

fact sheet

June 2016

Identified Complications

Introduction

As Australia's largest private health insurer, Medibank has a role to play in helping improve our 3.9 million members' health outcomes, healthcare experience, and the affordability of their healthcare.

To help achieve these goals, Medibank is working with hospitals on a range of initiatives, including reducing hospital acquired complications and re-admissions.

Medibank recognises that complications can occur during or following a hospital admission, however we want to encourage hospitals to adopt best practice and ensure they have robust measures and follow clinical guidelines to reduce the frequency of complications as much as possible.

Context

Medibank funds over a million hospital interventions every year on behalf of our members.

Some 1.9 per cent of PW0 (Price Weight of One) hospital claims indicate that intervention was required as a result of a hospital acquired complication on Medibank's HAC List (as defined below) while the member was in hospital. This rate varies from 1.4 per cent to 3.2 per cent amongst hospital groups.

Around one in 10 of these claims resulted in Medibank paying a higher benefit on behalf of our members than would have been the case if the complication had not occurred.

About Identified Complications

Based on the list of hospital acquired complications published by the Australian Commission on Quality and Safety in Healthcare (ACSQHC) in December 2013 and confirmed in 2015, Medibank has developed a subset of hospital acquired complications which Medibank considers:

- are likely to occur in an acute private hospital setting
- are likely to occur more frequently and to be more significant, based on Medibank's claims history; and
- have good evidence to show that their frequency can be reduced if clinical guidelines are followed.

There are 82 hospital acquired complications on Medibank's HAC List, and Medibank will continue to review this list as evidence emerges and practices change.

The 82 hospital acquired complications include:

- Pressure injury (Stage III and IV ulcers)
- Falls (Intracranial injury, fractured neck of femur, other fractures)
- Healthcare associated infection (surgical site infection, blood stream infection, prosthesis associated infection)

- Surgical complications (post-operative haemorrhage and haematoma, vascular complications, Rh incompatibility reaction, accidental puncture/laceration, disruption of wound)
- Venous thromboembolism (pulmonary embolism, venous thrombosis).

To see the ICD codes that make up Medibank's HACs List, click [here](#).

'Identified Complications' also include Sentinel Events as defined by the Australian Commission on Quality and Safety in Healthcare, and re-admissions to hospital within 28 days as a result of an event on Medibank's HAC List.

Under our new performance-based contracts with private hospitals, Medibank will send the hospital a list of any "Identified Complications" which have occurred, indicating an adjustment to the payment may be made unless the hospital can demonstrate that they have taken these complications seriously and complied with local Clinical Practice Guidelines or industry accepted guidelines, or that the complication was not due to treatment either provided or withheld during the admission.

What this means for members

The treatment a member is covered for will not change. Medibank will still pay benefits towards the costs of the original treatment on behalf of members.

Members will not be faced with additional charges as a result of these changes, and they will continue to have access to high quality treatment in their hospital of choice.

What this means for specialists

Medibank's payments to medical specialists for our members' care, including the surgeon, physician, anaesthetist and assistant surgeon, remain unchanged.

What this means for hospitals

Medibank is asking hospitals to demonstrate that:

- that they have taken the complication seriously. This requires the hospital to demonstrate that they have entered the complication into their risk register, tracked the frequency of that complication, and have systems in place to reduce the frequency of that type of complication;
- that the hospital and medical staff followed guidelines in the delivery of treatment to the member. This involves the hospital demonstrating that they have clinical practice guidelines (CPGs) in place for that type of complication and that staff complied with the CPG. Where the hospital does not have a CPG for that type of complication, Medibank expects that the hospital will have complied with nationally endorsed guidelines; or
- that the complication was not due to treatment either provided or withheld during the admission.

Where the hospital can demonstrate that they have taken complications seriously and have robust systems in place and have followed clinical guidelines to reduce them as much as possible (or can demonstrate that the complication was not due to treatment provided or withheld), Medibank will pay towards the costs associated with treating the complication.

Where hospitals cannot demonstrate these things, the hospital will be asked to accept the costs associated with treating the Identified Complication and reimburse Medibank accordingly.

How the process works

Medibank has established a revised process for managing Identified Complications, incorporating feedback received during an extensive consultative process with relevant contracted hospitals.

Medibank received an 80 per cent response rate from these hospitals, with detailed feedback also received from a number of hospitals which piloted the reporting tool developed by Medibank to support the process.

A summary of Medibank's process for managing Identified Complications is outlined below:

- Medibank receives the hospital claim and pays the hospital for the treatment provided.
- On receipt of formal HCP (Hospital Casemix Protocol) data, usually around three months after a patient's discharge, Medibank reviews the hospital claim.
- Where an event listed on Medibank's HAC List has resulted in Medibank paying a higher DRG than would have been the case if the complication had not occurred, Medibank sends the hospital a list of "Identified Complications" which may warrant an adjustment to the payment.
- The hospital answers a set of screening questions and returns these to Medibank, to enable Medibank to consider whether the hospital treated the complication seriously and complied with local Clinical Practice Guidelines or industry accepted guidelines, or whether that the complication was not due to treatment either provided or withheld during the admission.
- Medibank reviews the hospital's response and makes a determination on whether payment for the claim should still be adjusted.
- Medibank may ask the hospital for additional information such as a copy of the hospital's CPG for that type of complication, evidence that the hospital complied with the CPG, evidence of the hospital's recording and reporting of the complication, evidence showing that a clinical quality committee has reviewed the complication, or evidence of the program that the hospital has in place to reduce the frequency of the complication.
- Medibank provides the hospital with its determination following review of the information.
- If the hospital disagrees with Medibank's determination, the hospital may supply Medibank with additional information, in which case Medibank will review the information and revise or confirm its determination. The hospital may also request that Medibank's determination be reviewed by an independent medical expert.
- Medibank has sought nominations of suitable specialists from various medical colleges to provide independent expert review.
- Where the hospital seeks an expert review of Medibank's determination, Medibank will identify the specialist with the skills best matched to the nature of the complication, and will invite that specialist to review the evidence provided by the hospital.
- The specialist will determine whether the grounds supporting payment by Medibank for the Identified Complication(s) are met, and Medibank will stand by the expert's determination.

The information in this fact sheet is provided for general guidance only, and is not intended to supersede or alter the terms and conditions of any HPPA agreed between Medibank and a hospital or group of hospitals.

Medibank reserves the right to update the contents of this fact sheet from time to time.