

Practical innovation:

Opportunities and challenges - Closing the social infrastructure gap in health and ageing

July 2018



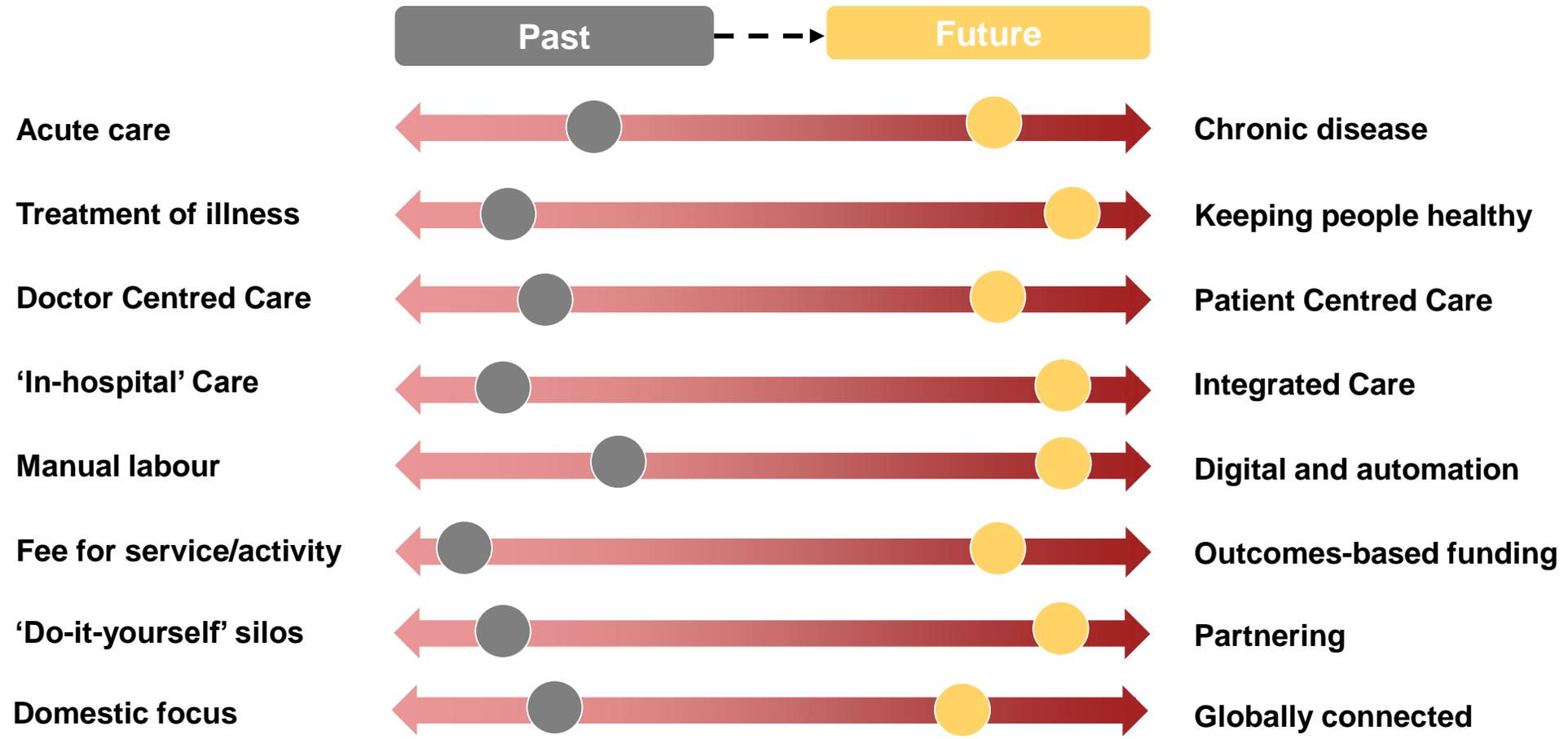
Globally, healthcare systems face similar challenges



Challenges In Developed Markets

Challenges In Developing Markets

The Future of Health will look very different to today



One particular area of focus is an ageing population – PwC led a report to understand the challenges and opportunities in Australia

Develop a thought leadership report that



Maps out some critical components of Australia's current social infrastructure in health and ageing



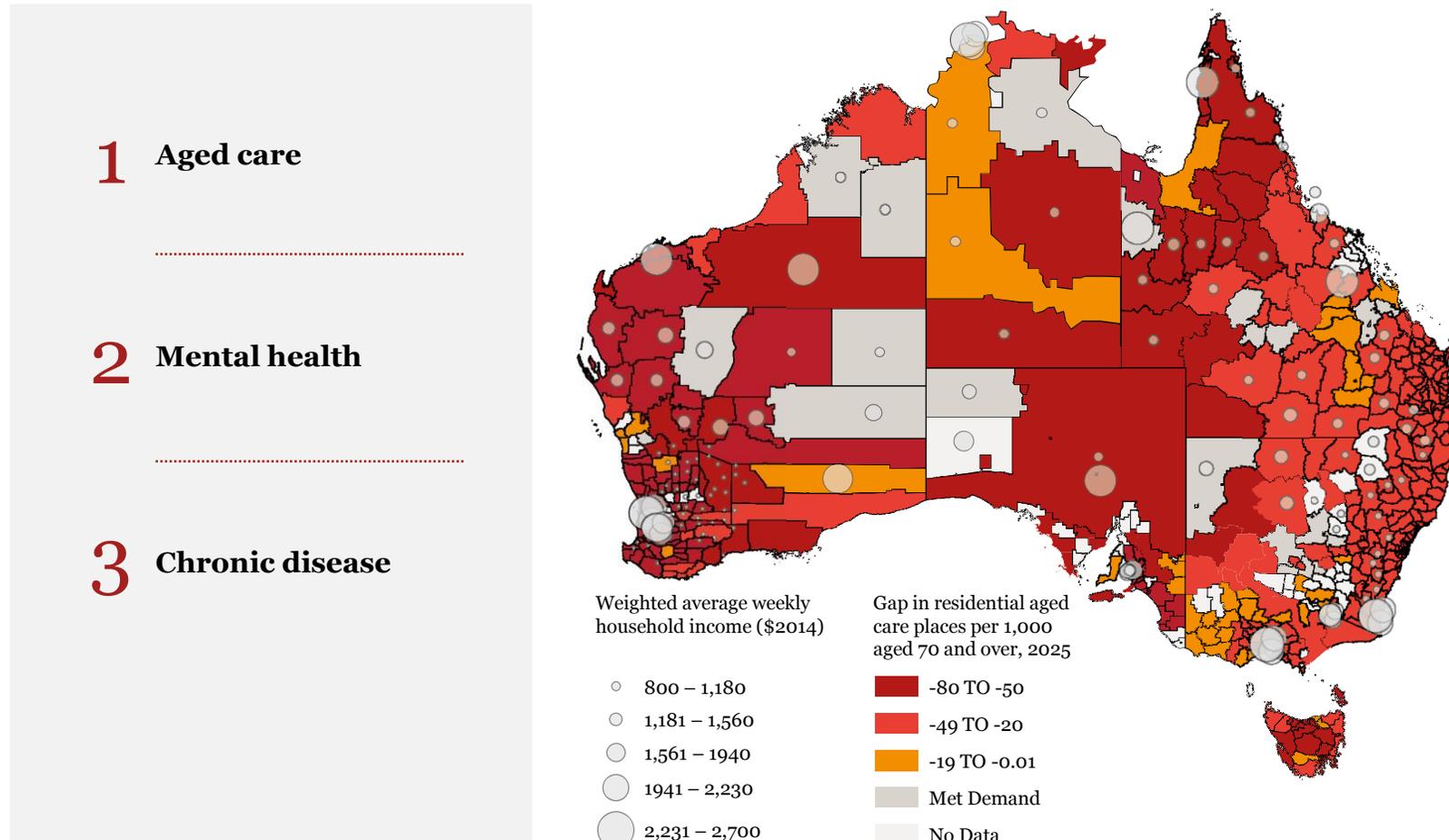
Projects future social infrastructure needs to 2025 & 2040



Identifies gaps, challenges and ***opportunities for action***

We projected future demand across 3 key areas: aged care, mental health and chronic disease

Projected gaps in residential aged care places, 2025



We have a big gap in social infrastructure gap to meet the future needs of the population in Australia



Over **5 million**
people aged **70+**

Over **4.6 million**
people with circulatory
system diseases



Over **2.6 million**
people with high or very
high anxiety or distress



\$57 billion in
capital costs for
aged care and
hospitals



\$30 billion
in annual operating
costs for aged care
and hospitals



120,000
nurses (by 2030)



Over **400,000**
aged care workers



**Need a
system
transformation**

There are similar challenges and opportunities in China

China market characteristics

Extreme & fast moving customer diversity



- **Rapidly aging population:** 175M over 65 and 250M over 60. 1 in 4 over 65 by 2050. 90-97% willing to consider senior living e.g. CCRC
- **Increasing prevalence of chronic diseases** – over 2.8M cancer deaths in 2015, 100M+ cases of diabetes
- **Increasing urbanisation and lifestyle changes** – 300+ cities with populations greater than 1M and ~25% of the population as smokers
- Emergence of “**mass**” and “**high end**” markets

Unique market structure & continued growth



- **Rapid market growth** expected to double by 2022
- **Hospital centric market** – with limited primary care
- **Capacity constraints** limiting access to quality care
- **Significant gaps in workforce capability**
- **High out-of-pocket spending** – universal but only basic public insurance, private insurance emerging
- **Disruption from digital**

Complex government & regulatory environment



- **Market open for FDI** with government encouraging of investment
- **Healthcare reform** focus on tiered medical system
- **Government complexities:** multiple layers and central/provincial differences
- **Focus on compliance and transparency** – active anti-corruption campaign
- **IP and legal** not yet well established with continued challenges

What would the future look like if we Reimagine Healthcare?



Consumer empowerment



Digital and Analytics



Keeping people healthy



Workforce of the Future



Right care, place and time



Outcomes-based funding



Collaboration

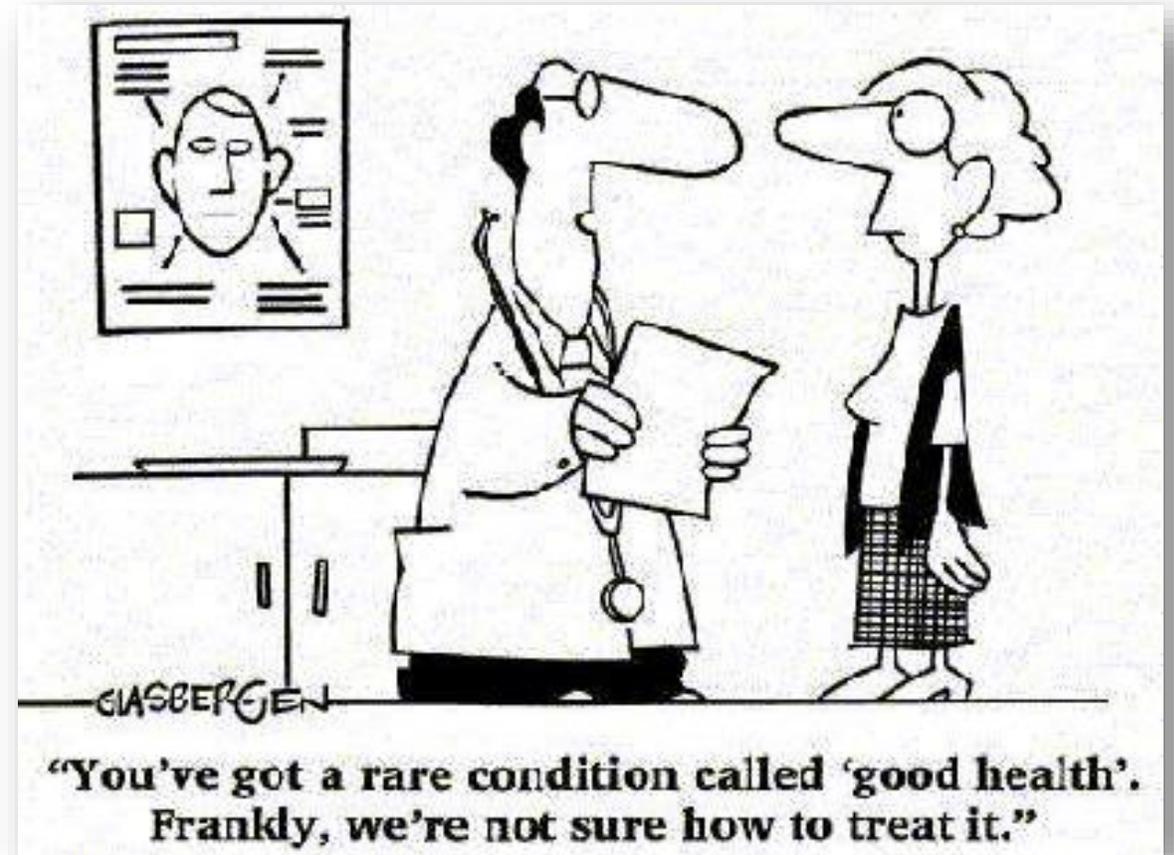
The big shift – illness to wellbeing

Wellbeing focus for everyone



Targeted support for higher needs

Optimise effective care for acute needs



Such a transformation can't happen overnight

Medical-model
 Building-hospitals
 Activity-funded
 Episodic
 Fragmented
 Hard-Acute
 Infrastructure-based focus
 Inertia
 Reactive
 One size fits all
 System driven

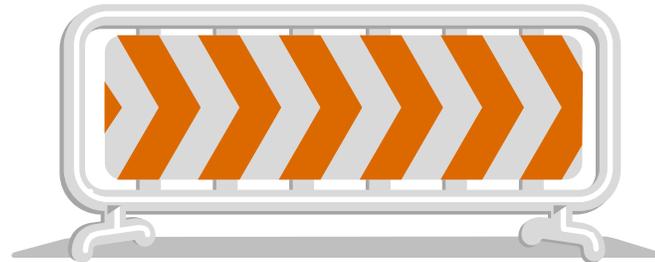
Happening alongside:

- Demographic shifts
- Pivoting economy
- Technological change

Integrated
 Reduce risk Hospital avoidance
 Early intervention
 Outcomes focused Social care
 Proactive
 Person centred
 Preventive
 Health and wellbeing
 Community based Risk identification
 Social wellbeing model
 Whole person view
 Outcomes focused
 Care coordination

Political 

Funding and incentives 



Medical model and inertia 

Quality information 

Working together we can address the challenges and innovate...

Need a way to:



Overcome the usual barriers and existing restrictions



Develop the best models based on local needs and the design principles



Share and scale the best ideas



Support local innovation and new partnership/collaborations



An agile way to improve that isn't starting from scratch and leverages new technology



Mechanism to support local innovation:



Fund and support local development of co-created solutions



Provide sophisticated knowledge management and support



Provide pool funding to better incentivise collaboration and integrated solutions



Protect trial site from usual barriers



Sit outside health and ageing sectors

... this conference is a great place to start sharing ideas

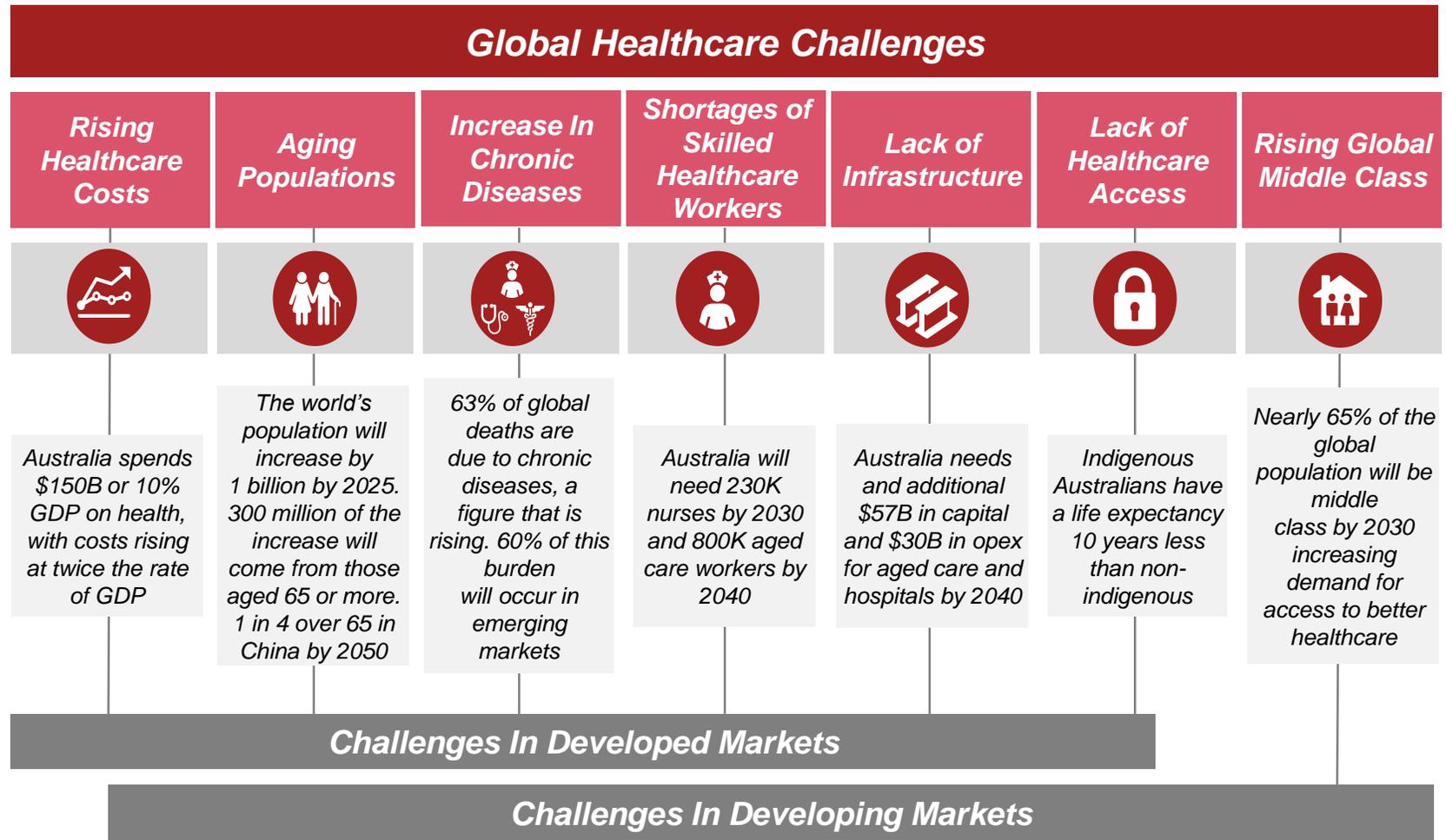
Appendix - Practical innovation:

Closing the social infrastructure gap in health and ageing

February 2018



Globally, healthcare systems face similar challenges



What would the future look like if we Reimagine Healthcare?



Consumer empowerment: Identify and deliver on what consumers value most, putting the “patient at the centre”. Use patient-reported outcomes to measure success and provide greater transparency to support better decisions.



Digital and Analytics: Leverage technology and integrated data to deliver more convenient, affordable and personalised prevention and quality care. Build cyber security capabilities to manage increased risks as we digitise the health system.



Keeping people healthy: Shift focus from treatment of illness to wellness and prevention (including social determinants of health). Increase health literacy and encourage Australians to take greater responsibility for their health.



Workforce of the Future: build new capabilities for the future, e.g. digital and analytics, multi-disciplinary teams, leadership and change management. Consider how AI and robotics can complement human capital.



Right care, place and time: Implement new models of “integrated care” (e.g. prevention and care in the community). Increase quality and eliminate waste. Rethink business models, e.g. products to solutions, experience.



Outcomes-based funding: shift from volume to value to enable prevention, new care models and eliminate cost-shifting. Explore new models to drive innovation, e.g. social benefits bonds, PPPs. Integrate behavioural incentives into insurance.



Collaboration: Public and private, Commonwealth and state, new entrants and established players, even competitors can benefit by partnering to deliver consumer-centred health services.

The big shift – illness to wellbeing

Wellbeing focus for everyone

- Aim to keep people as well as possible for as long as possible
- Community and primary care initiatives designed to support wellbeing, beyond just health
- Prevention and early intervention
- Personal accountability in health and wellbeing

Optimise effective care for acute needs

- Aim to minimise need for care in hospitals/care homes and move people back to targeted support
- Minimise negative impacts or experiences for those with the highest care needs
- Invest in high quality care and support outside of hospitals/care homes
- Informed choice for care options



Targeted support for higher needs

- Aim to keep people out of hospital/care homes and maximise wellbeing
- Targeted response and support based on risks to wellbeing
- Predictive analytics and risk stratification tools to identify those with higher support needs
- Integrated, multidisciplinary teams work WITH people
- Outcomes, experience and preferences are important

Thank you to the Advisory Group for the report



Amanda Hagan

CEO Healthcare & Group
Executive – Digital,
Australian Unity



Rosemary Calder

Director, Australian Health
Policy Collaboration



Amy Brown

Infrastructure Partner, PwC



Su McCluskey

Board Member,
Australian Unity



Rohan Mead

Group Managing Director &
CEO, Australian Unity



Sharon Naismith

Chair in Psychology
University of Sydney



Helen Keleher

Director of Keleher
Consulting (previously ML
Director of Population
Health)



Jane Burns

Professor of Innovation and
Industry, University of
Sydney



Matt Walsh

Group Executive, Corporate
Development (Acting),
Australian Unity



Tara Sklar

Co-Director of Ageing
Programs & Research Fellow
in Health Law, University of
Melbourne