Synopsis

Australian eHealth Market

Acute Care 2003-2005

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Synopsis

CHIK Services (CHIK) presented the results of its independent research into the Australian Health Information and Communications Technology (ICT) market in May 2004.

Entitled *"Australian eHealth Market: Acute Care 2003-2005"* it explores current ICT activity, trends and issues that impact on health information management and the delivery of safe, effective quality care in Australian public and private hospitals. The study was undertaken between December 2003 and February 2004 and responses received provide a representative sample of the Australian acute care sector.

The study builds on the work of the former Collaborative Health Informatics Centre (CHIC) Ltd and CHIK acknowledges and thanks the Queensland Government (Department of Innovation and Information Economy, Sport and Recreation Queensland) for their assistance in facilitating this.

CHIK Services (www.chik.com.au) is a not-for-profit company established in mid 2002 to provide global communication and research services to the Health and Health ICT sectors. Its key objectives are to help transform healthcare delivery by: promoting education and training about the use of ICT to achieve better health outcomes; advancing the study of and research into health ICT development and use; developing information services and resources relating to Health ICT and providing an independent channel of communication for all those with an interest in managing health information.

In line with CHIK's market driven approach, the research was undertaken on a syndicated basis and it would not have happened without the support of the research syndicate members and survey respondents.

While this research project focused on the hospital (acute care) sector, CHIK looks forward to extending its research projects to cover additional areas of the health care sector including the providers of health ICT products and services.

Environment

The study was undertaken in a time of considerable change and challenge for the Australian acute care sector. A by-product of the increased attention on the health system is the growing realisation by consumers, senior executives and some politicians that the use of information technology to manage health information, particularly clinical information is no longer a choice but an imperative to facilitate change within the sector.

While results of the study clearly indicate the intention to move toward clinical system implementations by the acute care sector, in many cases the funding and ICT infrastructure to do so are not yet in place. In the main the approval and allocation of funds for such projects are the responsibility of State/Territory Health Departments, private hospital groups and independent private hospitals.

Recent changes in national governance of health information management have led to the formation of the National Health Information Group (NHIG) and the Australian Health Information Council (AHIC) and at the time of completing the study, Australian Health Ministers have released a review of national priority areas for action in health information management and information communication technology (IM&ICT) governance in Australia.

Extract of Findings

CHIK predicts that eHealth, in the form of managing clinical information is on the cusp of significant growth.

Except for the addition of the current focus on managing patient safety, key business drivers have not changed substantially since 2002.

The focus of State/Territory Health Departments, plus public and private sector hospitals is consistent – a move from the current focus on upgrading infrastructure and patient administration systems to the adoption of a range of clinical ICT solutions aimed at improving the management of clinical information within hospitals and between other care settings.

Although Australian Health ICT budgets continue to represent 2% on average of the total health organisation budget (unchanged for 5 years), headline annual health ICT budget growth[1] was 28% on average with a baseline (excluding significant variations) of 1.9% on average.

Objective, Methodology and Responses

CHIK's objective in undertaking the research was to provide the health ICT sector with current information about Australian health ICT trends and issues in the public and private acute care sectors.

Specifically the study aimed to determine from key public and private acute health sector groups their:

- Current business and ICT priorities
- Perceived barriers to the adoption of information technology;
- Current and future application focus;
- Current and predicted activity relating to outsourced services (both external to health and the sharing of services within the health community);
- ICT budgets, expenditure and staffing in comparison to whole of organisation figures.

It also provided respondents with the opportunity to raise other issues.

Data was collected via a paper-based questionnaire with associated telephone interviews (where required). The questionnaire was developed by CHIK and revised following market testing in both the public and private sectors.

The questionnaire sought both quantitative and qualitative data in relation to:

- Health business and ICT priorities
- Health ICT barriers
- Health ICT applications and emerging technologies
- Health ICT outsourcing and shared services activity
- Health ICT expenditure and budget issues
- Health ICT staffing

Responses were sought and received from Senior Executives responsible for the strategic and information management environment within more than 750 public and private hospitals. The invitation was initially conveyed by email with the questionnaire attached and followed up with a phone call. Most State/Territory Health Departments supported the study by forwarding the survey to the Chief Information Officer or their equivalent in each Regional Health Service[2]. CHIK also followed up directly with these individuals by email and phone.

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[1] Headline annual Health ICT Budget includes isolated large capital expenditure projects

[2] For the purpose of the study a Regional Health Service includes state-based Area Health Services, Alliances, Networks and Zones, all of which are geographic management groupings that are responsible for the provision of acute care, community, mental health care and in some cases aged care services plus coordination with primary health care providers.

Distribution of the Report

The full research report is provided for the exclusive use of members of the research syndicate and survey respondents until January 2005.

Initial Syndicate Members

3M Australia
Agility Networks
Australian Department of Veterans' Affairs
Cerner Corporation
Compuware
CSIRO
Federation Health
Fujitsu
GE Medical Systems
Health Communication Network
IBA Health
IBM
Merck Sharp & Dohme
MKM Consulting
Optus
Oracle Corporation
Siemens Medical Solutions
Sydney Adventist Hospital
Trilogy Information Systems
plus several organisations that wished to remain anonymous

Further Information about CHIK Research projects

CHIK Services is planning a series of health ICT research projects. For further information about these as well as the current report *Australian eHealth Market: Acute Care 2003-2005*, please contact John Glass at:

Tel: 0438 246 611
Email: mailto:john.glass@chik.com.au

About CHIK Services

CHIK Services Pty Ltd (CHIK) is an Australian not-for-profit organisation established in June 2002 to provide independent communication, primary and commissioned research and consultancy services to the Health and the Health Information and Communication Technology (ICT) communities.

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Participant Overview

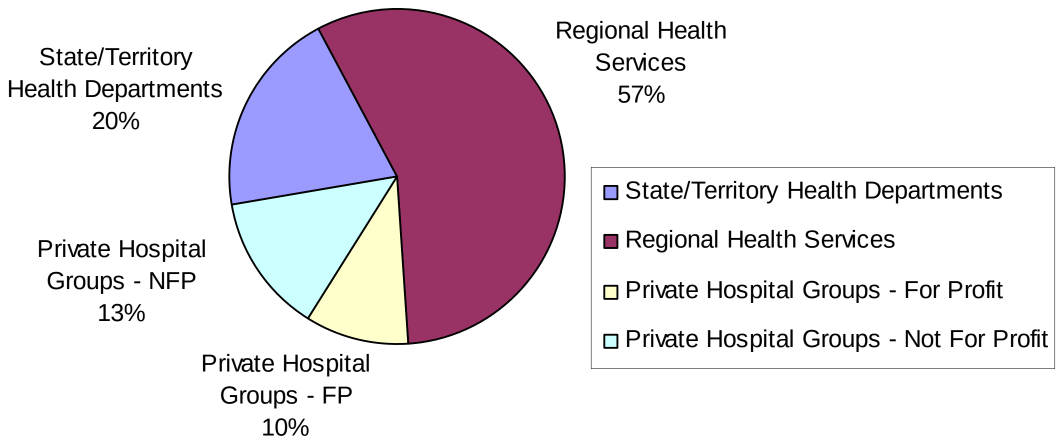
To ensure that the study was representative and the respondents were appropriately informed, CHIK used its detailed knowledge of the Australian public and private hospital sector to identify and approach a representative group of health ICT decision-makers.

In each case the individuals invited to respond were Senior Executive, Chief Information Officers (CIOs) or IT Directors/Managers.

Responses received provide a representative sample of the Australian acute care sector. Respondents either oversee the strategic and/or information management and technology operations at over 750 hospitals throughout Australia.

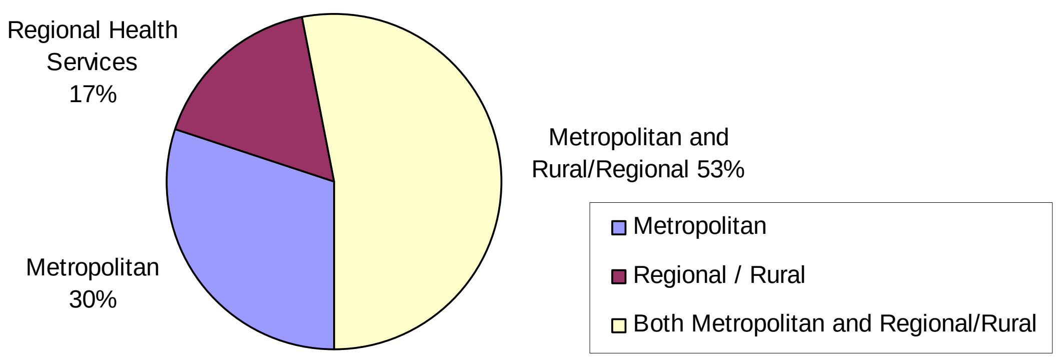
The majority of responses (57%) were received from regional health services and all but two of the State/Territory Health Departments responded.

Figure 1: Respondents by Organisation Type view Table 1



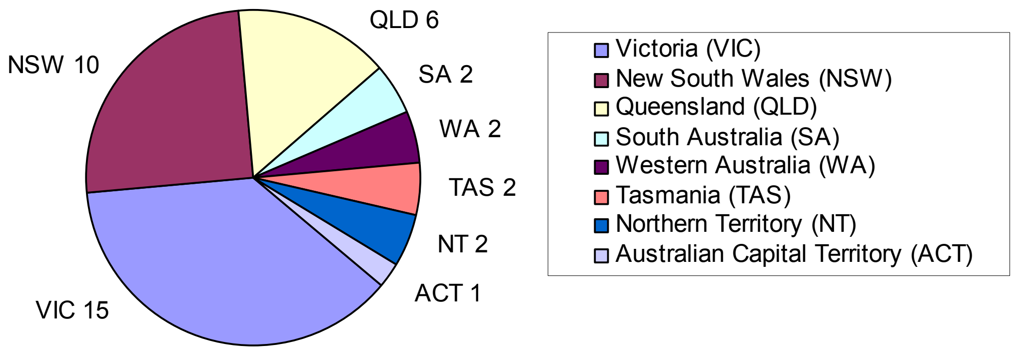
Over half of the respondents (53%) represented organisations that operate in both metropolitan and regional/rural locations.

Figure 2: Metropolitan / Regional coverage of respondents view Table 2



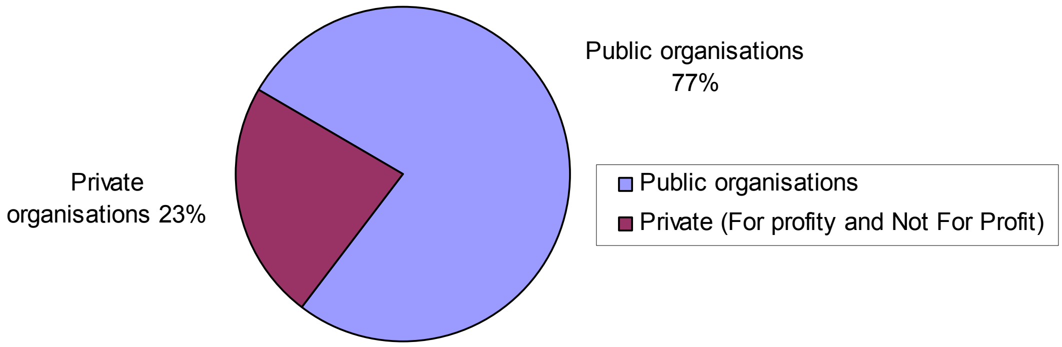
The majority of responses received were from organisations that operate along the Eastern Seaboard of Australia (Victoria, New South Wales and Queensland) which approximates the Australian population distribution.

Figure 3: Respondents by State(s) in which the organisation operates view Table 3



Seventy-seven percent (77%) of responding organisations were State/Territory Departments or Regional Health Services funded by government (public organisations) with the remainder (23%) being privately funded.

Figure 4: Respondent organisation by Public / Private status view Table 4



The range of annual operating budgets for organisations represented in this year's survey were:

- Less than 50 million 14%
- $51 million to $200 million 14%
- $201 million to $350 million 28%
- $351 million to $500 million 10%
- $501 million to $1000 million 17%
- More than $1000 million 17%

2. Health Business Priorities

Respondents were asked to select the top 5 business issues that they consider will have the most impact on Australian health care in the next two years.

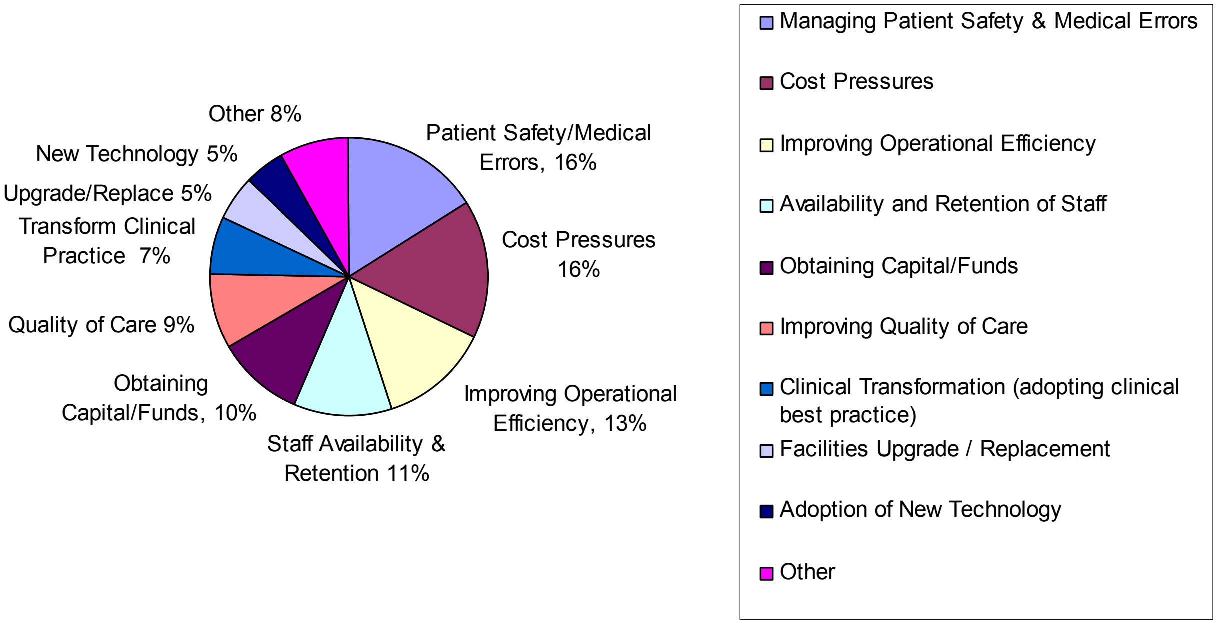
The top business priorities for the acute health sector in the next two years are:
1. Increasing patient safety/reducing medical errors (16%)
2. Cost pressures (16%)
3. Improving operational efficiency (13%)
4. Staff availability and retention (11%)
5. Ability to obtain capital or other funding (10%)

The top business priorities are common across both the public and private health organisations and at the state/territory or regional health service level.

Figure 5 represents the most significant business issues that the Australian acute care sector expects to deal with in the next two years. This information is drawn from all responses.

Figure 5: Top Business Priorities in next 2 years[6]

view Table 5



All State Health Department respondents considered increasing patient safety and reducing medical errors as the key business priority that will influence their organisation (100% of respondents, 20% of responses). Cost pressures (17% of responses), improving operational efficiency (13% of responses) and improving quality of care (13% of responses) were also identified as key business issues.

Cost pressures (15% of responses) and increasing patient safety/reducing medical errors are expected to be the key regional health business priorities in the next two years. These were selected by 76% and 71% of the respondents. Other priorities for regional health services included: improving operation efficiency (12% of responses); obtaining capital funds (12% of responses); and the availability and retention of staff (11% of responses).

The top business issues for private health respondents were increasing patient safety/reducing medical errors and cost pressures, each representing 18% of responses or 86% of the respondents. Improving operational efficiency and the ability to attract and retain available staff were also significant issues, each representing 15% of responses.

[6] "Other" business priorities in the next two years included evidence-based medicine (3%), dealing with changes to government regulation (3%) and responding to consumer requirements (2%).