Australian Government
Department of Health

National Aged Care Alliance

Modernising Health and Aged Care Payments program

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There is a pressing need for a new payments system

WHAT'S THE NEED?

Each year, the Government makes

600 MILLION PAYMENTS → **$50B** FOR HEALTH, AGED CARE AND VETERANS' HEALTH SERVICES.

THESE PAYMENTS NEED TO BE UNDERPINNED BY MODERN, RELIABLE AND FLEXIBLE TECHNOLOGY.

The Medicare system is over 30 years old. It has over 200 applications and 90 databases and it's no longer fit for purpose.

- Is based on obsolete technology
- Relies on high levels of manual processing
- Is expensive to maintain
- Is rigid – making small changes is time consuming.

Objectives strengthened to give greater prominence to security in the new Digital Payments Platform

The Government will continue to own, operate and deliver Medicare, PBS, aged care and related veterans' payments in the future, and is seeking to implement a new digital payments platform that meets the following objectives:

▶ Supports contemporary, best practice health, aged care and related veterans' payments services now and into the future

▶ Supports a seamless experience for users of government services

▶ Supports the rapid implementation of new programs and policies, including any new, efficient, citizen-centric health and aged care models

▶ Uses innovation to support continuous improvement in claiming and payments services, in line with the Commonwealth's Digital Service Standard

▶ Supports streamlined, high integrity, secure service delivery, minimising manual touch points

▶ Delivers leading practice data capture and analytic capability

▶ Meets all relevant legislative, regulatory and policy requirements, including privacy, cybersecurity and data law, including that it ensures security capabilities are best practice and all security requirements are met, both within and between each service layer

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The Government will modernise the ICT systems supporting health, aged care and related veterans' payments services

	In scope program category	In scope payment examples
Medical	**Core Medicare Benefits Schedule (MBS)**	► MBS item payments
	Repatriation Medical Fee Schedule (DVA)	► Veteran-specific items paid through the MBS
	Ancillary programs delivered through the MBS	► Cleft Lip and Cleft Palate Scheme
	Other medical payments programs with linkages to the MBS	► Practice Incentive Payments ► External Breast Prostheses Reimbursement Program
	Other DVA payment programs	► Rehabilitation Appliances, Community Nursing ► Travel for Treatment
	Insurance support	► Medical Indemnity Support Scheme ► Private Health Insurance Rebate ► Medicare Compensation Recovery Scheme
Pharmaceutical	**Pharmaceutical Benefits Scheme (PBS)**	► PBS item payments ► PBS Safety Net
	Repatriation PBS (DVA)	► Veteran-specific items paid through PBS/RPBS
	Ancillary pharmaceutical payments delivered through PBS/RBPS	► Highly Specialized Drugs Program
Aged Care	**Residential**	► Residential care ► Residential Respite
	Home Care	► Home Care Package
	Other non-grant payments	► Continence Aids Payment Scheme

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User research

Phase 1 user research

How medical specialists and aged care providers engage with health payments, across metro, regional and rural areas in NSW, VIC, WA, TAS, QLD and SA

67 participants took part in in-person, observational and telephone interviews between 4 and 25 Nov 2016

42 Medical specialist organisations

8 Aged care organisations

Phase 2 user research

How health consumers and health providers engage with health payments, across the following user journeys:

Aged Care (home care and residential care)
Simple medical circumstances
Complex medical circumstances (multiple health providers & channels, multiple visits)

We are currently talking to people across the following categories:

Health providers
Allied health
Specialists
GPs
Aged care providers

Health consumers
Pregnancy and birth
Chronic physical conditions
Aging population with multiple health conditions
Aged care (home and residential care)

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What we have heard

"To date we have received over $1.3 million in adjustment payments. This is all revenue that could potentially have been lost if we did not have a dedicated resource […]." - Aged care provider

"I took an excess of 6 weeks, carer's leave, [...] [If I didn't take the leave] I think I'd still be doing it, and I think I'd be needing care myself by now." - Family member of care receiver

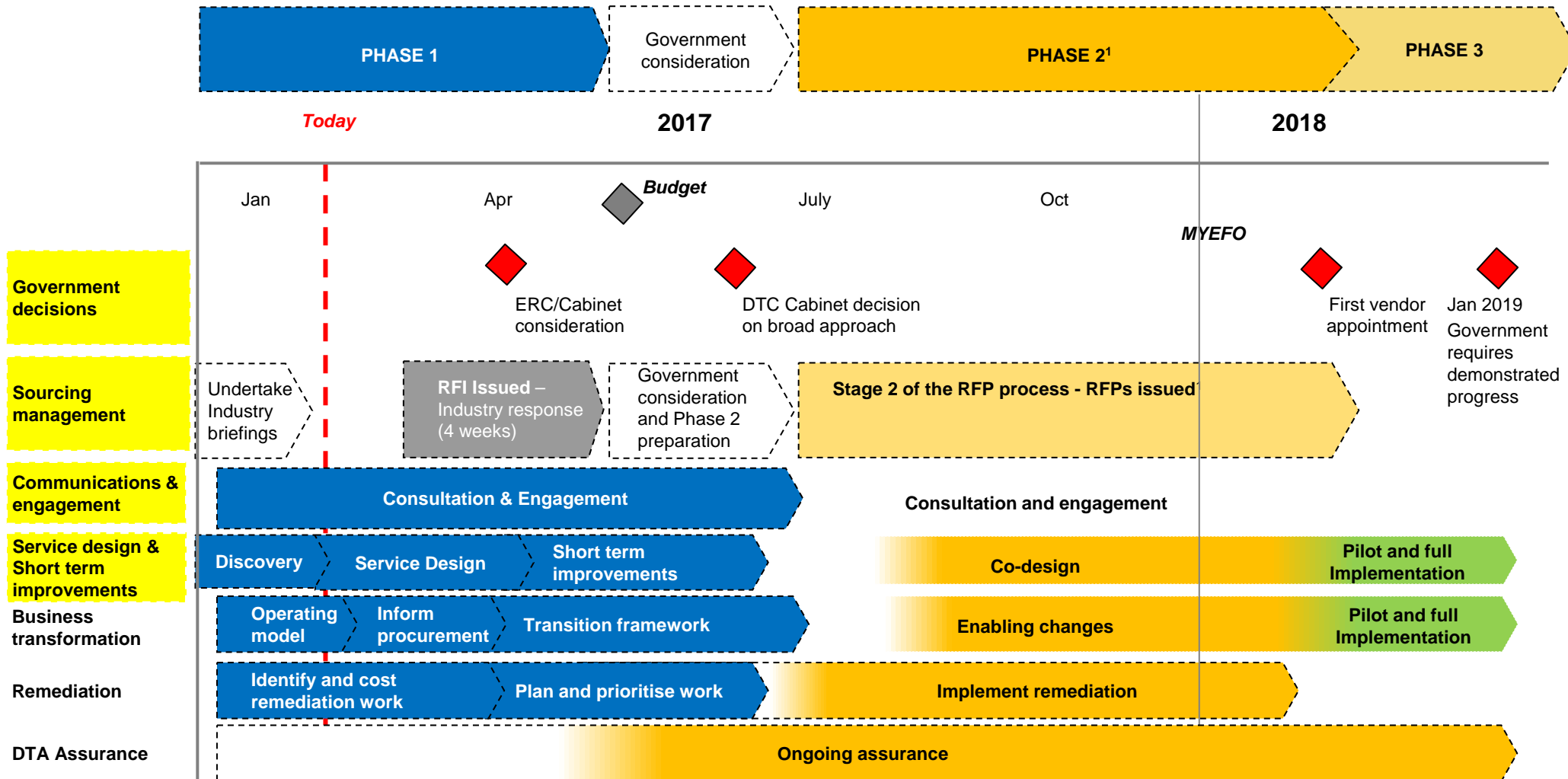"I got a particular claim […] and we're not getting the funding profit. We're still having to provide all these services to these people ... It's stuck in July last year, and Medicare can't resolve the errors on it. So we have 7 months of funding that we haven't received for that claim, and they're being very very slow at resolving it." - Aged care provider

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What we learnt

▶ Providers expend significant time and effort in reconciling their records, re-entering data and re-claiming unprocessed or adjusted payments

▶ Application and assessment processes for aged care services are complex and often require consumers to seek third party guidance

▶ Systems are fragmented, causing double-up of efforts and inconsistent sharing of information

▶ Payments to providers are negatively affected by processing delays, incorrect and late receipt of payment statements, and supplements paid at incorrect rates

▶ Income and assets assessment can be inaccurate and/or delayed, impacting consumer's expected subsidy and fee amount, or ability for provider to recover fees

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Program timelines

| | PHASE 1 | Government consideration | PHASE 2[1] | PHASE 3 |

Today | **2017** | **2018**

Jan | Apr | **Budget** | July | Oct

MYEFO

Government decisions
- ERC/Cabinet consideration
- DTC Cabinet decision on broad approach
- First vendor appointment
- Jan 2019 Government requires demonstrated progress

Sourcing management
- Undertake Industry briefings
- RFI Issued – Industry response (4 weeks)
- Government consideration and Phase 2 preparation
- Stage 2 of the RFP process - RFPs issued[1]

Communications & engagement
- Consultation & Engagement
- Consultation and engagement

Service design & Short term improvements
- Discovery
- Service Design
- Short term improvements
- Co-design
- Pilot and full Implementation

Business transformation
- Operating model
- Inform procurement
- Transition framework
- Enabling changes
- Pilot and full Implementation

Remediation
- Identify and cost remediation work
- Plan and prioritise work
- Implement remediation

DTA Assurance
- Ongoing assurance

1 To be informed by the RFI responses received and government considerations in the preceding weeks

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Future opportunities for co-design

Aged care service providers will have multiple opportunities to help shape the design, e.g. by:

- Participating in user research conducted for the program

- Ongoing interaction between aged care representatives and providers and the departmental policy team to make sure the new system meets the aged care industry's needs and implementation is smooth.

- Email: MACPenquiries@health.gov.au

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Questions ?