

Brief comment

There is an urgent need to curb escalating and unsustainable health care costs. 1. What are the basic principles to reduce high costs in health care? a) Prevention, early detection, reducing progression of chronic diseases. b) Avoidance of low value tests and procedures. c) Stop duplication of low value tests and procedures. d) Implement innovative solutions that disrupt existing high cost business models. e) Emphasise Practice Based Evidence and outcome based funding. 2. What are the high cost medical conditions in Australia? There has been a 95% increase in spending in hospital based health care costs between 2002/3 to 2012/13 (Gratten Institute). In real terms this AU\$ 18 Billion more than in 2002/3. The next biggest category is Primary care and Medicare - these have grown by 60% - AU\$ 11 Billion in real terms. 3. Why are we spending more? There are a number of reasons. From a health professional point of view the following need attention: a) A lack of adequate periodic review on medical procedures that are reimbursable: Too many low value procedures get reimbursed well past the day when evidence shows they are useless. This 'lag' in implementing new evidence should be addressed by a more proactive approach. b) Absence of 'Outcome based Reimbursement': This means that despite a poor outcome, poor choice of treatment option, money has been spent directly or there is an opportunity cost. Funding should be tied to patient outcomes. The patient, referrer and provider should be held responsible for the funding pathway. In other words, a fee for a service should be replaced by a more inclusive model that reflects the responsibilities of all parties in the journey of health care delivery. c) Lack of Provider and Patient Education: Many doctors and patients are just unaware of the various options available in this age of information overload. When information is provided this can be biased and not in the best interests of patients.