



***Submission to the Productivity Commission on the  
Public and Private Hospitals Discussion Draft***

**November 2009**

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**Introduction**

The Consumers Health Forum of Australia (CHF) is the national peak body representing the interests of Australian healthcare consumers. CHF works to achieve safe, quality, timely healthcare for all Australians, supported by accessible health information and systems.

CHF welcomes the opportunity to comment on the Productivity Commission's Discussion Draft of the report of its research study into public and private hospitals. CHF members and stakeholders value the availability of robust and comparable data on public and private hospital performance, and note with interest the difficulties faced by the Productivity Commission in obtaining the data necessary to complete its report. CHF strongly endorses the draft findings related to improved data collection and greater consistency of data.

This submission is largely supportive of the Discussion Draft. Comments are provided below in relation to several of the draft findings, and relate mainly to the need for much stronger data collection and to the draft findings around informed financial consent.

**Data Availability**

CHF notes the difficulties experienced by the Commission in accessing hospital-related data. The Commission's draft finding 1.1 notes that there is 'a case for making these data more accessible to a range of users because this could drive improvements in health care'.<sup>1</sup> CHF strongly endorses this finding, and has previously called for greater availability of hospital performance, safety and other data.<sup>2</sup>

CHF also notes that the draft finding suggests that 'One way in which data agencies could facilitate this is to strengthen the mechanisms through which data users can provide ongoing input on how data are collected and made available for analysis and research'.<sup>3</sup> Again, CHF endorses this finding, but stresses that health consumers must be included as potential 'data users', and given the opportunity to provide input on data collection and availability for analysis and research.

**Costs**

Again, CHF notes the issues faced by the Commission in attempting to review the data around hospital and medical costs; for example, as in draft finding 5.1, 'Existing

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<sup>1</sup> Productivity Commission 2009 *Public and Private Hospitals: Discussion Draft*, Canberra, LIII.

<sup>2</sup> See, for example, CHF 2009 *CHF Consultation Paper on the National Health and Hospitals Reform Commission Final Report – A Healthier Future for All Australians*, online at <http://www.chf.org.au/pdfs/cns/cons-544-nhhrc-final-report.pdf>.

<sup>3</sup> Productivity Commission *Op cit.*, LIII.

datasets on hospital and medical costs are limited by inconsistent collection methods and missing information', and in draft finding 5.4, '...there remains considerable scope to improve the quality and consistency of hospital and medical cost data in Australia'.<sup>4</sup> CHF would welcome improved data collection mechanisms on costs, and particularly consistency and comparability of this data across hospitals and the public and private hospital systems more broadly. This data could be used to assess which mechanisms provide the most efficient management of hospitals, an issue of considerable interest for consumers.

### ***Hospital Acquired Infections***

The Commission's draft finding 6.1 notes that 'Australia does not have a robust nationally consistent data collection on hospital-acquired infections', while draft finding 6.2 identifies that 'more actions will be required to enable meaningful infection-rate comparisons between public and private hospitals'.<sup>5</sup> Once again, CHF strongly endorses the Commission's findings and supports the view that substantial improvements are required in data collection around hospital acquired infections. This is an important measure of safety and quality in hospitals, and CHF calls for rigorous, comparable data to be collected across the hospital system. The new data collection initiatives led by the Australian Commission on Safety and Quality in Health Care are welcomed, and CHF notes that data collection on hospital acquired infections should be mandatory, not optional. This data should be used to support continuous improvement in safety and quality in hospitals. It should also be made publicly available to consumers.

### ***Other partial indicators***

CHF endorses the Commission's draft finding 7.4 that, in spite of the existence of a range of partial indicators that can provide information on the performance of public and private hospitals, 'the paucity of published, comparable and reliable hospital-level data severely limits these comparisons, and will continue to limit such comparisons in the future'.<sup>6</sup> As noted previously in this document, CHF recognises the need for much stronger data collection across hospital sectors in Australia, and supports the Commission's finding that 'Making consistent hospital-level data available to all interested parties would assist with future comparisons between hospital sectors and contribute to improvements in care.' CHF stresses that health consumers and consumer groups should be recognised as 'interested parties' to which hospital-level data should be made available.

### ***Informed financial consent***

Informed financial consent (IFC) is an issue of particular interest to CHF members and stakeholders. IFC was one of the issues discussed as part of CHF's 2007-08 project: *Implementing Private Health Insurance Reforms: consumers have a say*.<sup>7</sup>

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<sup>4</sup> Productivity Commission *Op cit*, LIV, LV.

<sup>5</sup> *Ibid* LVI.

<sup>6</sup> *Ibid* LVII.

<sup>7</sup> See CHF 2008 *Implementing Private Health Insurance Reforms: consumers have a say 2007-08 Project Report*, online at <http://www.chf.org.au/pdfs/rep/rep-494-implementing-private-health-reforms.pdf>.

This project argued that the current IFC arrangements by health providers fall well short of what consumers require to make informed decisions about their health care. CHF therefore notes with interest and welcomes the draft finding that the rate of IFC appears to have been increasing in recent years, based on the number of complaints to the Private Health Insurance Ombudsman. However, it is important to ensure that IFC is genuinely informed, with measures in place to ensure that consumers have all the information that they need to make an informed decision, and that they have absorbed and understood this information.

Consumers need information to assist them in speaking with their health providers and health funds about costs. CHF is aware of some excellent resources that can assist consumers in this process, including brochures produced by the Australian Medical Association and the Private Health Insurance Ombudsman. CHF promoted these resources to consumers throughout the project. Consumers reported that these resources were useful but few had previously had access to them.

When discussing their experiences of care, consumers are concerned that the onus is on individual consumers to know and ask the 'right questions' at the right time to ensure they are provided with adequate information about their health care options, including costs, to enable them to make informed decisions about the best possible health care for them. More responsibility must be taken by health providers in this arena.

CHF recommended in its project report that the Australian Government should adopt strategies to ensure that health professionals are more accountable for ensuring that consumers are provided with adequate and timely information on their health care options, including costs, to inform their decision making. CHF suggested that these strategies may include:

- building this requirement into professional registration
- accreditation of health professional education courses to include IFC practices
- health professional organisations promoting better IFC practices amongst health professions through targeted promotion, awareness and continuing education programs and active engagement with consumers to help shift attitudinal barriers
- effective monitoring and reporting requirements for health professionals' IFC processes and compliance
- involvement of private health funds in promoting consumer resources for IFC, including advice to check the level of cover with health funds.

The Commission's finding that the available data is flawed is reflected by CHF's project work, which found that there is inadequate evidence (or access to evidence) of the extent to which health providers are obtaining IFC from consumers. CHF also found that there is even less evidence available about the consumer experience of IFC processes. Collection and open availability of this information is necessary in order to comprehensively assess the progress of IFC measures. Additional data on the prevalence and magnitude of out of pocket expenses for private health consumers and their impact on consumers' access to appropriate health care is also needed to allow for a more detailed performance analysis.

CHF recommended in its project report that the Australian Government should undertake a comprehensive performance audit of IFC, including provider and consumer experiences and barriers to improving practices in this area, and that the Australian Government should establish mechanisms for collecting and analysing data on out of pocket expenses for private health consumer and their impacts on consumer health outcomes.

CHF endorses draft finding 9.3 suggesting the creation of a more robust future data source on IFC by requiring privately-insured patients to indicate on their health insurance claim form whether or not they provided IFC prior to the procedure.

### **Conclusion**

CHF welcomes the opportunity to comment on the Productivity Commission's Discussion Draft of its report on *Public and Private Hospitals*. CHF notes with concern the major gaps in rigorous and comparable data on public and private hospital costs and performance, and endorses the Commission's draft findings in relation to the need for improved nationally-consistent data. CHF also notes with interest the draft findings relating to informed financial consent, which is an issue of particular interest to our members and stakeholders.

We look forward to reviewing the finalised report following the current consultation process.



The Consumers Health Forum of Australia (CHF) is the national peak body representing the interests of Australian healthcare consumers. CHF works to achieve safe, quality, timely healthcare for all Australians, supported by accessible health information and systems.

CHF does this by:

1. advocating for appropriate and equitable healthcare
2. undertaking consumer-based research and developing a strong consumer knowledge base
3. identifying key issues in safety and quality of health services for consumers
4. raising the health literacy of consumers, health professionals and stakeholders
5. providing a strong national voice for health consumers and supporting consumer participation in health policy and program decision making

*CHF values:*

- our members' knowledge, experience and involvement
- development of an integrated healthcare system that values the consumer experience
- prevention and early intervention
- collaborative integrated healthcare
- working in partnership

CHF member organisations reach millions of Australian health consumers across a wide range of health interests and health system experiences. CHF policy is developed through consultation with members, ensuring that CHF maintains a broad, representative, health consumer perspective.

CHF is committed to being an active advocate in the ongoing development of Australian health policy and practice.