
CONFERENCE ABSTRACT

Commissioning for coordinated care services using an outcomes based funding model: Insights from a process review

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Background: The Central Coast Local Health District (CCLHD) implemented the Outcomes Based Commissioning pilot program in 2017 to keep older people with chronic conditions healthy and at home. CCLHD commissioned two not-for-profit organisations to provide care coordination services to an allocated cohort of patients over one year. Payment to providers was based on saved unplanned hospital bed days.

Objectives: Our study objective was to determine the impact of the CCLHD commissioning process on hospital use, health outcomes, and patient experience of care coordination. We also sought to develop recommendations to improve outcomes based commissioning approaches to keep people healthy and at home within the NSW healthcare system.

Methods: We developed a commissioning assessment framework by reviewing best practice commissioning approaches for healthcare, and the NSW Government's commissioning policies and guidelines. We collected information on the CCLHD commissioning process from provider contracts and interviews held with providers and CCLHD. We used the assessment framework to compare CCLHD's commissioning approach to best practice.

Results: CCLHD's commissioning approach was aligned to the NSW Government's commissioning policies and guidelines. A strong relationship developed between CCLHD and providers helped manage risk, supported by a robust monitoring framework. However, privacy requirements limited providers from using patient data to adequately assess their funding risk before being contracted. Limited access to timely unplanned public hospital data and discharge summaries reduced the ability of providers to manage their ongoing financial risk. Not all funding risk could be transferred to providers by CCLHD due to community obligations. The payment model did not adequately incentivise other desirable activities sought by CCLHD such as GP engagement.

Conclusions: The Outcomes Based Commissioning program was an innovative but complex approach to funding care coordination. There was little precedent within the NSW healthcare system from which CCLHD could draw upon. CCLHD involved providers in co-designing their commissioning approach.

Discussion: Providers were incentivised to reduce unplanned hospital bed days. Outcomes Based Commissioning also sought to increase health outcomes and patient and carer satisfaction with

the health care system. While providers were asked to collect information on health outcomes through the PROMIS 10 survey, they were not directly incentivised to improve health outcomes nor increase patient and carer satisfaction. This meant there was some potential disconnect between service outcomes desired by CCLHD and provider intentions.

Lessons learned: Create incentives for providers to undertake other desired behaviours through payment linked to key performance objectives. This could include secondary analysis of process measures alongside primary outcome measures.

Limitations: Our commissioning results are limited to a 12-month pilot study conducted in one setting involving two providers. In addition, the Outcomes Based Commissioning program was designed to address local needs and conditions and some findings are context specific. These aspects limit transferability of the results.

Suggestions for future research: Additional evaluation studies are needed on outcomes based commissioning approaches in order to develop greater guidance for policy makers on the powers and pitfalls of using commissioning approaches and outcomes based funding models to achieve integrated care aims.