Discussion Paper

Care Planning PIP Payments

Issue: How will the Care Planning PIP payment work, and will it be equitable for regions with a high ageing population?

Considerations:
The PIP Care Planning Incentive is part of the Enhanced Primary Care (EPC) Medicare items package introduced in the 1999-2000 budget. The PIP payment will encourage uptake of the EPC items and may improve the level of care for patients with chronic conditions and multidisciplinary needs. The PIP care planning payment will be made annually starting in February 2002. The PIP payment is in addition to the Medicare rebates for care plans and case conferences.

To attract payment for this element of the PIP, practices need to meet an annual target for completing care plans and case conferences for their patients. All items claimed by doctors in the PIP practice in the group A15 of the Medicare Benefits Schedule count towards this target- including items that a GP has contributed towards, organised, or that occurred in a residential aged care facility.

What are the targets?
Initially the care planning targets for a practice will be met if the practice achieved a Coverage Rate of 10%. The Coverage Rate is based on the ratio:

$$\frac{\text{number of patients with the care plan or case conferences in the practice}}{\text{number of patients aged over 65 attending the practice}}$$

The number of patients aged over 65 is used as an approximation of the number of patients with chronic conditions and multidisciplinary care needs. However all care plans and case conferences count towards your target, regardless of the age of the patient who had the item. Patient numbers are calculated using Whole Patient Equivalents (WPE' s) and practices have already been advised of their target by the HIC. Any practice that wishes to check it's target may phone the PIP hotline on 1800 222 032.

In subsequent years the target rate will be set at the 75th percentile of practice coverage rates and the HIC will inform GPs of the new target in February of each year.

How much is the payment?
The payment will be $10 per Whole Patient Equivalent aged 65 plus. The Health Insurance Commission has calculated that on average eligible doctors will earn $1200 per annum from this incentive.

Is the target equitable for surgeries with a high number of elderly patients?
Where a practice has a high number of elderly patients, their Care Planning target will be very high. However if the target is reached, the payment will also be high.

For example:

> If your practice has 500 WPE's over the age of 65, the 10% coverage rate target would be care planning or case conferences items for 50 patients. If your GPs perform care plans or case conferences for 50 or more patients (any age), and then you would have met your target. The payment for your practice would be $10 multiplied by 500 WPE's, which equals $5000.

How does this compare to a surgery with fewer elderly patients?
Although a practice with fewer elderly patients will have a lower care planning target, the

associated PIP payment will also be a lot lower.

For example:

> If your practice has 100 WPE's over for the age of 65, the 10% coverage rate target would be care planning or case conference items for 10 patients (any age). If this practice meets this target their payment would be $10 multiplied by 100, which equals $1000.

Even if the practice achieves more than their target, there are PIP payment will not increase in value.

Will this system still be equitable in future years?
In future years the target coverage rate will be set at that of the top 25% achieved in the previous years by practices in each of the RRMA classifications. There is the risk that if practices with very few elderly patients managed to achieve care plans or case conference items for 100% of their patients aged over 65, this could set the target coverage rate at a very high level.

How could this system be changed to be more equitable in future years?
Practices could be divided into categories depending on the number of elderly patients that they see. For example, practices with less than 50 WPE aged over 65, practices with between 50 and 100 WPE's aged over 65, and so on. The target rate for future years could be set at the 75th percentile of practice coverage rates for each category. This system would allow practices to compete against **similar** practices.

What have other divisions said about the PIP system?
The feedback received by GPDV suggests that many divisions are quite confused about the new system. There has been some discussion about whether patients aged over 65 are a good predictor of chronic illness. Unfortunately the Department of Health and Aged Care do not have an alternative system for identifying patients who have a chronic illness. It is felt that including this figure in the target equation will further add to the confusion about age criteria for Enhanced Primary Care (in fact it is only the health assessment item that has an age criteria).

There has been some feedback that the PIP system will penalise practices with a low number of elderly patients. Specifically there have been complaints that the financial incentive will be too low for these practices. For example, if a practice of two GPs only has seven patients aged over 65 then regardless of whether they do seven or 700 care planning items, the most the practice will earn is $70 per year (or $35 per GP).

There has even been suggestions that some of the PIP payment should be allocated to divisions in order to employ program officers to facilitate uptake of the Enhanced Primary Care items.