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Dr Eddie Price and eHealthier had not seen the Consultation Paper until it had closed. Nevertheless, we are very keen to provide this submission to the Independent Hospital Pricing Authority (IHPA) on this consultative paper. Dr Eddie Price has been an advocate for the introduction of PROMs or Value Based Healthcare now for some 46 years. Our organisation is in the process of implementing PROMs in clinical and hospital practice via a digital platform that enables patients under the direction of their providers to have their voice and answer PROMs and this, in our opinion, will have a substantial effect on the efficiency and effectiveness of the Australian healthcare system. To the extent that the "wide" introduction of such new data sets we believe will reduce the costs of the healthcare budget by 8% over the next 10 years.

In response to your paper, we wish to respond to several of your questions and these are outlined as follows:

1. From page 5, Does the proposed addition to the pricing guidelines appropriately capture the need for pricing models to support value in hospital and health services?
2. What initiatives are currently under way to collect PROMs and how are they being collated? (page 24).
3. Should a national PROMs collection be considered as part of national data sets? (Page 24)
4. Are there any additional alternative funding models (IHPA should explore) in the context of Australia's existing NHRA and ABF framework? Page 32.
5. Is IHPA's funding approach to HACs improving safety and quality, for example through changing clinician behaviour and providing opportunities for effective benchmarking? Page 36.
6. Finally, what should IHPA consider to configure software for the Australian context that can identify potentially avoidable hospital re-admissions? Page 38.

Responses to these six questions of yours are as follows:

1. **Does the proposed addition to the pricing guidelines appropriately capture the need for pricing models to support value in hospital and health services?**
   At this stage, they do not ideally support the need to add value in hospital and health services. This is best supported by the clinicians that is specialists and primary healthcare physicians being the people who assign the PROM as they are part of the system that sets up a hierarchy going from the particular clinician or specialist in a hospital to their ward, then their department, then the hospital as a whole, the hospital and into the LHDs, which in turn would add up into the State.

The episodes of care can be seen and the health gain achieved can be therefore measured particularly using generic PROMs and we would recommend at this stage the PROMIS Global 10. Note, this system of PROMs has been utilised across the NHS in the UK for almost now 10 years for four operations: hernia, varicose veins, total knee replacement and total hip replacement, and please see their PROMs report on this issue. This has proved effective in encouraging less-effective and efficient hospitals to improve their performance and this can be replicated and improved in the Australian hospital system and on this issue we would be keen to discuss options with you.

2. What initiatives are currently under way to collect PROMs and how are they being collated?

eHealthier is in the development stage of a PROMs platform that is highly configurable. Initially it would collect PROMs from GPs via the Primary Health Networks with their approval and this, in that current system, would automatically in real time be collated to different stakeholders provided permission and consent is achieved from the patient's GPs and practices. This has the potential to collate aggregate PROMs information in real time.

3. Should a national PROMs collection be considered as part of national data sets?

This is most important and a PROMs collection particularly of generic PROMs would be a catalyst for cultural change. eHealthier has developed our Value-Based Healthcare Population Survey tool which is set out so that with minimal outlays, population scores can be achieved and be the centrepiece of an Australian data set that measures the following parameters:

A physical health score, a mental health score, a social health score, the prevalence of various risk factor scores and a score for people's confidence that in times of illness care and comfort would be available. This data set has huge potential to alter the culture and thereafter has the potential to be available at the levels of LHDs, PHNs, States and Australia as a whole.

4. Are there any additional alternative funding models (IHPA should explore) in the context of Australia's existing NHRA and ABF framework?

There are additional funding models available and the initiative by the Commonwealth Government to introduce a PIP QI that for the first time would measure risk factors and protective factors in percentages of the population by GPs can be seen as an exemplar how a system that rewards value and continuous quality improvement can be utilised. Thereafter this model can be used for the introduction of a variety of PROMs. eHealthier suggests that this initiative be supported to utilise the Population Preventive PROM and the Population Protective PROM that eHealthier has developed.

5. Is IHPA's funding approach to HACs improving safety and quality, for example through changing clinician behaviour and providing opportunities for effective benchmarking?

I, Dr Eddie Price, did make an unsolicited submission on how clinicians' behaviour could be changed by effectively using generic PROMs in the hospital situation and this was presented to the Australian Quality and Safety Commission in 2006 or thereabouts. This utilises "Behavioural Insights" combined with "generic PROMs" to motivate clinicians to change behaviours in order to reduce HACs and would be a very effective methodology to assist the reduction in HACs. This exerts peer pressure on the clinicians and making them responsible and accountable for the first time for health gain in terms of improved functional health status as a result of their hospital clinical activities.

6. What should IHPA consider to configure software for the Australian context that can identify potentially avoidable hospital re-admissions?

Over the years, the use of generic PROMs initially the SF-36, then the SF-12, followed by the PROMIS Global 10, have demonstrated that members of the population with the lower band scores note particularly for physical health, where the population norm is 50. Those scoring anywhere between 0 and 35 are the ones who are at risk of hospital admissions and re-admissions that are preventable. The use of this generic PROM, particularly for physical health and mental health has been shown to be the best risk stratification methodology for assessing risk of hospital admissions and graphs or bar charts have been published indicating the percentage of risk of hospitalisation in the next six months. So, in this methodology, also the use of PROMs can facilitate and assist in avoiding repeated hospital admissions.

Multiple graphs and articles are available to demonstrate these assertions.

Thank you for looking and accepting our submission. I apologise for our late submission but look forward to an opportunity to talk to you to demonstrate our value-based healthcare and

PROMs can significantly improve the effectiveness and efficiency of Australian healthcare and the IHPA would need to play and integral role in this achievement.

Yours faithfully

Dr E D Price