Garrison Health Services Annual Report 2013

medibank health solutions

5 service packages

1 goal

This is the first Annual Report issued by Medibank Health Solutions for Garrison Health Services.

The goal of Garrison Health Services is to provide a national, integrated health care solution with consistent clinical governance and management practices, in support of Defence's aim to ensure seamless quality health care from point of injury to recovery.

This annual report follows the 2012/2013 journey as the business deployed skills to integrate with existing Defence needs, govern a stable model to build on for the future and serve the needs of Australian Defence Force Members.

Contents

Govern

Executive Message

"This contract is about using our expertise to create a better platform for better health in Defence."

Garrison Health Services are proud to present our first annual report to Joint Health Command. The 2013 annual report presents a business in transformation. The progression of the existing health delivery model is becoming evident as we acknowledge the tried and tested process of the past while leveraging Medibank's operational, clinical and negotiation expertise to create a better health delivery platform for Australian Defence Force Members.

On 28 June 2012 Medibank Health Solutions was announced as the successful respondent to a competitive tender process initiated by the Australian Defence Force. With the cooperation of Joint Health Command, a Transition Project commenced which lasted until official contract acceptance in February 2013.

The goal of the new contract with Defence is to provide greater efficiency in the delivery of health services through a national, integrated health care services solution with consistent clinical governance and management practices, as well as supporting Defence's goal of seamless quality health care from point of injury to recovery.

Medibank has been at the forefront of health care innovation in Australia for nearly two decades and today provides a portfolio of substantial national health care services and systems to government, corporate and insurance customers domestically and internationally. These services and systems have garnered a reputation for innovation, clinical quality and efficiency and benchmark favourably against global best practice in the industry.

Medibank Health Solutions have invested, and will continue to invest, in customising these strengths for the purposes of delivering a world class military health service for Defence and undertake this challenge with great pride.

Andrew Wilson
Group Executive
Provider Networks and
Integrated Care

Understanding Medibank Health Solutions

Medibank Health Solutions is a subsidiary of the Medibank Group of businesses. Medibank Health Solutions is not a health insurance provider. We have a team of 1,500 health professionals who provide more than 2.5 million health care interactions per year, over the telephone, online, and face-to-face from an Australia-wide network of clinics. In fact, Medibank Health Solutions is Australia's largest supplier of telehealth services.

Co-operation Charter

medibank health solutions

Australian Government
Department of Defence

Co-operation Charter

1 Vision

The vision of the Co-operation Charter is to develop a successful relationship between the Department of Defence (Commonwealth) and Medibank Health Solutions based on the timely, efficient and professional delivery of the garrison component of "a world class military health service" for entitled Defence Force personnel in Australia.*

2 Organisation and Operation

The members of this Co-operation Charter will endeavour to work together to ensure the health care services are delivered in accordance with the following principles:

2.1 Delivery

- Coordinated, managed and nationally consistent universal access to health care services for entitled Defence Force personnel that are clinically appropriate, patient centred and timely.
- Collaborative delivery of episodes of care that are effective, efficient and to a standard generally commensurate with that available to the general population of Australia.
- Delivery of a full-suite of health care services to ensure entitled Defence Force personnel are:
  - fit, from a health perspective, to discharge their respective duties including preparation for deployment on operations; and
  - able to access, as appropriate, a range of rehabilitation, preventative and treatment services.
- Commitment to efficiency and continuous improvement in health service delivery.
- Provide JHC management with a single point of contact and accountability for contracted garrison health services.

2.2 People

- Health care services to be provided in a co-operative and collegiate manner.
- Encourage staff development and continuing training opportunities.
- Safe and clinically appropriate working environment that fosters tolerance.

2.3 Commercial

- Comprehensive data to be collected and reported to improve transparency of service delivery.
- Certainty of cost for access to each episode of care.
- Strive to improve efficiency in health service delivery.

3 Conduct of Members

- Act in good faith and in an open and trusting manner.
- Value the skills, and respect the responsibilities, of each other.
- Resolve potential issues early and in a proactive manner so as to avoid dispute

Signed by

Dr Matthew Cullen
Group Executive
Medibank Health Solutions

Rear Admiral Robyn Walker AM
Commander Joint Health
Department of Defence (Commonwealth)

Date: 28 June 2012

*Nothing in this Co-operation Charter constitutes a binding legal relationship

EXECUTION VERSION

A Common Aim

The aim of Garrison Health Services is to deliver to the Australian Defence Force, a health service with improved efficiency and effectiveness through:

- Rationalisation of the number of health service contracts being managed by the Australian Defence Force (ADF) Joint Health Command (JHC)
- Improved national standardisation of health service delivery
- Improved equity in health care to ADF Members nationally
- Greater clarity of the true costs of health care and the health services being purchased by the ADF
- Benefits in leveraging the purchasing power of industry service providers.

These aims are now being delivered via a four year $1.4 billion contract package, with Medibank Health Solutions (MHS) working in partnership with JHC to deliver, manage and coordinate a range of quality health care services across the country. This has resulted in the creation of a new business line within MHS called Garrison Health Services (GHS). GHS provides a suite of services to the ADF including access to medical practitioners, medical specialists, allied health professionals, hospital, radiology, pathology and optometry services, and a world class telehealth service delivering triage, health advice and referral services.

As part of MHS' commitment to this contract, MHS has been granted Defence Industry Security Program (DISP) membership. As a DISP member MHS can work more effectively with the ADF over the life of the contract.

Service Packages Delivered

The services delivered to ADF Members in this contract are now commonly recognised and reported as:

On-base Services (including operating theatre services) – A national contractor to provide personnel for the provision of On-base health care to ADF Members.

Health Hotline Services – A 24 hour, 365 days per year National Health Hotline service that provides ADF Members with telephonic health care and advice.

Imaging & Radiology Services – A national contractor to provide imaging and radiology services to ADF Members.

Pathology Services – A national contractor to provide pathology services to ADF Members.

Off-base Health Services – A national system to coordinate and manage access for ADF Members to all health services including allied specialists, medical specialists and private hospital services.

Corporate Governance

Our corporate governance approach encompasses two key features.

These are:

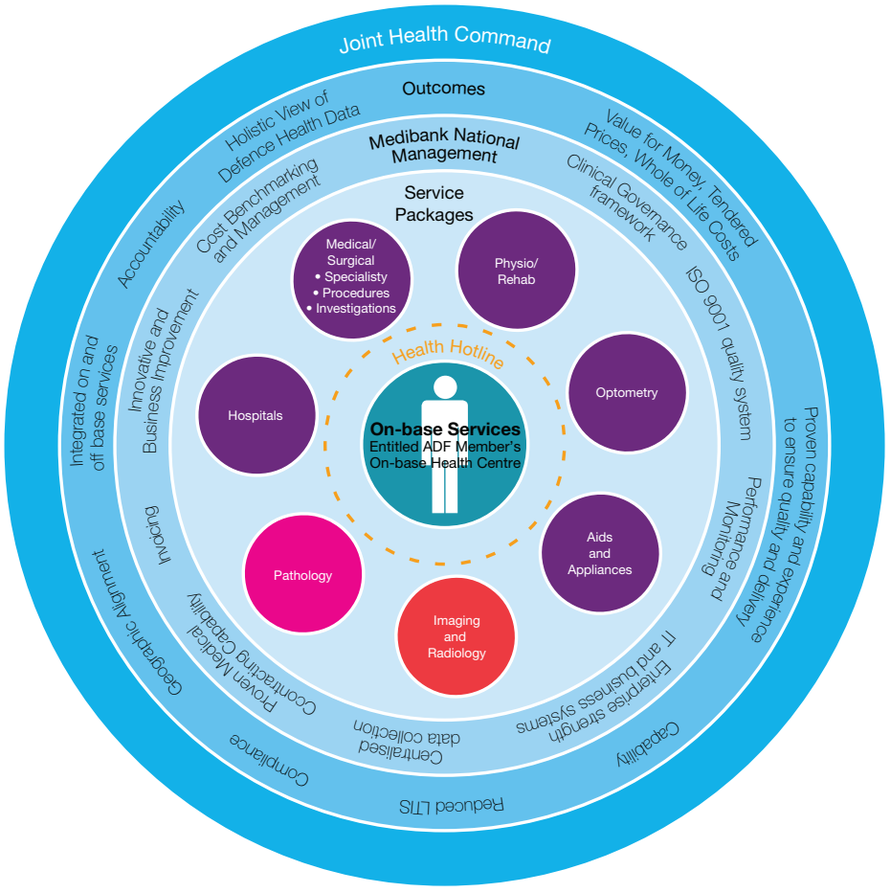
1. A single integrated approach using national functions, supporting regionally focused solutions
2. A delivery model concentrated on 'best for outcome' service delivery.

Our integrated solution provides accountability, and enables JHC to work with a single provider to ensure system-wide innovation and to streamline contractual and process interfaces.

MHS delivers to JHC opportunities for consistency and standardisation of administrative and health care services across the network and the entrenchment of system wide enablers such as clinical governance and quality, data collection and reporting.

MHS Regional Services Managers support JHC Regional Health Directors, and assist in ensuring a nationally consistent approach remains relevant at the regional level.

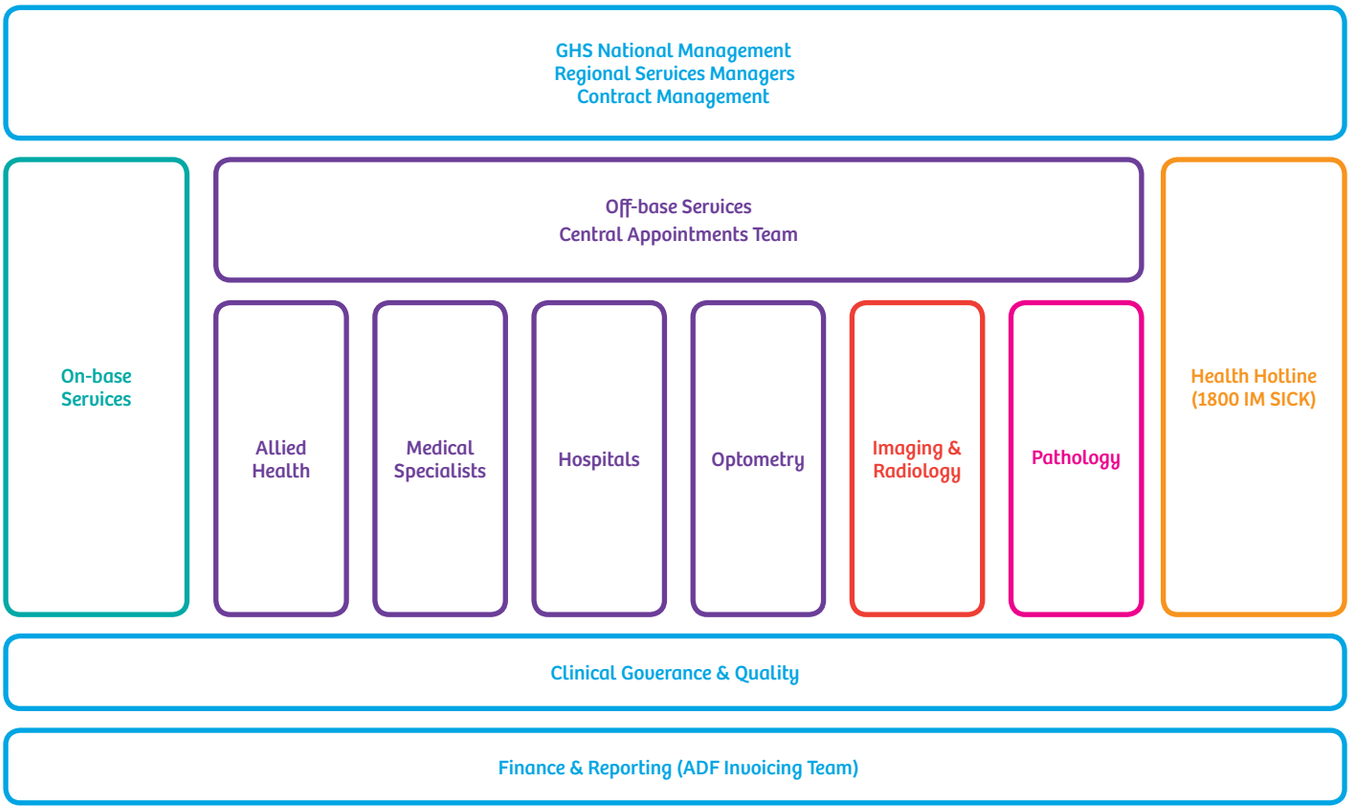
Figure 1: Corporate Governance Strategy Info graphic. Within the framework, ADF Members are central to what MHS deliver



Organisational Structure

To ensure management of each service package and the people, process and systems relevant to each, the following organisational structure was created. Just over 100 MHS staff support GHS on a day to day basis. Subcontractors also play key roles in service delivery.

Figure 2: Garrison Health Services structure



Subcontractor Selection

To meet JHC's long term objectives, MHS recognised that a team of best-in-class subcontractors and suppliers were required to ensure excellence in every aspect of health care delivery.

Subcontractors and suppliers in GHS have extensive experience in their respective fields delivering services to Defence Forces domestically and globally, including:

- Aspen Medical (On-base)
- Luxottica (Off-base Optometry)
- I-MED (Off-base Imaging & Radiology)
- SDS (Off-base Pathology)
- Nurse on Call by MHS Telephone and Online (Health Hotline/ 1800 IM SICK).

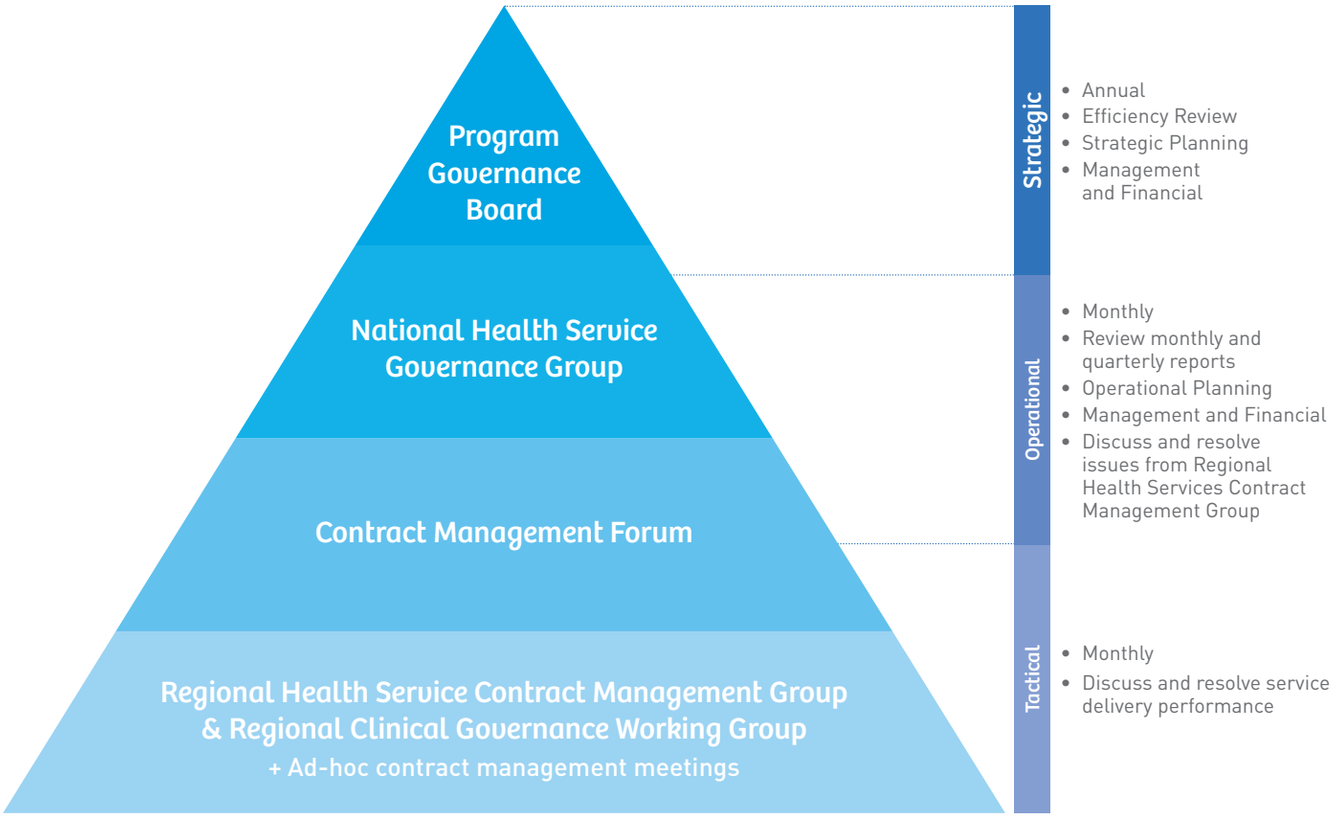
A framework of assurance

MHS have developed a subcontractor assurance framework to ensure compliance with contractual requirements such as insurance, health practitioner registration and industry accreditation of processes and systems.

Partnering with JHC

MHS work in partnership with the ADF and have joint governance in place at local, regional and national levels. MHS has worked with JHC to understand their structure and develop a service delivery and governance framework that ensures the right engagement at the right levels of the organisation. The ADF Health Service Delivery Management and Governance Framework is depicted below:

Figure 3: ADF Health Service Delivery Management and Governance Framework



Change and Communications

We are working together to communicate change and drive health reform through all levels of the ADF.

This contract represents significant change for the ADF. JHC is a large organisation, providing a complex health care service to over 80,000 permanent and reservist ADF Members. MHS are supporting JHC to deliver health reform and a new service delivery model.

The path to reform has involved detailed analysis of existing service delivery models and processes, with a view to implementing more efficient and effective systems.

JHC and MHS have jointly undertaken two national road shows, one during the transition in period, which involved visiting over 25 health facilities, across all regions in Australia in under three weeks. This was followed up with a second series of regional sessions to engage with on-base health practitioners and health centre managers. Through these road shows and other communication channels, MHS are working with JHC to deliver a nationally consistent message and facilitate change. In the second year of this contract MHS hope to further explore opportunities for improvement while maintaining the momentum of the road shows from year one.

Health Informatics

JHC have clearly indicated to MHS that a significant benefit of this contract is the provision of quality information and data capture to accurately inform tactical and strategic decision making.

To support this objective MHS has expanded on its contracting and performance reporting resources to deliver critical trend analysis data which will enable JHC and MHS to collaboratively refine the health care delivery model that exists today. This will ensure that ADF Members receive the seamless experience and quality health care that is core to the delivery goal.

The development of the health informatics team is an important milestone. It represents increased opportunity for JHC and MHS to reflect, and proactively forecast potential issues before they become substantial.

Over the past year the following reports have demonstrated a wealth of useful information. The data and the reporting has improved and evolved over the past year as the information has been interpreted, understood and refined. Since the delivery of the first reports there has been a noticeable increase in ad hoc reporting requests as the data shows its worth in decision making activity and develops a service delivery history.

For all types of reports, MHS has continued to evolved the data collection model which is reliant on both referral data and invoicing data and this has been a more complex change management process than originally anticipated.

Monthly Reports

The Monthly Service Management Report (MSMR) is used by JHC to monitor, manage and verify MHS business activity over the preceding month. The MSMR provides a consolidated national report covering all Service Packages with regional breakdowns. It includes a summary of:

- Complaints and incidents
- Quality improvement activities and outcomes
- Key performance indicators (KPIs)
- Other relevant or requested information
- Off-base health data.

The Monthly Service Delivery Report (MSDR) is used by JHC to monitor, manage and verify the services delivered in the preceding month. The MSDR provides the raw financial data detailing the services delivered per ADF Member for each episode of care for the past month, within each region. This aggregated data is consolidated at a national level to support auditing practices and decision making.

The information in both the MSMR & MSDR has evolved as both parties have developed a better understanding of the data.

Quarterly Report

The Quarterly Service Management & Delivery Report (QSMDR) is an extension of the Monthly Reports. It includes but is not limited to:

- Summaries and trend analysis of the data provided in the Monthly Reports
- Management information on business resource planning
- Risk issues and opportunities register
- Clinical governance information.

Key Insights for FY13

As MHS continue to refine and mature the monthly and quarterly reports, a clearer understanding of the type of information that JHC are seeking to support the delivery of services is being gained. The focus on report development will also mature our own knowledge as to how we can continue to evolve the health care delivery model currently in place.

A number of ad hoc reports have been provided to JHC which have included:

1. Volume of services provided in specific craft groups at local, regional and national levels
2. Utilisation of GHS services such as the Central Appointments Team
3. Referral patterns of on-base service providers to the off-base environment to identify trends across the country
4. Identification of potential over-servicing by off-base providers.

These reports have:

1. Supported ministerial briefings and senate estimates
2. Challenged complaints from ADF Members or other stakeholders
3. Driven compliance to the contract
4. Challenged current thinking on existing processes and procedures which have led to change
5. Identified a service need resulting in the development of proposals to JHC detailing solutions and/or opportunities.

The Role of the Central Appointments Team in Data Collection

While MHS gather data from a variety of sources to inform strategic and tactical decisions, the Central Appointments Team represents the hub of data collection.

The Central Appointments Team often referred to as 'The CAT' serve a dual function as appointment makers and health informatics collectors. While on the surface they are seen to be booking appointments for the ADF Members under the direction of Medical Officers, they are also critical to the process of collecting data for JHC use and are a key conversion point for more cost effective delivery of services for ADF Members.

When a referral is received by a CAT member the following is the minimum data set recorded:

- Appointment date and time
- Nature of appointment e.g. initial/ subsequent or on-referral
- Type of referral
- Provider details, location and speciality
- ADF Member ID, name, gender, DOB and base
- Referring Medical Officer name
- Referring health facility
- Priority rating (1, 2 or 3).

When this data is collected, MHS can provide information on appointment details such as:

- The percentage of appointments made within the time frame indicated by the priority or 'P' rating
- The location of ADF Members relative to the locations of where most medical services are provided
- The financial benefit provided by the CAT actively seeking in network providers
- The percentage of appointments made by the CAT or on-base medical officers and the resulting push to in network providers
- Data on distances travelled by the ADF Member
- Waiting times for initial appointments made through CAT
- Demographic profiling such as age and gender trends for ADF Members accessing health care.

Clinical Governance

MHS have a strong Clinical Governance Framework throughout all of their contracted operations. GHS has a customised framework in aid of Defence's goal to ensure seamless quality health care from point of injury to recovery.

The Framework

The Clinical Governance Framework encompasses how Complaints and Clinical Incident Management (CCIM) works within GHS.

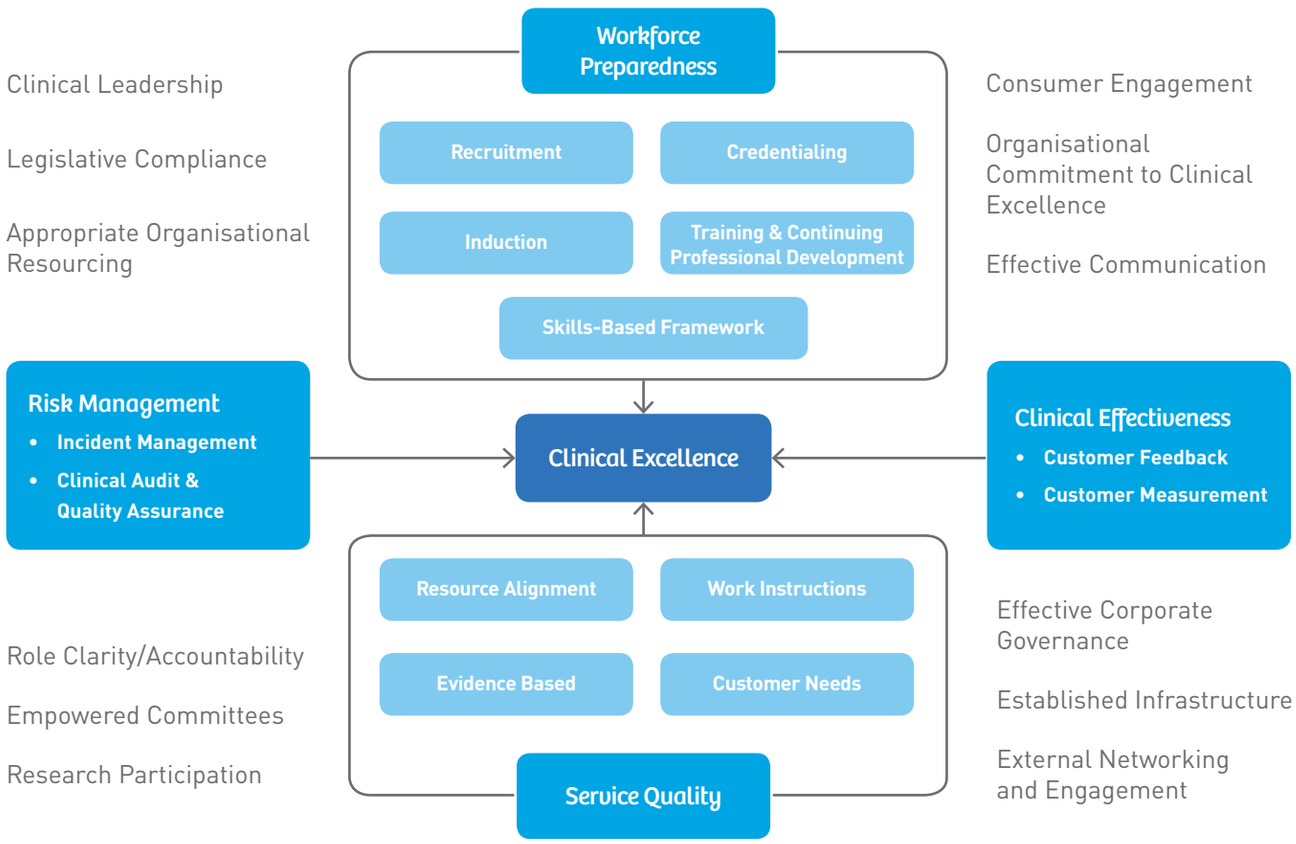
To achieve clinical excellence two fundamental pillars must be well established:

- **Workforce Preparedness:** Recruitment and development of health professionals with relevant qualifications and appropriate training to a given level of knowledge, skill and behavioural competence.
- **Service Quality:** Ensuring a scope of services is in place which meets client requirements and achieves customer satisfaction.

To maintain clinical excellence two further pillars are required:

- **Risk Management:** A comprehensive incident management system and clinical assurance program.
- **Clinical Effectiveness:** Divisional implementation of outcome measurement and consumer/ client feedback programs.

Figure 4: Medibank Health Solutions' Clinical Governance Framework for Garrison Health Services



Integrated and Embedded

Each subcontracted provider delivering health care across GHS must demonstrate their ability to meet the key elements of the MHS Clinical Governance Framework.

The performance of our subcontractors is measured against our framework through participation in defined assurance activities. The importance of this is to ensure a consistent and effective approach to clinical excellence in service delivery across all service packages within GHS.

Credentialing

MHS have credentialed over 4,000 medical and many thousand allied health professionals who have contracted to MHS to deliver services to ADF Members. This credentialing has largely been through the Australian Health Practitioner Regulation Agency (AHPRA) with a small number of non-AHPRA allied health professionals being credentialed through their member organisations – including exercise physiologists, audiologists, and dieticians. AHPRA recognised health professionals are monitored weekly for changes in their registration status.

In FY14, work will be conducted to credential health professionals who are providing services to ADF Members but have not contracted with MHS.

Credentialing provides assurance to JHC that ADF Members are receiving care from appropriately qualified and specialised medical professionals. The FY14 aim to credential providers who are not contracted is evidence of MHS' dedication to better health and speaks to the Clinical Governance Framework pillar of Service Quality.

Clinical Incident Management System

The management of health care complaints is a vital part of the Clinical Governance Framework and is part of the continuous quality improvement cycle. Effective management of complaints and incidents means that all immediate risks are managed appropriately with effective corrective actions implemented to enhance systems and processes.

A key achievement for 2013 has been the introduction of a CCIM system. This CCIM system allows for a consistent and coordinated approach to the identification, notification, investigation and analysis of health care complaints across all service providers and subcontractors.

Since the inception of the CCIM system, a total of 300 quality improvement activities have been identified and employed across the range of subcontractors, individual providers and within MHS itself. These quality improvements include a mixture of people, process and system improvements.

FY13 Challenges

The CCIM process requires MHS and JHC to work closely to capture, record and monitor health care complaints. A key element of this is the transfer of clinically sensitive information as well as system compatibility and access.

MHS and JHC agreed to the solution of a clinical portal that allows for the secure and safe transfer of information using file transfer protocols that meet ADF standards. The portal is used widely for exchanging medical in confidence information.

In addition, JHC have their own system to capture, record and monitor health care complaints; which is much broader than this contract alone. MHS have had to ensure that effective processes are in place to allow for effective communication between systems as well as across regions.

In FY13 a key focus was to ensure processes were embedded that made the capturing, reporting and monitoring of complaints and incidents between MHS and JHC effective. While this initially posed many challenges, the two systems are now working well together.

A Message from the Medical Director

"The success of the CCIM process is underpinned by the overwhelmingly positive and professional approach taken by the Health Governance Managers and senior JHC staff in supporting the CCIM program and the inherent change."

Dr Ian Boyd
Medical Director for GHS

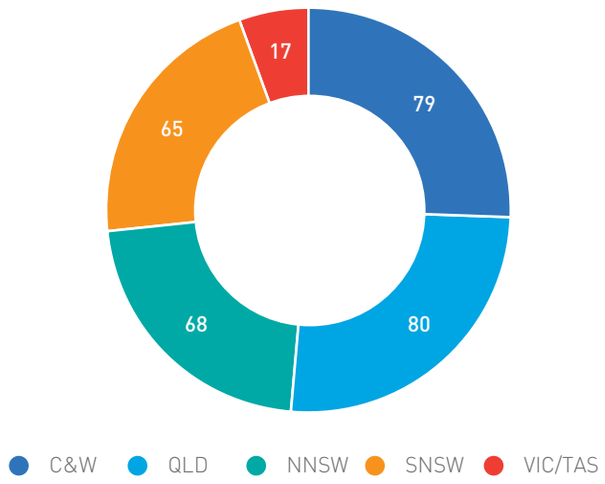
FY13 Key Achievements

The following are just a few examples of the type of quality improvements that have been implemented as a direct result of complaint and clinical incident management investigations:

- Specifications to amend Health Hotline daily encounter reports to increase the usability and provision of information to health facilities.
- Introduction of new communication processes across CAT and health facilities for the effective management of Priority 1 referrals.
- Education with various service providers and hospitals on billing practices to ensure correct and timely payment of accounts.
- Re-design of the optical frame display and education with ADF Members on the range of frames available at OPSM stores.
- Review of patient information brochures and employee procedures for conducting MRI scans within I-MED.
- Introduction of cross-referencing process to ensure all requests are matched with the number of specimens accessioned within SDS.
- Introduction of a full time nurse in CAT to assist health facilities in complex and sensitive referrals.

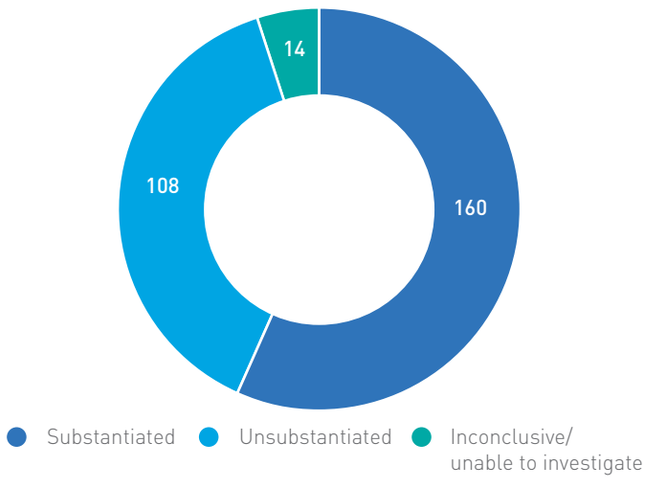
A total of 309 complaints and clinical incidents were raised in FY13. Of the 309 CCI logged, 282 were closed prior to 30 June 2013 representing a 92% close rate.

Figure 5: Complaints and clinical incidents lodged in FY13 by region



Of the 282 closed, 57% of these were deemed substantiated with 300 quality improvement activities being implemented as a result.

Figure 6: Outcomes for closed complaints and clinical incidents in FY13



Financial Governance

To ensure accountability and transparency in how MHS manage and administer a contract of $300m per annum, it was important that a robust financial management framework was established to withstand both internal and external scrutiny.

MHS have established a dedicated team of senior level professionals to ensure the appropriate administration and oversight of this corporate function.

Systems Management

MHS have established financial systems to ensure that the integrity of financial data is maintained. This was a key focus during transition and it was intentionally separated from all service packages to ensure that the financial processes were independent and all encompassing. The financial management function incorporates both provider invoice payment, but also the reconciliation of services and subcontractor invoices to provide a single consolidated monthly bill to JHC.

Process Independence

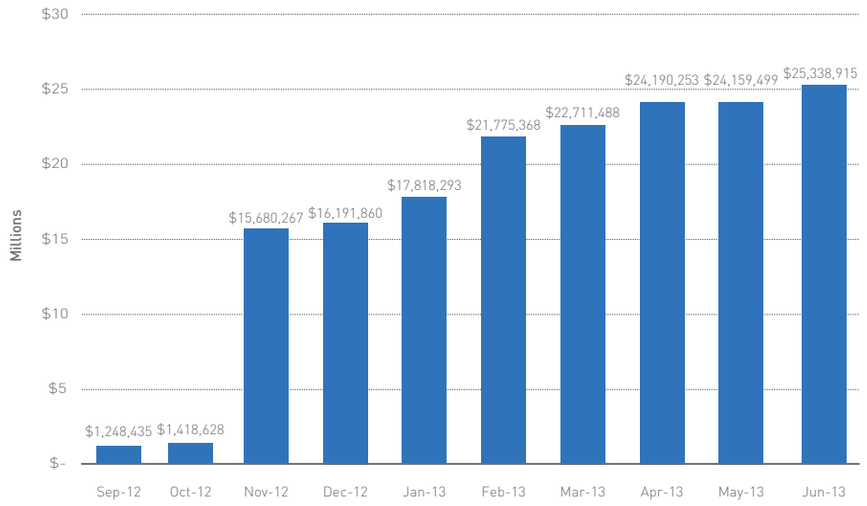
CAT appointment processing and ADFIT invoice processing are all managed through a customised SAP system. These functions are kept separate through the use of access rights to ensure the integrity of the financial data contained within the system.

FY13 Financial Summary

The following graphs as well as the ones that follow throughout the Annual Report provide individual service package breakdowns of cost for services received and invoiced since commencement to 30 June 2013. Where applicable consolidated regional trend analyses providing a high level overview of regional spend on services has also been provided.

This graph provides a summary of the costs for all service packages invoiced under the GHS contract for each month since commencement to 30 June 2013.

Figure 7: Total cost of services invoiced



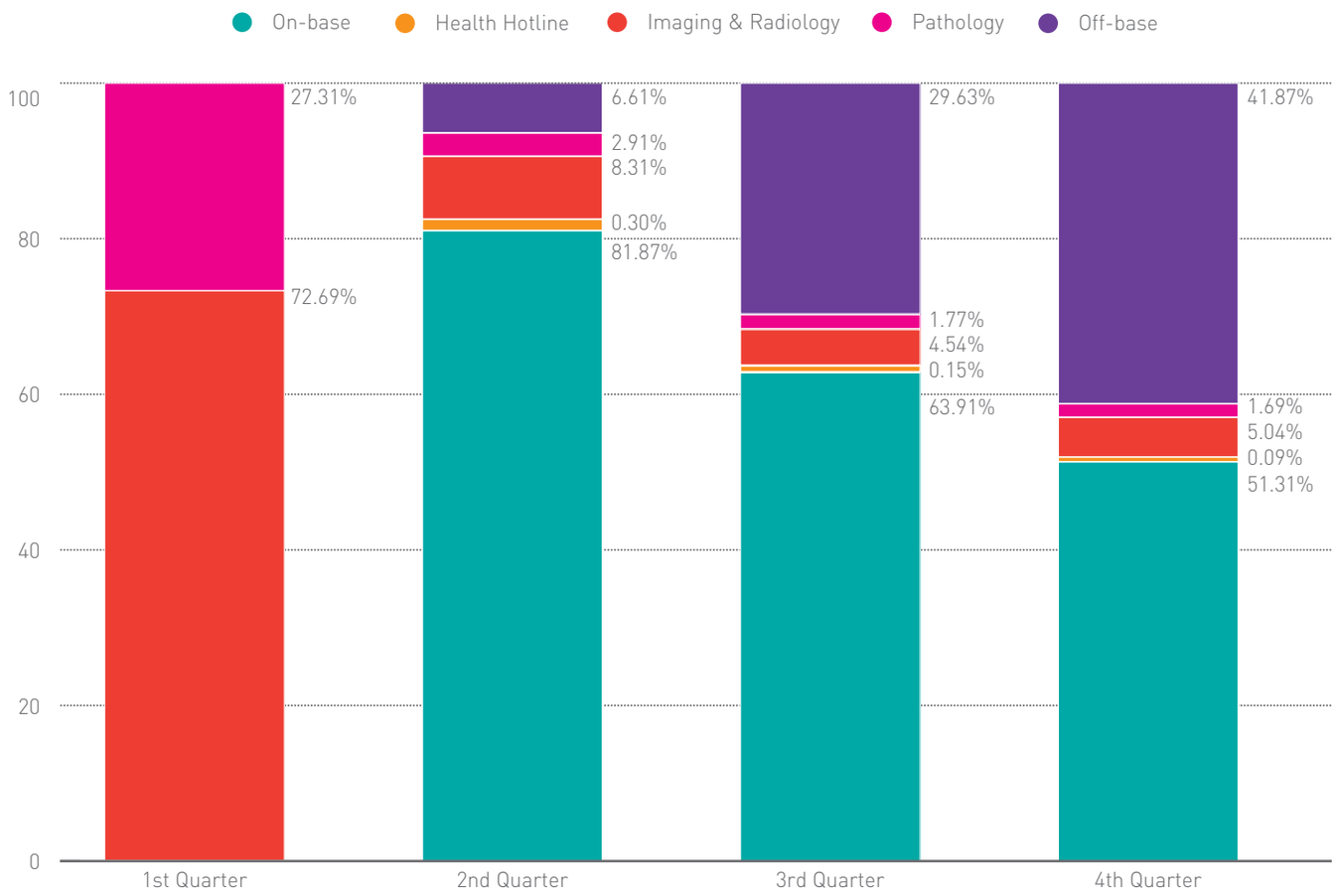
Notes to Figure 7

1. For September and October 2012, only Pathology and Imaging & Radiology data were available as other service packages were not yet online.
2. The above totals do not include transition-in fees or liquidated damages.
3. Off-base and Health Hotline management fees were invoiced on 6 February 2013.
4. November 2012 subcontractor data was invoiced December 2012.
5. Management fees included in September to December were invoiced on 6 February 2013.
6. The above figures do not include open episodes of care.
7. The graph above is based on MSDR data and is reflective of the date the invoice was processed, not the date the service was charged to JHC.

FY13 Challenges

In the first year of the contract, there have been some challenges in implementing a robust financial governance system. In part this has been due to significantly higher volumes of invoices than originally forecast leading to payment delays. However, MHS has responded by significantly increasing resources to manage this transition.

Figure 8: Percentage of spend by package for each quarter



Notes to Figure 8

1. This data only looks at charges for services provided (management and other fees have been excluded).
2. Charges in quarter one only relate to Imaging & Radiology and Pathology as no other service packages were online at this stage.
3. The graph above is based on MSDR data and is reflective of the date the invoice was processed, not the date the service was charged to JHC.

Integrate

The Garrison Story
From Transition to Transaction

MHS commenced the transition process after the ADF Health Services Contract was signed on 28 June 2012. This allowed a period of just over four months to implement systems, people and processes to start delivering services by final handover which was scheduled for 5 November 2012. All packages commenced operations in accordance with the agreed schedule and all packages were formally accepted by the Commonwealth in February 2013.

A Phased Transition

To add to these compressed timeframes, MHS agreed with JHC to implement a phased transition program, staging the timing of packages to come online prior to the final handover date. MHS engaged SMS Management and Technology to assist with the transition and to ensure that timeframes and deliverables were achieved.

To ensure success MHS implemented a strong governance structure with JHC and established five functional streams each with a MHS Project Manager and a JHC Project Manager who worked jointly to ensure a smooth and timely transition of services for:

- On-base
- Off-base. This incorporated medical specialists, allied health professionals, hospitals, optometry, Pathology, Imaging & Radiology)
- Health Hotline
- Finance, Administration and Reporting. This incorporated the functions and systems underpinning all services including the Central Appointment and Invoicing teams
- Change and Communications.

Transition Deliverables

In addition to ensuring that all services were delivered by the handover date, MHS were also required to develop the following support structures:

- Evidence of an ISO9001:2008 compliant Quality Management System
- Clinical Governance plans including Incident Management Processes and Systems
- Indigenous Australian Training, Employment and Supplier plan
- Recruitment plan
- Training plan
- Business Continuity and Disaster Recovery plans
- Communications Strategy
- Risk Management Framework.

These frameworks were all agreed and endorsed by JHC prior to the completion of transition.

Service Challenges and Highlights

- **Off-base:** Individually contracting with providers to deliver a comprehensive and sustainable list of allied health professionals and medical specialists and ensuring these providers met our rigid credentialing standards.
- The reform to the off-base services package was significant and MHS faced greater service provider resistance than expected, which delayed the implementation of this service package.
- Developing processes for referrals and appointment making, as well as back end processes for paying service providers, and invoicing JHC.
- Building the Central Appointments Team (CAT) and the ADF Invoicing Team (ADFIT) from the ground up including the recruitment and training of staff on processes that were still being refined.
- **On-base:** The transition period for contract handover was 18 weeks. Within this timeframe, Aspen Medical was required to recruit and credential over 800 full time equivalent staff and commence induction training and security vetting processes. The nature of the approach was such that a phased transition was not possible, instead all sites needed to transition on 5 November 2012.
- **Imaging and Radiology** required aligning eight individual service providers to provide a seamless and integrated national service.
- Providing **Pathology** collection materials and request forms to all the required bases across Australia, and developing agreed collection schedules. Ensuring that all on-base staff understood and were aware of new processes was also a major achievement.
- **Health Hotline** needed to develop specific scripting and call process guidelines to meet the unique needs of the ADF and ensure that all triage staff were aware of particular requirements for managing emergency referrals and mental health referrals. Updating databases to include specific information on base locations and opening times was also completed in time for go live.
- **Across all packages,** the challenge of IT complexity and integrating with the ADF's strict IT requirements was a recurring theme. IT teams from both MHS and JHC worked cooperatively together to ensure that mechanisms were in place to provide secure methods of transferring data between the different IT systems.

Figure 9: Journey from transition to transaction

2012 to 2013

77,000
number of medical specialist services provided

66,000
number of rehabilitation assessments, helping ADF Members recover from injury and return to work

8,600
number of Health Hotline calls received, giving ADF Members access to a nurse anywhere, anytime for anything

72,000
number of optical tests and items

11,000
number of hospital services provided

827,000
number of on-base hours allowing ADF Members to receive health services without having to travel away from their base

49,000
number of imaging and radiology procedures

51,000
number of referrals processed via CAT for medical specialists and allied health providers anywhere in the country

45,000
number of allied health services provided

194,000
number of pathology tests taken to help diagnose, prevent, treat and monitor diseases

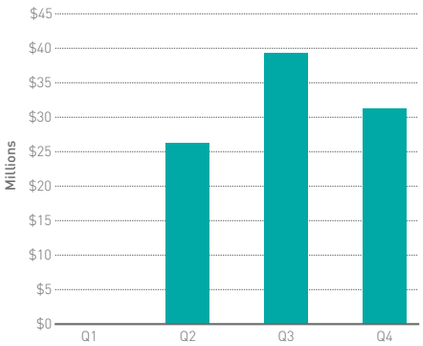
75,000
number of invoices consolidated by ADFIT to make a single monthly bill for JHC

Serve

On-base Services

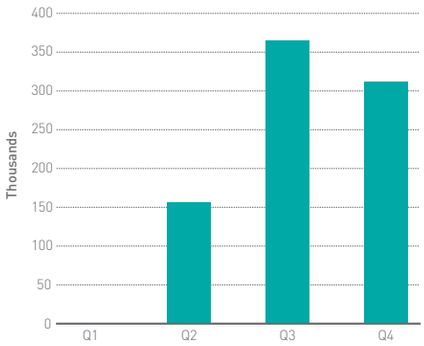
Dashboard

Investment: Services invoiced per quarter



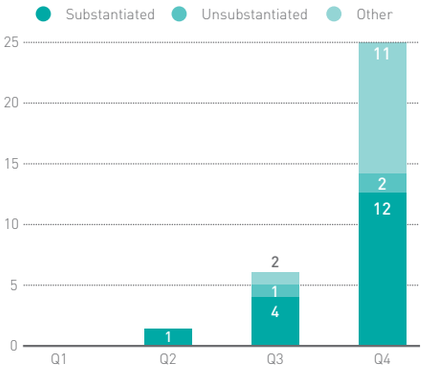
*Not active in Q1.

Services: Hours delivered and invoiced per quarter



*Not active in Q1.

Complaints & Clinical Incidents per quarter



*Not active in Q1. CCI data capture commenced in Q2.

What we deliver

MHS have subcontracted Aspen Medical to deliver the On-base service package. Aspen Medical delivers a labour hire service, filling a broad range of multi-disciplinary medical and allied health positions as documented in the Annual Workforce Plan (AWP). Additionally Aspen Medical provides additional resources to meet planned and unplanned surge requirements.

About the Subcontractor – Aspen Medical

Aspen Medical is an Australian owned global health care solutions provider. They provide health care services in any setting especially those remote, challenging and under resourced.

FY13 Key Challenges

On 5 November 2012 when the On-base services package was launched, Aspen Medical delivered all critical positions as required by the contract. While the full complement of core positions was not available at commencement, JHC granted conditional acceptance to allow service delivery to commence.

Aspen Medical employs over 1,000 health practitioners across all health facilities including:

- General Practitioners
- General Practitioner Trainers
- Aviation and Under Water Dive Medical Specialists
- Mental Health Clinicians (Psychologists and Mental Health Nurses)
- Allied Health Professionals (Pharmacists, Physiotherapists and Exercise Therapists)
- Nurses (Nurse coordinators, Registered Nurses, Endorsed Enrolled Nurses, Enrolled Nurses and Theatre)
- Dental Professionals and Support Staff (Dentists, Hygienists, Sterilisation technicians and Dental Assistants)
- Health Clerks
- Quality Managers.

Aspen Medical has invested in the development of systems for the recruitment, credentialing, security clearance, online induction, training, timesheet submission, approval and payment, and performance management of employees under this contract.

FY14 Challenge – Building a sustainable workforce

There have been a number of challenges in delivering the On-base package in the first year. MHS through their subcontractor Aspen Medical continue to work on delivering to key priorities such as recruitment in hot spot locations, recruitment in some specialist skills sets and delivering to JHC a workforce that is security cleared and credentialled to the required high standards.

MHS are working closely with Aspen Medical to address the gaps in service provision and have deployed a number of strategies at a systems level as well as a tactical level to continue to build and deliver on the On-base contracted requirements.

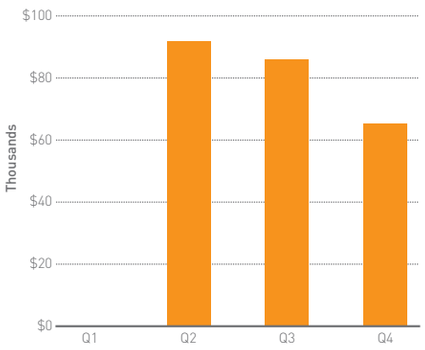
The next 12 months will be critical for MHS and Aspen Medical. The following are key focus areas in FY14:

- Monitoring and modifying recruitment strategies to ensure that all positions required under the AWP are filled
- Strengthening the bench of JHC-ready contracted health professionals to ensure that resources are available to meet surge demands and backfill requirements.

Health Hotline 1800 IM SICK

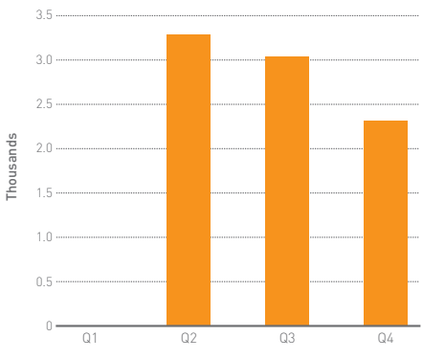
Dashboard

Investment: Services invoiced per quarter



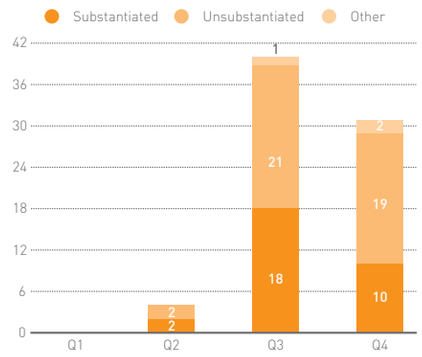
*Not active in Q1.

Services: Calls answered and invoiced per quarter



*Not active in Q1.

Complaints & Clinical Incidents per quarter



*Not active in Q1. CCI data capture commenced in Q2.

What we deliver

Health Hotline is a national telephone based triage service available to all ADF Members offering services including triage, health information and provider referrals.

About the Subcontractor – MHS Nurse on Call

In delivering this service, MHS has leveraged its existing telehealth platform but has undertaken a program of customisation to ensure that the services delivered have met the unique needs of ADF Members.

FY13 Key Achievements

The Health Hotline was one of the first packages to go live, successfully commencing operations on 1 October 2012.

The Health Hotline played an important role during the ADF reduced activity period; where many bases were closed or operating in a reduced capacity over the 2012/2013 holiday period. During this time the Health Hotline was a primary contact for ADF Members requiring access to health care services where they were unable to access services on-base. During this time call volumes to the Health Hotline were twice the monthly average.

The Health Hotline team employs continuous improvement strategies to ensure:

- Scripts and call handling guidelines are modified as required
- Information about JHC facility operating hours and unscheduled closures are rapidly updated
- Nurse triage staff are provided with education to ensure compliance with policies and procedures.

MHS have also ensured that there are specific guidelines and processes to handle mental health calls for this unique group of callers.

"I'm just calling in for a bite..."

The nurse triage staff are prepared to deal with any medical situation, but sometimes they find themselves surprised by the calls they receive. One example of this was when an ADF Member phoned for advice after he had been bitten by a shark! Luckily, it wasn't a major injury; the nurse handling the call was immediately able to assess the situation and provide appropriate advice on how this individual should proceed under these unusual circumstances.

Facts & Figures

The following charts provide an annualised summary of the types of calls the Health Hotline received as well as a regional breakdown of where callers are located.

What are the types of calls?

- **Provider Referral:** Where only a provider referral was provided (with no health information or triage given).
- **Triage:** Where a triage process was undertaken. More than 60% of these calls resulted in a provider referral.
- **Health Information:** Where the caller is only seeking health information and a triage process is not undertaken.
- **Emergent Call:** A potentially life threatening call requiring immediate conference to an Emergency service in lieu of completing a triage.
- **Other Call Reason:** Ad hoc calls that do not fit into the categories already mentioned calls made to the Health Hotline in error e.g. non ADF Member, or where the caller is asymptomatic and seeking other advice or information.
- **Quick Calls:** A prank call or wrong number.

Figure 10: Call type analysis

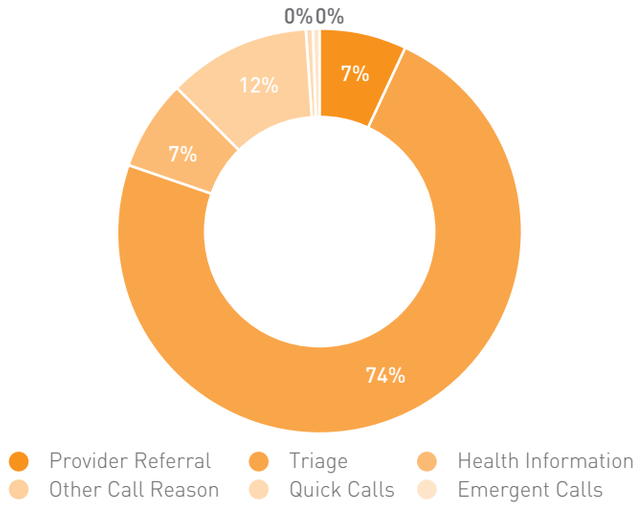
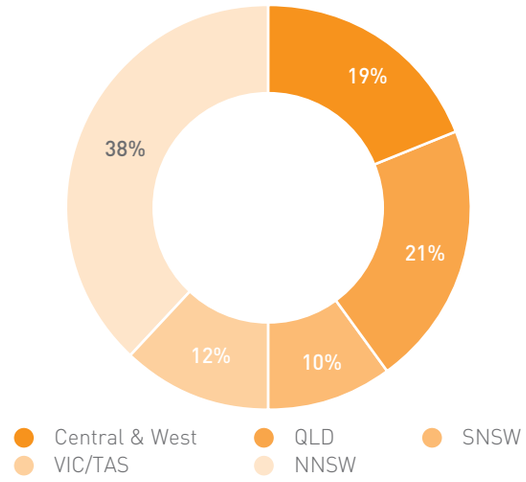


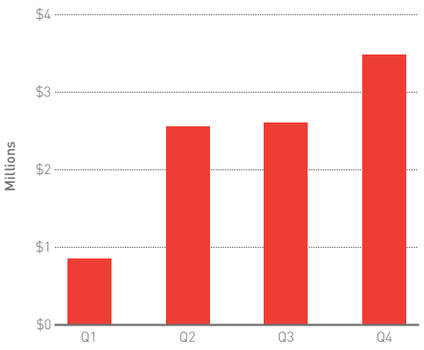
Figure 11: Calls by region



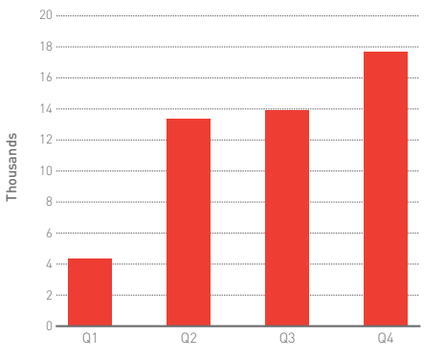
Imaging & Radiology Services

Dashboard

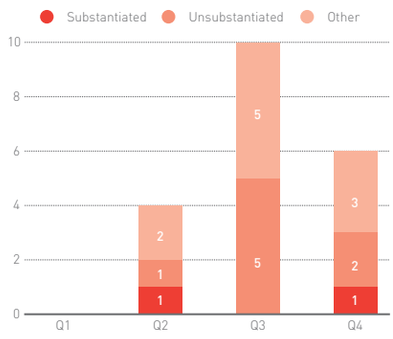
Investment: Services invoiced per quarter



Services: Procedures delivered and invoiced per quarter



Complaints & Clinical Incidents per quarter



*CCI data capture commenced in Q2.

What we deliver

This service package delivers an imaging and radiology service which gives ADF Members access to practices that diagnose, prevent, treat and monitor disease. This includes a comprehensive range of medical imaging services from x-ray, PET, CT, MRI, ultrasound, mammography, nuclear medicine and interventional procedures.

About the Subcontractor – I-MED

Each year across Australia, I-MED conduct more than 4.2 million patient procedures performed by 300 radiologists, 50 nuclear medicine physicians, and 3,900 staff. With the highest standard of radiologist expertise, equipment and technology, I-MED clinics provide referrers and their patients with the confidence of consistently high quality results and an individual level of care.

To deliver the full scope of services under the contract, I-MED chose to form a joint venture with Sonic and subcontract to third parties in the remaining areas to ensure a national footprint. These subcontractors were chosen on the basis of their professional standing in their local communities and in the wider profession.

I-MED operates more than 200 clinics in all major metropolitan areas and significant parts of rural and regional Australia. The opportunity to develop a joint venture with Sonic who operate more than 100 clinics and extend these services to provide state-of-the-art-care for ADF Members was seen as an important national opportunity.

Operating On-base

In addition to off-base Imaging and Radiology services provided to ADF members, I-MED also provide on-base services to support the Enoggera Health Centre operating theatre in Queensland. This includes the provision of x-ray equipment and staff necessary to run the imaging and radiology functions for the operating theatre. I-MED also provide support to the ADF to ensure that Enoggera's Health Centre maintains compliance with the Diagnostic Imaging Accreditation Scheme.

FY13 Key Achievements

I-MED have been a consistent performer in FY13 demonstrated by their integration and quick consideration of systems, people and process when managing the transition and implementation stages of this project.

I-MED successfully brought together eight individual providers to ensure a consistent and seamless service nationally. Simultaneously they were able to stabilise clinical service provision, data collection and invoice preparation efficiently and effectively. In FY13 I-MED delivered 49,400 procedures with only three Level 2 clinical incidents.

Facts & Figures

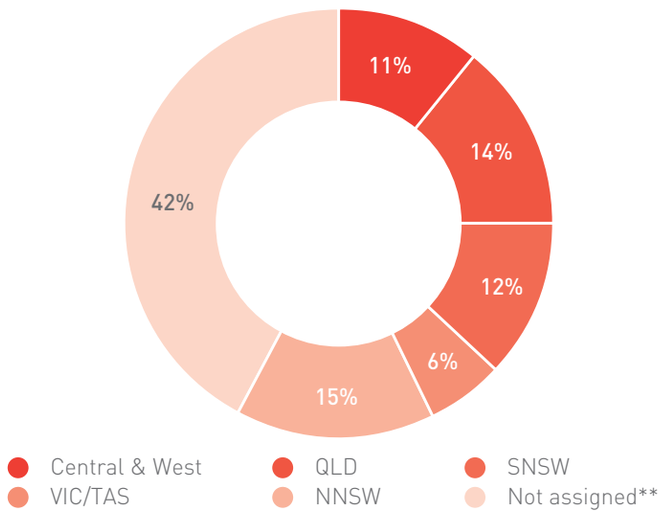
49,377
number of procedures performed

24,000*
number of patients scanned

2.06*
average number of procedures per patient

* Numbers are approximate due to data anomalies, particularly during Transition-In when only a partial dataset was being collected.

Figure 12: Imaging & Radiology procedures by region



** A significant number of referrals did not indicate the JHC facility. As a result states may be misrepresented because of the lack of completeness in the data. Improving the completeness of the data at the point of collection will be a key focus in FY14.

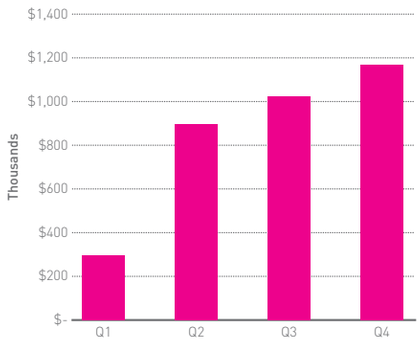
Notes to Figure 12

1. The data in Figure 12 is taken from MSDR data and is reflective only of services that were provided and invoiced from package go-live to June 30 2012.

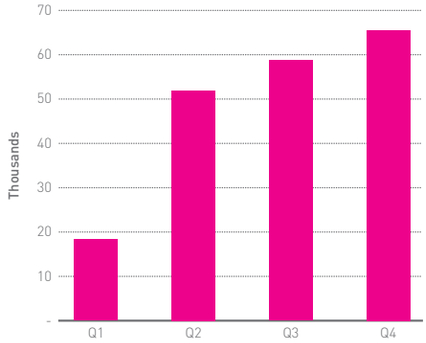
Pathology Services

Dashboard

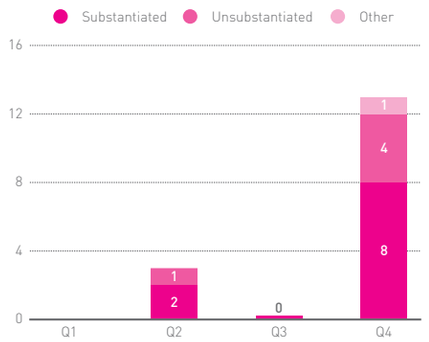
Investment: Services invoiced per quarter



Services: Procedures delivered and invoiced per quarter



Complaints & Clinical Incidents per quarter



*CCI data capture commenced in Q2.

What we deliver

This package delivers nationally consistent pathology services which give ADF Members access to practices that diagnose, prevent, treat and monitor disease. This includes pathology collection materials, collection and transportation of specimens to SDS' National Association of Testing Authority (NATA) accredited laboratories, specimen analysis and pathologist supervision at the Enoggera Health Centre.

About the Subcontractor – Special Diagnostic Services (SDS)

SDS Pathology is currently the largest pathology business in Australia based on the number of collection centres, with a presence in all mainland states. SDS employ over 6,000 staff including Pathologists, Scientists, Technicians, Nurses and Couriers. SDS have four large scale laboratories centrally located in larger capital cities, over 100 regional and hospital laboratories which are supported by over 1,500 licensed patient collection centres.

SDS' individual state based businesses support and align with the five JHC regions: QML Pathology to service Queensland; Laverty Pathology to service Northern NSW, ACT and Southern NSW; Dorevitch Pathology and Gippsland Pathology to service Victoria and Tasmania; Western Diagnostic Pathology to service WA and NT; and Abbott Pathology to service SA in the Central and West region.

A History of Engagement

SDS has a long history of supplying pathology services to JHC in Victoria, Queensland, Western Australia and the Northern Territory. In addition to this, QML Pathology has an association dating back to the Vietnam War with the Queensland Enoggera Gallipoli Barracks and its predecessors.

QML has provided NATA level Pathologist Laboratory Supervision and adjunct training to Laboratory Scientists and Technicians of the Enoggera Laboratory for over 40 years. This has continued as QML Pathologist, Dr Kerry DeVoss FRCPA, supervises the Enoggera Laboratory and provides ongoing support to the Defence Medical Officers.

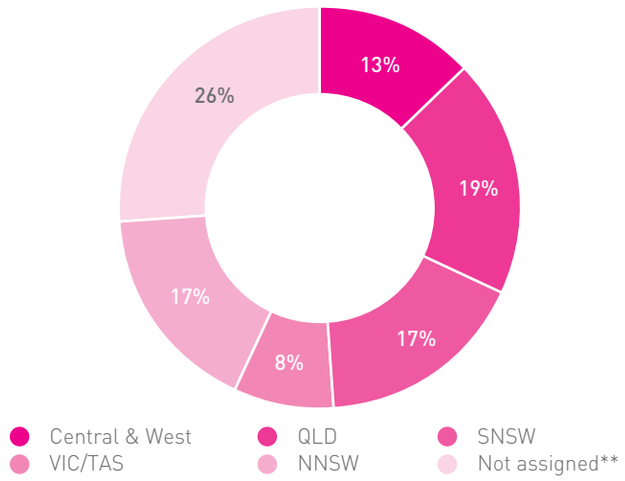
FY13 Key Achievements

Given SDS' robust footprint, their ability to coordinate during transition was key. SDS were able to deliver a national pathology solution involving collection, processing, reporting and billing for the geographically dispersed health facilities in a very short timeframe. To embed nationally consistent service, SDS also introduced a standardised Defence request form customised specifically for the defence contract. SDS also implemented a web- based results portal (Pathway) to ensure timely delivery of patient reports to specific health facilities. This ensures the ongoing continuity of patient care by enabling Medical Officers to access pathology information in a centralised repository for all patients.

Facts & Figures

Since the commencement of services under the contract, SDS has seen more than 58,000 patients and performed over 194,000 pathology tests. Pathology referral numbers appear to be following the same pattern as the ADF patient populations. The larger more populated bases require more pathology services.

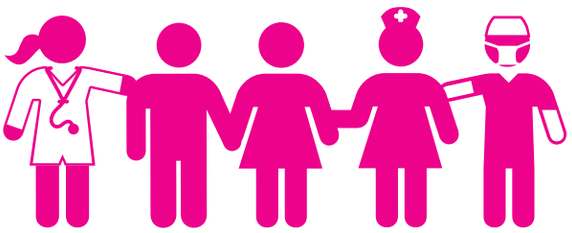
Figure 13: Share of pathology services by region



** Did not indicate the JHC facility.

Notes to Figure 13

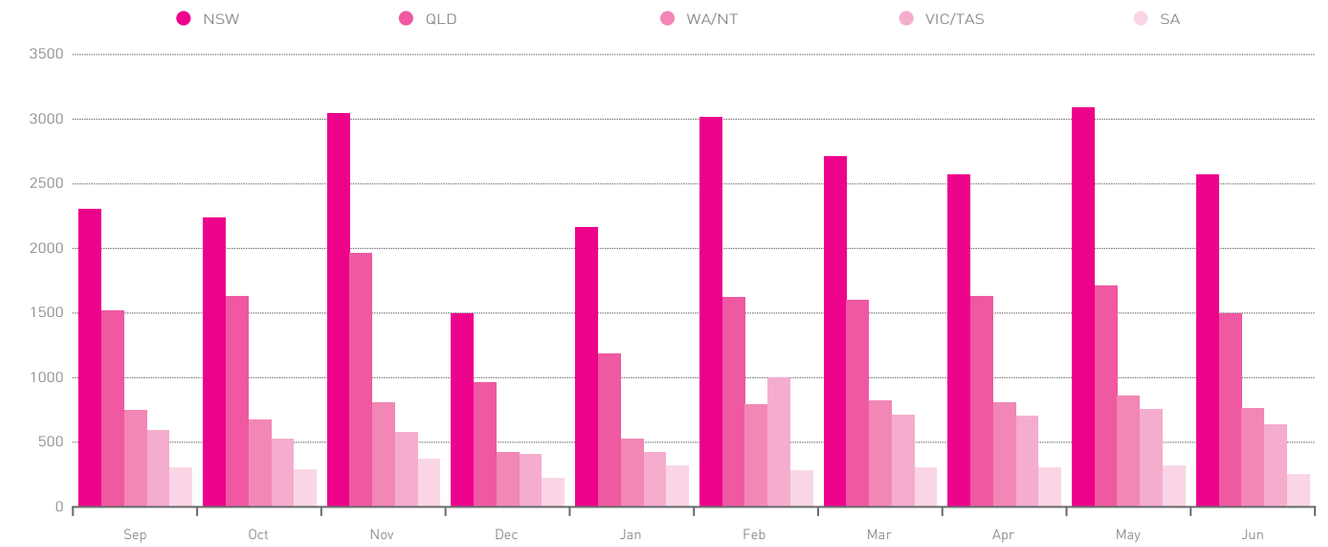
1. The data in Figure 13 is taken from MSDR data and is reflective only of services that were provided and invoiced from package go-live to June 30 2012.



58,218
number of patients seen

194,903
number of pathology tests performed

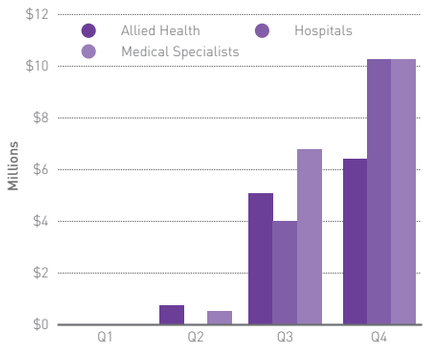
Figure14: Regional trend analysis by month of SDS pathology patients (Provided by SDS)



Off-base Services

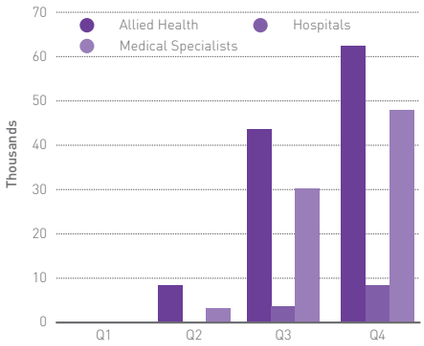
Dashboard

Investment: Services invoiced per quarter



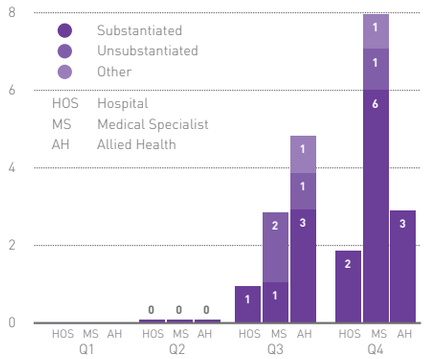
*Not active in Q1.

Services: Appointments and admissions made & invoiced per quarter



*Not active in Q1.

Complaints & Clinical Incidents per quarter



*Not active in Q1. CCI data capture commenced in Q2.

As part of the Off-base service package, MHS have developed a service provider network of medical specialists, allied health professionals and private hospitals to service ADF Members across the country. MHS are responsible for the coordination and administration of this off-base provider network.

The challenges faced in building a network of service providers has been well documented between JHC and MHS, and within the broader market. Despite these initial challenges, MHS has continued to work on developing the service provider list and can now report a network of over 4,000 medical specialists, over 9,000 allied health providers and over 240 private hospitals.

The MHS service provider list continues to grow each month and we are committed to ensuring that we build a comprehensive sustainable network for JHC. Referrals to MHS in network specialists have continued to increase each month and we expect that this improvement will accelerate as we deploy targeted strategies for list growth.

In addition to service provider list growth, MHS has been focused on evolving the off-base service delivery model. MHS are currently working with JHC on alternate supply programs that involve 'fly in fly out arrangements', telemedicine, transferring specific specialists modalities back to the on-base environment and identifying options for alternate referral pathways.

Continuing to innovate and remodel how services have traditionally been purchased is central to ensuring ADF Members receive the access they need, to services they require and in a more cost effective framework.

On 29 October 2012, MHS transitioned this service package which included:

1. Launching the **Central Appointments Team** to coordinate service access for ADF Members
2. Providing access to a network **of medical and allied specialists**
3. Providing a network of **private hospitals** offering a range of in-patient services
4. Ensuring that all specialists within the MHS network were **credentialed** in line with contracted requirements
5. Launching the **Australian Defence Force Invoicing Team** to coordinate service provider payments
6. Providing access to **optometry instruments and tests** in line with ADF specific requirements
7. Providing access to two national **occupational rehabilitation** providers.

Facts & Figures

The following graphs provide a regional overview of Off-base service delivery for each quarter since the commencement of services. Allied health, medical specialists and hospital services have been treated separately for the purpose of this analysis.

Figure 15: Quantity of Services Snapshot - Regional trend analysis of allied health professional services delivered and invoiced

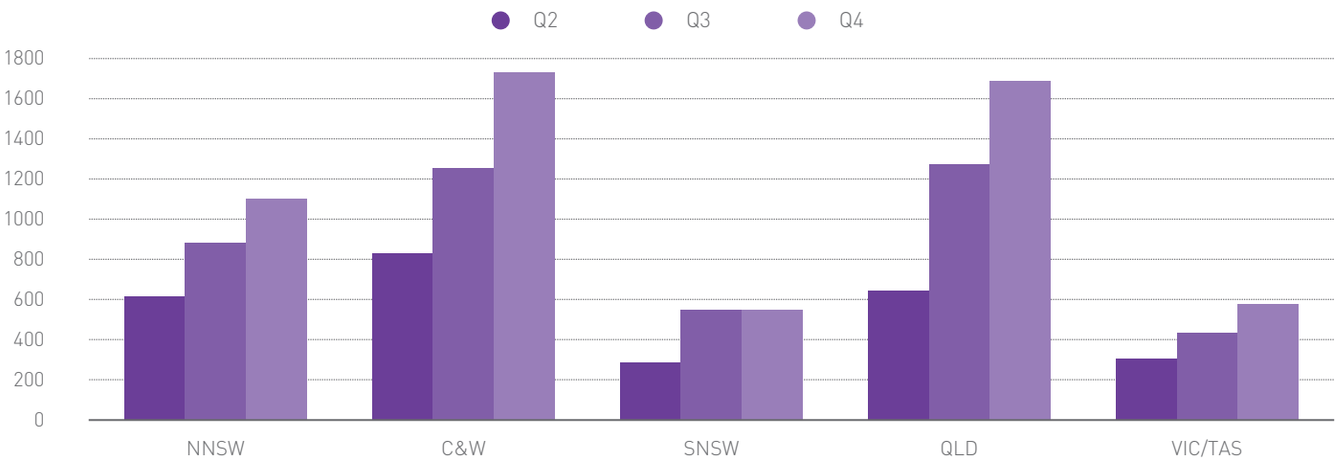


Figure 16: Quantity of Services Snapshot - Regional trend analysis of medical specialist services delivered and invoiced

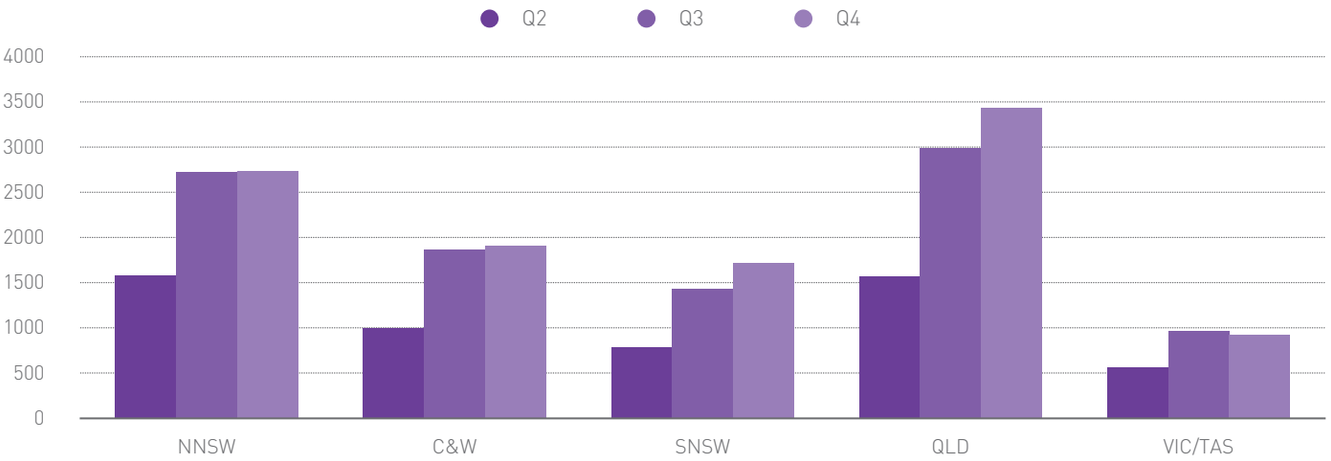


Figure 17: Quantity of Services Snapshot - Regional trend analysis of hospital services delivered and invoiced

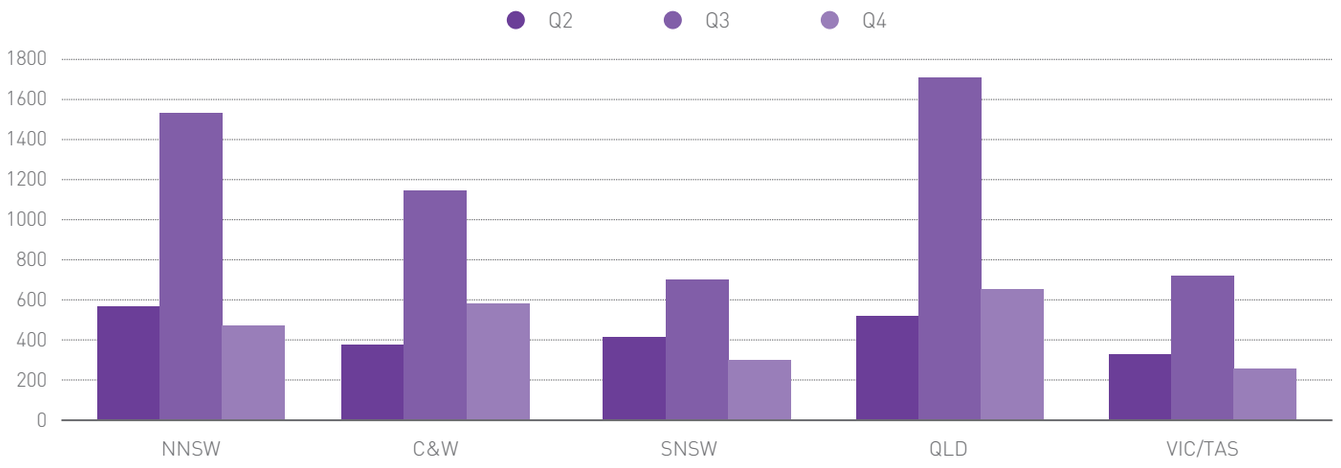
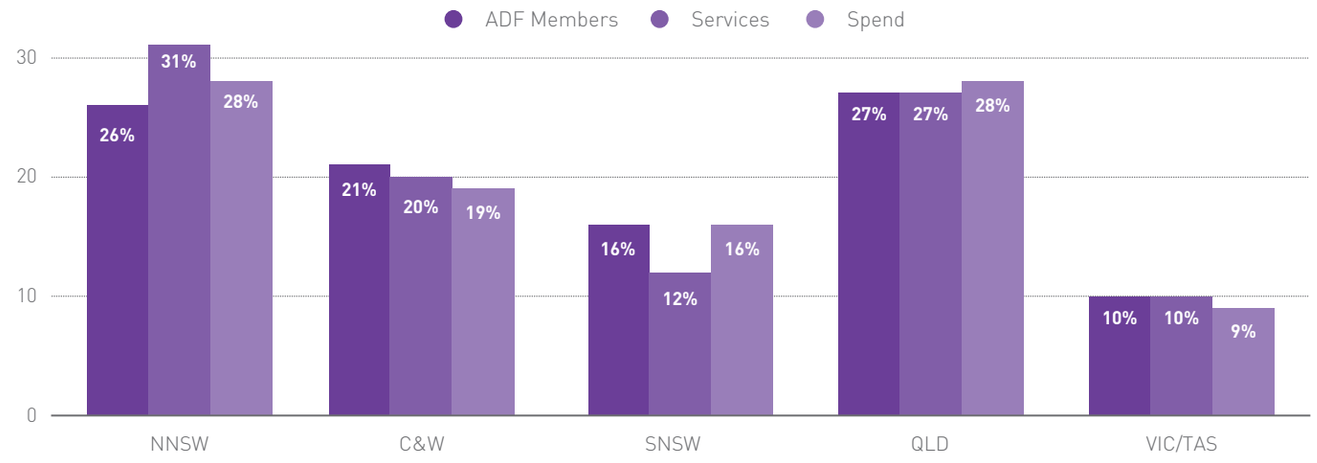


Figure 18: Share of Spend and Services

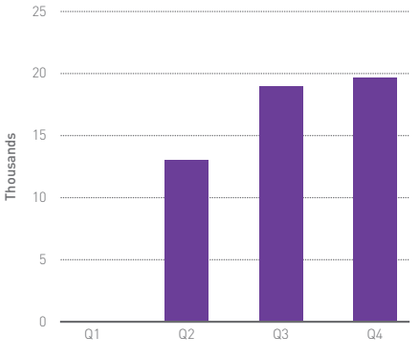


Off-base Operations

Dashboard

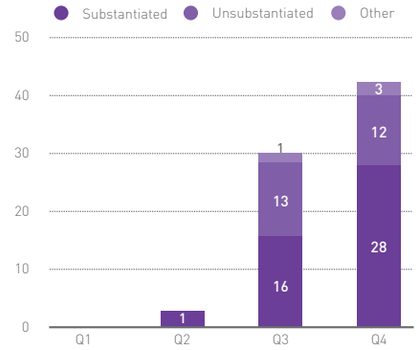
Central Appointments Team Dashboard

Referrals received



*Not active in Q1.

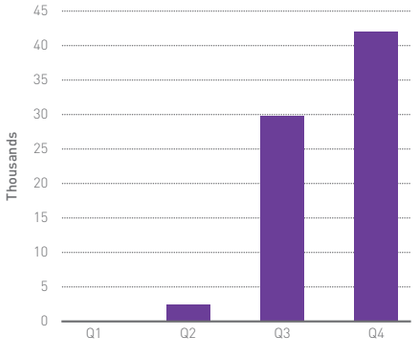
Complaints & Clinical Incidents per quarter



*Not active in Q1. CCI data capture commenced in Q2.

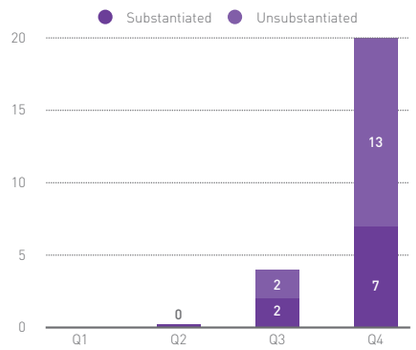
Australian Defence Force Invoicing Team Dashboard

Total Invoices processed



*Not active in Q1.

Complaints & Clinical Incidents per quarter



*Not active in Q1. CCI data capture commenced in Q2.

What CAT deliver

The CAT serve a dual function as appointment makers and health informatics collectors. The CAT are the primary source of cost control for JHC. They are able to access database information to find high quality, cost effective health care for ADF Members by leveraging in network provider lists. CAT works in five teams related to the JHC regions and each team leader is responsible for understanding the specific needs of the region.

The CAT are responsible for:

- Booking appointments with service providers
- Data entry of referral forms
- Feedback to JHC facilities via an end of day report
- Basic provider enquiry management
- On-boarding of in network service providers.

What ADFIT deliver

ADFIT receive and process provider invoices so that JHC receive one monthly consolidated bill across all service packages. The team is split into invoice processing, hospital processing and a customer service team who deal with provider payment enquiries.

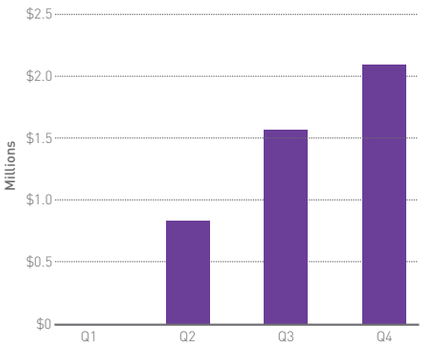
ADFIT are responsible for:

- Sorting compliant and non-compliant invoices and communicating to providers
- Verifying contracted rates
- Maintaining data about providers
- Payment of invoices
- Investigation of invoice enquiries.

Off-base Optometry

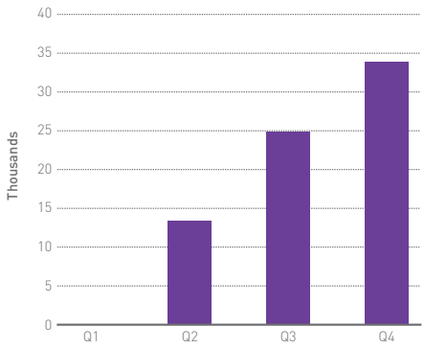
Dashboard

Investment: Services invoiced per quarter



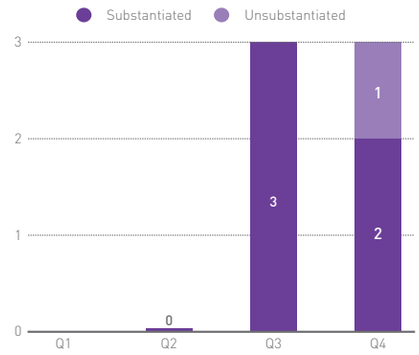
*Not active in Q1.

Services: Procedures delivered and invoiced per quarter



*Not active in Q1.

Complaints & Clinical Incidents per quarter



*Not active in Q1. CCI data capture commenced in Q2.

What we deliver

Through our subcontractor Luxottica, MHS delivers nationally consistent optometry services including eyecare testing and a range of eyeware products for use in the field by ADF Members.

About the Subcontractor – Luxottica

Luxottica currently has over 828 outlets in Australia and is the largest employer of optometrists and the biggest optical service provider in every state and territory, including the leading and best known optical providers such as OPSM, Laubman & Pank, Budget Eyewear and Just Spectacles.

Luxottica has made significant investment in the latest leading edge technologies.

In 2012 they introduced the latest exclusive Ultra Wide Digital Retinal Scanners (UWDRS) that allow optometrists to take a 200 degree image of the back of the eye. Luxottica has also created a centre of excellence in eye care at the OPSM EyeHub in Melbourne.

This is a state-of-art facility which will be rolled out nationally in the near future, with the intention to have such a facility in each capital city. This is one of the only facilities in Australia that can test and pass pilots eye exams. It is hoped that over time these services will be available to ADF Members.

FY13 Key Achievements

Luxottica have been flexible in the way they deliver service to ADF Members and are interested in enabling Defence to take advantage of the technological advancements they are pioneering.

In addition to technological innovation Luxottica have partnered with MHS to deliver solutions on the ground to increase the customer satisfaction and efficiency of providing optometry services to ADF Members.

These initiatives have included creation of a medical officer's information pack. It includes frame descriptions and allows both parties to have a better understanding of the process as well as the entitlements. Currently they are assessing in store displays of ADF approved eye ware.

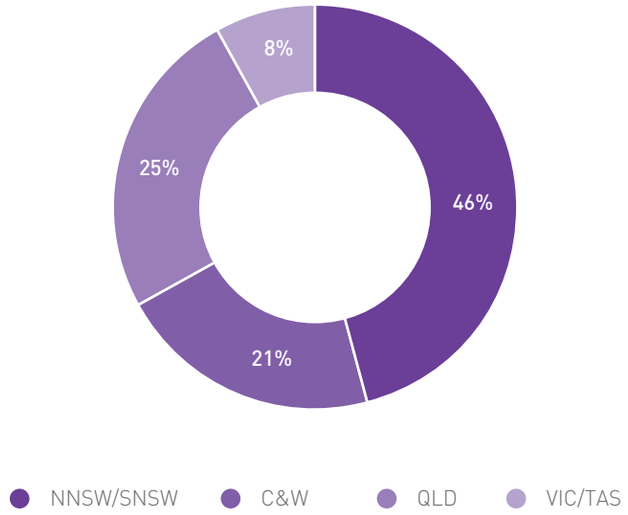
Flexible Service Delivery

In FY13 Luxottica demonstrated their flexibility in service delivery by providing a tailored optometry and dispensing solution to cadets from Puckapunyal in time for their critical first deployment.

OPSM Greensborough were contacted by a JHC representative and advised that 30+ cadets needed to have eye examinations and if required order glasses within a stringent time frame. It was agreed that this service was to be provided out of hours and Luxottica were able to have additional staff to enable a seamless process.

Facts & Figures

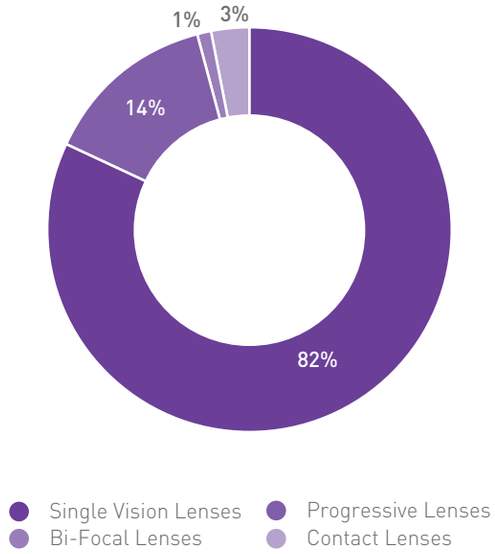
Figure 19: Percentage of total optical jobs delivered nationally - per region (Provided by Luxottica)



16,758

number of optical jobs delivered nationally

Figure 20: Percentage of total optical items (lenses) delivered nationally - per region (Provided by Luxottica)



33,651

number of optical jobs items (lenses) delivered nationally

Transform

Our Future Delivery Commitment

The ADF Health Services contract represents a substantial reform in the provision of health services to ADF Members. The ADF has engaged MHS to partner with them to redesign its health delivery system and ensure that a world-class military health service is provided to our service men and women.

Over the first period of contract operations, MHS has focussed on transitioning services under the new health care delivery model, embedding operations for all service packages and refining processes and procedures to stabilise services in all Australian states and territories.

Over the next annual reporting period, MHS will be focused on consolidating the service delivery model as well as moving towards implementing initiatives to drive reform and to meet JHC's objectives in offering this contract to MHS.

MHS take pride in being selected to deliver on this national model of coordinated care. As a new business in MHS, GHS have learnt from the first year of operation and as part of the future delivery commitment, propose to focus efforts in achieving efficiency and innovation.

Seven Pillars

MHS, with JHC's endorsement, will focus on obtaining national consistency across seven core pillars and seek to provide innovative solutions and opportunities wherever possible. The seven pillars are an adaptation of the six dimensions of quality of care as referenced in The Framework for Managing the Quality of Health Services in New South Wales (NSW Health, 1999, The Framework for Management the Quality of Health Services in NSW, p11-12).

The pillars are as described below:

1. **Safety of health care:** Safe progress through all parts of the system. Investigating opportunities to enhance and deliver more preventative health care services; helping JHC proactively manage the health care of ADF Members.
2. **Effectiveness of health care:** The expectation that the treatment will produce a measurable benefit and/or the desired outcome.
3. **Appropriateness of care:** Using evidence to select the right treatment and do the right thing to the right patient in a timely fashion.
4. **Consumer Participation in health care:** The ADF Member is at the core of service delivery in GHS and through JHC, are able to be an active participant to ensure their input enhances the level of acceptability of services and the quality of those services received.
5. **Access to service:** Equitable access including investigating opportunities to embrace technological and health care advancements that improve access and outcomes.
6. **Efficiency of service provision:** Ensuring resources are utilised to achieve value for money. The practice of continuing to review and refine policies and procedures and in turn, identifying opportunities for cost efficiencies to be realised in an alternate service delivery model.
7. **Health Informatics:** Improving and enhancing health informatics and providing intelligent data on health care utilisation. This will ensure that JHC have clear and objective data to make operational and strategic decisions on health care delivery models.

Program Governance Board 2013

The inaugural meeting of the Program Governance Board is scheduled for 13 September 2013 and the core pillars will be central to the proposed projects for consideration and endorsement by JHC.

As a thought leader in the health industry, MHS will work with JHC over the life of this contract to challenge conventional thinking, to inspire and deliver innovation and to deliver a world class military health care system.

medibank
health solutions