

Integration of care after the 2005 health reform

Country: Austria

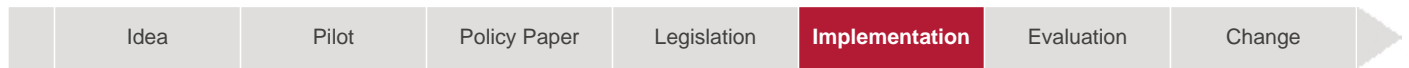
Partner Institute: Institute for Advanced Studies (IHS), Vienna

Survey no: (7)2006

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Health Policy Issues: System Organisation/ Integration, Funding / Pooling, Quality Improvement

Current Process Stages

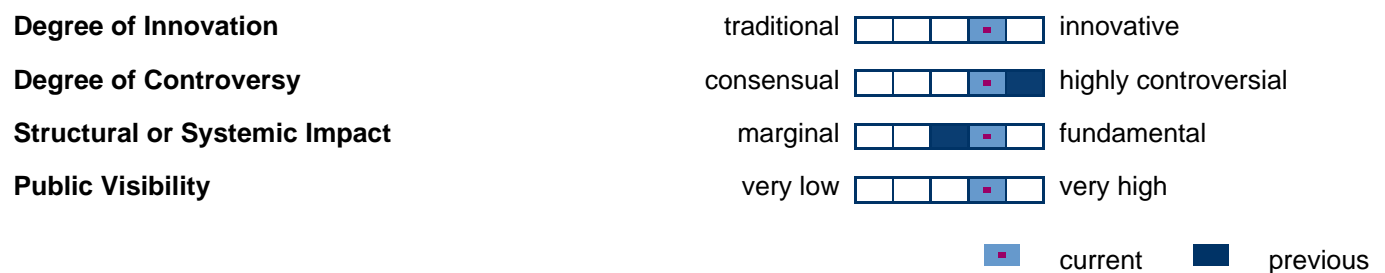


1. Abstract

Based on stipulations in the 2005 Austrian health reform bill, nine State Health Agencies and its health platforms (one in each federal state, i.e. "Land") were constituted in 2006. One goal is to overcome the separation of the several health sectors and to reach better coordination in planning, controlling and financing of the entire health system. Funds will be earmarked ("reform pool") to compensate shifts in service provision between health care settings while the quality is maintained.

2. Recent developments

3. Characteristics of this policy



Through the development of decentralized cooperation areas ("reform pools") and via the Quality Act (see Survey (6)2005), the Health Reform 2005 has for the first time created the organizational prerequisites for an interface between outpatient and inpatient care provision on the regional level. If it is implemented as planned, however, the room for manoeuvre of the regional bodies with regard to the vertically defined scope and the quality of care provision will become smaller. On the other hand, the Länder will gain more horizontal autonomy, because structures have been created in the form of the Health Platforms which make it possible to coordinate the supply chain within a region as well as to enter into supraregional cooperation schemes. The privatization of hospital operations carried out in almost all the Länder can also contribute to this, because the hospital operating companies will, within the framework of their contractual tasks, look for possibilities to not only implement the Länder' mandate to provide health care, but also to realize specialization and take advantage of cost-containing supraregional cooperation opportunities if they

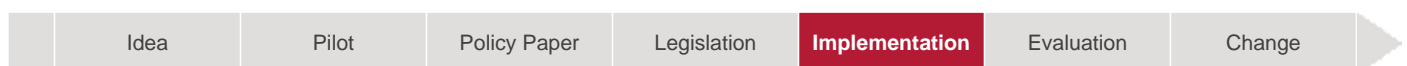
arise. The increasing integration of care provision was one of main objectives of the Health Reform 2005.

The Austrian Structural Plan for Health (ÖSG) is designed to help achieve this. The methodological approach to this is service provision planning. This represents a further step in the implementation of specifications for service amounts (at all supply levels) in order to provide fair access to care, but also to ensure the efficient provision of effective services. However, the specific details are still being negotiated with the regional authorities in their role as the owners of hospitals.

Even though negotiations were planned to be finalized by the end of 2005 an agreement between the Laender and federal government is still pending. This is likely to remain until the election which will take place in fall 2006. Only if agreements on this planning instrument will be achieved it will be possible to say whether the ÖSG will be implemented by the regional authorities as foreseen by the federal government. Implementation would imply that over-provision or shortages of supply and thus inefficiency of allocation would be mitigated and eliminated in the medium term.

The cooperation instrument "reform pool" is designed to promote efficient allocation - the use of funding - where it is most useful, and provides stakeholders with the opportunity to compensate for shifts in services which arise, for example because of the reduction of inpatient capacities. How and whether cooperation between financing agents and providers within the Health Platforms will take place is too early to appraise. Even though Länder seem to be committed to create "reform pools" most ideas about projects are ambiguous, not yet concrete enough and only loosely address the main goal of this reform - to facilitate the shift of service provision from inpatient care to the ambulatory care sector or vice versa. It is not unlikely that shifts of service provision from ambulatory care to inpatient care may occur. While documentation in inpatient care - based on international classification of disease and diagnosis related groups - is highly developed, coding of procedures in ambulatory care lacks behind making it difficult to effectively document service provision. This lack of accurate information about the scope and quality of service provision in ambulatory care may rather favor a shift of services to inpatient care. In addition hospital capacities are high by international standards and the current hospital payment scheme creates an incentive to employ full capacity. This may trigger resource use in hospitals rather than in ambulatory care and promote service shifts to hospitals. A balanced division of service provision between inpatient care and ambulatory care may only occur if the health sector master plan (ÖSG) is implemented and capacities are right-sized based on current and future estimation of care needs in hospital facilities.

4. Purpose and process analysis



Stakeholder positions

Government: By creating the new State Health Agencies and its health platforms, the Austrian Minister of Health and Women from the the center-right Austrian People's Party (ÖVP) wants to navigate the provision of health services to the most efficient sector.

Medical association: The president of the Austrian medical association warns that the sickness funds and the

hospitals follow massive "dumping strategies". For example the president referred to the negotiations for the new colonoscopy service in context of the preventive medical checkup (see Survey (6)2005). The medical association was not ready to accept the tariffs of the social health insurance. As a consequence the sickness funds made offers to hospitals. Hospital marginal costs are lower as they have already capacities that they want to utilize. The president criticised that the hospitals may have the equipment but not the personnel to handle.

Concerning the reform pool projects, the medical association pushed projects for financing teaching practices and the formation of group practices for general practitioners and specialists. Such practices should be the first contact point outside normal opening times to disburden more expensive ambulances in hospitals.

The president of the Tyrolian medical association embraced commitments for an increased outsourcing to physicians in practices, but he is still missing next steps, e.g. the resolution of laws which allow for new forms of co-operation and teamwork among physicians (physician Ltds), the financing of stand-by duties and the expansion of extramural long-term care. The Tyrolian president also criticised the dominance of representatives of the Land, social health insurance and hospitals in the health platforms and that there is currently only one representative of the medical association and hopefully one patient representative who may follow interests of practising physicians.

Sickness fund of Lower Austria: The general director of the Lower Austrian sickness fund embraced the new health platforms. The sickness fund wants to think about new forms of cooperation, where physicians in their practices benefit too. One reform pool project the general director wants to see realised is a disease management program already elaborated by the social health insurance concerning diabetes type 2.

Sickness fund of Tyrol: The Tyrolian sickness fund expects that due to the new organisation structure it can be proved that practising physicians work at least with the same quality but more cost-efficiently than outpatient units in hospitals. Further, representatives of the Tyrolian sickness fund are of the opinion that the success of the reform depends on the reform pool projects which have to be decided in a consensual way and on the condition that savings remain in the system. Another important subject for them is the opening of hospitals for practising physicians so that magnetic resonance tomographs (MRIs) or operating rooms can be used.

"Länder": One member of the Austrian People's Party (ÖVP) of the Tyrolian government underlined that the new health platforms would become the central decision-making body concerning health policy. She pointed out the saving potential of avoiding double checkups (extramural checkups are in most cases not accepted in hospitals and have to be done again in the hospitals). This statement was criticised by the health speaker of the Greens, who published numbers of the potential savings of double checkups for Tyrol and pointed out that those savings were only in the order 0,06 percent of the total regional public expenditure on inpatient and ambulatory care.

One representative of the Austrian People's Party (ÖVP) and member of the Viennese government criticises that the health platform in Vienna consists of too many political representatives and no representatives of pharmacies, long-term care and private hospitals. The Greens and the Austrian right wing party (FPÖ) in Vienna embraced that all political colours are represented in the Viennese health platform. But the Greens also criticised that there are no long-term care representatives. They suggested to develop reform pool projects to increase the life expectancy in certain Viennese districts.

Influences in policy making and legislation

The legislation of State Health Agencies was set in the health reform act in 2005. State Health Agencies had to be established in each land by the 1st of January 2006 the latest. In 2005 the nine Austrian Länder amended their "Länder" laws to permit for the creation of health platforms. The first constitution of the State Health Agencies and its health platforms as supreme body took place at the beginning of 2006.

Legislative outcome

Adoption and implementation

In 2005 the nine Austrian Länder amended their "Länder" laws to permit for the creation of the health platforms. The first constitutions of the state health agencies and its health platforms as supreme body took place at the beginning of 2006 in health platforms. The final constitutive meeting took place in Vorarlberg on the 7th of April.

The implementation of each health platform differs in the nine Länder. The **Tyrolian health platform** e.g. consists of only 13 members (minimum number), whereas in health platforms in **Vienna** (29) and **Upper Austria** (28) the number of members doubles. It is remarkable that the health platform in Vienna is the only one which has representatives of political parties (14) in it. The health platform in Upper Austria decided to do temporarily without platform office. On the other hand Tyrol and **Styria** appointed two directors, one is a representative of the Land and the other of the social health insurance.

All platforms have in common equal numbers of representatives of the Land and the social health insurance. Some platforms also have at least one representative of the chamber of pharmacists, the Austrian bishop conference, state civil servants or experts in long-term care.

In its first meeting the health platform in **Lower Austria** decided on concrete "reform pool projects" for the region of the "Waldviertel", e.g. discharge management, diabetes management and integrated palliative care. However, no further details about these projects are yet available.

The health platform in **Salzburg** presented a list of tendered projects in the areas patient-oriented provision, interface management, medical technologies, integrated provision and other projects. At the present time it has not been decided which projects will definitely be realised.

The Tyrolian health platform plans activities for reform pool projects concerning mammography screening, stroke and palliative medicine.

Due to the recent creation of the other health platforms there is no information on concrete reform pool projects available. But in the next weeks most health platforms will confer about projects.

In June 2006 the 8th congress of the Institute for International Research (IIR) for health care will take place in Vienna (www.iir.at/conference.cfm?EventID=K3050). Several representatives of the nine health platforms are invited to this congress and will present recent developments in their platforms.

Monitoring and evaluation

The current agreement between financing agents and the general government on hospital financing which is valid for the period 2005 to 2008 foresees an evaluation of cost containment measures. In concurrent legislation regarding fiscal equilization it is envisaged that the health reform 2005 and in particular reform pool project will help to contain costs in the order of 300 million Euro per year. This will be subject to evaluations.

5. Expected outcome

- The increased cooperation between inpatient and ambulatory health sector should avoid e.g. double procedures and treatments for the same disease patterns.
- It is expected that health platforms enhance and strengthen cooperation, the information flow and the coordination of planning. This may have positive effects on patient care. For instance, opening hours of medical practices and hospitals may be better coordinated.
- The elimination of inefficiencies will have positive effects on the financial sustainability of the health care system.
- Further it is expected that due to new accounting methods, administrative expenses between health insurance funds and practising physicians may be reduced.

Quality of Health Care Services

marginal  fundamental

Level of Equity

system less equitable  system more equitable

Cost Efficiency

very low  very high

 current  previous

This rating is based on our current understanding of means possibly allocated to "reform pools" (1 percent or about 150 million Euros in 2006) and on current information available about concrete projects to achieve the goals of improving interface management.

We believe that for the time being the level of quality will remain unchanged. Only if the ÖSG is implemented and if provisions from the federal government on quality measures are implemented on the regional level quality of care may be enhanced.

Currently it is not expected that the level of equity will change unless "reform pool" projects are explicitly targeted to improve access and utilisation of vulnerable groups and again unless the ÖSG is implemented which will promote equity.

Cost efficiency is likely to increase if reform pool projects are designed to channel money to the best use and if means for these projects gradually increase. But it is too early to say if this really will happen. And it will be far from obvious if an overall assessment of cost saving is possible given that the structure of health platforms seem to vary widely across Länder. However, the fact that the main financing agents are forced to discuss problems of regional service provision may have an efficiency enhancing impact.

6. References

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Suggested citation for this online article

Maria M. Hofmarcher, Gerald Röhrling; review: Andreas Birner OEBIG, Gerhard Fueoep OEBIG: "Integration of care after the 2005 health reform". Health Policy Monitor, April 2006. Available at

http://www.hpm.org/en/Downloads/Half-Yearly_Reports.html