications from the Australian Institute of Health and Welfare and the Productivity Commission.

The Case for Change

A number of reports over past years have highlighted the chronic under-performance of the Tasmanian health system. The case for reforming our health system is strong. Previous reform efforts have brought about high-level changes to organisational structures but little has changed in the way the system organises and delivers care.

Previous Reforms

The Richardson Report was released in 2004 and contained 34 recommendations over three broad themes: the importance of the statewide service model; the need for research into health system improvement; and the need for funding to be used as efficiently as possible to maximise health benefits. While some effort was made to address these recommendations, actions were piecemeal and no systematic reform program was implemented.

In 2007 Tasmania's Health Plan attempted to build on the Richardson Report through redesigning the system of care to deliver integrated and seamless services across primary, secondary and tertiary care providers. The failure to approach and fully implement system-wide reform in a strategic and systematic way has meant that the challenges facing the health system have endured.

The National Health Reform Agreement (NHRA) in 2011 provided Tasmania with an opportunity to implement structural reforms by aligning state and national reform. The changes under the NHRA saw the establishment of the three Tasmanian Health Organisations (THOs) but did not improve service efficiency and effectiveness. The lack of clarity on the authorities and responsibilities of the Department of Health and Human Services (DHHS) in relation to the THOs has resulted in ongoing problems of accountability and oversight and a duplication of functions.

The Commission on Delivery of Health Services in Tasmania released a detailed report in April 2014. The Commission made 57 recommendations across several broad areas including governance, clinical and consumer engagement, culture, and efficiency of operational management. The Commission's report identified many long-standing issues and re-emphasised the need for urgent reform.

Rebuilding Tasmania's Health System

Benefits of the *One Health System* reforms

Successive investigations and reports into Tasmania's health system have made similar findings. Strong and clear statewide governance structures and accountabilities are critical. Services need to be patient centred and outcomes-focused and minimum service volumes are essential to providing safe, sustainable and high quality care.

The Government recognises system-wide reform is needed to enable meaningful and long lasting change and to deliver improved outcomes for patients. The rebuilding of the health system will take a system-wide approach. It will be guided by the principle of 'placing patients first' and ensuring care is accessed in the most appropriate setting. Decisions about services will be made through engaging with clinicians, patients and community stakeholders.

One Health System will ensure that the best parts of the system are retained while sensible, evidence-based changes to the struggling parts of the system are implemented.

Rebuilding Tasmania's health system will have significant benefits for patients, clinicians and health workers, and the Tasmanian community.

Patients and consumers will benefit through:

- Safe and high quality care provided in locations with the necessary resources to perform procedures safely, reliably and efficiently
- Better planned services, reflecting the priority health needs of the population
- Services that are less fragile and less vulnerable to everyday challenges such as key staff dependencies
- A real say in decisions about health service delivery
- More coordinated statewide strategies that will enable patients to receive the right care, at the right time, in the right place, by the right person
- A statewide elective surgery waiting list to give patients choice about where and when they can get surgery
- Improved collaboration with primary health providers to reduce the wait for outpatient clinics and to deliver more complex care in the community.





Guiding Principles of Tasmania's health system

- The patient is at the centre of everything we do
- Services are appropriate to community needs
- Services are delivered as close as possible to where people live as long as they can be provided safely, effectively and at an acceptable cost
- Continuous improvement is embedded in the way we work
- Shared direction and service integration
- Sustainability and resilience in an environment of limited resources.

Where services cannot be delivered safely and effectively at an acceptable cost locally, access will be facilitated through service coordination, transport assistance and other appropriate support.

Clinicians and health workers will benefit through:

- More input into the future direction and priorities for funding the health system
- Strengthened Clinical Advisory Groups to support consultation with the wider clinical community
- The establishment of a single statewide delivery structure to improve the coordination of services and reduce duplication in administrative overheads and clinical support services, which will free funds to be redirected to frontline service delivery
- Being part of more concentrated specialist teams, requiring less exposure to demanding rosters and single-handed practice
- The establishment of statewide training and services networks to ensure managers and the clinical workforce have the right qualifications, skills and approach to provide safe and high-quality healthcare
- Improved systems for monitoring safety and quality of care and new mechanisms to allow clinical lessons to be shared across the State
- Clearer accountability
- The creation of a culture of cooperation and collaboration, leading to improved health care for patients
- An improved culture empowering employees to speak up if they see problems.

The Tasmanian community will benefit through:

- A more accountable and transparent health system where the standards of leadership and governance match community expectations
- Increased consultation and engagement in health services planning, including through the Health Council of Tasmania
- Greater access to health promotion information and improved health literacy, allowing individuals and communities to take control of their own health outcomes
- Improved monitoring and reporting through the publication of clear, measureable outcomes
- Greater awareness and understanding of the drivers and pressures on the health system
- A clearer understanding of where the health budget is spent and what outcomes are delivered.

Action for Reform

The *One Health System* reforms deliver improved leadership, accountability and governance. Reform priority areas are:

1. Engagement
2. Governance and Leadership
3. Structure
4. Integrated Management and Planning
5. Resourcing
6. Safety and Quality
7. Monitoring and Reporting

The Government has reviewed the operation of the THOs and has determined the best way to improve services to patients is to implement a single Tasmanian Health Service. The DHHS will also undergo a comprehensive organisational review. This review will focus on reducing duplication, aligning the Department's structure and functions and delivering savings to taxpayers.

The purpose of this Issues Paper is to start the discussion on one of the most important elements of the reform process – the provision of safe and sustainable services. Health services must be safe and of high quality, regardless of where they are provided.

The changes will deliver benefits for patients such as reduced waiting times for speciality surgery and fewer hospital admissions for chronic disease. Managers and clinicians will use health resources in the best interests of patients.

There will also be reduced waiting times for outpatient appointments, reduced demand for hospital beds, more treatment options closer to home and more appropriate end-of-life care.

Achieving best value for money will be part of all funding decisions. This will stretch the health budget further. We will also improve the way we collect, report and learn from data to help improve service planning.

The purpose of this Issues Paper is to start the discussion on one of the most important elements of the reform process – the provision of safe and sustainable services.

Table 1: One Health System Action Areas and Core Outputs

Action Area	Core Outputs
1. Engagement	<p>1.1 Establishment of a Health Council of Tasmania to provide a mechanism for high-level, representative consultation and advice from clinical experts, consumers and stakeholder members.</p> <p>1.2 Development and strengthening of the Clinical Advisory Group mechanisms with clinicians from all disciplines and regions to support consultation with clinicians.</p>
2. Governance and Leadership	<p>2.1 Development of an Accountability Framework that will articulate roles, responsibilities, authorities and lines of accountability including the Minister; the DHHS, the Governing Council and Chief Executive Officer of the THO.</p> <p>2.3 Implementation of a strengthened Performance Management Framework that is anchored in service design (to be achieved through output 4.1) to support the process of monitoring providers in their performance against their obligations under the Service Agreement.</p>

Table 1: One Health System Action Areas and Core Outputs (continued)

Action Area	Core Outputs
3. Structure	3.1 Transition to a single THO to be known as the Tasmanian Health Service (THS) to drive efficiencies in administrative arrangements and enable a statewide approach to the delivery of health services.
4. Integrated Management and Planning	<p>4.1 Development of the future direction on role delineation and service capability for clinical health services, which will inform and formalise the basis for decisions of the System Manager regarding service configuration. There are three outputs that will support a comprehensive consultation process: this Issues Paper; a Green Paper; and a White Paper.</p> <p>4.2 Review and redesign of DHHS to: clarify and articulate its role, responsibilities and functions; and remove duplication and achieve administrative efficiencies including through corporate consolidation.</p> <p>4.3 Development of a Statewide Elective Surgery Waiting List to facilitate the flow of patients between regions and allow long waiting patients to choose to be treated quickly at hospitals with capacity.</p>
5. Resourcing	<p>5.1 Development of a Contestability Assessment Process that can be applied to the purchasing of services as informed by clear service design (to be achieved through output 4.1).</p> <p>5.2 Development of a Statement of Purchaser Intent to translate strategic priorities (as informed through output 4.1) into purchasable activities that can be included in Service Agreements.</p>
6. Safety and Quality	6.1 Review and implement the Statewide Clinical Governance Framework, which will make clear the relationship between organisational clinical governance responsibility and system management responsibility for monitoring, evaluating, managing and improving the quality of healthcare.
7. Monitoring and Reporting	<p>7.1 Development of a Monitoring Suite of Indicators to provide information to DHHS to enable it to meet its role as System Manager in assessing the system under the domains of quality, safety, access and equity, patient experience, governance, workforce and activity/finance. This output is linked with output 2.2.</p> <p>7.2 Development of the Minister's Dashboard - a publicly available and easily accessible data collection to provide information on the health system in real time.</p>

White Paper

Overview

A critical element of reform is the development of a clear agenda for the delivery of safe and sustainable health services. The Government's White Paper will set out this vision and will be released by the end of March 2015.

In December this year the Government will release a Green Paper, detailing options for a comprehensive, evidence-based proposal for an efficient statewide and regional service profile. The Green Paper will be developed in conjunction with the formation of the Health Council of Tasmania and its release will be followed by public consultation.

These reforms will ensure that appropriate services are delivered where they are most needed with the right configuration of tertiary, outpatient and outreach, including community health services. No hospital will close under these reforms.

Across the hospital system, clinical and service reform are needed. Clearly articulating the role of each hospital, the mix of services they should be providing and how they integrate with the primary health care sector and each other is essential.

A more efficient service profile at each site will improve quality and safety of care as well as enhance the efficiency and sustainability of the health system.

The White Paper will detail how a sustainable mix of clinical programs will be delivered, including the establishment of clinical centres of excellence.

Tasmanian Clinical Services Profile

In April 2014, the Commission on Delivery of Health Services in Tasmania noted:

A sustainable health system does not waste effort or resources. Primary, secondary and tertiary healthcare sectors work together, placing the patient at the centre of their concerns. Fragmentation is avoided and care is taken to guard against the formation or perpetuation of unresponsive, disconnected silos within the system. A whole-of-system approach is employed to ensure access to appropriate, cost-effective services.²

Tasmania does not currently have a formally operating governance process that can be used to identify, develop and endorse statewide services. As a result, health and hospital services are sometimes duplicated, inefficient, and poorly coordinated.

Addressing these failures falls to the DHHS which, as system manager and purchaser, has responsibility for planning the arrangement, location, type and quality of health services. Developing a Tasmanian Clinical Services Profile will help facilitate a culture of shared responsibility and collaboration.

The Green Paper will discuss role delineation and seek feedback on Tasmania's Clinical Services Profile. The aim of implementing a Tasmanian Clinical Services Profile is to improve the quality and safety of patient care, as well as to enhance the efficiency and sustainability of the health system by delivering clinical services safely, effectively and at an acceptable cost.

²The Commission on Delivery of Health Services in Tasmania, *Report to the Australian Government and Tasmanian Government Health Ministers*, (April 2014), p. viii.

The Tasmanian Clinical Services Profile will provide a principles-based model for the identification, management and governance of statewide clinical services by:

- Placing patients first and ensuring a smooth and rapid pathway to the most appropriate care
- Identifying clinical services that can be delivered safely and efficiently through an agreed role delineation framework
- Improving the quality and safety of care by ensuring agreed standards are met and that minimum service volumes are maintained
- Strengthening the role of the DHHS as the system manager to plan the arrangement, location, type and quality of clinical services
- Providing holistic, evidence-based health services that deliver the best patient outcomes at affordable costs
- Providing a process for accessing more complex care in the community
- Exploring partnerships with primary and private health providers
- Providing agreed definitions for health care providers and planners.

The first step in the development of the Tasmanian Clinical Services Profile will be a role delineation framework.

Role delineation helps determine what support services, staffing, safety standards and other requirements are needed to provide care safely.

Role delineation has been used throughout Australia since the late 1980s. Recent examples include the *Northern Territory Health's Hospitals Services Capability Framework (2014)* and the *Queensland Clinical Service Capability Framework for Public and Licensed Private Health Facilities*.

Australian role delineation frameworks have typically been designed around a six level classification structure with a level six service the most complex (see Figure 1). The levels are cumulative, building on previous levels. Not all specialty groups include all levels, for example a particular specialty may start at level three. The structure includes the following:

- Service description
- Service requirements
- Workforce requirements (medical, nursing, allied health, other)
- Support service requirements (e.g. pathology, pharmacy, diagnostic services, nuclear medicine, anaesthetics, ICU, operating theatres).

Successful clinical service profiles in other jurisdictions have incorporated realistic clinical interdependencies, (e.g. anaesthetics, radiology and pathology) without which a modern health system cannot function. The full range of services and their interdependencies will be considered and a role delineation framework will be used to assess the capability of the Tasmanian health system.

The Tasmanian Clinical Services Profile will consider:

- Population information
- Patient demand and capacity projections
- Contributions from the THOs and Tasmania Medicare Local
- Developments in infrastructure, workforce and information communication technology.



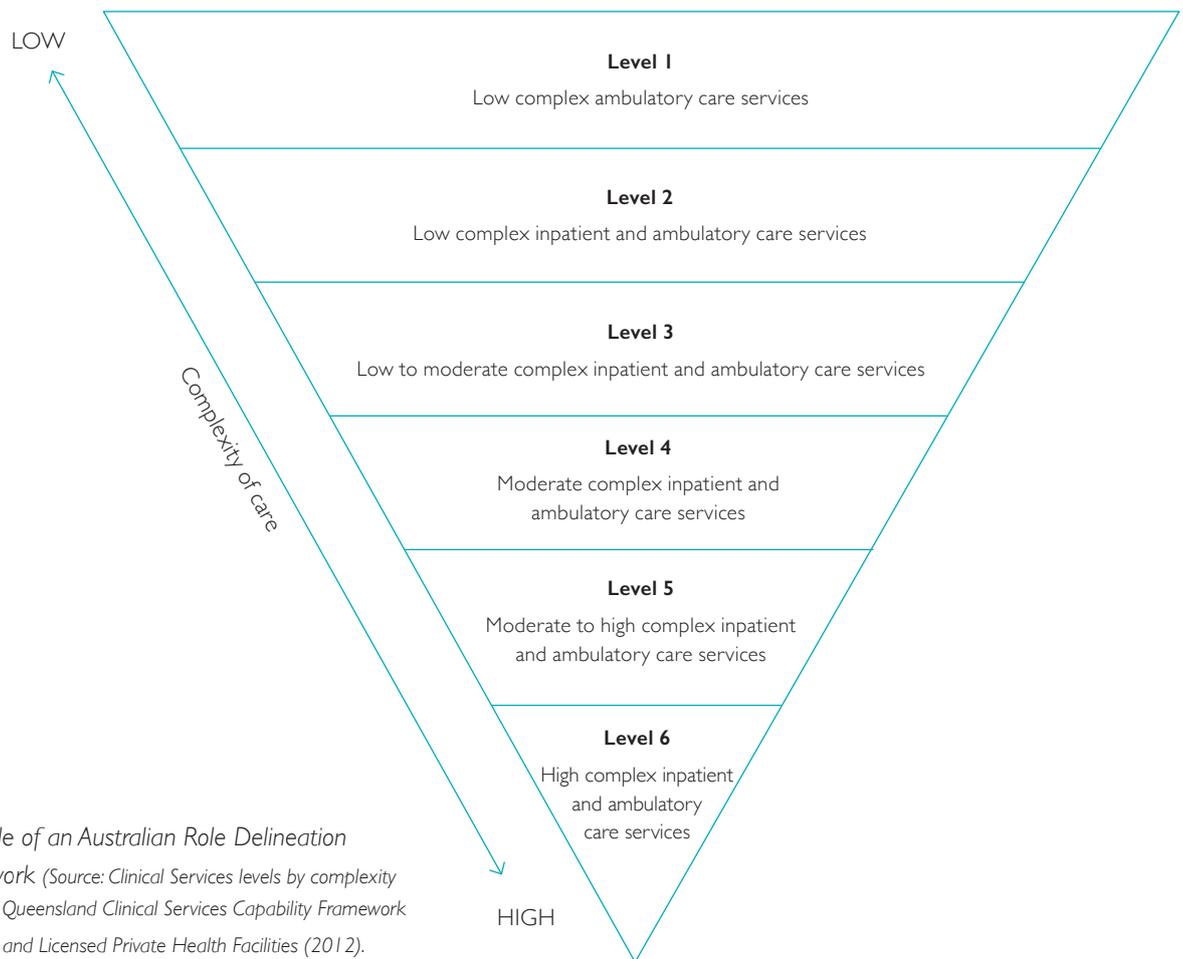


Figure 1: Example of an Australian Role Delineation Framework (Source: Clinical Services levels by complexity of care – Queensland Clinical Services Capability Framework for Public and Licensed Private Health Facilities (2012)).

Achieving a financially sustainable and integrated system

The decisions we make about services and processes will determine the sustainability of our health system. A focus on evidence-based decision making and delivering cost effective care is the key to achieving a financially sustainable and integrated system.

As we make choices we need to consider carefully:

- Whether our interventions and procedures are right given the available evidence on costs and effectiveness
- Whether we are using the right technologies on the right patients
- Whether overdiagnosis, waste of resources and overtreatment can be reduced, at the same time improving outcomes and minimising avoidable patient harm
- Whether care is being delivered in the most cost effective place, and whether care is being delivered by the right person at the right time
- Flexible options for the care and management of high volume/low complexity cases
- The most effective place to provide low volume/high complexity services

- How specialised referral services can provide the best outreach support and advice to patients and colleagues in other regions
- How best to manage the patient's journey and what active management is required, such as referral pathways, admission and discharge planning, scheduling, theatre and resource utilisation etc.
- How information resources can be used more effectively to deliver care – for long-term planning and for day-to-day decision making
- How to support and improve the health literacy of the community, particularly around patient co-responsibilities and expectations.

These questions will drive the development of the Tasmanian Clinical Service Profile assisting the DHHS in establishing principles and criteria for good governance to guide its planning, purchasing and resource allocations.

We will also seek to harness opportunities through the Tasmanian Clinical Services Profile for combining both public and private hospital activity into integrated service arrangements in those areas where there is significant public benefit.



Challenges and Opportunities: case studies

Paediatric Rehabilitation Services in Tasmania

Paediatric rehabilitation is a specialised service requiring high levels of skills and training to provide safe and quality care for patients. With the exception of the federally funded fly-in-fly-out paediatric rehabilitation services provided by the Victorian Paediatric Rehabilitation Service (VPRS), Tasmanian families currently do not have access to a sustainable, full time paediatric rehabilitation specialist. Many Tasmanian children are regularly referred to Melbourne for specialised care.

A proposal to change the current model is currently under consideration. Under the new approach, a paediatric registrar will commence work at one of Tasmania's major hospitals. The registrar will be based in Tasmania and provide support to VPRS at outreach clinics. Tasmania does not currently have the facilities or the necessary clinical support to train a paediatric rehabilitation specialist. As such, VPRS will provide professional support to the registrar, as well as on-site training for specialised procedures in their facilities in Victoria.

This model is innovative and supports the development of a sustainable, high quality, Tasmanian paediatric rehabilitation service by 2017. Through effective collaboration between Tasmania and Victoria, Tasmanian families can be confident their care is more effectively coordinated and trips to Victoria will only be carried out when absolutely necessary. This benefits patients, the Tasmanian Health Service, and VPRS.

The success of this approach will depend on:

- The service model responding to the need for a local paediatric rehabilitation specialist who can support families in all regions of Tasmania and who understands the Tasmanian health system
- Ongoing training and professional support for the registrar to maintain high-level skills
- Linkages between the public health service, non-government stakeholders and the expertise of VPRS
- Ongoing patient demand.

The benefits for this approach include:

- An improved service and experience for patients closer to home
- A decrease in patient transfers through stronger linkages between services in Tasmania and interstate
- An improved understanding about which patients require interstate transfer
- Reduced costs of clients flown interstate for specialised procedures because of the presence of a local specialist and
- A sustainable Tasmanian Paediatric Rehabilitation Service, once the registrar's training is completed.

Volume, safety, quality and efficiency in service delivery

The THOs are significantly more self-sufficient than similar-sized health services in other states.

THOs provide 97.5% of the hospital needs of the community, with out-of-state services provided mainly in Melbourne tertiary referral hospitals. Children with complex illness and some seriously ill neonates account for 20% of the interstate referrals. Adult interstate referrals principally go to Royal Melbourne and Alfred Hospitals for complex interventional cardiology, haematology, transplantation and trauma.

There is significantly less interstate referral from the South than there is from the North and North West and the patients referred from the South are, on average, more complex.

For an island state with a population of 500,000 people, providing such high complexity services at all locations could undermine quality, safety and cost efficiency. The vast majority of the relatively complex patient workload is distributed between the two tertiary referral institutions – Royal Hobart Hospital (RHH) and Launceston General Hospital (LGH) – with neither able to reach workloads that are usually associated with high performing centres of clinical excellence.

The RHH, the LGH and the North West Regional Hospital (NWRH) provide a broader range of services than comparable regional public hospitals. Yet each of the Tasmanian hospitals often undertakes a lower volume of activity than their mainland counterparts.

For example, in 2011-12, breast surgery was performed at three hospitals, 180 cases at RHH, 179 at LGH and fewer than 50 at NWRH. Taken together there were around 400 cases. Similar patterns can be recognised in other specialty areas.

Applying an effective role delineation framework combined with the application of the substantial body of evidence on the relationship between volume, safety, quality, and efficiency will enable the development of a Clinical Services Profile that delivers improved quality for patients and improved value-for-money for Tasmanians.





Improving patient flow and solving ambulance ramping

Problems with patient flow in acute hospitals are often most apparent in the form of emergency department (ED) congestion and ambulance ramping. Ambulance offload delay (commonly known as ramping) is not a new phenomenon in Tasmania, or Australia. Bottlenecks can show up in ramping of ambulances as patients wait to get into ED and again as patients wait for a hospital bed.

Delays in patients moving from inpatient to community care can lead to negative patient experiences and impact on the quality of care.

Published evidence shows ramping leads to increased risk of patient harm and mortality, increased waiting times and prolonged ED and inpatient length of stay.^{3,4} Ambulance ramping can also contribute to delays for ambulances attending other emergencies and increased staff costs.

Previous reform efforts have not looked sufficiently at the whole hospital system. For example, there is often competition for beds between emergency admissions, elective surgery and direct admissions from the community or other facilities.

The following approaches for improvement will be considered:

1. Promoting alternatives to EDs such as general practice and other primary care services.
2. Increasing hospital capacity through better bed management, reducing the average patient length of stay, improving bed turnover and the effective use of hospital escalation and capacity management.
3. Improving discharge and transfers for patients leaving hospital, through early discharge planning and improving inter-facility communication and protocols.

3 Forero R, Hillman KM, McCarthy S, Fatovich DM, Joseph AP & Richardson DB (2010) Access block and ED overcrowding, *Emergency Medicine Australasia*, 22, pages 119-135.

4 Hitchcock M, Crilly J, Gillespie B, Chaboyer W, Tippett V & Lind J (2010) The effects of ambulance ramping on emergency department length of stay and inpatient mortality, *Australasian Emergency Nursing Journal*, 13, pages 17-24.

The Government is committed to delivering shorter waiting times and better care by:

- using data to deliver better short and long-term planning, including managing surge capacity
 - ensuring consistency in patient flow management across hospitals
 - improving statewide consistency of clinical practice, standardising clinical and administrative processes and addressing any bottlenecks
 - reducing the “silo” approach between hospital and community care, by the use of agreed pathways
 - improving communication and documentation of patient advanced care planning to avoid inappropriate admissions and interventions
 - implementing separate streams for emergency and elective surgery to reduce elective surgery cancellation rates
 - improving communication about a patient's discharge to all involved in the patient's care – the patient, allied health, community services, family, and pharmacy
- starting discharge planning as early as possible – even prior to admission for some elective surgeries
 - improving patient safety through timely decision making on discharge or transfer to alternative care
 - promoting the use of ambulatory care areas in EDs to provide quicker treatment for low-complexity patients
 - promoting a responsive acute care system – including the use of transit or discharge lounges where appropriate
 - ensuring that all staff are actively helping reduce waiting times while maintaining appropriate care

The DHHS and the Tasmanian Health Organisations will collaborate with the University of Tasmania's Health Service Innovations Tasmania Clinical Redesign program to drive improvements over coming months.

In addition, the Tasmanian Clinical Services Profile will help deliver more efficient patient flow and maximise the use of safe and effective alternatives to acute hospital care.

Next Steps

The Green Paper will focus on how we use resources to achieve better outcomes for patients.

This will help the difficult but essential discussions about where services are located so they benefit all Tasmanians through shorter waiting times, improved efficiency and better outcomes. It will examine what is safe, sustainable and clinically appropriate based on objective clinical advice and stakeholder consultation.

The Green Paper will be released for public consultation by the end of this year, with the White Paper to be completed by March 2015.

We want to stay connected with all members of the community who are interested in the One Health System reform priorities.

For more information on the *One State, One Health System, Better Outcomes* reform package or to subscribe to updates please visit:

www.dhhs.tas.gov.au/onehealthsystem



Tasmanian
Government