

## ***Practical innovation:***

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

July 2018



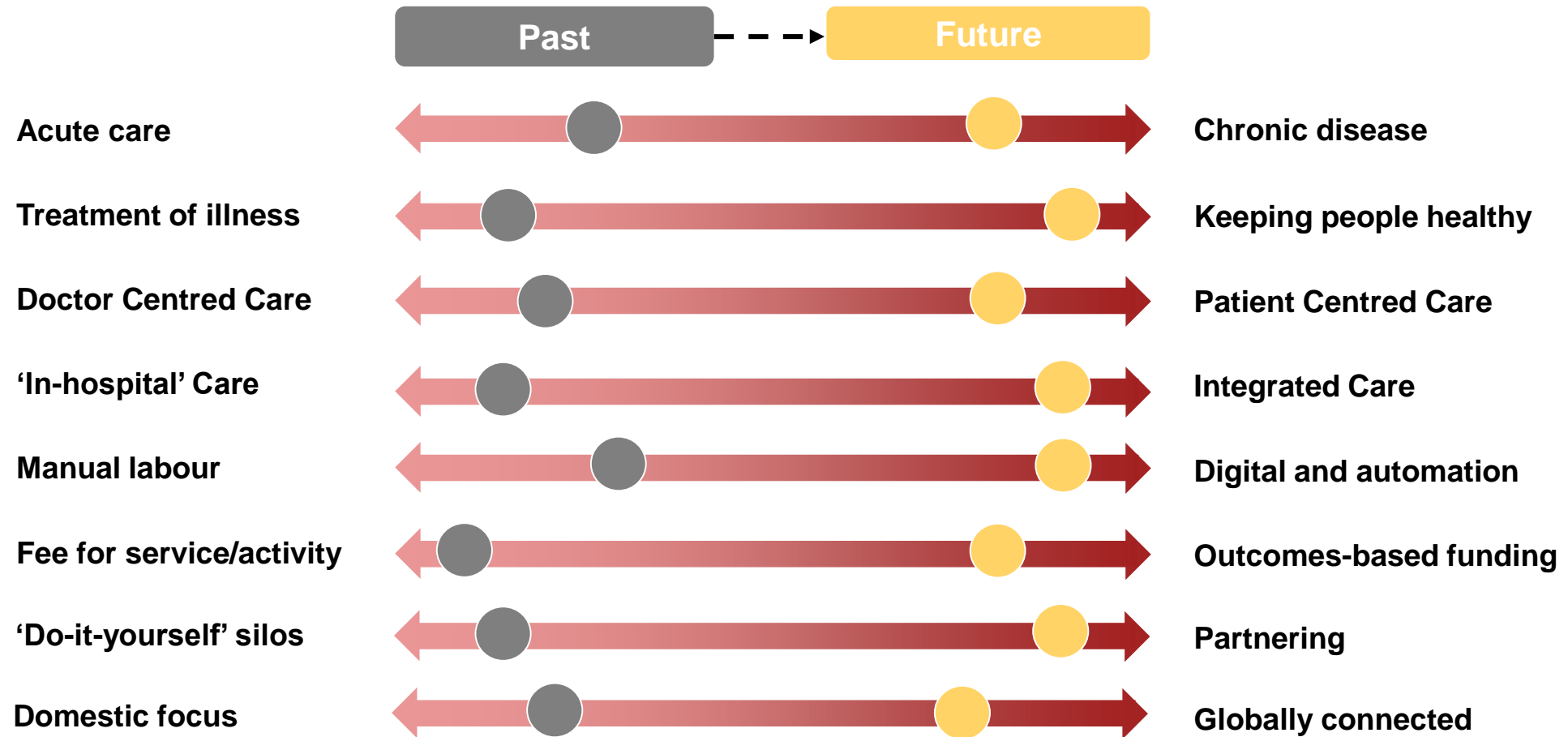
# *Globally, healthcare systems face similar challenges*



*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

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Projects future social infrastructure needs to 2025 & 2040

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

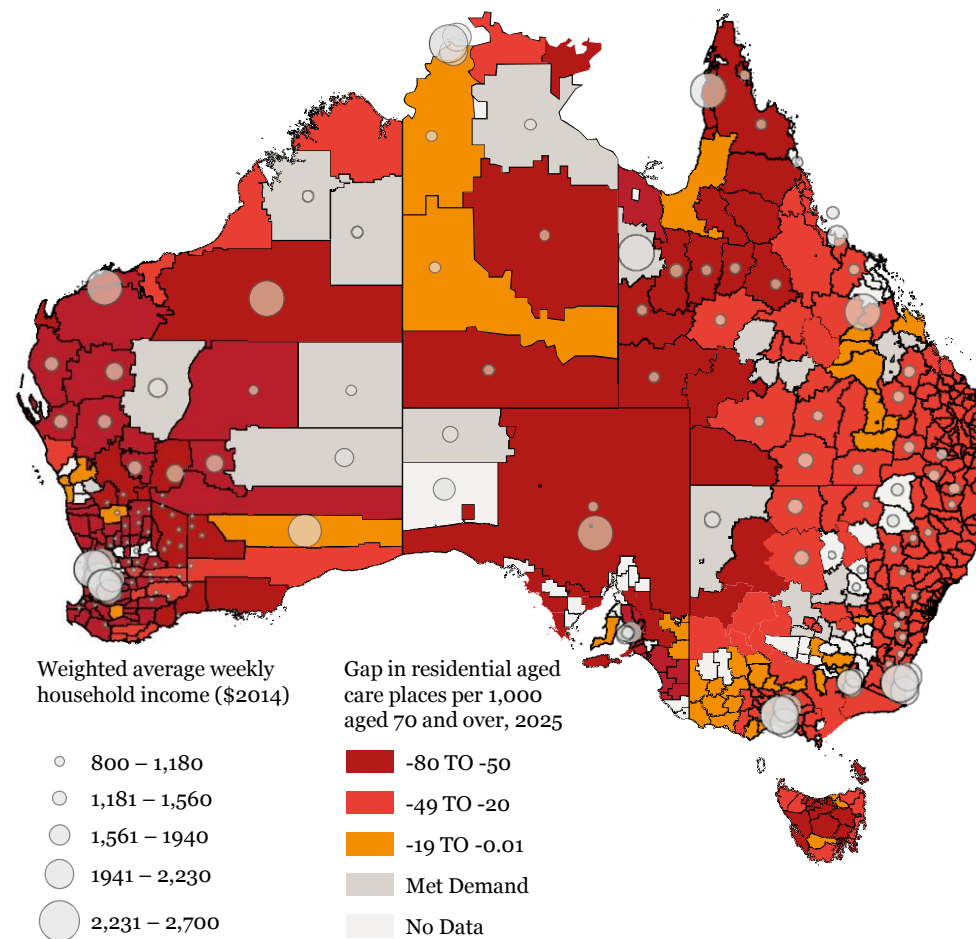
# *We projected future demand across 3 key areas: aged care, mental health and chronic disease*

Projected gaps in residential aged care places, 2025

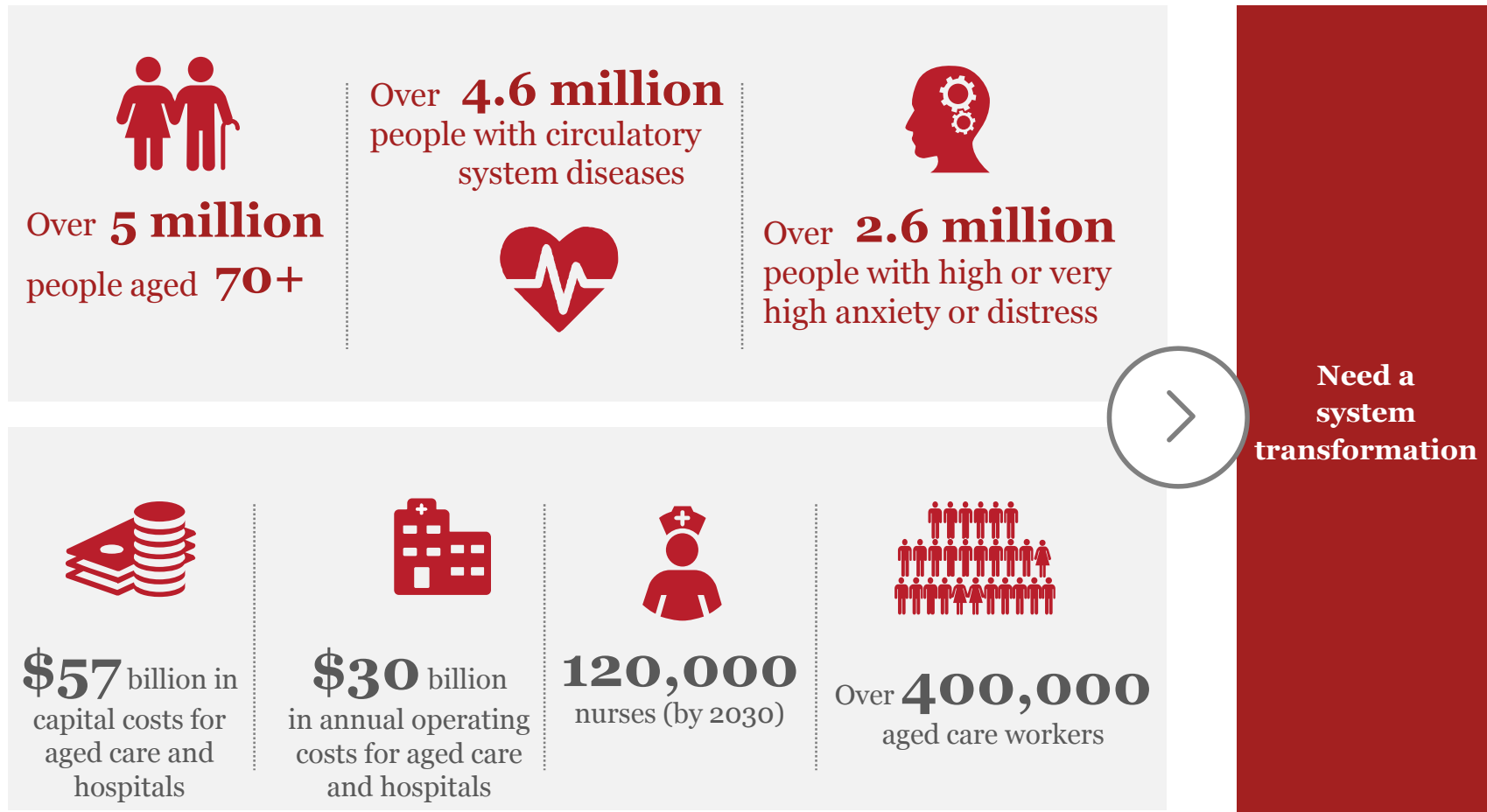
1 Aged care

2 Mental health

3 Chronic disease



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



# *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**



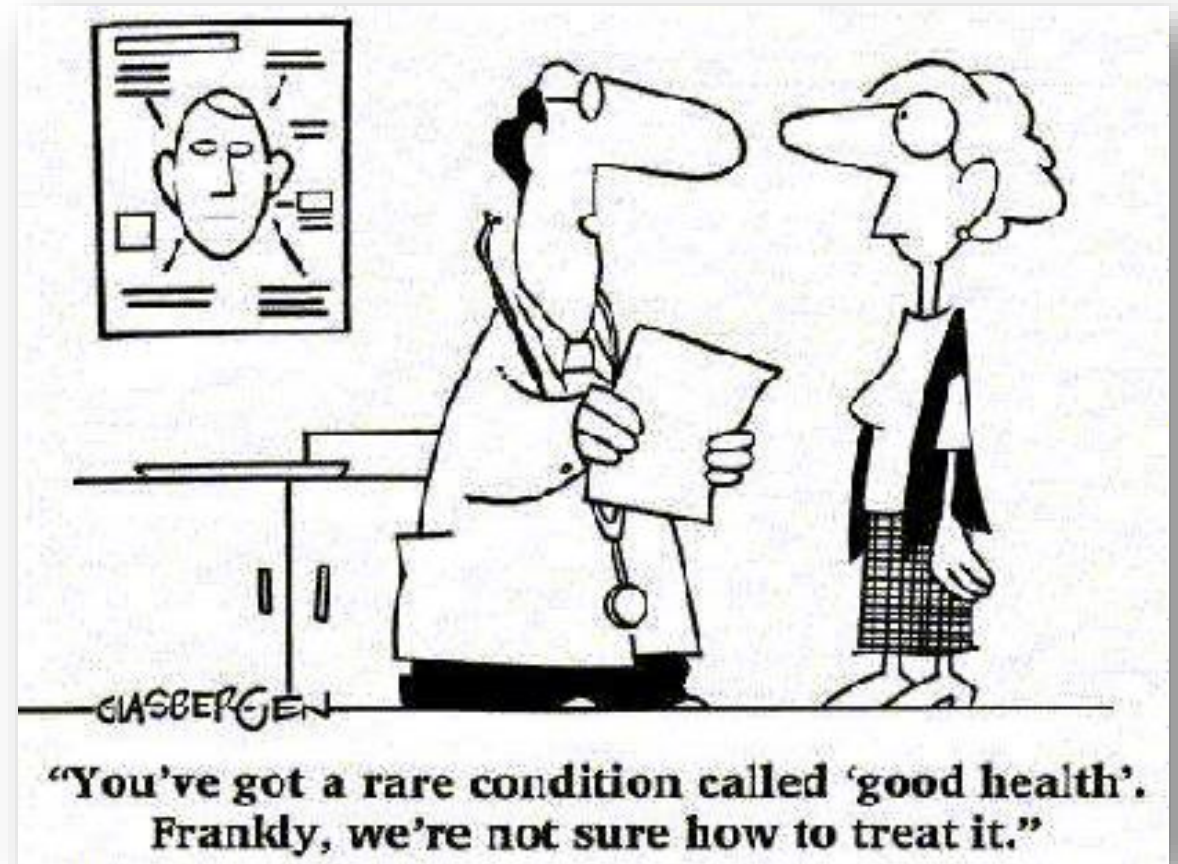
# *The big shift – illness to wellbeing*

Wellbeing focus for everyone

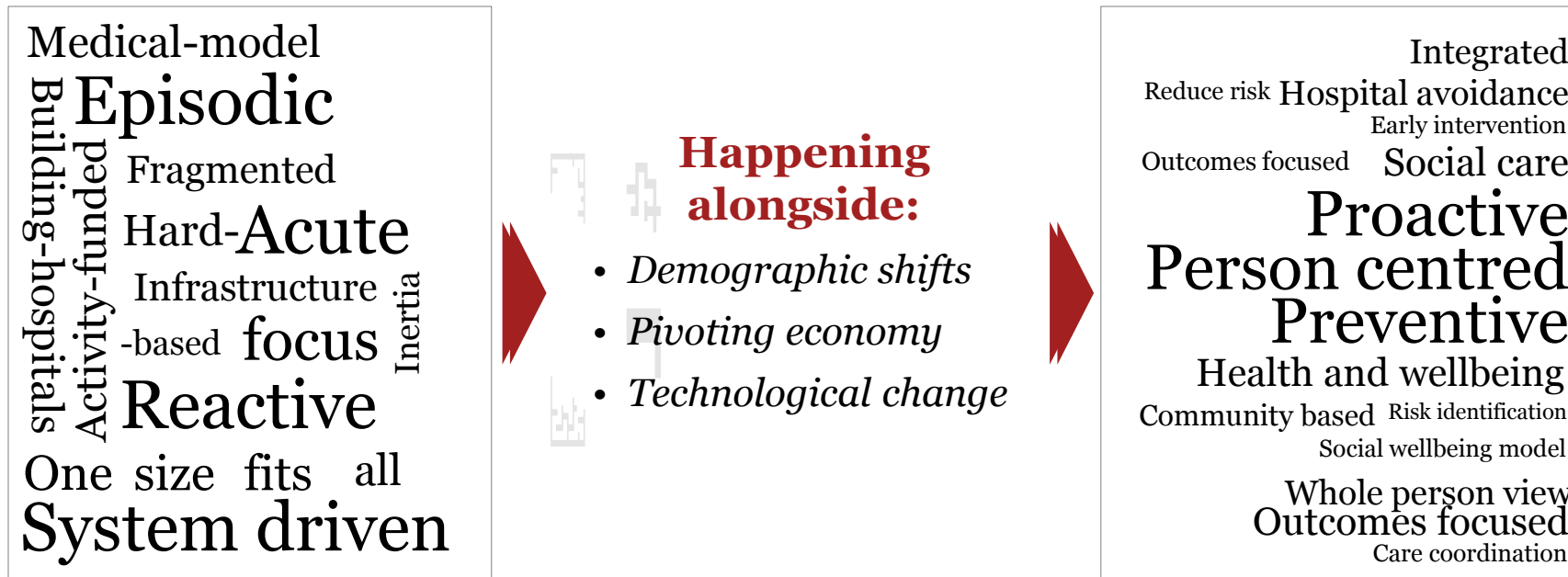


Targeted support for higher needs

Optimise effective care for acute needs



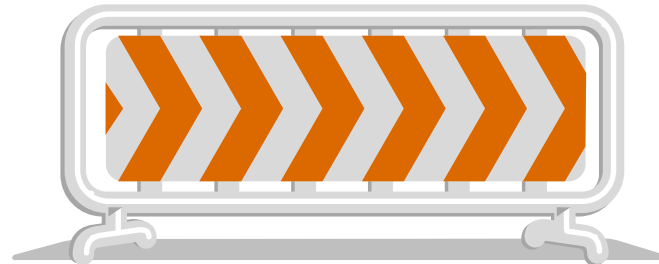
# Such a transformation can't happen overnight



*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*

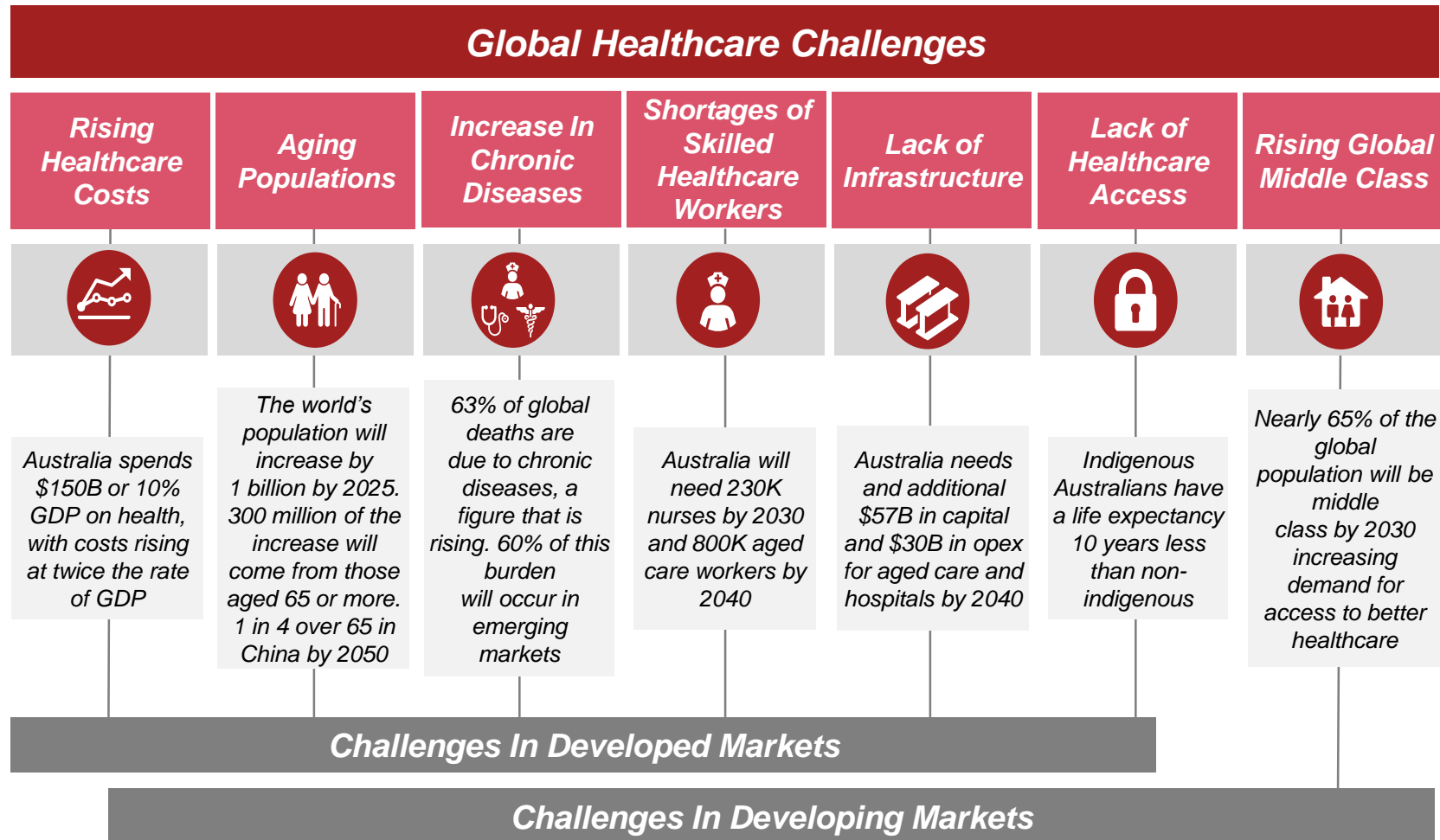
## ***Appendix - Practical innovation:***

# **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.



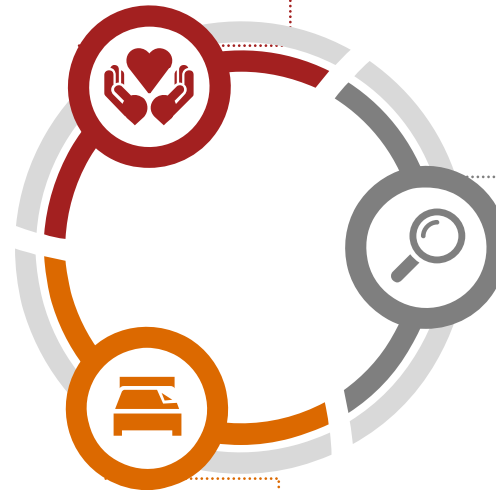
# *The big shift – illness to wellbeing*

## **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*



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