Palliative Care Australia

Submission to:

SENATE COMMUNITY AFFAIRS COMMITTEE

PRIVATE HEALTH INSURANCE BILL 2006 [PROVISIONS] AND RELATED BILLS

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EXECUTIVE SUMMARY

Palliative Care Australia (PCA) welcomes the opportunity to provide a submission to the Senate Community Affairs Committee on the Private Health Insurance Bill 2006 [provisions] and related Bills.

Palliative Care Australia supports the intention of this Bill to broaden the scope of private health insurance cover, particularly to allow for more flexible products to cover services that do not require admission to hospital but which may be a part of an episode of hospital care, substitute for hospital care, or prevent hospitalisation.

People who are dying predominantly choose a home based care setting, this includes people dying from a diagnosed illness as well as the elderly. In order to prevent hospitalisation and maximise care outcomes, a level of home care support is required – in palliative care this is typically provided by a multidisciplinary team.

Palliative Care Australia sees potential for home based palliative care services to be provided as part of standard comprehensive private health insurance policies on the basis that appropriate home care can substitute for hospital care and prevent hospitalisation. Appropriate home care can improve patient outcomes and actively reduce the potential for readmission to hospital for acute episodes and subsequent duration of stay. It also ensures that patients who have private health insurance have choice in their care options.

However, PCA is concerned there is no mechanism for a formal evaluation and endorsement process for proposals. Such a process would provide some impetus for private health insurance companies to seriously consider offering broader services. Palliative Care Australia is also concerned that services be provided on an equitable basis to private health insurance policy holders – regardless of location or diagnosis. All private health insurance policy holders are entitled to a real choice in care options.

The provision of appropriate home based palliative care services in private health insurance policies is particularly relevant given the rapidly ageing Australian population and the lack of infrastructure in the publicly funded system to provide appropriate care. Patients who are unable to receive appropriate home care will increasingly be hospitalised. Services funded by private health insurance have an important role to play in relieving some of the pressure on the public system and in enhancing the value and attractiveness of private health insurance policies.

1 - PALLIATIVE CARE – AN OVERVIEW

1.1 WHAT IS PALLIATIVE CARE?

Palliative care is provided to people with an active, progressive and advanced disease or illness, for whom there is little or no prospect of cure. Palliative care is holistic care, focussing on quality of life and helping people live well. Palliative care addresses the physical needs of the patient, including prevention and relief of suffering by means of early identification and assessment of pain and other problems. As a holistic approach, it also addresses the emotional, social, cultural and spiritual needs of the patient, as well as those of their family and carers. These principles of care apply equally to the elderly.[1]

Palliative care is delivered by a multidisciplinary team which may include: doctors (specialists and GPs), nurses, physiotherapists, occupational therapists, dieticians, social workers, counsellors, chaplains and volunteers.

Palliative care affirms life and regards dying as a normal process. Palliative care is intended neither to hasten, nor postpone death. Rather, it is an integration of the physical, emotional and social aspects of care and offers a support system to help patients live as actively as possible until death. Importantly, palliative care offers a vital support system to help the family cope during the patient's illness and in their own bereavement.

1.2 WHERE IS PALLIATIVE CARE DELIVERED?

Palliative care can be delivered in a hospital, specialist palliative care centre, residential aged care facility, or in the home. Approximately one third of all patients receiving palliative care die at home, and up to 90 percent of terminally ill patients spend the majority of their final year of life in the home.[2] People who are being cared for in the home require support in order to minimise hospital readmission and maximise care outcomes. One major factor causing unwanted hospital admission is insufficient coordination of, or support by, healthcare services to maintain home care.[3]

This submission focuses on the delivery of palliative care services in the home and proposes a model whereby privately insured patients who are cared for in the home can be supported with services funded by health insurance funds.

1.3 PALLIATIVE CARE IN THE HOME

Living and dying in the home is widely acknowledged as a desirable alternative to inpatient care for many people. Dying in the home can provide both quality of life from the patient's perspective and efficient use of resources from the perspective of the health care system.[4] Home care is not a viable option unless patients and their carers are supported by services. Without this support, patients are increasingly admitted to hospital for control of difficult symptoms or because families and carers can no longer cope with care responsibilities. This places an extra burden on the health system.

The demand for palliative care services within the home has increased due to reduced availability of hospital and hospice beds, a desire for less institutionalised care and an ageing population base where the morbidity and mortality associated with illnesses such as cardiovascular disease, cancer and respiratory disease increases with age.[5]

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[1] Palliative Care Australia has undertaken a large project to introduce the *Guidelines for a Palliative Approach in Residential Aged Care*, encouraging aged care homes to provide appropriate holistic care. There is a need for this care to be equally provided to those who are cared for in community settings.

[2] Palliative Care Australia . 1999. *State of the Nation 1998 – Report of the National Census of Palliative Care Services*, Canberra.

[3] McNamara, B., Rosenwax, L., D'Arcy Holman, C., Nightingale, E. 2004. *Who receives specialist palliative care in Western Australia – and who misses out*, University of Western Australia, Perth.

[4] Palliative Care Australia. 2005. *A Guide to Palliative Care Service Development: A population based approach*, Canberra.
Chochinov, H.M. & Kristjanson, L. 1998. *Dying to Pay: The cost of end-of-life care*, Journal of Palliative Care, 14:4.

[5] Palliative Care Australia. 2004. *The Social Impact of Caring for Terminally Ill People in Australia*, Canberra.

Palliative care places an emphasis on supporting the care choices made by patients and their families. Studies reveal that between fifty and seventy percent of terminally ill patients prefer to die at home in the comfort of familiar surroundings.[6]

This preference for home care is compatible with the Government's objective to shift health care away from public institutions and into the community. Evidence suggests home based palliative care is more cost effective than hospital based palliative care.[7]

Home based palliative care services are premised on the fact that the needs of most palliative care patients can be met through the primary health care system. In caring for the patient, carers are supported by a multi-disciplinary palliative care team which might include the following professions, accessed on a needs basis:

- medical specialist
- general practitioner
- nurse
- social worker
- bereavement support worker
- pastoral carer
- dietician
- physiotherapist
- occupational therapist
- volunteers.

1.4 CURRENT SERVICE LEVELS

Approximately 77,000 people each year are diagnosed with a terminal illness. In 2005, there were 130,700 deaths registered in Australia. Across Australia, access to home based palliative care services is varied. Often, services are under-resourced and over-stretched with waiting periods for access.[8] In New South Wales alone, one study estimated a 17.3 percent increase in demand for palliative care services between 1998 and 2006, compared to an overall population growth of 7 percent.[9] This scenario is common across jurisdictions.

Without access to suitable home care services, patients and carers may experience difficulties in controlling symptoms and in providing the required level of care, necessitating increased hospitalisation and duration of stay.

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[6] Grande, G.E., Addington-Hall, J.M. & Todd, C.J. 1998. *Place of death and access to home care services*, Social Science Medicine, 47:5, pp. 565-579.

[7] Chochinov, H.M. & Kirstjanson, L.K. 1998. *Dying to pay: the cost of end of life care*, Winnipeg, University of Manitoba, Edith Cowan University, p. 35.

[8] Box, M. 2003. *Palliative Care Policy, Issues and Environment*, Health Issues, No: 77.
Cancer Council of New South Wales. 2006. *There's no place like home: Challenges for palliative care*, October Issues Paper, Sydney.

[9] NSW Department of Health. 2001. *NSW Palliative Care Framework – A guide for the provision of palliative care in NSW*, Sydney.

2 - PRIVATE HEALTH INSURANCE AND PALLIATIVE CARE IN THE HOME

Currently, there are isolated examples where private health insurance companies provide coverage for home based palliative care services. In conjunction with several private health insurance companies, Cabrini Health in Melbourne has provided this service through the Government's *Approved Outreach Services for privately insured patients* program. The Little Company of Mary has a small-scale localised arrangement in South Australia.

That these programs exist indicates private health insurance companies have concluded that funding home based palliative care services improves patient outcomes and consequently prevents costly hospital readmissions and duration of stay.

Building on this existing work, PCA proposes that home based palliative care services be included as a benefit in standard comprehensive private health insurance premiums as such a service would satisfy the criteria of broader health cover which is to include services which:

- are part of an episode of hospital care (where a patient is admitted to hospital for an acute episode and discharged with the support of home based palliative care services)
- substitute for hospitalisation
- prevent hospitalisation.

2.1 INCENTIVE FOR HEALTH INSURANCE FUNDS

The incentive for health insurance funds to cover out of hospital home based palliative care services lies in potential savings resulting from lower readmission rates to hospital and shorter duration of hospital stay. Patients who receive care support in the home are less likely to experience readmission.

Waiting periods for accessing publicly funded home based palliative care services can result in adverse patient episodes and prolonged hospital admission. Immediate access to these services in the home upon discharge significantly improves outcomes.

The knowledge that private health insurance will support people in the home will encourage existing members to retain their health cover and others to take out health cover.

2.3 BENEFIT TO THE PUBLIC SYSTEM

The key benefit of a program of this type for the public system is in reducing the reliance of privately-insured patients on over-stretched publicly funded services – this occurs at the moment due largely to the fact no privately funded service exists in the patient's area.

Potentially, public providers could be contracted by private health insurance companies to expand their current services to care for privately insured patients. This will free up existing services for public patients.

2.4 CONCERNS

Although PCA is supportive of the broader health cover reforms and sees potential for improvements in palliative care coverage, we have two main concerns about the process surrounding these reforms.

As it currently stands, there is no formal mechanism for proposals to be reviewed or endorsed by an independent panel which could subsequently recommend programs to the private health insurance industry, thus giving some impetus to the process. Palliative Care Australia is concerned that there is no proposed process to endorse proposals on the basis of:

- improving patient outcomes
- quality and safety
- cost effectiveness.

Palliative Care Australia is also concerned there will not be equitable access across metropolitan, rural and remote areas of Australia to broader health insurance products, such as home based palliative care services.

2.5 Palliative Care in the Hospital Setting

Furthermore, Palliative Care Australia is concerned about the provisions in some health insurance policies for palliative care inpatient care. Clinicians have expressed concern that certain funds will not provide coverage for inpatient palliative care in the hospital setting under private health insurance policies because palliative care is not recognised. Clinicians circumvent this requirement by admitting patients for acute conditions.

Palliative care is a well defined medical specialty and recognised by the World Health Organisation as a vital part of health care provision. The Australian Government Department of Health and Ageing recognises palliative medicine as a specialty and has granted special access to the MBS and PBS for palliative patients.

It would appear, in the face of this, somewhat incongruous than some health funds continue not to recognise palliative care.

2.5 Summary

Palliative Care Australia is very supportive of the principle of broader health coverage on the basis that privately insured patients who require palliative care are offered "choice" in their care environment and that their choice is supported by appropriate resources. This choice should include home based palliative care services.

Palliative Care Australia would like to see a formal process whereby proposals are independently evaluated by a panel and subsequently considered by private health insurance companies. Palliative Care Australia is also concerned that all Australians with private health insurance have access to the same level of service.

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