

Practice Incentives Program (PIP) Diabetes initiative – Outcomes component

In November 2001 the PIP diabetes initiative was introduced. The initiative contains three components, two of which have commenced: the sign on payment, including use of a patient register and recall/reminder system, and the service incentive payment. The third component, the diabetes outcomes payment, will commence in May 2003.

The aim of the outcomes payment is to provide an incentive for practices to improve detection and care of patients with diabetes. Practices who ensure that a proportion of their patients with diabetes are provided with the recommended care (as described by the Diabetes MBS items) will receive a quarterly payment.

Completion of the diabetes annual cycle of care, as indicated by the Diabetes MBS items, and conducted during 2002 will be included in the May 2003 payment quarter. All services rendered after this date will be included in subsequent payment quarters.

The formula that will be used to calculate the outcomes payment is:

SWPE of patients with completed diabetes programs within the last 12 months
SWPE of patients with diabetes

Practices where at least 20 percent of their patients have been provided with an annual cycle of care for diabetes will receive \$15 per patient with diabetes (SWPE) for the initial payment. This includes payment for the November 2002, and February and May 2003 quarters. In subsequent quarters payments will be \$5.00 per patient with diabetes (SWPE).

Whilst the required proportion will initially be set at 20 percent this will increase over time to encourage improved levels of care for patients with diabetes. Practices with 20 percent coverage or better will be eligible for an outcomes payment with the exception of those that do not meet a minimum threshold for diabetes detection. This threshold will be set initially at two percent of the total practice population. This will mean practices that have diagnosed less than two percent of their practice patients will not receive an outcomes payment.

The greater the number of patients with diabetes, the greater the payment. However the formula is designed to ensure that as practices detect more patients with diabetes, they must also ensure adequate care to patients in order to remain eligible for the payment.

Any queries regarding the diabetes outcomes payment can be made by calling the Health Insurance Commission (HIC) PIP enquiry line: 1800 222 032 (freecall).