

HCF HEALTHCARE SNAPSHOT 2018

Industry and consumer perceptions of healthcare in Australia



HCF HEALTHCARE SNAPSHOT 2018

Welcome to the first HCF Healthcare Snapshot report. With a focus on hospitals it presents the views of hospital representatives and consumers to provide an insight into the healthcare system. Over 11 million Australians were admitted to hospital in 2017, a number rising 2.5 times faster than our population. Hospitals are a critical part of healthcare and can drive perceptions about the efficacy of the entire system.¹

Hospitals are perhaps the most complex workplaces we know. People work in over 140 different occupations², using some of the most advanced technology imaginable, serving patients of all ages with a diverse range of medical needs. This means there are high demands on our hospitals and the people who work there. The funding of the hospital system is also complex, being paid from a carefully negotiated mix of federal, state, insurer and self-funding.

With hospitals being such an important part of the healthcare system and facing significant change over the coming years, we saw an opportunity to gather insights from those working in hospitals and those being treated in hospitals.

This report reflects the perspectives of 2,500 surveyed Australians, as well as the Chief Executive Officers (CEOs) and leaders of nine hospitals and healthcare facilities throughout the country.

In this narrative report, we've strived to reflect what hospital CEOs and consumers told us about their perceptions of Australian hospitals now and the challenges they expect to face in the future.

Both groups clearly articulated that hospitals are delivering high quality healthcare and to continue to do that, they need to evolve to meet and exceed expectations.

We're proud to share this report and hope that it sparks useful debate on how we can all continue to improve the system.

Dr. Andrew Cottrill
HCF Chief Medical Officer



WHO DID WE TALK TO?

SURVEY RESPONDENTS

The sample of 2,500 surveyed people was selected by Pure Profile Research, 54% had private health insurance and 12% of them with HCF. The people were selected to be representative of state and territory populations, gender and age.

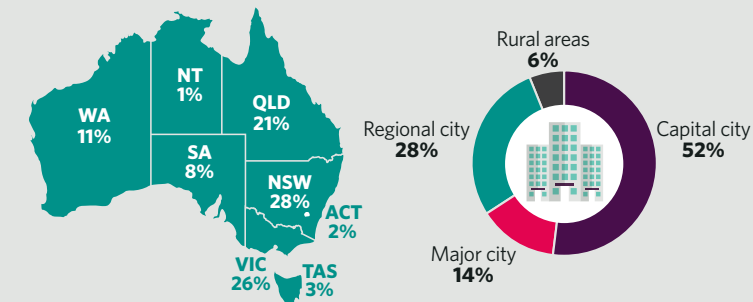
Around 70% of the total respondents had at least one 'hospital experience' in the last two years (on average 1.5 admissions or visits). That includes a combination of 27% who stayed overnight, another 26% who had day surgery, 19% who went to emergency and 39% who visited friends and family.

Of the 1,227 respondents admitted to hospital, 62% were last treated in a public hospital with four in 10 of those actually having private health insurance.

HOSPITAL CEO INTERVIEWS

We interviewed CEOs of nine public and private health service providers.

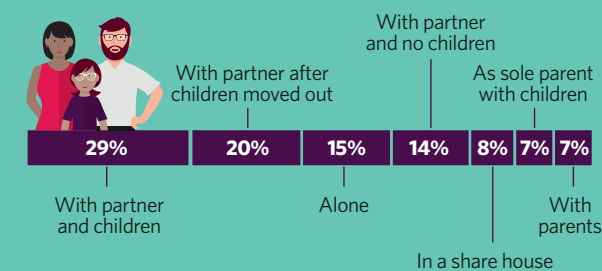
LOCATION



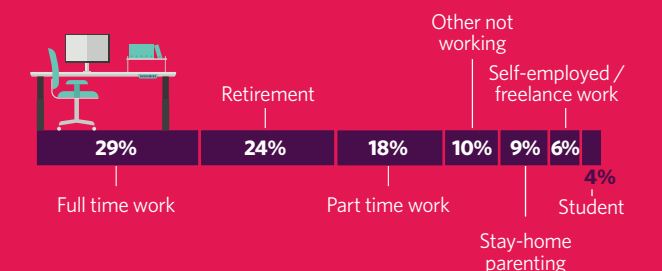
GENDER



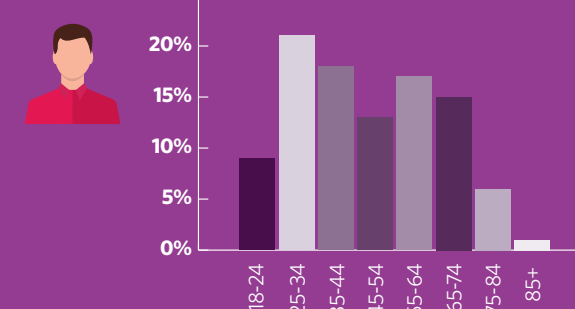
HOUSEHOLD



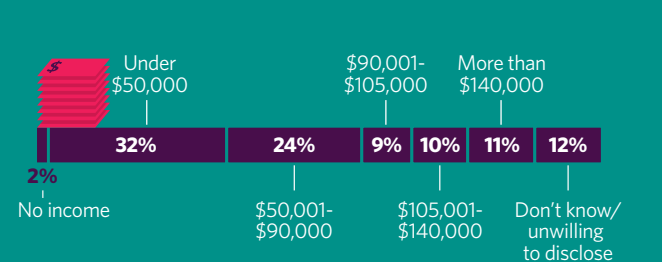
OCCUPATION



AGE



INCOME



TECHNOLOGY AND DATA TRANSFORMING HEALTHCARE

New surgical techniques and data capabilities are offering hospitals and patients valuable advantages for the speed, cost and efficacy of treatments.

NEW SURGICAL TECHNIQUES IMPACTING TREATMENT DELIVERY

With a stream of innovative technology becoming available, **“clinicians are constantly revising and improving their techniques, which can only aid better patient outcomes.”**³



Some spinal surgery can now be done as day surgery – **“but you wouldn’t want to be doing it without the back-up of hospital infrastructure.”**⁴



“It’s just a case of embracing change and moving with the change.”⁶



Data to identify issues earlier, supporting better treatment decisions

Hundreds of pieces of information about a patient are streaming through hospital data systems. “You don’t have to go too far back to the day when each patient episode had 10 or 15 attributes reported against it, on paper. Now we have maybe 100. It’s still not enough. What if we were to capture a billion pieces of information about a patient when they came to our hospital?”⁵ That day is coming, with patient data now being captured through large public screening programs such as the national bowel cancer or cervical cancer screening programs, and by home or ‘wearable’ monitoring devices.

All this data helps in two ways. First, computers can identify data patterns that may signal a patient is at risk, well before they or their General Practitioners (GPs) are aware of it. Computers already analyse scans such as X-rays and MRIs with reassuring speed and accuracy. “The impact of AI [artificial intelligence] will be huge. We’ve seen it on X-rays: massive, massive, massive! We’re not going to be able to stop that, nor should we.”⁶

Specialists are then able to use the data to make faster and more accurate clinical decisions. Traditionally, specialists in an emergency situation had to assume things based on simple identifiers such as age, weight and gender. Now, they can make decisions and prescribe medicines based on exactly who we are. This “precision medicine” is already offering better treatments, avoiding side effects, and avoiding the waste of treatments that would never have worked – if we’d had the data to know.

The catch is that all this technology costs money. “Electronic health records will set us back almost as much as the hospital itself.”⁴ That’s to pay for the technology, and also the challenges in consistent data capture, reviewing, coding, encryption and sharing.

All hospitals need to assess each potential investment on its merits: clinical, financial and social.

HIGHER HEALTH ENGAGEMENT THROUGH TECHNOLOGY

Health technology is not just in the operating theatre, it’s in the palm of our hands. More people are using smartphone apps and an array of home monitoring devices to keep a closer eye on their health.

That’s great for their personal health engagement. And it may also be good for rising health costs, as our population continues to grow older.

Relative to the size of our population, there will be a lot more health care requirements.

USING TECHNOLOGY TO MEASURE HEALTH

Smart use of technology will also be crucial if we are to manage these trends. ‘Wearable’ devices can easily measure our heart rate, blood pressure, sleep patterns, and even heart palpitations. Home devices such as blood glucose monitors often cost less than \$100, only a fraction of their historic cost. Smaller devices – such as an endoscopy delivered via capsule using a tiny wireless camera – are still minuscule enough to be ingested and powerful enough to capture and send data through to hospital professionals.

Though much of this technology is available, most of our respondents simply rely on their instincts to gauge their health with 96% saying ‘just how I feel’.

BY 2050 AUSTRALIAN POPULATION WILL RISE BY \uparrow 60%

THE NUMBER OF PEOPLE AGED 65 AND OVER WILL DOUBLE

AGED 90 AND OVER WILL GROW FIFTY-FOLD¹²

At the moment, up to one-third of people in some hospital wards have ‘life-limiting diseases’, and the demographic trends will steadily increase their share of hospital beds and costs, according to one of our interviewed hospital leaders.⁴ If Australia’s health budgets are to cope, more patients will need to receive care at home, at specialist clinics, and later in specialist palliative care – care which is often better suited to the patient’s needs and desires. Technology will be essential to delivering these alternative models of care. For example, remote in-home monitoring is already being used to allow people to remain living independently at home, rather than being admitted to hospital or a care facility.

2/3 RESPONDENTS THOUGHT STEPPING ON THE SCALES IS A GOOD TEST OF THE STATE OF THEIR HEALTH

86% OF THOSE WHO USED GLUCOSE OR HEART RATE MONITORS FOUND THEM EFFECTIVE

Of the 42% who use technology, such as wearables, to measure their health

3/4 FOUND THEM EFFECTIVE — DEMONSTRATING THE VALUE OF THESE DEVICES

GP FIRST, THEN SECOND OPINION

If they have a health concern, 82% of people surveyed say they speak to their GP. GPs are without a doubt the primary healthcare advisors for patients and play an integral role in managing their patient's health journey. About 70% of people speak with their friends and family, and two thirds use the internet for health reasons (39% are researching specific conditions and 22% are researching specialists and hospitals).

One hospital CEO said, "A lot of patients are driving their own health now. They're all over it. They go to their GPs and tell them what they want."³ Just over 30% of our respondents are already researching treatments and drugs online. About 17% of respondents say they cross-check a referral from a GP or specialist against third party reviews on social media or the internet.

That transparency can be a double-edged sword for health professionals. Many celebrate patient involvement. "The patient is far more aware, as they should be, and far more involved. Where once the attitude was 'whatever the doctor says is right', now patients seek more second opinions. They are far more involved in their care, which can only be a good thing."³


Yet when one hospital CEO noticed a slowing in bookings for orthopaedics, he asked the doctors why. They replied, "A new orthopaedic surgeon had started at another hospital, and had more positive comments on social media... and so people were going to that doctor."⁵ This shows how social media and online health platforms are increasingly informing people's health decisions.

PATIENTS VIEW HEALTH HOLISTICALLY

The World Health Organization (WHO) defines human health as the "state of physical, mental, and social wellbeing and not merely the absence of disease or infirmity." Our research also found that people don't just think about their physical health, but take a more holistic view.

So it's worth considering the impact of a longer hospital stay on a patient's community engagement. Hospital CEOs recognise this important factor for their patients. "There's a belief in the community that hospitals won't exist in 20 years' time as we know them now. There will always be a need for acute care, and a highly-specialised hospital service. [Beyond that,] patients want to be treated in their home, in the community. So we are working hard to deliver innovative ambulatory [or outpatient] care, because that's what our patients want: hospital as a clinic, day-stay models, patient self-care with wearables."⁸

Indeed, another CEO was beginning to be frustrated by the policy and business focus on hospital beds.

 "We've got lots of beds, but not chairs! We have lots of beds geared up for a 4-day stay, but we'd be better off converting them to day chairs, because in 10 years' time we won't have anywhere near the numbers of overnight patients coming through."⁵

HOSPITALS: MORE COMPETITIVE AND COLLABORATIVE

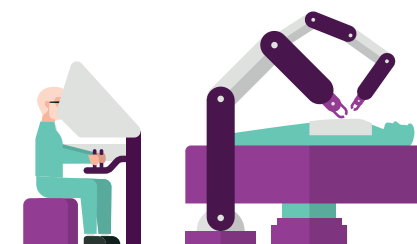
As hospitals experience greater data availability, and heightened patient interest in that data, they are seeing more competition in the healthcare sector. And those dynamics are driving increased collaboration for hospitals both within and beyond their own walls.



COMPETING FOR PATIENTS, SPECIALISTS AND STAFF

Competition is felt most acutely in the private sector, where a hospital must maintain a profit margin to be able to reinvest in its facilities and staff. New surgical technology and techniques mean patients need to stay in hospital for only a fraction of the time they did before. This means that the hospitals must attract more patients – from other hospitals, and from non-hospital alternatives.

For elective surgery, most patients choose their specialist, and the specialist chooses the hospital. So the hospital must attract and keep their operating surgeons and visiting specialists. For the most part, doctors will look at the whole package. "[Doctors] want a safe and stable environment where the patient will receive first class care. They also want an organisation to back them, and so we have to embrace emerging technology (for example; robot assisted surgery), employ the right staff, provide the equipment – all the necessary support to deliver the clinical outcomes we all want for the patients we admit."⁵



Attracting and retaining the best nursing staff, particularly for the operating theatre, was another challenge for the CEOs we talked to. This is partly due to changes in nurse training. "Their training doesn't include apprenticeship to the degree it used to. As a result, people aren't used to doing night shifts and a 24-hour, 7-day-a-week roster, and decide 'this is not for me!'"⁹

COLLABORATING ACROSS AND BEYOND HOSPITALS

The CEOs we spoke to were acutely aware of the need for their specialists to collaborate more. With increased automated data, data analytics and reporting, health professionals will have more time to work on the more difficult cases they face. With telehealth, they will be able to more easily connect with colleagues and work on solving problems across geographic locations.

They can collaborate with other health professionals on specific acute patient cases. Teams for those cases can tap into a greater range of expertise, giving those specialists a greater understanding of each other's challenges. Team members could be chosen for their cultural understanding, not just for where they work, as well as their expertise.

In theory, all these factors can help health professionals treat patients in an ever-more integrated, holistic way. But the journey there won't be easy. "We're very much structured around the hospital four walls, and we're going to always have that. But we're also going to have work outside of the hospital, and our workforce arrangements, our industrial provisions, our training models don't necessarily facilitate that."⁸

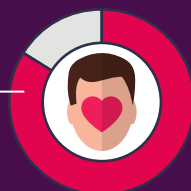
It won't be up to hospitals alone. The demands for out-of-hospital treatment are growing – especially with retirement villages and palliative care, but even now for mental and preventative health. "It's a challenge... provision of care where patients want to receive it i.e. inpatient, community, teleconference, step down unit etc."¹⁰ Another CEO agrees, "We still tell the patient what they need. We have to change that. We need to incorporate before-and-after acute hospitalisation care, that includes things like community care, hospital in the home, and pre-hab (rehabilitation that you would do before you go to hospital). We can really lift our game, but the problem is hospitals can't do it on our own."⁵

WHICH OF THESE REPRESENT 'GOOD HEALTH' TO YOU?

90%
PHYSICAL WELLBEING



84%
MENTAL WELLBEING



47%
SOCIAL WELLBEING



HOW DO YOU DESCRIBE HEALTH? (TOP 3 ANSWERS)



76%
HAVING MOBILITY



67%
HAVING ENERGY



61%
BEING PAIN FREE

HOSPITALS DELIVERING ON CORE PURPOSE



To compete and collaborate effectively, hospitals have to prove their value in the market. Mostly, the patient's condition determines where a treatment will take place*. Doctors performing an operation often work at both private and public hospitals - that means their patients have a decision to make, often based on expectations. So how well do our hospitals meet patient expectations, and how do they compare?

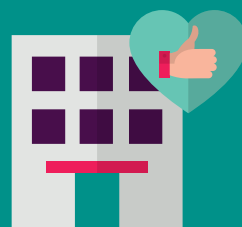
BOTH HOSPITAL SYSTEMS ARE WELL REGARDED

69%
OVERALL RATED PRIVATE HOSPITALS 'GOOD' OR 'VERY GOOD'



68%
OVERALL RATED PUBLIC HOSPITALS 'GOOD' OR 'VERY GOOD'

Those views are more positive for the 42% who had been a hospital patient in the last two years: **76% for public, and a very high 87% for private hospitals.**



As a result, the levels of satisfaction with our hospitals are very high:

90%
PRIVATE HOSPITAL

81%
PUBLIC HOSPITAL

The respondents thought that both public and private hospitals provided good quality care from both doctors and nurses; with good communication on tests, medications and procedures; in good, clean facilities with the technology that's needed.

Unfortunately, they were not so keen about the food at either type of hospital, nor the access to parking or public transport.

Public hospitals may not be able to control two of the top three factors that respondents most appreciate about private hospitals:



CHOICE OF DOCTOR



SHORTER WAITING TIME

But public hospitals could seek to close the gap in room standards, ward standards, admission processes, food and patient facilities.

*For an unusually complicated or emergency case, a primary teaching hospital that is open 24/7 may be the best choice - so 92% of emergency admissions are to a public hospital: Australian Institute of Health and Welfare, Admitted patient care: Australian hospital statistics 2015-16. For conditions that are not so urgent but are too uncomfortable to tolerate for long, a scheduled treatment may be best - so 67% of elective surgery is in private hospitals, where quicker access is available.

MEETING OR EXCEEDING OUR EXPECTATIONS

From the survey responses on service levels, you might think that private hospitals were more likely to 'meet the expectations' of respondents - and you'd be partially right.



68%
PRIVATE HOSPITALS MET THE EXPECTATIONS OF THOSE ADMITTED

54%
PUBLIC HOSPITALS MET THE EXPECTATIONS OF THOSE ADMITTED

1/4
OF PRIVATE HOSPITAL PATIENTS THOUGHT THEIR EXPERIENCE WAS **BETTER THAN EXPECTED** (expectations were already very high)

1/3
OF PUBLIC HOSPITAL PATIENTS THOUGHT THE EXPERIENCE WAS **BETTER THAN EXPECTED** (expectations were lower)

And overall, recommendation levels are almost equal;

51%
OF PRIVATE HOSPITAL PATIENTS WOULD RECOMMEND THEIR HOSPITAL

46%
OF PUBLIC HOSPITAL PATIENTS WOULD RECOMMEND THEIR HOSPITAL



OUTCOMES FAVOUR PRIVATE HOSPITALS FOR DIFFERENT PROCEDURES

We also asked respondents to indicate how happy they were with the clinical outcome of their hospital stay. That is, looking at whether or not their health issue was resolved or improved.

Patients in private hospitals were more satisfied than those treated in public hospitals. Adding the positive responses and subtracting the negative ones, the satisfaction 'net score' was:

81% PRIVATE HOSPITALS

67% PUBLIC HOSPITALS

Compared to public patients, the private patients in our research were **twice as likely to recommend their specialist (of which many have chosen themselves).**

When we asked the patients if they knew what their specialist thought of the outcome of the procedure, there was a big difference.

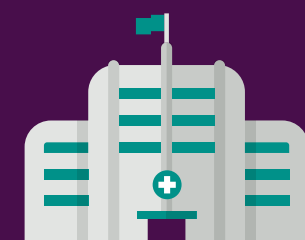
83%
PATIENTS IN PRIVATE HOSPITAL STATED THEIR SPECIALIST WAS HAPPY WITH THE OUTCOME

63%
PATIENTS IN PUBLIC HOSPITAL STATED THEIR SPECIALIST WAS HAPPY WITH THE OUTCOME



15%
DIDN'T KNOW HOW THE SPECIALIST VIEWED THE OUTCOME (three times the rate for private hospital patients)

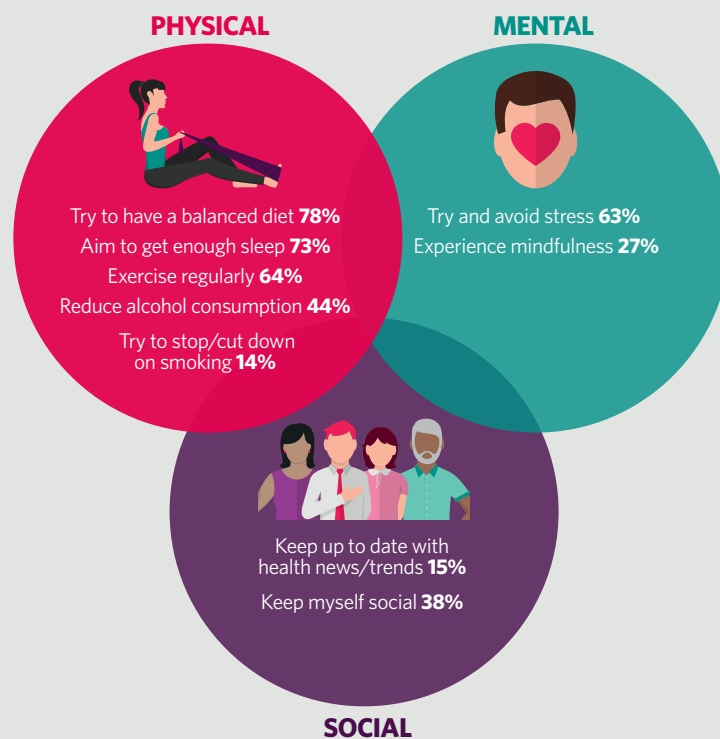
These patients' clinical perceptions were influenced by whether a hospital stay had an 'adverse event': a reaction to medications, procedural complications, or other injuries. National statistics¹¹ suggest that 5.4% of all hospital stays have an adverse event. People are more than twice as likely to have an adverse event as an emergency patient at a private hospital (11.7% of patients) or as a sub-acute patient at a public hospital (11.6%) - underlining what each side of the system is best geared for.



KEEPING YOUR HEALTH IN CHECK

Health is an individual journey and can be interpreted and measured in a variety of ways, depending on a person's experiences. We've captured how our surveyed Australians interpret, monitor and maintain their health.

HOW DO YOU MAINTAIN YOUR HEALTH?

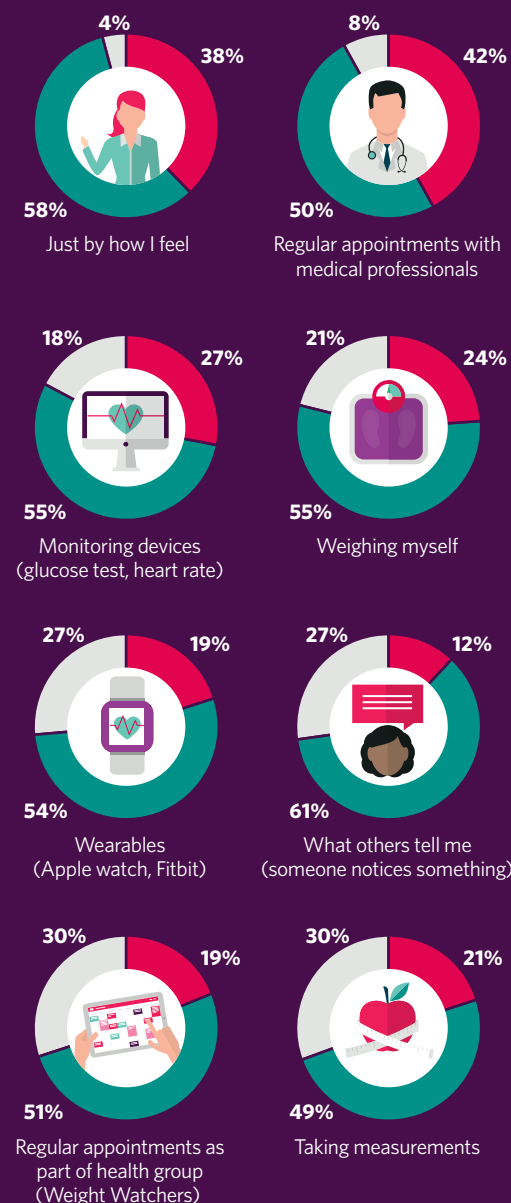


HOW DO YOU USE THE INTERNET?



WHAT WORKS TO CHECK YOUR HEALTH?*

Very effective Moderately effective Not effective



*Among those doing each.

QUESTIONS FOR THE FUTURE

This HCF Healthcare Snapshot report offers insights into some of the challenges our hospitals face, and how well our surveyed patients think our hospitals are coping. As the use of technology increases, our experience of acute care at home, in hospitals and in specialist clinics will change. Technology offers so much, but demands continual funding, sometimes in place of more personal care. As a society, we need to track how we're benefiting from the changes, and whether their resulting costs are getting ahead of our needs and preferences.

This report is one small contribution to understanding these healthcare and hospital challenges. While it provides insight, it also raises important questions about the future.

How will our hospitals respond to the more holistic view of 'health' that Australians are taking, especially the inclusion of mental and social health?

How will hospitals tailor their treatments as 'precision medicine' and live monitoring are used more?

If GPs remain the preferred health consultant for most respondents, how can they better use technology to collaborate with our hospitals?

Why is the demand for hospital treatment rising so much faster than the population?

ENDNOTES

- Australian Institute of Health and Welfare, Admitted patient care: Australian hospital statistics 2015-16, p 13: 3.5% compared to 1.4% p.a. population rise.
- ABS 1220.0 - ANZSCO - Australian and New Zealand Standard Classification of Occupations, 2013, Version 1.2.
- CEO of a NSW endoscopy clinic.
- CEO of a Queensland standalone private hospital.
- CEO of a Queensland non-profit health network.
- CEO of a Queensland standalone private hospital.
- Australian Government, 2015 Intergenerational Report.
- CEO of a NSW public hospital.
- CEO of a NSW for-profit network.
- CEO of a Queensland private hospital for mental health care.
- AIHW 2017 Admitted patient care: Australian hospital statistics 2015-16.
- Australian Government, 2015 Intergenerational Report.

If you have feedback on the Healthcare Snapshot report or want to suggest topics please email media@hcf.com.au