



Evolution of the Care Economy Summit

2024

Pathways to greater value,
equity and resilience.



Wednesday 3 July 2024

The Refectory: University of Sydney,
Holme Building Camperdown NSW 2050

On Wednesday 3 July 2024 the Menzies Centre for Health Policy and Economics at The University of Sydney in partnership with the Independent Health and Aged Care Pricing Authority (IHACPA) hosted the Evolution of the Care Economy Summit.

The summit discussed common challenges, shared lessons and explored a forward-looking agenda for research to inform policy settings and policy design across the care economy.

More than 450 delegates participated online and in-person to hear from leading experts, researchers, policymakers, industry, and advocates from the care economy across health care, aged care and disability sectors.

The summit benefitted substantially from a diverse range of speakers and perspectives supported by robust research and direct experience across the care economy. The one-day event included a versatile program of engaging discussions, live presentations, and panel sessions, with question-and-answer sessions at the end of each segment.

Keynote speaker: Professor Amol Navathe, Professor of Health Policy, Medicine, and Healthcare Management, University of Pennsylvania

The keynote speaker at the event, Amol Navathe, Professor of Health Policy, Medicine, and Healthcare Management at the University of Pennsylvania, spoke about his 25 years of experience in designing, implementing and evaluating payment reforms in delivering better outcomes for patients and improving health system performance.

Professor Navathe informed the Summit that the Affordable Care Act was instrumental in facilitating and signalling a commitment to payment reform innovation, experimentation and implementation.

One of Professor Navathe's key messages was to 'test with purpose', which entailed not only identifying a care problem that is modifiable through payment reform, but also incorporating academic rigour in model design and having institutional support to bring the lessons from passed reforms into future ones. Professor Navathe drew out key lessons on the need to be patient centric when anticipating benefits of reform. Other key lessons included the need for a plan for scaling-up, thinking carefully about incentives in the design of reform, and ensuring that all stakeholders are actively informed about progress and results.

Insights from more recent academic fields such as behavioural economics have been important in designing more effective models.

Summit overview

The key components of the summit included three sessions, featuring speakers and panellists who identified priorities for policy and research and its implications across several themes:

1. Developing an integrated care economy

In this session, speakers spoke of the clinical value, enhanced patient experience and potential for improved efficiency through integrated care models. The discussion focused on the real challenges that Australia faces in delivering greater integration within each of the care sectors as well as across the care economy.

The session revealed lessons learned from past reforms include greater emphasis needs to be placed on the design of payment reforms. Design considerations include the identification of where payment reforms could deliver benefits, the business model in which providers operate including the feasibility of payment models invoking changes to the models of care, and appropriate risk adjustment and quality monitoring to ensure there are no unintended consequences.

Whilst Australia's data infrastructure has made enormous gains over recent decades, there is a high need to assess whether it is capable of supporting more sophisticated payment models including enhanced patient outcomes and experience measures as well as greater consistency across the care settings in reporting activities and costs.

2. The need for building resilience into the care economy

Speakers focused on the response to the global COVID-19 pandemic in Australia and internationally. In many aspects, Australia responded swiftly through significant changes to the funding of telehealth services, additional support for public and private hospitals and deployment of the workforce.

The summit heard about the numerous challenges that were faced particularly by the most vulnerable population groups including those in residential aged care facilities and those with disabilities. In preparing for the next big shock to the system, the summit highlighted the need to build resilience into future policy development and investment that recognises the interconnectedness of the care economy particularly when it comes to governance.

3. A forward-looking agenda

Panellists discussed the outcomes and recommendations of recent inquiries into the various care sectors and focused on common issues for policy and research. What is evident is that funding models across the Australian care economy have not evolved significantly in the last decade. In particular, unsophisticated approaches to care "markets" have not been accompanied by measurable improvements in efficiency, equity, safety or quality outside the public hospital system.

One of the overriding themes was around productivity: how to measure it, value it and improve it. Panellists acknowledged the challenge in all these areas as policy makers need to enable service providers to develop models of care and support to changing

needs and demands of future population cohorts across different parts of the country with highly varying needs and capacities to meet those needs.

A key message of the discussion was the potential for improved productivity through greater integration and harmonisation of the different care sectors by taking a whole-of-system perspective. Such a perspective should focus efforts on the needs of clients and patients across the care economy, rather than look at what each sector contributes in isolation. This should also recognise the interconnections of providers and the care workforce as well as the data infrastructure that can support the delivery of effective and efficient care. Increasing client and patient complexity demands more sophisticated funding models that can be applied where there are robust markets, proxy markets or indeed no market for service provision. This includes a focus on how the system can optimally support the informal care workforce.

The summit revealed that in developing a high-functioning care economy these objectives need to be central to any future plan:

- Look after vulnerable populations and allow them to live dignified and healthy lives.
- Promote social equity by ensuring that all individuals, regardless of their income, have access to essential care services.
- Enhance care quality to improve care outcomes including quality of life and care experiences.
- Encourage the delivery of efficient and effective care services that are fundamental to people's well-being, including support for informal carers.
- Improve accountability through clear governance structures, transparency, consultation, and evidence-based decision making.
- Ensure sustainability by not only keeping the system affordable from a public perspective but also ensuring that the care workforce is well supported and integrated.
- Build a robust care economy that is resilient and can withstand and recover from crises, such as pandemics.
- Recognise that the supplies of care services vary considerably across the country and that different policy instruments may be required to facilitate access to care.
- The summit heard that there is a high need for collaborations between all stakeholders, including policy makers and researchers, to inform the design of a care economy blueprint that creates the right ecosystem for the care economy to deliver on these objectives.
- Currently, there is a dearth of research expertise on the topic of funding reform. This needs to be addressed if Australia is to create the right policy environment to evolve the different care sectors into an efficient, effective, equitable and sustainable care economy. Research is needed to inform funding reforms and the development of funding models that reflect local contexts and conditions and the delivery of safe, high quality and efficient care.