Inherent Limitations

This report has been prepared as outlined in the Introduction section of the document. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, stakeholders consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis.

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This report is solely for the purpose set out in the Introduction Section and for the Department of Health’s information, and is not to be used for any other purpose without KPMG’s prior written consent.

This report has been prepared at the request of the Department of Health in accordance with the terms of KPMG’s engagement letter/contract dated 13 April 2018. Other than our responsibility to the Department of Health, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party’s sole responsibility.
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# List of acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCHS</td>
<td>Aboriginal Community Controlled Health Service</td>
</tr>
<tr>
<td>ACNP</td>
<td>Australian College of Nurse Practitioners</td>
</tr>
<tr>
<td>AIHW</td>
<td>Australian Institute of Health and Welfare</td>
</tr>
<tr>
<td>ANMF</td>
<td>Australian Nursing and Midwifery Federation</td>
</tr>
<tr>
<td>BCR</td>
<td>Benefit cost ratio</td>
</tr>
<tr>
<td>CATSINaM</td>
<td>Congress of Aboriginal and Torres Strait Islander Nursing and Midwifery</td>
</tr>
<tr>
<td>CBA</td>
<td>Cost benefit analysis</td>
</tr>
<tr>
<td>CDM</td>
<td>Chronic disease management</td>
</tr>
<tr>
<td>ED</td>
<td>Emergency Department</td>
</tr>
<tr>
<td>EN</td>
<td>Enrolled nurse</td>
</tr>
<tr>
<td>FIFO</td>
<td>Fly in / fly out</td>
</tr>
<tr>
<td>FTE</td>
<td>Full time equivalent</td>
</tr>
<tr>
<td>GP</td>
<td>General practitioner</td>
</tr>
<tr>
<td>HCH</td>
<td>Health care homes</td>
</tr>
<tr>
<td>KPI</td>
<td>Key performance indicator</td>
</tr>
<tr>
<td>LHD</td>
<td>Local Health District (the term LHD has been used to describe networks of public acute health services in every state)</td>
</tr>
<tr>
<td>MBS</td>
<td>Medical Benefits Schedule</td>
</tr>
<tr>
<td>MM</td>
<td>Modified Monash Model (remoteness classification)</td>
</tr>
<tr>
<td>NMBA</td>
<td>Nursing and Midwifery Board of Australia</td>
</tr>
<tr>
<td>NFP</td>
<td>Not for profit</td>
</tr>
<tr>
<td>NP</td>
<td>Nurse Practitioner</td>
</tr>
<tr>
<td>PBS</td>
<td>Pharmaceutical Benefits Scheme</td>
</tr>
<tr>
<td>PHN</td>
<td>Primary Health Network</td>
</tr>
<tr>
<td>PIP</td>
<td>Practice Incentives Program</td>
</tr>
<tr>
<td>QALY</td>
<td>Quality-adjusted life year</td>
</tr>
<tr>
<td>RACF</td>
<td>Residential aged care facility</td>
</tr>
<tr>
<td>RACGP</td>
<td>Royal Australian College of General Practitioners</td>
</tr>
<tr>
<td>RCT</td>
<td>Randomised controlled trial</td>
</tr>
<tr>
<td>RDN</td>
<td>Rural Doctors Network</td>
</tr>
<tr>
<td>RFDS</td>
<td>Royal Flying Doctors Service</td>
</tr>
<tr>
<td>RDAA</td>
<td>Rural Doctors Association of Australia</td>
</tr>
<tr>
<td>RN</td>
<td>Registered nurse</td>
</tr>
</tbody>
</table>
Modified Monash Model classifications

<table>
<thead>
<tr>
<th>Modified Monash Category</th>
<th>Inclusions</th>
<th>Unofficial Description*</th>
</tr>
</thead>
<tbody>
<tr>
<td>MM 1</td>
<td>All areas categorised ASGS-RA1</td>
<td>Major City</td>
</tr>
<tr>
<td>MM 2</td>
<td>Areas categorised ASGS-RA 2 and ASGS-RA 3 that are in, or within 20km road distance, of a town with population &gt;50,000.</td>
<td>Large Regional</td>
</tr>
<tr>
<td>MM 3</td>
<td>Areas categorised ASGS-RA 2 and ASGS-RA 3 that are not in MM 2 and are in, or within 15km road distance, of a town with population between 15,000 and 50,000.</td>
<td>Medium Regional</td>
</tr>
<tr>
<td>MM 4</td>
<td>Areas categorised ASGS-RA 2 and ASGS-RA 3 that are not in MM 2 or MM 3, and are in, or within 10km road distance, of a town with population between 5,000 and 15,000</td>
<td>Medium Regional</td>
</tr>
<tr>
<td>MM 5</td>
<td>All other areas in ASGS-RA 2 and 3</td>
<td>Small Regional</td>
</tr>
<tr>
<td>MM 6</td>
<td>All areas categorised ASGS-RA 4 that are not on a populated island that is separated from the mainland in the ABS geography and is more than 5km offshore</td>
<td>Remote</td>
</tr>
<tr>
<td>MM 7</td>
<td>All other areas – that being ASGS-RA 5 and areas on a populated island that is separated from the mainland in the ABS geography and is more than 5km offshore.</td>
<td>Very Remote</td>
</tr>
</tbody>
</table>

*as used by the Australian longitudinal study on women’s health: https://www.alswh.org.au/images/content/pdf/InfoData/Data_Dictionary_Supplement/DDSSection5_ModMonashMod.pdf


**Terminology**

For the purposes of this report the term patient is used to encompass both individuals receiving care in primary and aged care settings, as the focus of the report is on Nurse Practitioners supporting delivery of health care within these settings.
Executive Summary

KPMG was engaged to conduct a cost benefit analysis (CBA) of Nurse Practitioner (NP) models of care in the aged care and primary health care sectors in Australia in order to identify key success factors and challenges as well as areas for potential expansion.

The NP role has emerged as a way to expand the scope of practice for nurses in order to improve access to healthcare, particularly for remote, marginalised and vulnerable populations. The ability for NPs to work both independently and collaboratively within a multidisciplinary health team, and their ability to undertake advanced clinical care, positions the role to provide flexible and affordable health services to Australian communities.

Project Objectives

The CBA provides an estimate of the costs and benefits associated with introducing a NP in primary health, residential aged care and other settings. Specifically, the objectives of the project were to:

- **Objective 1:** Conduct an assessment of NP operating models in the aged care and primary health care sectors;
- **Objective 2:** Undertake case studies to review and assess, from an economic perspective, existing NP models (i.e. residential aged care facility-based, sole operator NPs, General Practice (GP) clinic, NP clinic) with a view to identify potential new or innovative models;
- **Objective 3:** Identify potential areas of expansion for NP models within existing primary health care and aged care settings through identification of success factors and challenges;
- **Objective 4:** Identify potential areas of expansion for NP models in program areas such as Health Care Homes and aged care;
- **Objective 5:** Identify areas and costs associated with the under-utilisation of NPs; potential savings associated with the expansion of NP roles, such as reducing avoidable hospital admissions, lengths of stay, ambulance costs, and any other related operational and financial costs;
- **Objective 6:** Liaise with key stakeholders to affect a high quality response to this service requirement and within the bounds of the contractor’s control;
- **Objective 7:** Investigate the recognition of NPs within the existing Medicare Benefits Schedule (MBS) parameters and detail any issues and options for change, to enable the NP workforce to work fully to their scope of practice.

A primary purpose of this research is to fill a gap in the literature regarding the financial costs and benefits associated with NP models in use across primary care and residential aged care services. As such, the case studies review and assess, from an economic perspective, existing NP business models. There are other components of NP models of care that are not covered as part of this research, but are well documented in the existing literature. This includes the quality of care delivered by NPs, and patient outcomes. The literature review provided in Appendix A touches on some of these points.
Methodology

The objectives were met through a mixed method approach including the development of an assessment framework, the collection of data and the cost benefit analysis, as follows:

Table 1: Methodological approach by project objective

<table>
<thead>
<tr>
<th>Objective</th>
<th>Methodology Used</th>
</tr>
</thead>
</table>
| **Objective 1** | ✓ Literature Review  
| | ✓ Stakeholder Consultations  
| | ✓ Case Study Site Visits  
| | A review of the eight case study sites was completed using both quantitative and qualitative data collection methods. The findings were consolidated to identify case study sites and to conduct the assessment of NP operating models. |
| **Objective 2** | ✓ Case Study Site Visits  
| | ✓ Data request and analysis  
| | Eight case study site visits were completed. During these visits the project team interviewed a range of stakeholders including the NP, site leadership and other clinicians to understand the NP model from an economic perspective and to identify potential new models. The findings were consolidated to identify potential new or innovative models. |
| **Objective 3** | ✓ Literature Review  
| | ✓ Stakeholder Consultations  
| | ✓ Case Study Site Visits  
| | Information was consolidated from the literature review, case study site visits, and stakeholder consultations to identify potential areas of expansion. |
| **Objective 4** | ✓ Literature Review  
| | ✓ Stakeholder Consultations  
| | ✓ Case Study Site Visits  
| | Information was consolidated from the literature review, case study site visits, and stakeholder consultations to identify potential areas of expansion. |
| **Objective 5** | ✓ Cost Benefit Methodology  
| | ✓ Cost Benefit Analysis  
| | A cost benefit methodology was developed and utilised to identify the costs associated with each site. The analysis was informed by the quantitative data captured from NP site visits in addition to valuations informed by literature and used to identify potential areas of under-utilisation. Site visits included two components – stakeholder interviews and observations, as well as a data request. |
| **Objective 6** | ✓ Stakeholder Consultations  
| | ✓ Case Study Site Visits  
| | The project worked closely with stakeholders to deliver a high quality response. |
Objective 7

- Literature Review
- Stakeholder Consultations
- Case Study Site Visits
- Review of MBS data
- Cost Benefit Methodology
- Cost Benefit Analysis

Information was consolidated from the literature review, stakeholder consultations, case study site visits and cost benefit analysis to investigate potential MBS parameters and detail any issues and options for change.

Source: KPMG

Literature Review

The high-level literature review provided the basis for stakeholder consultations, the development of a CBA analytical framework as well as the subsequent cost benefit analyses of the project’s case study sites. In addition, the literature review supported project reporting, including this final report.

The literature review was developed through searching grey and peer-reviewed literature, reviewing literature identified and developing an outline based on areas of research.

Stakeholder Consultations

A number of stakeholder interviews were conducted in order to gain qualitative input into the development of the CBA framework. The stakeholders were determined through consultation with the Department, which resulted in seven peak bodies representing key clinical groups being identified.

Cost Benefit Framework

The Literature Review and Stakeholder Consultations informed the development of the Cost Benefit Framework. A framework guided the collection of data and the methods of analysis.

Case Study Site Visits

A list of eight sites was identified, covering off a range of models and settings (i.e., both primary health and aged care settings, different models of care, services provided and funding models, as well as both metropolitan and regional/rural sites). The case study sites were selected based on responses to a national survey of NPs, developed by the Department, and administered by the Australian College of Nurse Practitioners on behalf of the Department.

The project team visited each site to collect data guided by the Framework. Qualitative data was gathered through semi-structured interviews with key site stakeholders and observations, whilst quantitative data was provided by the site in response to a data request.

Cost benefit analysis

A financial model and CBA was completed for each case study site. The CBA took a wider health system and patient perspective. A scenario-based ‘what if’ analysis was also considered for sites whose income was sourced predominantly from discretionary funding rather than MBS billing.
overall costs of the NP model were obtained from the financial model, and the benefits for each NP site were estimated using one of three broad methods and informed by the literature review, depending on the specific NP model.

Case Studies

A total of eight case study sites were investigated as part of the CBA. The sites encompassed a variety of NP models of care and included primary care settings and residential aged care settings in metropolitan and regional or remote locations. An overview of the models of care is presented in Table 2 below.

Table 2: Overview of NP models of care across case study sites

<table>
<thead>
<tr>
<th>Case study site</th>
<th>Model</th>
<th>Brief description of model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site A</td>
<td>NP based in hospital ED</td>
<td>The NP is based in the ED of a local public hospital, and acts as a link between the ED and the community (mainly in aged care). The NP attends to patients who would normally present to the ED, sets up a treatment plan and provides care to older patients living at home or in a RACF (in collaboration with GPs and specialists if required).</td>
</tr>
<tr>
<td>Site B</td>
<td>NP clinic</td>
<td>The model is a primary health NP clinic in rural Australia. Services are currently provided in a local community centre, with a main clinic due to open in the neighbouring town in the near future. Services are almost entirely provided by one NP, with a collaborating GP visiting the site one day per fortnight.</td>
</tr>
<tr>
<td>Site C</td>
<td>NP part of primary health care clinic</td>
<td>The NP operates as part of a multidisciplinary publically funded primary health care clinic with a focus on women’s health and supporting Aboriginal women in the community. The NP works independently and only refers to GPs when required.</td>
</tr>
<tr>
<td>Site D</td>
<td>GP / NP collaborating practice</td>
<td>The NP model is a private practice incorporating two GPs and nine NPs who are all associates within the practice. The practice provides person-centred health care services to RACF residents.</td>
</tr>
<tr>
<td>Site E</td>
<td>Single operator NP</td>
<td>The model consists of a specialist dementia care NP who is employed by a regional health clinic. The services provided by the NP revolve almost entirely around conducting tests and assessments required to provide patients with their dementia diagnosis.</td>
</tr>
<tr>
<td>Site F</td>
<td>NP part of ACCHS</td>
<td>The NP at this site operates as part of a multidisciplinary team employed by ACCHS. The NP at this site is a generalist with specialised skills in women and child health care.</td>
</tr>
<tr>
<td>Site G</td>
<td>Single operator NP / contracted by RACFs</td>
<td>The NP operates across separate RACF sites with one day per week assigned to each. The goal is to up-skill RACF employees and improve continuity of care to residents.</td>
</tr>
<tr>
<td>Site H</td>
<td>NP part of ACCHS</td>
<td>The NP operates as part of a remote ACCHS alongside a team of FIFO specialist staff such as RFDS and Allied Health as well as State-operated community health services. The NP at this site is focused on providing primary health and aged care services to the community, including chronic disease management.</td>
</tr>
</tbody>
</table>

Source: site visits

The detailed case studies are provided in Section 3 of this report.

Report Findings

The key findings of this report are set out below as follows:

- key summary findings against each of the project objectives;
- other considerations;
- considerations that go beyond the immediate scope of this project.
Detailed findings are described in Section 4 of this report.

**Table 3: Summary of report findings**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Finding, evidence and implication</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exploration of NP operating models in the aged care and primary health care sectors</strong></td>
<td>NP models are more likely to be successful where they are established to meet a clearly identified need and fill a gap in health service delivery. Stakeholder consultations and analysis of case study site data identified significant variability in NP operating models. This highlights a key strength of NP models reviewed as part of this project which relates to NPs and service providers tailoring their model to meet the specific community requirements. Stakeholder consultation revealed that individual NPs were most often involved in self-identifying community need and establishing models in response. Across both primary health care and aged care, stakeholders identified that collaboration between NPs and other clinicians, particularly GPs, was a critical success factor. Stakeholders further identified the importance of a generalist approach in rural settings and aged care (refer to recommendations made in the following sections).</td>
</tr>
<tr>
<td><strong>Options for change</strong></td>
<td>Consideration should be given to:</td>
</tr>
<tr>
<td></td>
<td>• targeting dissemination of information to prospective and current NPs, Primary Health Networks (PHNs) and primary health care and aged care providers outlining how to develop and implement NP models in primary health care and aged care settings. This should profile better practice case studies. This should be considered based on workforce and service planning activities, as outlined above. Service planning and identified areas of need will support NPs and service providers to implement models in the aged care and primary health care settings. Further recommendations in this regard are made below.</td>
</tr>
<tr>
<td></td>
<td>• strengthening the formal network of NPs to disseminate key success factors, particularly in relation to efficient and effective NP models of care.</td>
</tr>
<tr>
<td><strong>Potential areas of expansion for NP models of care / Potential areas of expansion for NP models of care in program areas such as Health Care Homes and aged care</strong></td>
<td>NP models can improve access to healthcare and support the management of chronic and complex health conditions, particularly for vulnerable and remote populations. While there are specific areas and settings that have been identified as opportunities to expand the NP role, increased focus is required on facilitating the implementation of NP models to address areas of need. Development of these models should be informed by the key success factors outlined in Section 4. This should be supported by:</td>
</tr>
<tr>
<td></td>
<td>• creating and sharing a robust data and evidence base on NP models of care to address areas of need;</td>
</tr>
<tr>
<td></td>
<td>• identifying and socialising areas of need appropriate to NP models;</td>
</tr>
<tr>
<td></td>
<td>• considering NP models in local service and workforce planning.</td>
</tr>
<tr>
<td></td>
<td>This would require increased coordination by key stakeholders, including the Department of Health, PHNs, the College of NPs, The Royal Australian College of General Practitioners (RACGP), and the Chief Nursing and Midwifery Officers in each jurisdiction.</td>
</tr>
<tr>
<td>Objective</td>
<td>Finding, evidence and implication</td>
</tr>
<tr>
<td>-----------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td><strong>Aged Care</strong></td>
<td>Specific opportunities exist across aged care, Aboriginal Community Controlled Health Services and Remote communities. Stakeholders at case study sites identified that NP models improved access to treatment, diagnosis and the patient experience of residents, and appears to support the quality and safety of care delivered by the aged care workforce. This was found to reduce hospital admissions. However, the potential to expand models was limited by the availability of NPs within the sector. As a proportion of total endorsed NPs, the number of NPs working within aged care facilities is low. Consultation with key stakeholders identified NPs working specifically within aged care as a significant gap in the NP workforce. Consideration should be given to:</td>
</tr>
<tr>
<td>• communicating the benefits of NP models in aged care to RACF providers, PHN and Hospital and Health Services (focused on avoidable admissions);</td>
<td>• identifying and documenting better practice case studies drawn from established models, including specialist dementia and palliative care along with aged care generalist models;</td>
</tr>
<tr>
<td>• considering NP roles in the development of career pathways for aged care nurses.</td>
<td></td>
</tr>
<tr>
<td><strong>Aboriginal Community Controlled Health Services</strong></td>
<td>The case study visits identified that the NP model was implemented successfully across ACCHSs. Stakeholders specifically noted that NP models are particularly valued in providing culturally competent care and clinical expertise and improving access to care. Despite these benefits, implementing NP models faces barriers related to incomplete access to patient information and financial sustainability. Therefore consideration should be given to:</td>
</tr>
<tr>
<td>• working with ACCHSs and other providers to implement mechanisms that provide NPs with the tools and information required to deliver care. For instance, this could involve providing NPs who have lead responsibility for the coordination of planned care with access to a complete view of patient information across providers (with the permission of the patient). This will support NPs to operate at the top of their scope of practice and support the coordination of patient care in communities serviced by multiple, often disconnected, service providers. Implementing these mechanisms will also support an uplift in continuity of care.</td>
<td>• utilising existing forums (NACCHO, ACNP, CATSINaM and affiliates) to connect NPs working within the sector and communicate and educate key stakeholders on the benefits of NP models. This can be in the form of case studies of both NPs and the providers they work for.</td>
</tr>
<tr>
<td><strong>Remote communities</strong></td>
<td>The case study visits identified that NP models play a critical role in improving access to diagnosis and treatment, as well as providing coordinated and connected care for patients living in remote communities. However, there are key challenges associated with implementing NP models</td>
</tr>
</tbody>
</table>
Objective | Finding, evidence and implication
--- | ---
in these areas due to fly-in-fly-out medical workforce, accessibility to infrastructure, recruitment and sustainability of business models.

**Health Care Homes**

Current reforms in primary health care enable a discussion around the involvement of NPs in new health and innovative service delivery models. One of these new models is Health Care Homes (HCH), which introduces participating primary health care providers as a home base to the patient for ongoing coordination, management and support of their chronic conditions. The case study visits identified that the NP models of care were implemented successfully in a manner that would be suited to HCH.

Case study sites demonstrated evidence of NP models having an ability to deliver comprehensive care within the HCH setting. While material already exists outlining the potential of NP roles within HCH, further consideration should be given to documenting and publicising how NP models can support HCH, including through highlighting successful models.  

Therefore consideration should be given to:

- integrating education, workforce and service planning to link current and future NPs with identified areas of need. This may include working with education providers, such as universities, National Rural Health Alliance, PHNs and state and territory health departments to identify areas of need and suitable for NP models of care;
- increasing the professional and financial incentives for facilitating access to NP services in rural and remote communities to mitigate the healthcare shortage being experienced. This needs to be reviewed in line with the recognition of NPs within the existing MBS considerations.

Further exploration of the optimisation of the NP role is provided in the ‘Future considerations’ section.

### Areas and costs identified with potential under-utilisation of NPs/ Potential savings associated with the expansion of NP roles

<table>
<thead>
<tr>
<th>Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The NP workforce is unevenly distributed across Australia, whilst two PHNs have over 50 registered NPs identified in MBS records; 13 PHNs have less than 10 NPs. Based on stakeholder consultations, the distribution of NPs is largely driven by specific state and territory initiatives, rather than by a coordinated workforce and service planning activity. Based on the CBA of the case study sites, an expansion of 10 NP roles in aged care roles would cost approximately $1.5 million per year, but conservatively result in 5,000 avoided ED visits each year, and annual savings of over $5.7 million in reduced ED, hospitalisation and ambulance costs. In primary care, an expansion of 10 NP roles in rural and regional Australia, at a cost of $1.5 million per year, could conservatively improve access to care for 10,000 Australians; another 10 primary care NP roles in specifically targeted locations could provide services to over 6,000 Aboriginal and Torres Strait Islander population with limited access. The implications from this analysis are that continued expansion of NP models could deliver substantial cost savings to the healthcare system and improved access to thousands of Australians. There is sufficient patient need</td>
<td></td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Objective</th>
<th>Finding, evidence and implication</th>
</tr>
</thead>
<tbody>
<tr>
<td>and service gaps to support substantial expansion of the NPs relative to current numbers.</td>
<td></td>
</tr>
<tr>
<td><strong>The recognition of NPs within the existing MBS</strong></td>
<td>Recognition within the existing MBS parameters was identified as the most significant limitation to the sustainability of existing NP models and their expanded use within primary and aged care settings. In particular, current parameters limited an NP’s ability to work fully to their scope of practice, resulting in duplication and fragmentation of care, and an inability to provide complete episodes of care. Therefore, consideration should be given to:</td>
</tr>
<tr>
<td>• the level of the MBS reimbursement relative to costs associated with the NP model;</td>
<td></td>
</tr>
<tr>
<td>• reimbursement parameters that recognise the longer duration of many NP consults relative to GP consults when conducting services such as comprehensive health assessments or chronic disease management, for example;</td>
<td></td>
</tr>
<tr>
<td>• the expansion of the availability of Health Assessment and Chronic Disease Management (CDM) items to suitably qualified Nurse Practitioners practicing in areas of need;</td>
<td></td>
</tr>
<tr>
<td>• the range of other incentives available to support the development of NP models in order to support an enhanced role within primary and aged care.</td>
<td></td>
</tr>
<tr>
<td><strong>Other considerations</strong></td>
<td>This project identified valuable insights into the types of NP models operating across primary care and aged care settings, and the associated challenges and success factors in sustaining them. However, the lack of a reliable, complete and consistent data set to inform and assess the economic impact of NP models of care at a granular level was a significant limitation to this project. Other limitations included the following:</td>
</tr>
<tr>
<td>• while aggregated administrative data such as MBS and PBS services was available at the PHN level, there were difficulties in isolating MBS/PBS data by site. This means much of the CBA was informed by semi-structured surveys and self-reported data collections that have the potential to be less accurate than administrative data;</td>
<td></td>
</tr>
<tr>
<td>• short period of time which some NP models have been in place for mean that longer-term impacts of the NP model cannot be measured directly (e.g. improved long term patient quality of life or reduced chronic disease severity). This is a limitation on the analysis for primary care NP models in particular; the benefits for these models are based on assumptions from the literature or comparative costs of a GP-led service.</td>
<td></td>
</tr>
<tr>
<td>On this basis, the development of systematic data collection tools and methods required to support the NP role is considered an immediate priority. Data collection should focus on NP workforce composition and role, breadth of services delivered, activity and outcomes associated with service delivery. This will contribute to a wider understanding of the NP model and the benefits and value it can bring to the delivery of safe, effective and efficient health care. The first step should focus on defining measures relevant to NP models of care to enable comparable, consistent and transparent approaches to data collection. Following this, embedding data</td>
<td></td>
</tr>
</tbody>
</table>
Objective | Finding, evidence and implication
--- | ---
 | collection mechanisms into NP practice should be a priority. Achievement of this objective will support considerations outlined below.

Source: Case studies

Future considerations

In addition to the project specific findings, the overarching findings from the project have resulted in broad considerations for the Department and other key stakeholders into the future. Future considerations include:

More work is required to communicate and formalise the value of Nurse Practitioners in the delivery and commissioning of services

Stakeholder consultations identified that knowledge of NP models was variable across PHN areas. This was further supported by the analysis of PHN NP headcount data. This suggests that further work is required to embed the NP as a care provider in the delivery of care across aged care and primary health care settings. This can be achieved by increasing the awareness of PHNs and other clinical stakeholder groups of how NP models can meet identified community needs. This should have a defined focus on implementing mechanisms that foster formal and structured collaboration between NPs, PHNs and other clinical stakeholders. This will inform service planning and delivery activities, including the type and location of services. The objective should be to identify areas of unmet community needs which NP models are well suited to meet.

The NP role needs to be clarified

The use of the NP role should be commensurate with their advanced training, skills and scope of practice. The NP role is an expensive resource when underutilised or allocated to clinical and non-clinical tasks not reflective of their advanced training. Available evidence indicates that NPs undertake some lower skilled roles that can be provided by registered nurses. While the role may be sustainable, it is not reflective of the economic benefit that NPs bring to the health system. Similarly, the cost-effectiveness of NP models could be further improved by reducing the need for subsequent GP consults where appropriate. This will involve systemically addressing the barriers to NPs operating at the top of their scope of practice identified in section 4.4. As outlined in other sections of this report, it should be noted that NPs should not be regarded as a substitute for GPs but rather as an opportunity for meeting unmet needs.

Consider findings of concurrent reviews to inform future policy changes, particularly in relation to MBS billing

The MBS Review Taskforce is currently considering how services can be aligned with contemporary clinical evidence and practice and improve health outcomes for patients. The findings from this project should be considered in line with concurrent reviews, including from both the MBS Review Taskforce and its NP Reference Group.

Dedicated pathways for rural NP education and clinical professional development

NP models demonstrated the most value in economic terms in residential aged care facilities, particularly in rural and remote areas. However, NP workforce challenges are similar to those faced by other disciplines, particularly in recruiting and retaining a workforce in rural and remote areas. Therefore, dedicated education opportunities and professional development for rural and remote nurses and NPs is required to develop a pipeline of skilled and experienced NPs. This is an important factor in getting NPs ready for practice in rural and remote areas, and in increasing their skills in expertise in ‘rural generalism’ (i.e. being able to provide a broader spectrum of services in rural and remote areas than what may be required in metropolitan areas). Training for rural and remote NPs needs to focus on the generalist skills required to meet health care needs
of remote communities. In addition, other key barriers associated with NPs practicing in rural areas should be investigated, such as financial sustainability, infrastructure and professional support and mentoring, in order to identify mechanisms to improve their attraction and retention. This may include the implementation of incentive payments for NPs to practice in these areas, support to universities to establish a 'local' NP workforce in identified areas of need (e.g. by providing training in rural settings), and capital investment for rural providers to establish effective working spaces for NPs.

**Further investigate funding models to improve model sustainability and support innovative models**

Case study sites were associated with a diverse range of funding models. This included three private practices, two state-funded NP models of care, one Commonwealth funded NP role, and two models that had mixed funding from State and Commonwealth Government. Two of the private practices required their patients to pay a co-payment for services provided. Five sites had access to and received MBS reimbursements.

Evidence gathered in this project identified funding approaches have a direct impact on the configuration of the NP model, including their sustainability and innovation. A number of NPs were initially established based on a business case for a set period. The short-term nature of this approach affected the sustainability of these models and the services provided. Given the growing evidence base and the benefits associated with NP models of care across primary health care and aged care, alternative funding models, such as practice/facility incentive payments, bundled payments or blended payments, should be explored to incentivise providers to incorporate the NP role into their service delivery.
Introduction

KPMG was engaged to conduct a cost benefit analysis (CBA) of existing NP models of care in Australia, creating the opportunity to identify current success factors and challenges and areas for potential expansion to improve these models based on government objectives.

1.1 Background and context

Health systems around the world are facing significant pressure across the health care continuum, driven by ageing populations, the increased prevalence of chronic disease, new technologies and changing consumer expectations. As governments seek to respond to these challenges, increasing focus is being given to workforce models which are able to support new, or more efficient and effective, ways of delivering care. The Nurse Practitioner (NP) role has emerged as a way to improve access to health and expand the scope of practice for nurses, particularly for remote, marginalised and vulnerable populations. The skills and experience of NPs have been leveraged across the world for over 50 years, with the role formally legislated in Australia in 1998.

The ability for NPs to work autonomously and collaboratively within a multidisciplinary health team, and their ability to undertake advanced clinical care, indicates that they are well positioned to provide flexible and affordable health services to Australian communities. However, compared to international experience, the role remains under-utilised across the Australian health care system.

1.2 Project Objectives

The CBA provides an estimate of the costs and benefits associated with introducing an NP in primary health, aged care and other settings. Specifically, the objectives of the project are to:

- conduct an assessment of NP operating models in the aged care and primary health care sectors;
- undertake case studies to review and assess, from an economic perspective, existing NP models (i.e. residential aged care facility-based, sole operator NPs, General Practice (GP) clinic, NP clinic) and identify potential new or innovative models;
- identify potential areas of expansion for NP models within existing primary health care and aged care settings through identification of key success factors and challenges;
- identify potential areas of expansion for NP models in program areas such as Health Care Homes and aged care;
- identify areas and costs associated with the under-utilisation of NPs; potential savings associated with the expansion of NP roles, such as reducing avoidable hospital admissions, lengths of stay, ambulance costs, and any other related operational and financial costs;

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• liaise with key stakeholders to affect a high quality response to this service requirement and within the bounds of the contractor’s control;

• investigate the recognition of NPs within the existing Medicare Benefits Schedule (MBS) parameters and detail any issues and options for change, to enable the NP workforce to work to the fullest extent of their scope of practice.

A primary purpose of this research is to fill a gap in the literature regarding the financial costs and benefits associated with NP models in use across primary care and residential aged care services. As such, the case studies review and assess, from an economic perspective, existing NP business models. There are other components of NP models of care that are not covered as part of this research, but are well documented in the existing literature. This includes the quality of care delivered by NPs, and patient outcomes. The literature review provided in Appendix A touches on some of these points.

1.3 Structure of the Report

This report has five main sections:

• Section 1, Introduction (this section), provides a background to the project and describes the project objectives;

• Section 2, Methodology, outlines the approach to developing the CBA, including research and stakeholder engagement activities undertaken as well as the identification and measurement of costs and benefits;

• Section 3, Case studies, provides eight case studies that were developed following site visits to sites that have implemented an NP model of care;

• Section 4, Report findings, outlines the key findings from the CBA in response to the project objectives;

• Section 5, Considerations going forward, wraps up the report focusing on any additional considerations for future decision-making.

The appendices at the end of the report include:

• Appendix A: Literature findings;

• Appendix B: CBA methodology;

• Appendix C: Stakeholder interview questionnaire;

• Appendix D: Site visit questionnaire;

• Appendix E: PHN questionnaire;

• Appendix F: References.
2 Methodology

This chapter details the approach to developing the Nurse Practitioner CBA. The process included a literature review, stakeholder consultations, a financial model, as well as the CBA. The CBA was informed by the literature review and the stakeholder consultations.

2.1 Development of the CBA framework

A CBA framework was developed to provide guidance and support for the development of the CBA. The CBA framework was informed by two main activities - a literature review as well as a round of stakeholder interviews.

**Literature review**

The literature review was conducted to explore and provide a conceptual overview of:

- current NP models in use in Australian states and territories, as well as international models;
- roles and responsibilities and scope of practice differences between settings;
- complexity of roles and variability in models and practice settings where roles have been implemented;
- costs and benefits associated with implementing NP models across different settings (with a focus on primary healthcare and aged care).

The findings from the literature review provided the basis for stakeholder consultations, the development of a CBA analytical framework (see Appendix B) as well as the subsequent cost benefit analyses of the project’s case study sites. In addition, the literature review supported project reporting, including this final report. The research summarised in this report was found using the approach outlined below. It should be noted that any changes to the methodology proposed in the original CBA analytical framework were made in response to research limitations described in this chapter.

**Research, scope tools and terms**

The approach to research included academic, peer-reviewed databases (e.g. PubMed, JournalSeek, CINAHL, MedlinePlus, Google Scholar) as well as grey literature (Government reports, benefit realisations plan, model guidelines) published in English between 2008 and 2018, relating to policy and practice in all Australian jurisdictions, and comparable international jurisdictions, including New Zealand, United Kingdom, United States, Canada and the Netherlands. It should be noted that while these jurisdictions may represent comparable health systems there are important regulatory differences between them which impact on local NP models of care.

A number of specific activities informed the preparation of the Literature Review, including:

- searching grey and peer-reviewed literature using the relevant search terms (e.g. Nurse Practitioner, economic evaluation, cost benefit analysis, Nurse Practitioner models of care, implementation of Nurse Practitioner models, or iterations thereof);
- reviewing the literature identified to understand the general breadth and depth of the evidence base, and to identify additional literature and studies to include in the review;
• developing a draft outline of the literature review based on the areas of research identified from the literature;
• analysing the literature relevant to each section of the review by identifying common themes and points of difference;
• preparing the literature review, drawing on the common themes identified and the points of difference, highlighting the areas most relevant to the Nurse Practitioner Economic Evaluation.

Literature review limitations
The literature review focused on NP models of care in the primary health care and aged care settings. There is a volume of Australian research reporting on NP models of care in acute care settings and while research outcomes focussing on NPs practicing in primary health care settings was found to be more limited, this appears to be an area of increasing interest. This may be reflective of the more widespread utilisation of NPs in the Australian public hospital sector and also highlights a gap in existing literature that this study will attempt to address. It should further be noted that any comparisons made between countries should be taken with caution, as each country has its own regulatory and governance framework with respect to NP models of care.

Stakeholder interviews
A number of stakeholder interviews were conducted in order to gain qualitative input into the development of the CBA framework. These interviews focused on gathering contextual knowledge on the current state of the NP model which supported building a qualitative view of the existing system, and formed the basis of the CBA. The stakeholders that were interviewed as part of this consultation were identified with the Department of Health; all of them represented peak clinical or workforce groups. They included representatives from the following organisations:

• Australian College of Nurse Practitioners (ACNP)
• Chief Nursing and Midwifery Officer ACT
• Chief Nursing and Midwifery Officer QLD
• Australian Nursing and Midwifery Federation (ANMF)
• Congress of Aboriginal and Torres Strait Islander Nursing and Midwifery (CATSINaM)
• Royal Australian College of General Practitioners (RACGP)
• Rural Doctors Association of Australia (RDAA).

6 Currie J, Chiarella M, Buckley T. Privately practising nurse practitioners' provision of care subsidised through the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme in Australia: results from a national survey. Aust Health Rev. 2017
8 Currie, J., Chiarella, M., Buckley, T. (2016). Workforce characteristics of privately practicing nurse practitioners in Australia: Results from a national survey. doi: 10.1002/2327-6924.12370
A sample consultation guide with the questions asked during these interviews can be found in Appendix D.

2.2 Methodology informing the development of the CBA

The CBA itself was informed by the development of a total of eight case studies which were based on visits to sites with NP models of care in place, followed by a financial modelling and cost-benefit analysis exercise.

Case study site selection and site visits

The case study sites were selected based on responses to a national survey of NPs that was recently administered by the Australian College of Nurse Practitioners. As part of this survey, NPs described the model of care they practice within and had the option of expressing their interest in participating in this project. An extensive list of MBS data items provided by the Department was also taken into account for the prioritisation of potential sites, looking into the suburbs with the most NPs and NP services provided over the last five years. This enabled an identification of areas with high NP activity.

A list of eight sites was identified, covering off a range of models and settings (i.e. both primary health and aged care settings, different models of care, services provided and funding models, as well as both metropolitan and regional / rural sites). A high-level overview of the priority sites is provided in Table 4.

Table 4: List of priority sites selected for case studies

<table>
<thead>
<tr>
<th>Case study site</th>
<th>Site / Model</th>
<th>Geographical classification*</th>
<th>Aged care</th>
<th>PHC</th>
<th>Aboriginal Community Controlled Health Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site A</td>
<td>NP based in hospital ED</td>
<td>MM 3</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Site B</td>
<td>NP clinic</td>
<td>MM 6</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Site C</td>
<td>NP part of primary health care clinic</td>
<td>MM 5</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Site D</td>
<td>GP / NP collaborating practice</td>
<td>MM 1</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Site E</td>
<td>Single operator NP</td>
<td>MM 3</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Site F</td>
<td>NP part of ACCHS</td>
<td>MM 1</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Site G</td>
<td>Single operator NP / contracted by RACFs</td>
<td>MM 1</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Site H</td>
<td>NP part of ACCHS</td>
<td>MM 7</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: KPMG / national survey of NPs
*refer page 5 for key to classifications

The site visits focused on informing the development of the case studies. The focus was on collating information for:

- potential benefits and associated costs;
- breadth of the benefit impact;
- opportunities for further expansion, innovation and scaling;
- stakeholder perspectives about the challenges.
Stakeholders were issued an Excel data request prior to the site visit, with a range of quantitative questions related to the NP role. During the site visits, stakeholders were able to provide further detailed context to any data provided, and point out any additional datasets they had available as well as any data-related gaps and issues.

**Consultation with PHNs**

The relevant Primary Health Network (PHN) to each site visit was invited to participate in an interview to provide context on community need and service planning along with perspectives on the model. A total of two interviews were conducted.

The interviews formed an aspect of the CBA and are reflected in findings set out in Section 4. The consultation guide that supported these consultations is set out in Appendix E.

**Financial modelling and cost benefit analysis**

**Financial model**

A financial model and CBA was completed for each site. The financial model took the perspective of the individual site, with the aim to broadly assess each model’s annual income and expenditure, and overall sustainability. Income sources included payments for consultations from patients, supported in full or in part by MBS reimbursements, and funding from other sources including PHNs, State and Federal governments. Expenditure items included the NP salary, travel costs, and site’s fixed and variable costs. Data for the financial model was self-reported from the sites. A sensitivity analysis was completed to investigate sustainability of NP funding model under different rates of co-payments and average consultations per day.

**Cost benefit analysis**

A CBA was completed for each NP site from a wider health system and patient perspective.

The overall costs of the NP model were obtained from the financial model. No wider costs such as patient travel, or carer costs were included.

The benefits for each NP site were estimated using one of three broad methods, informed by the Literature Review, depending on the specific NP model:

- Analysis of reduced ED, hospitalisation and ambulance costs as a result of the NP model – this method was adopted for aged-care NP models where a primary focus of the site is to fill the gap between primary care and emergency departments for the care recipient, and where the avoided health service usage occurs in the same time period as the NP consult;
- Analysis of the level of funding that would be required to provide equivalent volume of service with a GP – this method was adopted for primary care NP models where the wider benefits of the model, such as improved chronic disease management and continuity of care, are difficult to measure;
- Analysis of previous literature relevant to the specific targeted treatment or cohort – this method was adopted for NP models that are particularly specialised e.g. around dementia diagnosis.

Each method is discussed in more detail below.

**Reduced ED, hospitalisation and ambulance costs – residential aged care models**

The benefit of reduced ED visits and hospitalisations was estimated using the following parameters:
• The number of avoided ED visits as a result of the NP model, as self-reported by the individual site. Sensitivity analysis was completed to assess the robustness of the results to this parameter;
• The share of ED visits that result in a hospitalisation: 5 percent based on AIHW emergency department data;
• The share of ED visits that arrive via ambulance: 25 percent based on AIHW emergency department data;
• The average costs of ED visits, hospitalisations and ambulance trips (see Table 5).

Table 5: Average cost (benefits) of ED visits, hospitalisations and transfers

<table>
<thead>
<tr>
<th>Resource</th>
<th>Description</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoided transfer to ED</td>
<td>Non-emergency road transport fees</td>
<td>Metropolitan: $325</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Regional and rural: $549</td>
<td></td>
<td>Ambulance Victoria Fee Schedule (2017-18)</td>
</tr>
<tr>
<td>Avoided ED presentation</td>
<td>Cost (benefits) associated with ED presentation within an aged care facility in the absence of the NP model</td>
<td>$652</td>
<td>IHPA Round 20 National Hospital Data Collection (NHCDC) Cost Report</td>
</tr>
<tr>
<td>Avoided hospitalisation</td>
<td>Admitted acute separation admitted via an ED</td>
<td>$7,068</td>
<td>IHPA Round 20 National Hospital Data Collection (NHCDC) Cost Report</td>
</tr>
</tbody>
</table>

Source: as per sources presented in table

In addition, quality of life benefits from reduced ED visits and hospitalisations were captured using the following parameters from Neumann et al 2016:\(^{12}\):

- disutility of an ED visit: 0.01
- disutility of a hospitalisation: 0.06.

The Quality Adjusted Life Year (QALY) gains were estimated using the utility parameters above applied to one day and three days for ED visits and hospitalisations respectively, and valued at $50,000/QALY. In Australia, funding bodies such as the Pharmaceutical Benefits Advisory Committee (PBAC) do not acknowledge an explicit cost-effectiveness threshold (a proxy for society’s willingness to pay for better health), but historical decisions suggest a value of around $50,000/QALY is acceptable.\(^{13}\)

**Equivalent volume of service – primary care models**

Primary care NP models can provide a range of benefits such as improved chronic disease management and coordination of care, and improved access to services for rural and remote populations. However these benefits are difficult to quantify, as they accrue over many years and across settings. For this evaluation, long-term outcomes and service usage data was unavailable.

In the absence of such data, the benefit of improved access to primary care services was approximated by the cost of providing the equivalent volume of service via a GP. There was no assessment possible of any difference in the patient outcomes achieved between the NP models,

\(^{13}\) Wang, Shuhong, Debra Gum, and Tracy Merlin. "Comparing the ICERs in Medicine Reimbursement Submissions to NICE and PBAC—Does the Presence of an Explicit Threshold Affect the ICER Proposed?" Value in Health (2018).
which typically has less expensive but longer average duration consults, and the alternative GP model, which typically has shorter average duration consults but that are more expensive. This is an area that continues to be researched.\textsuperscript{14,15} It should also be noted that this analysis may underestimate the potential extra costs that can be required to attract a GP service to rural regions.

The cost of providing equivalent volumes of consults via a GP service was estimated using the following key parameters:

- the share of NP consults that go on to see a GP, as self-reported by the individual site. Sensitivity analysis was completed to assess the robustness of the results to this parameter;
- the average distribution of consults durations (e.g. short, <20 minutes, 20-40 minutes, 40+ minutes) for NP as self-reported by the individual site;
- the average distribution of consults durations (e.g. short, <20 minutes, 20-40 minutes, 40+ minutes) for the hypothetical GP service, derived from the Department of Health MBS statistics (see example comparison for Site B presented in Section 4.4);
- the MBS funding cost of NP consults versus GP consults as per the MBS funding agreements (see Section 4.4).

Analysis of literature – specific cohort or treatment models

As with general primary care NP models, the benefits generated by NP models targeted at specific patient cohorts or disease groups can be difficult to quantify, as they accrue over many years and over many jurisdictions. For this evaluation, long-term outcomes and service usage data was unavailable. As a result, an alternative method for such models is to evaluate previous relevant literature and determine scenarios based on outcomes delivered in similar settings in the literature. This is discussed in more detail within the individual case studies.

Limitations

There are potential limitations associated with the CBA:

- The NP sites are already established, and as a result the evaluation framework does not use a randomised control trial that is the ‘gold standard’ in evaluation methodology. Instead, the project adopted a framework that considers a site before and after the establishment of the NP program, or the hypothetical case where the NP model does not exist, or is replaced by a GP service. The results from the CBA should therefore be considered as indicative only.

- While aggregated administrative data such as MBS and PBS services are available at the PHN level, there are difficulties in isolating MBS / PBS data by site. This means much of the CBA was informed by semi-structured surveys and self-reported data collections that have the potential to be less accurate than administrative data. To help mitigate this, the project has completed sensitivity analysis that highlights how the CBA results vary with different input assumptions.

- Short timeframes mean that longer-term impacts of the NP model (e.g. improved long term patient quality of life or reduced chronic disease severity) cannot be measured directly, which is a limitation for primary care NP models in particular. The benefits for these models are based on assumptions from the literature or comparative costs of a GP-led service.


In some sites, facilities were made freely available to the NP. These in-kind contributions were not included within the financial analysis or CBA. Such contributions potentially have a cost, however estimating this opportunity cost was difficult within the scope of this project. For example, the opportunity cost of free access to a facility could be the rental cost of an equivalent facility. However in some instances, such as rural areas, the facilities were otherwise vacant, suggesting a low opportunity cost. Overall, the in-kind contributions were assumed to have zero cost. It is noted that if the NPs were required to pay for these in-kind contributions, further funding would be required to ensure the sustainability of the NP business model.
3 Case Studies

This chapter provides one de-identified case study report for each of the eight case study sites visited in the context of this project. The case studies are structured as follows:

- **summary table**, outlining the call-out features of each case study;
- **model description**, describing the type of model that the NP operates in;
- **site characteristics**, outlining the unique characteristics of the NP model of care;
- **financial model**, breaking down the sources of income and expenses of the site;
- **qualitative findings**, outlining the qualitative findings from the case study such as success factors, opportunities and benefits, as well as challenges experienced;
- **cost benefit analysis**, outlining the costs and benefits of the model based on the quantitative data that was collected, including the cost benefit ratio for the relevant site.
# Case Study A

## Aged Care Focus

<table>
<thead>
<tr>
<th>NP Role Focus</th>
<th>Catchment Demographic</th>
</tr>
</thead>
<tbody>
<tr>
<td>The role has a focus on providing services to older people at home and care recipients in RACFs, with the aim of reducing avoidable ED visits and hospitalisations</td>
<td>The catchment geography has a high proportion of 65+ population with complex chronic conditions</td>
</tr>
</tbody>
</table>

## Funding Model

| State-funded |

## Key Outcomes

- ↓ Reduced hospital admissions and associated reductions in functional decline
- ↑ Increased integrated care
- ↑ Increased collaboration

## Success Factors

- Clearly identified area of need
- Relationship with GPs / service providers and referrers
- Clearly identified referral guidelines

## Challenges

- Recruitment and succession planning
- Work/life balance

## Cost Benefit Ratio

12.4
**Description of model**

**Introduction**

The NP is employed by the hospital ED of a local public hospital and acts as a link between the ED and the community by providing primary care services to patients who would have otherwise presented to the ED.

**Operating context**

The service is located in a regional town (MM 3) and was established seven years ago. The community has a high proportion of residents who are older than 65 years of age. At the time of implementation, the NP had recognised a significant number of potentially avoidable ED and hospital admissions, and had created an evidence base by recording these cases. The NP identified a service gap in the community in relation to assessing older patients at home and aged care recipients before they present to ED. The objective of this NP model of care is to prevent avoidable hospitalisations, predominantly in relation to recipients of aged care services and older people at home. While being employed by the hospital ED, the NP provides patient consultations at the patient's home or care recipient’s RACF.

**The Service Delivery Model**

The NP model of care works by intercepting patients before they present to the ED. Patients contact their GP who will issue a referral to the NP. If the patient is a resident at an RACF, RACF staff will usually contact the GP on behalf of the patient. The NP will then see patients in their own home or at their RACF. If a patient does not need to be admitted to hospital, the NP devises a treatment plan and provides care in collaboration with GPs and other health service providers if required.

**The Employment Model**

The NP is employed by the local hospital ED on a permanent full-time basis.

**The Funding Model**

The NP role is funded by the State government. Funding is provided directly to the ED.

**Site characteristics**

Table 6: Characteristics of the NP model – Case Study A

<table>
<thead>
<tr>
<th>Characteristics of NP model</th>
<th>Time since establishment</th>
<th>Target group</th>
<th>Remoteness</th>
<th>Population catchment</th>
<th>NP FTE on site</th>
<th>GP FTE on site</th>
<th>Employment model</th>
<th>Funding model</th>
<th>Patient co-payment</th>
<th>Access to MBS</th>
<th>NP salary / year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time since establishment</td>
<td>11 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Employed by hospital ED, salaried position</td>
<td>State-funded</td>
<td></td>
<td>N/A</td>
<td>$125,000</td>
</tr>
<tr>
<td>Target group</td>
<td></td>
<td>Aged care (65+)</td>
<td>MM 3</td>
<td>50,000</td>
<td>1.0</td>
<td>n/a</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Site visit
Financial Model

Income
Funding is received from the State Government. The NP consults are not subsidised through the MBS. Patients are not charged a co-payment fee.

Expenditure
The overall costs of the site are approximately $130,000, made up predominantly of the NP’s salary. There are no facility-related fixed costs as patients are seen in their own homes or RACF.

Sustainability
The financial model indicates that under current funding the NP model is financially stable, however this is dependent on State government funding.

Qualitative Findings

Success Factors
Interviews conducted during the site visit identified a range of factors critical to the successful implementation of the site’s NP model of care. These are described in detail below.

Identified area of need
The NP identified a community need relating to continuity of care between GPs, RACFs and hospitals to decrease the number of potentially avoidable ED and hospital admissions. Identifying a specific gap in medical service delivery within the community is an important factor that has helped to establish this NP model, gain funding and wider support from local healthcare service providers. The identification of an area of need also helps to avoid duplication of services.

Flexibility of the NP role
The NP role has specific requirements including variable work hours and locations, the ability to work independently and the need to develop strong working relationships with GPs and other service providers. A success factor for this model is that there is a strong alignment between the NP’s strengths and the requirements of the role.

Relationship with GPs / service providers
The NP has invested a significant amount of time into establishing relationships with GPs and other service providers in the community (e.g. pharmacists). This approach to establishing working relationships has led to a successful and trusted collaboration over the years, supporting better coordinated care for patients.

Clearly identified scope of practice and referral guidelines
A key aspect in forming a successful working relationship with GPs and other health professionals in the region is establishing clear guidelines surrounding scope of practice and referral guidelines, “knowing your place” and raising awareness relating to what service gap is filled by the NP. For example, the NP does not provide any services that would typically fall within the scope of practice of a registered nurse (e.g. wound care).
A generalist NP with a specialty focus

Being a generalist NP with a specialist focus on aged care is a key reason for the success of this model of care. This specialist background fosters the ability to appropriately assess patients and collaborate with GPs as well as RACFs in an informed manner.

Benefits

Stakeholders identified a number of benefits of the NP model as outlined below.

Reduced avoidable ED/hospital admissions

The implementation of the NP model of care has significantly reduced the number of avoidable admissions to the ED, as patients who would otherwise present at the ED are now treated by the NP. Data collected by the NP indicate that the number of ED admissions has reduced by almost 1,400 each year since the establishment of the model. This has flow-on benefits in reduced hospitalisations and ambulance trips.

Improved quality of life and patient experience

Treatments by an NP who sets up individual treatment plans and conducts home visits to patients has a positive impact on patients' quality of life and experience (as observed by the NP in this context), as patients are able to be treated in their home environment rather than at the hospital. The general benefits of treating patients at home rather than at the hospital (where appropriate to do so), are well documented in existing literature.

Challenges & Limitations

Site visits identified a range of challenges and limitations to the role operating as effectively as possible. These are outlined in detail below.

Work/life balance

The workload in this NP model is high, causing the NP to work more than 50 hours per week. This is a result of the high demand for the NP services provided and a lack of further NP staff to help meet this demand.

Recruitment and succession planning

The site suggests that there is scope for employing at least one additional NP, however regular advertising has not yet identified a suitable candidate. This is thought to be due to a lack of NPs in the region generally, and a lack of NPs with skills and interests in this particular model more specifically. A key challenge for this model is to ensure its sustainability over the longer term.

Cost-Benefit Analysis

**Key points**

- This NP model’s costs related primarily to the NP’s salary and job-related travel. Total costs of the model are estimated at $132,981 per year;
- The major benefits of this model are the reduction in ED admissions and associated hospitalisations and ambulance trips. It is estimated that the total benefits of the model amount to $1,645,763 per year;
- The general benefits of this model significantly outweigh its costs, with an overall benefit cost ratio of 12.4. The BCR remains high under more conservative assumptions around consults per day and ED visits avoided.
Costs

The costs of the NP model to the health care system are the costs to the State government to fund the operation of the NP program.

Benefits

Identified benefits

The benefits from the NP program are the reductions in ED visits and subsequent hospitalisations and ambulance trips, and associated improvement in patient quality of life.

Table 7: Benefit assumptions – Case Study A

<table>
<thead>
<tr>
<th>Potential benefits</th>
<th>Site applicability</th>
<th>Included in CBA?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early intervention</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved continuity of care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced avoidable ED/Hospital admissions</td>
<td>✓</td>
<td>Quantified in the CBA based on self-reported data from the site</td>
</tr>
<tr>
<td>Chronic disease management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved quality of life</td>
<td>✓</td>
<td>Disutility of ED visit is quantified in the CBA based on evidence from the literature</td>
</tr>
<tr>
<td>Improved access to health care services for rural and regional areas</td>
<td>✓</td>
<td>Not quantified in the CBA</td>
</tr>
<tr>
<td>Improved access to health care services for Aboriginal &amp; Torres Strait Islander cohorts</td>
<td>✓</td>
<td>Not quantified in the CBA</td>
</tr>
<tr>
<td>De-prescribing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved allocative efficiency of primary health care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up-skilling of clinical staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved patient experience</td>
<td>✓</td>
<td>Not quantified in the CBA</td>
</tr>
<tr>
<td>Improved quality &amp; safety</td>
<td>✓</td>
<td>Not quantified in the CBA</td>
</tr>
</tbody>
</table>

Source: Site visit

Measuring and valuing selected benefits

The benefit of reduced ED visits and hospitalisations is estimated using the method described in Section 2. The number of avoided ED visits as a result of the NP model was 1,436 per year based on information from the site that showed an ED visit is avoided for all but a handful of patients. A sensitivity analysis was completed for a value of 956 avoided ED visits based on four rather than six consults per day.

Benefit-cost ratio

The benefit-cost ratio (BCR) for this NP model is 12.4 which suggests the NP is saving over $12 for every dollar invested in the site. If the number of avoided ED visits is reduced to 956 per year, the BCR is 8.2.

Alignment of costs and benefits

This model has a relatively strong alignment of costs and benefits with the State government funding the model while also benefiting from reduced hospitalisations and ED visits. There is no lag time between benefit and cost.
Table 8: Cost-Benefit Analysis Summary – Case Study A

<table>
<thead>
<tr>
<th>Cost-Benefit Analysis Summary</th>
<th>Annual $</th>
<th>From</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary funding</td>
<td>$132,981</td>
<td>State Government</td>
</tr>
<tr>
<td>Total</td>
<td>$132,981</td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction in GP visits</td>
<td>$0</td>
<td>State Government; PHIs; and patients</td>
</tr>
<tr>
<td>Reduction in ED visits</td>
<td>$936,272</td>
<td></td>
</tr>
<tr>
<td>Reduction in hospitalisations</td>
<td>$507,482</td>
<td></td>
</tr>
<tr>
<td>Reduction in ambulance trips</td>
<td>$197,091</td>
<td></td>
</tr>
<tr>
<td>QALY gain</td>
<td>$4,918</td>
<td>Patient</td>
</tr>
<tr>
<td>Total</td>
<td>$1,645,763</td>
<td></td>
</tr>
<tr>
<td><strong>Benefit Cost Ratio</strong></td>
<td><strong>12.4</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: KPMG
# Case Study B

## Primary Health Care Focus
### NP Role Focus
Model in place to increase access to primary health care in the community, improve chronic disease management and reduce avoidable use of ambulance services

### Catchment Demographic
Growing ageing populations with complex chronic conditions and minimal access to health care

## Funding Model
- Private practice

## Key Outcomes
- Reduced Hospital Admissions
- ↑ Improved chronic disease management
- ↑ Increased access to primary health care

## Success Factors
- Identified area of need
- Relationship with GPs / service providers

## Challenges
- Recruitment and succession planning
- Funding
- Leadership, district and government support

## Cost Benefit Ratio
1.1
Description of model

Introduction
The NP has established a primary health NP clinic in rural Australia (MM 6) providing general primary health care services to the local community.

The NP model of care is a primary health NP clinic in rural Australia. The clinic was only recently established (October 2017), and services are currently provided in a local community centre with a main clinic due to open in the neighbouring town shortly. The NP also provides half a day of visiting services to a nearby small rural town without any primary healthcare services. Services are almost entirely provided by the NP, with a collaborating GP visiting the site one day per fortnight. The NP has further engaged a local physiotherapist and podiatrist to provide services as part of the clinic services.

Operating Context
The service is located in a rural Australian community (MM 6). The clinic was only recently established (October 2017), and services are currently provided in a local community centre with a main clinic about to open in the neighbouring town.

Prior to the establishment of the clinic, there was no access to primary health care in the community, with the exception of a locum GP approximately 40km away.

The Service Delivery Model
Prior to establishing the clinic, the NP recognised a community need for access to primary health services. The services are almost entirely provided by the NP, with a collaborating GP visiting the site one day per fortnight. Administrative support is available three days per week.

Employment Model
The clinic is run as a private practice by the NP.

Funding Model
As a private practice, the NP receives payments from patients for each consult. Approximately 70 percent of consults are bulk-billed (the MBS reimbursement to patients covers the entire cost of the consult), while in the remaining 30 percent, patients are charged a co-payment of $25. Patients who are under the age of 16, over the age of 65, and those who receive government benefits are eligible for bulk-billed consults.
Site characteristics

Table 9: Characteristics of the NP model – Case Study B

<table>
<thead>
<tr>
<th>Characteristics of NP model</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Time since establishment</td>
<td>&lt;1 year</td>
</tr>
<tr>
<td>Target group</td>
<td>General community</td>
</tr>
<tr>
<td>Remoteness</td>
<td>MM 6</td>
</tr>
<tr>
<td>Population catchment</td>
<td>1,200</td>
</tr>
<tr>
<td>NP FTE on site</td>
<td>0.6</td>
</tr>
<tr>
<td>GP FTE on site</td>
<td>0.1</td>
</tr>
<tr>
<td>Employment model</td>
<td>Own business</td>
</tr>
<tr>
<td>Funding model</td>
<td>Private practice</td>
</tr>
<tr>
<td>Patient co-payment</td>
<td>✓</td>
</tr>
<tr>
<td>Access to MBS</td>
<td>✓</td>
</tr>
<tr>
<td>NP salary / year</td>
<td>$81,776</td>
</tr>
</tbody>
</table>

Source: Site visit

Financial Model

Income

Funding is received from MBS rebates and a patient co-payment fee of $25, which is charged to around 30 percent of patients.

Expenditure

The overall costs of the NP model are approximately $130,000, made up predominantly of the NP’s salary and administration costs. There are no facility-related fixed costs as the building is made available free of charge by the local community.

Sustainability

The financial model indicates that under current funding the NP model is financially stable, however this is dependent on charging a co-payment of $25 per consult to approximately 30 percent of patients, and the use of a facility free of charge.

Qualitative Findings

Success Factors

Stakeholders raised a number of factors that contributed to the positive outcomes of the NP model to date, despite the short time that this model has been in place for.

Identified area of need

The ability to identify a clear gap in service delivery in the region and to meet a clear need within the community is a contributor to the early successes of the NP model. A previous lack of access to primary health care as well as an absence of appropriate continuity of care has resulted in a significant uptake of their services in the region. Patients who were previously seeing locum doctors in a neighbouring town have left those services to receive primary health care services from the newly established NP clinic. This is attributed to the NP’s ability to build up historical patient knowledge and a rapport with each patient over time which is something that locum doctors on a weekly contract are unable to do.
**Relationship with GPs / service providers**

As part of the current NP model of care, a visiting GP spends one day per fortnight on site to see patients while being available for telephone advice at all other times. While there is a desire to increase GP time at the clinic, having a GP spending at least a certain amount of time at the clinic leads to increased collaboration and communication. It contributes to better patient outcomes by being able to physically examine a patient rather than treat somebody over the phone.

**Benefits**

The following benefits of the NP model of care were identified during the site visit.

**Improved continuity of care**

The NP model improves continuity of care in the local community by providing the community with the ability to follow up on health related issues prior to seeing a specialist, and by acting as a link between the community and other health service providers in the wider region.

**Chronic disease management**

Chronic disease management is a key area of need for this regional community. Prior to the establishment of the NP model of care, there was no health service that could provide that type of service to patients. Chronic disease management is a key part of the services delivered daily, and there are positive health outcomes for patients and the community overall that have been observed since the establishment of the NP practice.

**Improved access to health care services**

Prior to the establishment of the NP practice, there was no primary care service provider in this regional community. Patients had to travel to the nearest town to see a locum GP in order to receive services. A key benefit of this NP model of care is providing a first point of call for the community which previously did not exist. The NP noted a significant increase in mental health presentations since the implementation of the NP role.

**Improved patient experience**

Attending locum GPs prior to the implementation of the NP model of care was a somewhat negative patient experience for the community as the locums change every few weeks and patients had to retell their stories over and over again. Providing a consistent NP health service in the community, patients feel more comfortable getting their health issues investigated and are more inclined to continue coming back with any health issues they experience.

**Challenges & Limitations**

The NP reported a number of challenges and limitations with respect to establishing the rural NP clinic. These are described in detail below.

**Recruitment and succession planning**

The NP workload related to running the practice is extremely high, even though the NP is only working 0.6 FTE in theory. This has a negative impact on the NP’s work-life balance. Uptake of the new clinic has been so successful that enough capacity for a second NP role is expected to be established within the next few months, however recruitment into rural and remote communities is extremely challenging, and retention rates are low. An ideal solution would be the recruitment of an NP who is local to the area, however there is currently no other NP in the region.
Another potential solution raised was the ability to access funding to employ a local NP candidate to train and therefore ensure effective succession planning.

**Delayed access to services**

Due to limitations in access to MBS items, the NP is required to wait for the GP to be on site before some of services can be implemented or signed off on. This includes:

- mental health care plan sign-offs which delays access to counselling for patients;
- ordering mammography and bone density testing which delays the provision of a diagnosis for patients;
- GP Management Plan and Team Care Arrangement sign-offs which delays access to allied health services;
- access to a number of radiology services such as CT scans as well as some ultrasound and X-ray requests;
- access to some telehealth items (the NP has identified a number of telehealth items for psychiatrists and improved access for telehealth services for patient counselling through psychology services which the NP is unable to claim).

**Funding**

The NP clinic is sustained by MBS rebates as well as a co-payment made by patients who are older than 16, under 65 and not on a benefits scheme. Generating sufficient income to make the NP model financially viable is currently a major challenge for the site. The limited access to MBS rebate amounts pose a continuous challenge in implementing a sustainable NP model of care.

**Leadership, district and government support**

No support was provided from state or federal government in the establishment of the NP clinic. The NP identified a primary care service gap in the region, and set up the clinic by investing a significant amount of their own time and money into building the service. The clinic does not currently meet the Royal Australian College of General Practitioners’ (RACGP) definition of a general practice, whereby at least 50 percent of a practices’ services must be provided by a GP. This means that the practice is not eligible for grants such as the Practice Incentives Program (PIP) which provides payments to support practices in purchasing additional equipment, upgrading facilities or offering additional payment to doctors working at the practice.

---

Cost-Benefit Analysis

Key points

- This NP model’s costs relate primarily to the NP’s salary and administration. Total costs of the model are estimated at $128,376 per year;
- The NP is currently funded through MBS rebates and patient co-payments of $25 per consult which applies to approximately 30% of all consults;
- The major benefits of this model are increased access to services for a rural population, and improved management of chronic disease and care coordination. These benefits are difficult to robustly quantify due to the long-term nature of chronic disease;
- In the absence of robust long-term outcomes data, the costs of providing equivalent volumes of service via a GP provide a proxy of the benefits delivered. Under base case assumptions, a GP-led service would be $16,000 more expensive than the NP model, suggesting a positive benefit-cost ratio of 1.1 for the NP model.

Costs

The costs of the NP model are approximately $130,000 per annum in MBS rebates and patient costs.

Benefits

Identified benefits

The benefits from the NP program are more difficult to quantify, as they include improved access to services, continuity of care and management of mental health conditions and chronic diseases for an under-serviced rural population.

Table 10: Benefit assumptions – Case Study B

<table>
<thead>
<tr>
<th>Potential benefits</th>
<th>Site applicability</th>
<th>Included in CBA?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early intervention</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved continuity of care</td>
<td>✓</td>
<td>Not quantified in the CBA.</td>
</tr>
<tr>
<td>Reduced avoidable ED/Hospital admissions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chronic disease management</td>
<td>✓</td>
<td>Not quantified in the CBA.</td>
</tr>
<tr>
<td>Improved quality of life</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved access to health care services for rural and</td>
<td>✓</td>
<td>Improved access for rural patients is</td>
</tr>
<tr>
<td>regional areas</td>
<td></td>
<td>an improvement in equity of service</td>
</tr>
<tr>
<td></td>
<td></td>
<td>provision. Quantified by comparing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>costs of providing services via a GP</td>
</tr>
<tr>
<td>Improved access to health care services for Aboriginal</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>&amp; Torre Strait Islander cohorts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>De-prescribing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved allocative efficiency of primary health care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up-skilling of clinical staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved patient experience</td>
<td>✓</td>
<td>Not quantified in the CBA.</td>
</tr>
<tr>
<td>Improved quality &amp; safety</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Site visit
Measuring and valuing selected benefits

The benefit of improved access is approximated using the GP comparison method described in section 2. The self-reported share of NP consults that go on to see a GP at this site is 10 percent. Under these assumptions, the costs of providing equivalent volume of service via a GP is $144,548 per year. A sensitivity analyses was completed with a higher rate of 20 percent.

Benefit-cost ratio

The BCR for this NP model is difficult to robustly quantify, however considering only nominal benefits of improved access delivers a BCR above 1.1. At a higher rate of NP consults that go on to see a GP, the BCR falls to 1.0.

Alignment of costs and benefits

As with most primary care models, there is a misalignment of costs and benefits in this site. Longer term health benefits will likely manifest in terms of reduced hospitalisations and emergency department visits, benefiting State governments, private health insurers and patients themselves, while the costs are borne by the Federal government and patients. This is of course not a function of the NP model but a function of Australia’s current fragmented system.

Table 11: Cost-Benefit Analysis Summary – Case Study B

<table>
<thead>
<tr>
<th>Cost-Benefit Analysis Summary</th>
<th>Annual $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td></td>
</tr>
<tr>
<td>MBS funding</td>
<td>$104,976</td>
</tr>
<tr>
<td>Patient co-payments</td>
<td>$23,400</td>
</tr>
<tr>
<td>Total</td>
<td>$128,376</td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
</tr>
<tr>
<td>Cost of providing equivalent volume of service via GP</td>
<td>$144,548</td>
</tr>
<tr>
<td>Total</td>
<td>$144,548</td>
</tr>
<tr>
<td><strong>Benefit Cost Ratio</strong></td>
<td><strong>1.1</strong></td>
</tr>
</tbody>
</table>

Source: KPMG
# Case Study C

## Primary Health Care

### NP Role Focus
The role was implemented to increase access to Women’s Health care for Aboriginal and Torres Strait Islander women in the community.

### Catchment Demographic
The site is a regional site located with a high proportion Aboriginal and Torres Strait Islander people.

## 12 Year Model Maturity

### Funding Model
State-funded

### Key Outcomes
- ↑ Increased early intervention
- ↑ Increased equity of access
- ↑ Aboriginal and Torres Strait Islander access to care

### Success Factors
- Specialist scope of practice
- Strong community relationships
- Strong leadership and district support

### Challenges
- Locum GP workforce
- Recruitment and Succession Planning
- Understanding of NP role

### Cost Benefit Ratio
>1
Description of model

Introduction
The NP operates autonomously and together with a multidisciplinary publically funded primary healthcare Community Health based team. The NP delivers primary care to the community with a strong focus on Aboriginal and rural health.

Operating Context
The team at the site consists of a NP based in a Community Health Centre where there are a number of Allied Health and Community Nursing based services. The NP works autonomously seeing patients directly for consultations, diagnosis and treatment and referral to GP services for access to specific MBS items and for issues outside the scope of practice for the NP.

Service Delivery Model
The NP at this site specialises in women's health, specifically focused on improving access to Women's Health services for Aboriginal and Torres Strait Islander women in the community. The model has been in place for 12 years with the NP seeing an average of 87 patients per month, 21 of which identify as Aboriginal and Torres Strait Islander people. In addition to the NP working from the primary health clinic they have also worked in with an Aboriginal Community Health Centre in a regional centre to establish a clinic delivering diagnostic women's health procedures to the local Aboriginal and Torres Strait Islander community and for those who would otherwise be left at financial disadvantage by accessing these tests elsewhere. This specialised clinic was established in 2012 and involves a partnership agreement with the Rural Doctor’s Network (RDN), the Aboriginal Medical Service and the LHD. The NPs involvement with this clinic sees patients requiring further investigation or treatment from the primary health setting directly on to this service, where the NP provides the diagnostic examination and pathology collection, thus providing a continuity of care that is otherwise not available in this space for Aboriginal and for rural women.

Employment Model
The NP is salaried by State Government on a permanent full-time basis.

The Funding Model
The health service meets the cost of the NP through its operational budget derived from public funding.
Site Characteristics

Table 12: Site characteristics – Case Study C

<table>
<thead>
<tr>
<th>Characteristics of the NP model</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Time since establishment</td>
<td>12 Year Model Maturity</td>
</tr>
<tr>
<td>Target group</td>
<td>Aboriginal and Torres Strait Islander women</td>
</tr>
<tr>
<td>Remoteness</td>
<td>MM 5</td>
</tr>
<tr>
<td>Population catchment</td>
<td>6,200</td>
</tr>
<tr>
<td>NP FTE on site</td>
<td>1</td>
</tr>
<tr>
<td>GP FTE on site</td>
<td>n/a</td>
</tr>
<tr>
<td>Employment model</td>
<td>Salaried</td>
</tr>
<tr>
<td>Funding model</td>
<td>Public</td>
</tr>
<tr>
<td>Patient co-payment</td>
<td>X</td>
</tr>
<tr>
<td>Access to MBS</td>
<td>N/A</td>
</tr>
<tr>
<td>NP salary / year</td>
<td>120,000</td>
</tr>
</tbody>
</table>

Source: Site visit

Financial model

Income
Funding is received from the State Government.

Expenditure
The costs of the NP model are approximately $130,000, made up predominantly of the NP’s salary. There are no facility-related fixed costs as the building is made available free of charge by the publicly funded site.

Sustainability
The financial model indicates that under current funding the NP model is financially stable, however this is dependent on discretionary State Government funding.

Qualitative Findings

Success Factors
The local NP raised a number of key factors for the successful implementation of the site’s NP model of care. These are described in detail below.

Identified area of need
Prior to completing the further academic study required to become a NP, it was identified by both the Community Based Services manager and the NP that a significant gap existed in quality continuity of care for the community especially across women’s and Indigenous health. This gap existed predominately due to the rural geography of the Women’s Health service causing a shortage in full time GPs and a higher likelihood for locum GP workforce.

The district that the service caters for has a high proportion of Aboriginal and Torres Strait Islander people, 22.1 percent, which is higher than the national average of 2.8 percent. For this reason the NP role was established to provide improved access to women’s health for culturally appropriate diagnosis, treatment and referral for all women across the population catchment, with a specific focus on Aboriginal and Torres Strait Islander women.
Implementing such a service has provided the catchment population with a continuity of care that had not previously existed across the region, and has reduced the need for women of lower socio economic groups to travel long distances away from their homes to access, sometimes basic healthcare needs such as contraception. A comprehensive Women’s Health service exists for all needs and is provided in a culturally appropriate manner, safely and effectively for all women who present.

**Scope of practice**

The NP at this site identified their ability to work autonomously, whilst simultaneously collaborating with a range of other providers, as a key success factor in providing the best possible care to all patients. The ability to work at the upper spectrum of the NP scope of practice is predominantly due to the NPs commitment to lifelong learning, the health needs of the population, the rural setting and the periodic lack of GP services.

At this site the NP conducts the following activities autonomously:

- consultation, diagnosis and treatment for a wide range of women specific presentations;
- comprehensive gynaecological assessment;
- prescription of appropriate medications to treat a wide range of complaints specific to women;
- referral to diagnostic imaging, including ultrasound & X-ray.

The NP identified that their scope of practice has evolved over time and is directly associated with the needs of the community, and the maturity of the model.

The NP at this site has a focus on women’s health, specifically Aboriginal and Torres Strait Islander women’s health. This focus has been stated as a key differentiator for the model and a factor of the NPs success. By the NP focusing on this specific health care need in the community they have been able to develop relationships, rapport and trust with these patients to create a strong patient base for the service. The NP has leveraged this area of focus to perform colposcopies at an Aboriginal Medical Service clinic and has increased access to specialist healthcare that would otherwise be unavailable for rural communities.

**Community relationships**

A critical success factor for this particular NP role has been the long standing community relationships and connections that the NP has. First hand local community knowledge and progressing from a RN to an NP role within the community has potentiated a well-established patient base which grew further upon the NPs qualification and increased scope of practice.

The NP at this site continually goes above and beyond to build relationships with women’s groups and Aboriginal and Torres Strait Islander people across the area. This activity made them a trusted member of the community and created a reputation for themselves as a skilled and efficient practitioner.

**Leadership, district and government support**

The NP role in this practice is publically funded and has strong support from both the Community Based Services manager and the LHD. The NP believes that the district sees the role as particularly beneficial to the rural and remote community as it is an area that has a lack of specialist services and the NP role helps to provide safe, efficient health care for the population.
Benefits

As the model has been established for a significant amount of time, stakeholders were able to identify a range of benefits outlined below.

*Improved access to healthcare services*

The NP has been able to support co-located staff to remain up to date on women’s health, in addition to being able to provide accurate information to both co-workers and patients. The NP noted that their presence enabled access to women’s health service for the rural clinic that otherwise would not exist and create a greater wait time for GP appointments and higher proportion of referrals to specialists who are located at long distances from the centre.

*Improved continuity of care*

As mentioned above continuity of care as a result of the NP role is a significant benefit for the local community. The NP gave an example of their ability to complete cervical screening, diagnose an abnormality early and refer for colposcopy where the NP can provide the next step in the care for that patient. This type of continuity, especially for women’s health in vulnerable populations, ensures the patient feels culturally comfortable and is more likely to maintain attendance at upcoming appointments. This approach sees more women complete treatment regimens and serves to keep Aboriginal women well and out of hospital for gynaecological disease.

*Increased early intervention*

The NP believes that their role has enabled early intervention of health issues for patients as the rapport they have created within the community has helped vulnerable patient populations who are usually guarded about personal issues, come to the NP at an earlier stage upon presentation of symptoms. The NP gave an example where they were able to identify two patients, one with cervical cancer, another with Endometrial cancer, at an early stage, who have now been treated and are recovering. This type of early intervention saves costs for the health service and the community through reduced hospitalisations and ongoing acute medical support.

Challenges & Limitations

Further to the success factors described above, the NP detailed a range of challenges and limitations that the NP had experienced as part of the role. These are outlined in detail below.

*Relationship with GPs / service providers*

The NP has noted that relationships with local GPs and service providers can sometimes be problematic and slow down the patient care process. This becomes particularly apparent when referrals are required to a locum GP whom the NP has not had a chance to develop a strong relationship with, as often the GP will request to re-examine the patient rather than progress from the point of the NPs referral. This way of working creates duplication and incurs additional costs on both the practice and the patient.

The working relationships with GPs and service providers is also highly dependent on the individual’s collaboration ability and understanding of the NP role. For example the NP found some GPs who were initially resistant to the NP role did not fully understand the NP scope of practice. Once the NP was able to show the efficiency gains their service could bring, the GPs became more accepting.

Specifically in the women’s health area, locum GPs often do not have the time to stay up to date on the latest women’s health information and in fact have moved away from providing women’s
health examinations for various reasons and the NP has become a key resource to support the GPs in certain cases.

Recruitment and succession planning

A key challenge the NP at this site identified is the risk in succession planning. The NP at this site has worked in the community as an RN prior to completing the NP academic studies. Health resourcing at any level in a rural setting is difficult and the existing NP has been unsuccessful in recruiting an RN to complete the NP progression pathway. Often RNs in similar roles can meet the same salary as an NP through penalty rates which can limit the financial incentive for progression to NP. The NP progression can also be difficult due to the length of academic studies needed, perceived ambiguity around the role and high workload and increased responsibility required once in the role.

Understanding of the role

With a locum GP workforce playing a considerable part to servicing the community, the NP has encountered a range in level of understanding of the NP role. This variation in level of understanding can lead to a range in attitudes towards NPs which are difficult to manage when trying to provide quality continuity of care.

The NP noted that the two year transition period undertaken to become a NP is an opportunity to create an understanding of the potential for the role in the community where they are planning to practice. During this period, from the NPs opinion, there has been a lack of mentoring made available within the LHD for students to help in sharing the understanding of what the NP role scope of practice is. The flow on effect from this could be the variation in levels of NP scope understanding across primary health settings.

Access to reimbursement

The NP and practice Community Based Services manager identified a lack of access to Medicare benefits, as the service receives other government funding, as a key barrier to the sustainability of the model.

Cost-Benefit Analysis

<table>
<thead>
<tr>
<th>Key points</th>
</tr>
</thead>
<tbody>
<tr>
<td>• This NP model’s costs relate primarily to the NP’s salary. Total costs of the model are estimated at $129,548 per year;</td>
</tr>
<tr>
<td>• The NP is currently funded through discretionary State funding;</td>
</tr>
<tr>
<td>• The major benefits of this model are increased access to services including cervical cancer screening for a rural population with high population of Aboriginal and Torres Strait Islander people. These benefits are difficult to robustly quantify due to the lag between screening and long-term reductions in cancer rates.</td>
</tr>
</tbody>
</table>

Costs

The cost of the NP site is approximately $130,000 per annum, which is funded by the State Government.
Benefits

Identified benefits

The identified benefits of the NP model include improved access to services, screening and potential early intervention for cervical cancer, continuity of care, and management of chronic diseases for an under-serviced rural population.

Table 13: Benefit assumptions – Case study C

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Site applicability</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Intervention</td>
<td>✓</td>
<td>The NP at this site noted the early diagnosis and referral they have been able to complete through the specialist focus area has enabled early intervention and treatment for patients. This is a qualitative benefit and has not been quantified as part of the CBA ratio</td>
</tr>
<tr>
<td>Continuity of Care</td>
<td>✓</td>
<td>The presence of a regular NP at this site has improved continuity of care. This is a qualitative benefit and has not been quantified as part of the CBA ratio</td>
</tr>
<tr>
<td>Avoidable ED/Hospital Admissions</td>
<td>✓</td>
<td>Over 40 hospital admissions have been saved through the colposcopy clinic alone after high grade cervical abnormalities have been identified and treated therefore avoiding admissions for cervical cancer alone.</td>
</tr>
<tr>
<td>Chronic Care Management</td>
<td>✓</td>
<td>Early referral for diabetes, heart disease, low physical activity and poor dietary issues have been addressed by early referral to other appropriate members of the health care team</td>
</tr>
<tr>
<td>Quality of Life</td>
<td>✓</td>
<td>Through improved continuity of care and ease of access quality of life has improved for the NPs patients. This is a qualitative benefit and has not been quantified as part of the CBA ratio</td>
</tr>
<tr>
<td>Equity of Access</td>
<td>✓</td>
<td>Through the NP presence the equity of access for vulnerable populations has improved. Through improved continuity of care and ease of access more vulnerable patients have been assessed and appropriately treated in a timely, and efficient manner. Improving health outcomes has therefore improved quality of life for the NPs patients. This is a qualitative benefit and has not been quantified as part of the CBA ratio</td>
</tr>
<tr>
<td>Aboriginal and Torres Strait Islander people healthcare access</td>
<td>✓</td>
<td>Through the NP presence the equity of access for vulnerable populations has improved. Through improved continuity of care and ease of access quality of life has improved for the NPs patients. This is a qualitative benefit and has not been quantified as part of the CBA ratio Health outcomes have improved for these patients</td>
</tr>
<tr>
<td>De-prescribing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHC Allocative efficiency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical Staff knowledge up skill</td>
<td>✓</td>
<td>The NP provides regular education for staff members around Gynaecology presentations</td>
</tr>
<tr>
<td>Patient experience</td>
<td>✓</td>
<td>Through improved continuity of care and ease of access quality of life has improved for the NPs patients. This is a qualitative benefit and has not been quantified as part of the CBA ratio. The Patient experience improved health outcomes, hospital avoidance and increased knowledge around there own health journey</td>
</tr>
</tbody>
</table>
Benefits | Site applicability | Comments
--- | --- | ---
Quality & Safety | ✓ | The NP at this site noted the early cervical screening they have been able to complete through the specialist focus area has enabled early intervention and treatment for patients. This is a qualitative benefit and has not been quantified as part of the CBA ratio

Source: Site visit

Measuring and valuing selected benefits

Many of the benefits of the NP model accrue over the longer-term (e.g. reduced hospitalisations from prevention and early treatment for gynaecological cancers and improved chronic disease management) and therefore could not be quantified within this report. However the benefits of improved gynaecological assessment and screening for a high risk population are likely to be substantial. Cervical cancer screening has consistently been shown to be a cost-effective treatment\(^{18}\), with the renewed National Cervical Screening Program (NCSP) estimated to be both cost saving and life-year savings\(^{19}\). The estimated benefits of the NCSP are so large that the government has implemented $35 bonus practice incentive payments for the screening of women between the ages of 20-69 who have not previously been screened in the past four years.\(^{20}\) This service, however, is more than a cervical screening service, with the NP competent and confident to provide safe and effective early diagnosis, treatment and referral for the full range of gynaecological presentations, thus keeping Aboriginal and rural women well and out of hospital on a daily basis.

Benefit-cost ratio

The benefit-cost ratio for this NP site is difficult to determine without a complex modelling exercise. However the economic evaluations cited above consider a GP consult as part of the cost structure; a less costly NP consult would therefore result in improved cost-effectiveness, as would the targeting of high risk populations, suggesting the BCR for this site is likely to be greater than 1 and potentially substantially so.

---


# Case Study D

## Aged care focus

<table>
<thead>
<tr>
<th>NP Role Focus</th>
<th>Catchment Demographic</th>
</tr>
</thead>
<tbody>
<tr>
<td>The model provides health care to RACF residents.</td>
<td>The catchment population is made up of RACF residents.</td>
</tr>
</tbody>
</table>

## 7 Year Model Maturity

<table>
<thead>
<tr>
<th>Funding Model</th>
<th>Key Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private practice</td>
<td>↑ Increased continuity of care</td>
</tr>
<tr>
<td></td>
<td>↑ Increased quality of life</td>
</tr>
<tr>
<td></td>
<td>↓ Reduced hospitalisations</td>
</tr>
</tbody>
</table>

## Success Factors

<table>
<thead>
<tr>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship with GPs / service providers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost Benefit Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>not available</td>
</tr>
</tbody>
</table>

- A person-centred model
- Relationship with GPs / service providers
- Reputation
- Specialty focus
Description of model

Introduction

This NP model of care consists of a private collaborative GP / NP practice delivering health services to residents of RACF in a metropolitan location.

Operating context

The service is located in a large Australian city (MM 1 classification). The private practice incorporates two GPs and nine NPs. The practice has been running since 2011, and the operational model has not changed substantially since. The practice has relationships with a number of RACFs who both GPs and NPs travel to provide their services.

Until recently the practice operated as a virtual practice as all services were provided externally, however a separate clinic was recently opened as the practice’s headquarters. The intention is to expand the service portfolio slightly over time to include initiatives such as the Health Care Home programs.

Service Delivery Model

The main focus of the model is to provide person-centred health services to residents of RACFs. The initial three members of the practice recognised a need in RACFs to provide a better continuity of care by providing chronic case management services and by offering a holistic approach to care through involving the family of the resident.

All associates travel out to RACFs to provide their services. NPs are the key service providers for the patients and perform all assessment and case management activities, which are signed-off by the GPs as part of their collaborative agreement. Regular case management meetings are conducted involving both NPs, GPs as well as RACF staff and occasionally family members of the patient.

Employment Model

All GPs and NPs are associates of the practice; none of the clinical professionals are employees.

Funding Model

As a private practice, the NPs receive payments from patients for each consult. A proportion of these consults are reimbursed by the MBS, however patients are also charged a co-payment. No government grant funding is received.

Site characteristics

Table 14: Site characteristics – Case Study D

<table>
<thead>
<tr>
<th>Characteristics of NP model</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Time since establishment</td>
<td>7 years</td>
</tr>
<tr>
<td>Target group</td>
<td>Aged care</td>
</tr>
<tr>
<td>Remoteness</td>
<td>MM 1</td>
</tr>
<tr>
<td>Population catchment</td>
<td>&gt;1 million</td>
</tr>
<tr>
<td>NP FTE on site</td>
<td>9.0</td>
</tr>
<tr>
<td>GP FTE on site</td>
<td>2.0</td>
</tr>
<tr>
<td>Employment Model</td>
<td>All NPs are associates in the practice</td>
</tr>
<tr>
<td>Funding Model</td>
<td>Private practice</td>
</tr>
<tr>
<td>Patient co-payment</td>
<td>✓</td>
</tr>
<tr>
<td>Access to MBS</td>
<td>✓</td>
</tr>
</tbody>
</table>

Source: Site visit
Financial Model

Income
This NP model of care is a private practice, and all income is generated by MBS rebates as well as through patient co-payments. NPs receive a percentage of the completed items.

Data from this site was not available at the time of writing this report.

Expenditure
Data from this site was not available at the time of writing this report.

Sustainability
The site financial model indicates that the model is sustainable.

Data from this site was not available at the time of writing this report.

Qualitative Findings

Success Factors
Site visits identified a range of success factors to the NP role operating as effectively as possible. These are outlined below.

A person-centred care model
Having a person-centred care model in place that revolves around the RACF resident was a key factor contributing to the success of the clinic, for a number of reasons:

• The main objective of the model is to increase the quality of life for RACF residents and prevent any suffering at the end of their lives;

• It enables a high level of communication and collaboration among health professionals and residents’ family members, and it enables the NP to tailor care plans according to each residents’ individual needs;

• GPs alone would not have sufficient capacity to spend as much time with patients as NPs do.

Relationship with GPs / service providers
A key reason for success is a collaborative approach as well as clear and open communication among all parties involved in an RACF residents’ care. There are a number of aspects to this approach:

• All NPs and GPs in the practice are associates rather than employees. This gives every person equal say in the business and input into the operating model as well as into the overall workload that is taken on by the practice. Clear guidelines around responsibilities, as well as mutual respect for each other and everyone’s scope of practice are key elements of good collaboration.

• Clear communication with external parties are an important contributor to the success of the model. This can include RACF staff or a residents’ family members, for example. Clear communication regarding the NP scope of practice, provision of guidance around residents’ care plans and taking into account specific family circumstances need to be taken into account.
• There is a need for increased involvement of specialists in residents’ overall care plans and case management. The practice is now offering educational opportunities for both RACF employees and clinical specialists (e.g. geriatricians) with a goal to improve inter-professional collaboration and facilitate better case management. This approach has resulted in increased levels of communication and in more work opportunities for the practice which have arisen from education sessions.

Reputation

Good reputation and word of mouth has provided the practice with a steady income stream and positive growth rates since its establishment. It is the practice’s main marketing tool and a contributor to the growing success of the business.

A generalist background

This NP model of care is conducive to NPs who have a generalist background with a focus on aged and palliative care given the large number of RACF residents receiving end-of-life care as part of the services offered.

Benefits

The following benefits of the NP model of care were identified during the site visit.

Increased early intervention

The regular NP visits to RACFs and continuous follow-ups with patients have resulted in an ability to recognise and diagnose conditions earlier. This has had a positive effect on factors such as treatment duration and preventing conditions becoming more severe.

Improved continuity of care

The NP presence at NP sites has improved continuity of care, as NPs are able to follow-up on any pre-diagnosed conditions and ensure that referrals to specialists are issued when conditions get worse.

Reduced avoidable ED/hospital admissions

The NP model of care has contributed to a reduced rate of avoidable ED or hospital admissions, as any acute cases are presented to the NP prior to calling an ambulance. If a hospital admission is not necessary, the NP is able to set up a treatment plan for the patient.

Chronic case management

NPs provide chronic care management for RACF residents. This has contributed to more efficient and effective care for patients with chronic diseases, and has reduced the number of avoidable visits to the hospital or any specialists.

Improved patient satisfaction

The site reports that the NP model of care has significantly contributed to improving satisfaction for RACF residents. The reported reasons for this are:

• NPs are able to spend more time with patients than GPs which enables them to provide a more holistic model of care;

• the prevention of avoidable hospital admissions.
Challenges & Limitations

Very few limitations and barriers were raised by the practice stakeholders, as they felt that their experience overall had been mainly positive. One limitation is detailed below.

Relationship with GPs / service providers

The practice has a supportive and collaborative workplace culture and sees it as one of the key elements to their success. Being respectful and open to the NP model of care is crucial; having non-supportive GPs working in the practice has led to redundancies in the past.

Cost-Benefit Analysis

| Data from this site was not available at the time of writing this report. |

Costs

Data from this site was not available at the time of writing this report.

Benefits

Data from this site was not available at the time of writing this report.

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Site applicability</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Intervention</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Continuity of Care</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Avoidable ED/Hospital Admissions</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Chronic Care Management</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Quality of Life</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Equity of Access</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Aboriginal &amp; Torres Strait Islander Healthcare access</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>De-prescribing</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>PHC Allocative efficiency</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Clinical Staff knowledge up skill</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Patient experience</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Quality &amp; Safety</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: Site visit
Benefit-cost ratio

Data from this site was not available at the time of writing this report.

Table 16: Cost-Benefit Analysis Summary – Case Study D

<table>
<thead>
<tr>
<th>Cost-Benefit Analysis Summary</th>
<th>Annual $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Costs</strong></td>
<td></td>
</tr>
<tr>
<td>MBS funding</td>
<td>not available</td>
</tr>
<tr>
<td>Patient cost</td>
<td>not available</td>
</tr>
<tr>
<td>PHN</td>
<td>not available</td>
</tr>
<tr>
<td>State</td>
<td>not available</td>
</tr>
<tr>
<td>Federal</td>
<td>not available</td>
</tr>
<tr>
<td>Total</td>
<td>not available</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td></td>
</tr>
<tr>
<td>Reduction in GP visits</td>
<td>not available</td>
</tr>
<tr>
<td>Reduction in ED visits</td>
<td>not available</td>
</tr>
<tr>
<td>Reduction in hospitalisations</td>
<td>not available</td>
</tr>
<tr>
<td>Reduction in ambulance trips</td>
<td>not available</td>
</tr>
<tr>
<td>QALY gain</td>
<td>not available</td>
</tr>
<tr>
<td>Total</td>
<td>not available</td>
</tr>
<tr>
<td><strong>Benefit Cost Ratio</strong></td>
<td>not available</td>
</tr>
</tbody>
</table>

Source: KPMG
Case Study E

<table>
<thead>
<tr>
<th>Dementia care focus</th>
<th>4 Year Model Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NP Role Focus</strong></td>
<td><strong>Catchment Demographic</strong></td>
</tr>
<tr>
<td>The role aims to improve the timely diagnosis of dementia in a regional setting</td>
<td>The catchment population covers a regional area of 25,000 inhabitants with a significant burden of dementia</td>
</tr>
<tr>
<td><strong>Funding Model</strong></td>
<td><strong>Key Outcomes</strong></td>
</tr>
<tr>
<td>Commonwealth funded</td>
<td>↑ Increased dementia diagnoses</td>
</tr>
<tr>
<td></td>
<td>↑ Increased continuity of care</td>
</tr>
<tr>
<td></td>
<td>↓ Reduced hospitalisations</td>
</tr>
<tr>
<td><strong>Success Factors</strong></td>
<td><strong>Challenges</strong></td>
</tr>
<tr>
<td>Flexibility</td>
<td>Data availability and accessibility</td>
</tr>
<tr>
<td>Specialty focus</td>
<td>Work/life balance</td>
</tr>
<tr>
<td>Identification of need</td>
<td>Knowledge of the role</td>
</tr>
<tr>
<td></td>
<td>Leadership, district and government support</td>
</tr>
<tr>
<td><strong>Cost Benefit Ratio</strong></td>
<td>2.3</td>
</tr>
</tbody>
</table>
Description of model

Introduction

The NP is employed by a regional clinic (MM 3) supported by Commonwealth Government funding. The objective of the NP model is to provide assessment for people with a cognitive impairment to explore a definitive diagnosis of dementia.

Operating Context

The service is located in a regional Australian community (MM 3). There is no access to clinical dementia specialists in the region who diagnose the condition. The NP model was established to reduce the significant waiting list of regional patients, requiring assessment and a potential diagnosis of dementia. Early diagnosis improves treatment, planning and management of the condition, and can increase the availability and level of subsidy for associated treatments.

The Service Delivery Model

The dementia NP investigates and assesses possible causes of memory loss, providing patients with a definitive dementia diagnosis, where applicable, and associated services. Services are provided in the patient’s home.

Employment Model

The NP is employed by a regional Community Health Service in a salaried role.

Funding Model

The model is funded by the clinic which is supported by the Commonwealth.

Site characteristics

<table>
<thead>
<tr>
<th>Characteristics of NP model</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Time since establishment</td>
<td>4 years</td>
</tr>
<tr>
<td>Target group</td>
<td>Dementia patients</td>
</tr>
<tr>
<td>Remoteness</td>
<td>MM 3</td>
</tr>
<tr>
<td>Population catchment</td>
<td>25,000</td>
</tr>
<tr>
<td>NP FTE on site</td>
<td>1.0</td>
</tr>
<tr>
<td>GP FTE on site</td>
<td>n/a</td>
</tr>
<tr>
<td>Employment Model</td>
<td>Salaried role</td>
</tr>
<tr>
<td>Funding Model</td>
<td>Commonwealth funded</td>
</tr>
<tr>
<td>Patient co-payment</td>
<td>( \times )</td>
</tr>
<tr>
<td>Access to MBS</td>
<td>N/A</td>
</tr>
<tr>
<td>NP salary / year</td>
<td>$180,000</td>
</tr>
</tbody>
</table>

Source: Site visit

Financial Model

Income

The NP salary is funded by the clinic which is supported by a grant from the Federal Government. Patients are not charged a co-payment fee.
Expenditure

The overall costs of the NP model are approximately $203,000, made up predominantly of the NP’s salary ($180,000) and administration costs ($23,000 to cover administration, training, professional development as well as transport and car use).

Sustainability

The financial model indicates that under current funding the NP model is financially stable, however this is dependent on discretionary Commonwealth Government funding.

Qualitative Findings

Success Factors

Interviews conducted during the site visit identified a range of factors critical to the successful implementation of the site’s NP model of care. These are described in detail below.

Flexibility

Individual consultations with patients in this model can take a long time. Providing a dementia assessment involves approximately 21 cognitive and blood tests, and generally takes a minimum of three hours. In this context, it is essential for the role to be flexible enough to accommodate consultations that are significantly longer than the 40 minute consultation provided for in MBS item 82215.

Specialty focus

The NP role in dementia care is currently the only one of this type in Australia. The NP has a high level of knowledge of dementia. Other health professionals such as GPs often draw on this dementia expertise, and the NP’s knowledge is a key contributor to the successful implementation and upkeep of the NP model.

Identified area of need

The ability to identify a clear gap in service delivery in the region and to meet a clear need within the community is a contributor to the early successes of the NP model. A previous lack of access to timely diagnosis of dementia has resulted in a significant uptake of the NP services in the region.

Benefits

The following benefits of the NP model of care were identified during the site visit.

Increased early intervention

The primary objective of the NP model of care is to reduce the number of patients waiting to be diagnosed with dementia. The wait list has been reduced substantially since the establishment of the NP role as well as the amount of time taken to get diagnosed with dementia. Prior to the establishment of the dementia NP role, the wait time for a dementia assessment was approximately three years, which has now been reduced to six to 12 months.
Reduced avoidable ED/hospital admissions

By diagnosing dementia earlier, the number of avoidable ED and hospital admissions has been reduced significantly. People with dementia have an increased risk of contracting infections. Diagnosing the condition earlier and putting appropriate treatment plans in place has resulted in a lower rate of acute conditions and therefore a lower rate of ED and hospital admissions.

Improved access to healthcare services

Prior to the establishment of this NP model of care, there was one geriatrician in the region able to provide access to dementia expertise. The NP role has not only provided the community with access to a healthcare professional with specialist dementia knowledge, but has also provided other healthcare services with a point of contact for any questions or issues that are related to dementia.

Challenges & limitations

Site visits identified a range of challenges and limitations to the role operating as effectively as possible. These are outlined in detail below.

Data availability and accessibility

It is currently not possible to evaluate the NP model of care and the outcomes that have been achieved using primary data, due to the lack of data around patient outcomes and health service utilisation (e.g. hospitalisations) that go beyond the NP’s level of responsibility. Obtaining relevant hospitalisation data requires a significant investment of resources. Funding is not provided to support patient outcome and health service data evaluation efforts.

Work/life balance

The workload in this NP model is high, as a result of the high demand for the NP services provided and a lack of further NP staff to help meet this demand. This has resulted in a very low work-life balance and high levels of stress for the NP. This could potentially be improved decreasing administrative burden through an increased level of collaboration between government departments, the hospital, and the NP.

Knowledge of the role amongst wider service providers

There appears to be a low level of understanding among other healthcare providers (e.g. GPs or other medical specialists) in the region regarding the role of NPs in general, as well as this particular NP model of care. This lack of NP awareness is currently a barrier to reaching an optimal level of collaboration among all stakeholders involved in a dementia patient’s care, as stakeholders who are unaware of the NP role in this context may inadvertently not take advantage of the benefits the role presents. The NP currently does not have any capacity to spend more time on promoting the role and raising awareness among the primary health community.

Leadership, district and government support

While the Commonwealth funds the current model of care, there is a perceived lack of engagement and interest in outcomes achieved by Commonwealth stakeholders through this model of care. While the Commonwealth funds the current model of care, there is an opportunity for a greater level of engagement by supporting and evaluating the NP model, and using evaluation outcomes to continuously improve the model of care.
MBS/PBS restrictions

The management of dementia requires cognitive and blood tests and access to certain medicines for treatment. The NP identified that a lack of availability of reimbursements for relevant MBS and PBS items limits their ability to manage the care of patients living with dementia.

Cost-Benefit Analysis

Key points
- This NP model’s costs relate primarily to the NP’s salary and development. Total costs of the model are estimated at $203,000 per year;
- The general benefits of this model are improved quality of life and reduced health service utilisation. Using assumptions from the literature and self-reported data from the site around reduced ED visits, the benefits are estimated at $458,480 per year;
- Overall, the model has an estimated BCR of 2.4. The BCR remains above 1 under more conservative assumptions around the value of a QALY.

Costs

The costs of the NP site are the costs of $203,000 to the Federal government and site to fund the operation of the NP program.

Benefits

Identified benefits

The benefits of this NP model are predominantly in the early diagnosis of people with dementia. The National Framework for Action on Dementia 2015-2019 notes a priority area for action is the need for timely diagnosis. Various literature highlight the likely benefits, including improved quality of life and reduced future health service utilisation, however these are difficult to robustly measure.21

Table 18: Benefit assumptions – Case Study E

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Site applicability</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Intervention</td>
<td>✓</td>
<td>Benefit is quantified through improved quality of life and reduced ED visits and hospitalisations</td>
</tr>
<tr>
<td>Continuity of Care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avoidable ED/Hospital Admissions</td>
<td>✓</td>
<td>Benefit is quantified using self-reported estimates of the gains</td>
</tr>
<tr>
<td>Chronic Care Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of Life</td>
<td>✓</td>
<td>Benefit is quantified using an estimate of the QALY gain from the literature</td>
</tr>
<tr>
<td>Equity of Access</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
<tr>
<td>Aboriginal &amp; Torres Strait Islander Healthcare access</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patient experience</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
<tr>
<td>De-prescribing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHC Allocative efficiency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical Staff knowledge up skill</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality &amp; Safety</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Site visit

Measuring and valuing selected benefits

The quality of life benefits are derived from the literature. Banerjee and Wittenberg note that small, realistic improvements in quality of life of between 0.01 and 0.02 QALYs per person per year\(^\text{22}\), would ensure a United Kingdom early diagnosis and intervention service was cost-effective. Applying the lower figure to this site yields a quality of life gain of 7.2 QALYs over 720 patients, which when valued at $50,000 per QALY generates $360,000 in benefits. A sensitivity analysis is completed with a value of $25,000/QALY.

The benefits from reduced ED visits and hospitalisations are estimated using the method described in Section 2. The NP self-reports that 80 voidable ED visits and five subsequent hospitalisations are reduced each year from the timely diagnosis of dementia, which have an associated value of almost $100,000 per year.

Benefit-cost ratio

The benefit-cost ratio for this NP model is estimated at 2.3. If a lower value per QALY is adopted ($25,000/QALY instead of $50,000/QALY), the BCR falls to 1.4.

Alignment of costs and benefits

As with most primary care models, there is a misalignment of costs and benefits in this model. Longer term health benefits will likely manifest in terms of reduce hospitalisations and emergency department visits, benefiting State governments, private health insurers and patients themselves, while the costs are borne by the Federal government and the site. This is of course not a function of the NP model but a function of Australia’s current fragmented system.

Table 19: Cost-Benefit Analysis summary – Case Study E

<table>
<thead>
<tr>
<th>Cost-Benefit Analysis Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
</tr>
<tr>
<td>-----</td>
</tr>
<tr>
<td>Discretionary funding</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Benefits</td>
</tr>
<tr>
<td>Reduction in GP visits</td>
</tr>
<tr>
<td>Reduction in ED visits</td>
</tr>
<tr>
<td>Reduction in hospitalisations</td>
</tr>
<tr>
<td>Reduction in ambulance trips</td>
</tr>
<tr>
<td>QALY gain</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Benefit Cost Ratio 2.3

Source: KPMG

## Case Study F

<table>
<thead>
<tr>
<th>Women’s &amp; Children Health Focus</th>
<th>5 Year Model Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>NP Role Focus</td>
<td>Catchment Demographic</td>
</tr>
<tr>
<td>The NP is focused on women’s and children’s health within a holistic primary care model for Aboriginal and Torres Strait Islander patients.</td>
<td>The catchment population is Aboriginal and Torres Strait Islander people living within an urban setting.</td>
</tr>
<tr>
<td>Funding Model</td>
<td>Key Outcomes</td>
</tr>
<tr>
<td>Commonwealth &amp; State-funded</td>
<td>↑ Increased early intervention</td>
</tr>
<tr>
<td></td>
<td>↑ Quality &amp; safety</td>
</tr>
<tr>
<td></td>
<td>↑ Access to care</td>
</tr>
<tr>
<td></td>
<td>↑ Patient experience</td>
</tr>
<tr>
<td>Success Factors</td>
<td>Challenges</td>
</tr>
<tr>
<td>Specialist scope of practice</td>
<td>Recruitment and Succession Planning</td>
</tr>
<tr>
<td>Integrated model of care</td>
<td>Funding sustainability</td>
</tr>
<tr>
<td>Strong leadership support</td>
<td></td>
</tr>
<tr>
<td><strong>Cost Benefit Ratio</strong></td>
<td>1.1</td>
</tr>
</tbody>
</table>
Description of model

Introduction

The NP is employed by an ACCHS to deliver specialist women’s and children’s primary care services as part of a multidisciplinary team.

Operating context

The service is located within a major city providing comprehensive primary health care services to Aboriginal and Torres Strait Islander patients.

The Service Delivery Model

The NP delivers primary health care to women and children as part of a multidisciplinary care team, including Aboriginal and Torres Strait Islander health workers, GPs and allied health professionals.

The NP was originally employed as an RN, and with the service, identified the potential for an expanded scope of practice.

The purpose of the model is to improve timely access to and continuity of care.

The Employment Model

The NP is directly employed by the ACHHS on a permanent part time basis.

The Funding Model

The ACCHS meets the cost of the NP through its operational budget supported by IAHP funding, as well as through payments from patients for each consult. MBS reimbursements are available to patients.

Site characteristics

Table 20: Site characteristics – Case Study F

<table>
<thead>
<tr>
<th>Characteristics of the NP model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time since establishment</td>
</tr>
<tr>
<td>Target group</td>
</tr>
<tr>
<td>Remoteness</td>
</tr>
<tr>
<td>Population catchment</td>
</tr>
<tr>
<td>NP FTE on site</td>
</tr>
<tr>
<td>GP FTE on site</td>
</tr>
<tr>
<td>Employment Model</td>
</tr>
<tr>
<td>Funding Model</td>
</tr>
<tr>
<td>Patient co-payment</td>
</tr>
<tr>
<td>Access to MBS</td>
</tr>
<tr>
<td>NP salary / year</td>
</tr>
</tbody>
</table>

Source: Site visit
Financial model

Income
The Nurse Practitioner is employed on a permanent part time basis and receives a salary. The service meets the cost of the position through its operating budget supported by IAHP funding and MBS reimbursement. Patients are not charged a co-payment to access the service.

Expenditure
The overall costs of the NP model are approximately $110,000, made up of the NP’s salary. There are no facility-related fixed costs attributed to the model.

Sustainability
The financial model indicates that under current funding the NP model is financially stable, however this is dependent on discretionary government funding. If the model was to rely on MBS funding, a co-payment of $53.82 for each consult would need to be charged.

Qualitative Findings

Success Factors
Interviews conducted during the site visit identified a range of factors critical to the successful implementation of the site’s NP model of care. These are described in detail below.

Identified area of need
The NP model at this site evolved over time to meet an area of need, in delivering primary health care to women and children. The ACHHS employed the NP as an RN for a number of years prior to them being employed as an NP.

The NP identified a gap in family health care, particularly in relation to timely appointments for early intervention. Supported by the service they developed a business case articulating how a NP model could improve access and experience for women and children.

Scope of practice
The scope of the role has expanded over time. The NP was supported to undertake further study in order to meet identified areas of need. This included newborn checks and, Implanon and Mirena IUD insertion and removal.

Ongoing study has enabled the NP to operate at the top of their scope and through this to improve access to care and support the most efficient and appropriate use of GP resources.

A range of stakeholders identified the evolution of the model over time as a critical success factor as it allowed other team members to build their understanding and acceptance of the NP model within the service.

Generalist NP with a specialty focus
The specialist focus on women’s and children’s health has allowed this model to meet a specific need. It has also assisted to create clarity of purpose for the model that other members of the service’s multidisciplinary team can easily understand. The NP is the recognised expert in this area within the service. Other clinical stakeholders noted that they value the NPs advice on their specialist areas and refer patients for more detailed advice and education.
Patient relationships

Over time the NP has built strong continuing relationships across the patient base. This has allowed patients to build trust to discuss sensitive areas, like sexual and reproductive health, which they may otherwise not be comfortable to raise and to refer their family and friends. Combined this has seen the NPs workload gradually increase to becoming fully booked.

Role clarity within a multidisciplinary team

The NP within this model identified the importance of ensuring that all staff at the service clearly understood the scope of practice within role. A success factor was the creation of a plain English checklist developed for reception staff to enable easy patient allocation and booking with the NP.

Other members of the multidisciplinary care team have a clear understanding of the NP role within their model of care and value the contribution to effective and efficient patient care.

Leadership commitment

There is a high level of leadership commitment to the NP model evident through:

• Support to continually develop the role to meet the needs of the service and their patients;
• Appointment to key clinical leadership groups at this site and within the regional network of ACCHS’s;
• Support to connect to a network of other NPs.

Quality and safety

The NP has played an active role in clinical governance at a site and regional network level. They chair the site’s clinical governance committee, a role traditionally held by a senior medical officer, and is the lead clinician of the child and family health regional team. This involvement has reinforced the understanding and value of the NP model with other senior clinical leaders.

Benefits

Improved access to healthcare services

The implementation of the NP model at this site has increased access to timely care. The NP is able to see patients independently, freeing up GP time to see more complex patient cases.

Improving PHC allocative efficiency

The NP role creates efficiency within the service model. Interviews with GP stakeholders identified the particular example of pre assessment for specialist referrals. Here the GP refers to the NP to conduct the assessment. The alternative would be for the GP to refer patients to the hospital which would require patients to wait for up to 31 days to be seen or admitted.

Improved continuity of care

The NP model supports continuity of care. Stakeholders reported that the NP has been able to build a relationship with patients that has resulted in improved attendance and adherence to treatment plans. Patients are also more likely to raise sensitive issues given the relationship of trust and to refer other family members.
Increased early intervention

Stakeholders noted the model allows for early identification of health conditions and supports patient self-management through a strong focus on education and health promotion.

Capability uplift

The NP model supports the continuing education and skill development of other members of a multidisciplinary team. Stakeholders at all levels valued access to the NP for second opinions in their specialist area.

Improved quality of life

The NP has previously measured qualitative patient experience and has seen results of less pain, more comfortable consultation environment and more time taken for consultation.

Challenges & Limitations

Site visits identified a range of challenges and limitations to the role operating as effectively as possible. These are outlined in detail below.

Further to the success factors described above, the NP detailed a range of challenges and limitations that the NP had experienced as part of the role. These are outlined in detail below.

Recruitment and succession planning

Stakeholders identified succession planning as a key challenge moving forwards. The director of health services noted that previous recruitment of NPs across other sites within the service have been challenging due to their restricted ability to offer competitive NP salaries in comparison with government salary offerings. The service has also found it challenging to identify the NP candidates with appropriate specialisations and cultural fit.

Funding

A sustainable funding base was a limitation to expanding the use of NP models at this site. Interviews indicated that compared to traditional models, the NP model was more costly to service.

This was because MBS reimbursement offset a significantly smaller proportion of total costs compared to a GP model. Analysis of the data provided demonstrates that MBS reimbursement covers approximately 20 percent of the NP costs.

Two types of challenges were raised concerning the existing MBS parameters. The first was the level of available reimbursement. The NP identified that the reimbursement available for procedural items, like Implanon and Mirena insertion, were absent compared to when a GP completed the same procedures. The second challenge is the items available to the NP model are limited to a small range of time-based item numbers.

Stakeholders also identified that there were more sources of funding available to support GP positions than NP positions. The specific example provided was employing a GP Registrar through the GP Registrar Program incurs less cost than employing a NP. In addition, the GP Registrar can also bill a wider scope of MBS items and the employer is able to build their future medical workforce.
Access to referrals

The NP at this site has found specific challenges related to their role in women’s and children’s health, such as limitations in referring pelvic and obstetric ultrasound exams which create a loss in continuity of care and a flow on burden for patients needing to be referred through a GP.

Stakeholders also identified a barrier to the NP (who is also a Midwife) referring pregnant patients to Hospital maternity units. This also required a GP referral, regardless of whether the NP had managed all other aspects of the patient’s care.

Cost-Benefit Analysis

**Key points**

- This NP model’s costs relate primarily to the NP’s salary. Total costs of the model are estimated at $112,565 per year;
- The NP is currently funded through both MBS rebates (approximately a third of funding) and Federal IAHP funding (the remainder);
- The major benefits of this model include increased access to services for Aboriginal and Torres Strait Islander women and children in particular, efficiency of primary care service delivery, and up-skilling of clinical staff. These benefits are difficult to robustly quantify without appropriate outcomes data;
- In the absence of robust long-term outcomes data, the costs of providing equivalent volumes of service via a GP provide a proxy of the benefits delivered. Under base case assumptions, the GP-led service would be $3,000 more expensive than the NP model, suggesting a positive benefit-cost ratio of 1.1 for the NP model.

**Costs**

The cost of the NP site is approximately $110,000 per annum, with approximately a third funded through MBS rebates and the remainder Federal government discretionary funding (IAHP).

**Benefits**

*Identified benefits*

The major benefit of this NP model is increased access to health services for Aboriginal and Torres Strait Islander people.
Table 21: Benefit assumptions – Case Study F

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Site applicability</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Intervention</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
<tr>
<td>Continuity of Care</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
<tr>
<td>Avoidable ED/Hospital Admissions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chronic Care Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of Life</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
<tr>
<td>Equity of Access</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aboriginal and Torres Strait Islander Healthcare access</td>
<td>✓</td>
<td>Improved access for patients is an improvement in equity of service provision. Quantified by comparing costs of providing services via a GP</td>
</tr>
<tr>
<td>De-prescribing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHC Allocative efficiency</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
<tr>
<td>Clinical Staff knowledge up skill</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
<tr>
<td>Patient experience</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
<tr>
<td>Quality &amp; Safety</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
</tbody>
</table>

Source: Site visit

Measuring and valuing selected benefits

The benefit of improved access is approximated using the GP comparison method described in Section 2. The self-reported share of NP consults that go on to see a GP at this site is 10 percent. Under these assumptions, the costs of providing equivalent volume of service via a GP is $115,577 per year. A sensitivity analyses was completed with a higher rate of 20 percent.

Benefit-cost ratio

The BCR for this NP site is difficult to robustly quantify, however considering only nominal benefits of improved access delivers a BCR of just above 1.0. At a higher rate of NP consults that go on to see a GP, the BCR falls to just below 1.0.

Table 22: Cost-Benefit Analysis Summary – Case Study F

<table>
<thead>
<tr>
<th>Cost-Benefit Analysis Summary</th>
<th>Annual $</th>
<th>From</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MBS funding</td>
<td>$43,302</td>
<td>Federal government</td>
</tr>
<tr>
<td>Discretionary funding</td>
<td>$69,262</td>
<td>Federal governments</td>
</tr>
<tr>
<td>Total</td>
<td>$112,564</td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of providing equivalent volume of service via GP</td>
<td>$115,577</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Benefit Cost Ratio 1.0

Source: KPMG

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Case Study G

### Aged Care Focus

<table>
<thead>
<tr>
<th>NP Role Focus</th>
<th>8 Week Trial Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot of an NP model in three RACFs in order to support nursing capability and improve access to and quality of care for residents</td>
<td>Catchment Demographic</td>
</tr>
<tr>
<td></td>
<td>Residents of three RACFs in a major city</td>
</tr>
</tbody>
</table>

### Funding Model

| Private practice |

### Key Outcomes

- ↓ Reduce Hospital Admissions
- ↑ Continuity of care
- ↑ Clinical capability uplift

### Success Factors

- Strong nursing staff relationships
- Strong leadership support

### Challenges

- Recruitment and Succession Planning
- Funding sustainability
- Understanding of NP role

### Cost Benefit Ratio

5.3
Description of model

Introduction
A major residential aged care provider has contracted a specialised nurse practitioner service provider to support a pilot NP program.

Operating Context
The model is a pilot project, at early stages of implementation, across three RACFs located in a major city.
The workforce profile of each of the sites includes a mixture of AINs, RNs, ENs, visiting or co-located GPs and a clinical manager present at each site.

The Service Delivery Model
The purpose of the pilot is to measure whether an NP model can support capability uplift of nursing staff, and improve access to and quality of care for residents.
The NP operates across three sites for one day in each week. Time at each site is allocated to:
• seeing a list of residents to support diagnosis, treatment and management of health conditions;
• support, education and development of locally based nursing staff.
The residential aged care provider, working with the nurse practitioner service provider and the NP, has developed key performance indicators for the pilot associated with:
• early diagnosis, treatment and reduction of Urinary Tract Infections;
• providing end of life care for deteriorating residents, co-morbidity diagnosis and management and efficient medication management;
• managing behavioural symptoms;
• improving clinical competency of RNs and ENs.
In addition, the NP role involves identifying potential system improvements and developing models of care for particular conditions including dementia with the aim of improving the quality and safety of care.

Employment Model
The residential aged care provider has contracted with the nurse practitioner service provider on a price per hour model.

Funding Model
The aged care provider is meeting the cost of the model through an operational budget allocation to the pilot. The NP is employed by the nurse practitioner service provider. The NP service provider collects MBS reimbursements on behalf of the NP and charges the aged care provider an administration fee.
Site characteristics

Table 23: Site characteristics – Case Study G

<table>
<thead>
<tr>
<th>Characteristics of the NP model</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Time since establishment</td>
<td>Week 8 out of 12 month Trial</td>
</tr>
<tr>
<td>Target group</td>
<td>Aged Care</td>
</tr>
<tr>
<td>Remoteness</td>
<td>MM1</td>
</tr>
<tr>
<td>Population catchment</td>
<td>&gt;1 million</td>
</tr>
<tr>
<td>NP FTE on site</td>
<td>0.3</td>
</tr>
<tr>
<td>GP FTE on site</td>
<td>n/a</td>
</tr>
<tr>
<td>Employment Model</td>
<td>Contracted</td>
</tr>
<tr>
<td>Funding Model</td>
<td>Site specific and MBS rebate</td>
</tr>
<tr>
<td>Patient co-payment</td>
<td>✗</td>
</tr>
<tr>
<td>Access to MBS</td>
<td>✓</td>
</tr>
<tr>
<td>NP salary / year</td>
<td>$62,400 pa. (Based on $100 p/hour for 12 hours per week)</td>
</tr>
</tbody>
</table>

Source: Site visit

Financial model

Income

An administration fee is charged by the nurse practitioner service provider, and this is paid by the residential aged care provider. The nurse practitioner service provider then collects MBS revenue.

Expenditure

The overall cost of the NP model is primarily made up of the NP’s salary, which under this model also covers travel expenses. There are no facility-related fixed costs as patients are seen at RACFs.

Sustainability

The financial model indicates that under current funding the NP model is financially stable. If the NP model was to rely on MBS funding, a co-payment of $74.63 for each consult would need to be charged.

Qualitative Findings

Success Factors

Interviews conducted during the site visit identified a range of factors critical to the successful implementation of the site’s NP model of care. These are described in detail below.

Identified area of need

The pilot was implemented to lift the capability of locally based RACFs to support safe, high quality care. The aged care provider identified a need to improve the competency of nursing and assistant in nursing staff, through on the job support, learning and professional development, in order to appropriately manage the care of residents with often complex conditions.

Leadership, district and government support

The sponsor for the pilot is a senior leader at the aged care provider organisation. The sponsor has been a strong internal champion for the model.
The level of acceptance of the model across the three sites has been variable. A key success factor at sites with a high level of acceptance has been the engagement of the RACF leadership and the existing GP visiting workforce.

**Strong local relationships**

Building strong local understanding of the scope of the role and its benefit to local staff, visiting GPs and patients has been a critical success factor.

The provider along with the NP engaged in early communication with key local stakeholders to build this local understanding and acceptance.

**Benefits**

**Reduction in ED / hospital admission**

Stakeholders identified early evidence of a reduction in Emergency Department attendances and Hospital admissions. This has been the result of:

- earlier diagnosis and intervention to manage conditions in place;
- increased confidence and capability of local staff to manage residents in place, with the support of the NP.

The NP noted that the model has supported delivery of integrated care for patients requiring admission to hospital, as well as the provision of more detailed patient information to the hospital to support better informed, more seamless care.

**Improved continuity of care**

Due to the vulnerable patient population within aged care facilities, the ability for closer patient management and reduced hospitalisation also created improved continuity of care. The disruption to the patient is minimised and their ongoing care management can occur at the facility. In vulnerable populations this is particularly important as changes in patient management can cause a health episode and lead to decline in condition.

**Improved skills of care staff**

A key KPI for this trial is the up skilling of local staff within the aged care facilities. The NP has seen significant benefit in the first eight weeks of implementation with nursing staff becoming more clinically confident. The NP sees an ongoing opportunity to enhance clinical capacity of nursing staff and improve patient care.

**Challenges & Limitations**

Site visits identified a range of challenges and limitations to the role operating as effectively as possible. These are outlined in detail below.

**Understanding of the role**

A key learning after implementing this trial has been that the requirement for intensive effort on education around what the NP role is and how it can add value to the patients, nursing staff and GPs.

This type of pro-active education would help with the buy in of the NP role early in its implementation. The trial aimed to do this by sending out letters to key GPs prior to the
implementation of the NP role and then a face to face introduction with each facility to explain the NP role, however acceptance has been variable across sites.

**Funding**

The NP is currently funded through an organisation trial, this trial has focused predominately on the clinical outcomes rather than assessing the long term financial sustainability. However, a number of stakeholders identified that the current MBS parameters present a significant limitation to the model. In particular, stakeholders believed that the availability of items related to health assessments and chronic disease management would help keep patients at home for longer, enable aged care facilities to focus on the complex conditions and enhance the financial sustainability of the model.

**Case Study G Cost Benefit Analysis**

<table>
<thead>
<tr>
<th>Key points</th>
</tr>
</thead>
<tbody>
<tr>
<td>• This NP model’s costs relate primarily to the NP’s salary. Total costs of the model are estimated at $62,400 per year;</td>
</tr>
<tr>
<td>• The NP is currently funded on a contract basis;</td>
</tr>
<tr>
<td>• The major benefits of this model are the reduction in ED admissions and associated hospitalisations and ambulance trips. It is estimated that the total benefits of the model amount to $573,037 per year;</td>
</tr>
<tr>
<td>• The general benefits of this model significantly outweigh its costs, with an overall benefit cost ratio of 5.5. The BCR remains high under more conservative assumptions around consults per day and ED visits avoided.</td>
</tr>
</tbody>
</table>

**Costs**

The NP program is paid for by the aged care service provider using funds provided by the Commonwealth government. Therefore, the costs of the NP site to the health care system are the costs to the Commonwealth government to fund the operation of the NP program (indirectly via the aged care site).

**Benefits**

*Identified benefits*

The benefits from the NP program are the reductions in ED visits and subsequent hospitalisations and ambulance trips, and associated improvement in patient quality of life.
# Table 24: Benefit assumptions – Case Study G

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Site applicability</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Intervention</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
<tr>
<td>Continuity of Care</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
<tr>
<td>Avoidable ED/Hospital Admissions</td>
<td>✓</td>
<td>Quantified in the CBA based on self-reported data from the site</td>
</tr>
<tr>
<td>Chronic Care Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of Life</td>
<td>✓</td>
<td>Disutility of ED visit is quantified in the CBA based on evidence from the literature</td>
</tr>
<tr>
<td>Equity of Access</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aboriginal and Torres Strait Islander Healthcare access</td>
<td></td>
<td></td>
</tr>
<tr>
<td>De-prescribing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHC Allocative efficiency</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
<tr>
<td>Clinical Staff knowledge up skill</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
<tr>
<td>Patient experience</td>
<td>✓</td>
<td>Benefit is not quantified</td>
</tr>
<tr>
<td>Quality &amp; Safety</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Site visit

*Measuring and valuing selected benefits*

The benefit of reduced ED visits and hospitalisations is estimated using the method described in Section 2. The self-reported number of avoided ED visits as a result of the NP model was estimated at 300 per year. A sensitivity analysis was completed for a value of 150 avoided ED visits.

**Benefit-cost ratio**

The benefit-cost ratio (BCR) for this NP site is 5.5 which suggests the NP is saving over $5 for every dollar invested in the site. If the number of avoided ED visits is reduced to 150 per year, the BCR is 2.8.

**Alignment of costs and benefits**

This model has a relatively strong alignment of costs and benefits with the State Government funding the model while also benefiting from reduced hospitalisations and ED visits. There is no lag time between benefit and cost.
Table 25: Cost-Benefit Analysis Summary – Case Study G

<table>
<thead>
<tr>
<th>Cost-Benefit Analysis Summary</th>
<th>Annual $</th>
<th>From</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary funding</td>
<td>$62,400</td>
<td>Aged care provider</td>
</tr>
<tr>
<td>Total</td>
<td>$62,400</td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction in GP visits</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Reduction in ED visits</td>
<td>$195,600</td>
<td>State Government; PHIs; and patients</td>
</tr>
<tr>
<td>Reduction in hospitalisations</td>
<td>$106,020</td>
<td></td>
</tr>
<tr>
<td>Reduction in ambulance trips</td>
<td>$41,175</td>
<td></td>
</tr>
<tr>
<td>QALY gain</td>
<td>$1,712</td>
<td>Patient</td>
</tr>
<tr>
<td>Total</td>
<td>$342,795</td>
<td></td>
</tr>
</tbody>
</table>

**Benefit Cost Ratio** 5.5

Source: KPMG
## Case Study H

<table>
<thead>
<tr>
<th>PHC delivered to Aboriginal and Torres Strait Islander People</th>
<th>8 Month Model Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NP Role Focus</strong></td>
<td><strong>Catchment Demographic</strong></td>
</tr>
<tr>
<td>The role was implemented as part of a transition of certain services to community control in a remote Aboriginal and Torres Strait Islander community in order to improve access to and continuity of primary and aged care services.</td>
<td>The catchment population is made up of 1600 mostly Aboriginal and Torres Strait Islander people in remote Australia.</td>
</tr>
<tr>
<td><strong>Funding Model</strong></td>
<td><strong>Key Outcomes</strong></td>
</tr>
<tr>
<td>Commonwealth &amp; State-funded</td>
<td>↑ Diagnosis and management</td>
</tr>
<tr>
<td></td>
<td>↑ Access to care</td>
</tr>
<tr>
<td></td>
<td>↑ Palliative care</td>
</tr>
<tr>
<td><strong>Success Factors</strong></td>
<td><strong>Challenges</strong></td>
</tr>
<tr>
<td>Relationship with other established service providers</td>
<td>High reliance on fly in, fly out medical support</td>
</tr>
<tr>
<td>Cultural competency</td>
<td>Fragmented service delivery, with no single organisation accountable for primary care</td>
</tr>
<tr>
<td>Model of care</td>
<td>Limitations on scope and reimbursement (e.g. death certificates, Health Assessments)</td>
</tr>
<tr>
<td></td>
<td>Access to appropriate space to support the delivery of safe care</td>
</tr>
<tr>
<td><strong>Cost Benefit Ratio</strong></td>
<td>9.7</td>
</tr>
</tbody>
</table>

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Description of model

Introduction
The NP is contracted to an ACCHS delivering a range of primary and aged care services in a remote location.

Operating Context
The service is located in a very remote (MM 7) Aboriginal and Torres Strait Islander community. A range of locally based and fly in fly out providers currently support the health and ageing needs to the population. The locally based services include a Hospital, a RACF and a Community Health Centre.

The LHD and ACCHS are working together to transition primary health care service delivery to community control. This involves providing services in the community and within the RACF. The transition commenced in October 2017 and is expected to complete by July 2019. The first phase involved the ACCHS taking responsibility for delivering chronic care management for the community.

The Service Delivery Model
Historically, it has been difficult to attract and retain a GP workforce in the community. For this reason, and to support appropriate chronic disease management, the ACCHS determined that a model involving a permanent GP and NP working collaboratively would best meet the needs to the community. The ACCHS also placed value on recruiting clinicians with experience within the sector able to deliver culturally competent care.

Whilst the ACCHS successfully recruited the NP, locum staff currently provide GP coverage. As a result, a modified model is in place whereby the NP provides primary care services, including treatment, diagnosis, management and referral, for 3 weeks on, 2 weeks off. A locum GP and RN provide services in the alternate weeks.

A range of other fly in fly out clinicians provide primary care to services to specific patient cohorts including child and maternal health and for certain conditions.

Employment Model
The ACCHS contracts the NP for a fixed sum on a permanent part time basis.

The Funding Model
The ACCHS meets the cost of the NP through its operational budget supported by IAHP funding, as well as through payments from patients for each consult. MBS reimbursements are available to patients.
Site characteristics

Table 26: Site Characteristics – Case Study H

<table>
<thead>
<tr>
<th>Characteristics of the NP model</th>
<th>Case Study H Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time since establishment</td>
<td>8 Month Model Maturity</td>
</tr>
<tr>
<td>Target group</td>
<td>Aboriginal and Torres Strait Islander population</td>
</tr>
<tr>
<td>Remoteness</td>
<td>MM 7</td>
</tr>
<tr>
<td>Population catchment</td>
<td>1,600</td>
</tr>
<tr>
<td>NP FTE on site</td>
<td>1 FIFO 3 weeks on/ 2 weeks off</td>
</tr>
<tr>
<td>GP FTE on site</td>
<td>Locum 2 weeks on/off</td>
</tr>
<tr>
<td>Employment Model</td>
<td>Contracted by ACCHS</td>
</tr>
<tr>
<td>Funding Model</td>
<td>Commonwealth funding and MBS rebates</td>
</tr>
<tr>
<td>Patient co-payment</td>
<td>✓</td>
</tr>
<tr>
<td>Access to MBS</td>
<td>✓</td>
</tr>
<tr>
<td>NP salary / year</td>
<td>$117,000</td>
</tr>
</tbody>
</table>

Source: Site visit

Financial model

Income

The income for the NP model comes from ACCHS operational budget which is supported by IAHP funding and MBS reimbursement. Patients are not charged a co-payment fee at this organisation as their mission to improve equity of access for vulnerable populations.

Expenditure

The overall costs of the model are approximately $160,000 made up predominantly of the NP’s contract, accommodation costs and costs associated with the remoteness of the site.

Sustainability

The site financial model indicates that under current funding the model is non-sustainable, this is due to the high costs of a remote workforce as well as the barriers to MBS item numbers that NPs face, such as 715 (Aboriginal and Torres Strait Islander Peoples Health Assessment), 721,723 and 732 dependent on government funding.

Qualitative Findings

Success Factors

Interviews conducted during the site visit identified a range of factors critical to the successful implementation of the site’s NP model of care. These are described in detail below.

Relationship with other service providers

The NP has been able to build relationships with other established service providers in the community. Whilst these relationships are at different stage of maturity, the more mature relationships have supported the Nurse Practitioner to operate at the top of their scope of practice.

Cultural Competency

Through their experience and background, the NP is able to better understand the healthcare needs of the community and deliver culturally competent care. They were also familiar with the
models of care used within the sector and as such could play an important role in establishing a new service.

A person-centred model of care

The model of care is patient-centred and holistic. It attempts to meet or facilitate all of the primary care needs of the patient, to intervene early and to deliver care in a range of different settings. This is well suited to a NP role.

Benefits

Whilst the model is still in its establishment stages stakeholders identified a range of early benefits, outlined below.

Improving palliative care in community

Historically, the RACF transferred residents requiring palliative care to facilities outside of their community. This often resulted in distress and dislocation for the patient and their families.

For the first time, the NP role has enabled palliative care within the RACF. This has involved working closely with the resident, their family and RACF staff to identify and treat symptoms to ensure that the final stages of life can be lived as fully and comfortably as possible.

Stakeholders report a very significant positive benefit to patient-centred, culturally competent care as a result.

Improved access to healthcare services

Prior to the implementation of the NP model, there was no regular access to locally based services to diagnose and treat health conditions in the community. Stakeholders reported that delayed care, while patients waited for fly-in, fly-out services, resulted in poorer health outcomes and higher downstream costs. There was also a view that, in response to demand, visiting clinicians prioritised acute presentations over complex or chronic care management.

Whilst baseline data was not available, feedback from stakeholders indicated that the NP model role has improved access to early identification, diagnosis, treatment and referral. There was also early evidence that the NP has enabled better-targeted, enhanced patient care through identification of population level trends.

Improved patient experience

Direct consultation with patients was not possible within the scope of this project, nor was data on the experience of patients available. However, other clinicians reported that the NP model has improved patient experience, in a number of ways, including through the provision of more culturally appropriate care, greater flexibility in care setting and improved availability.

Improved quality and safety

The NP has been able to support the safe practice of other providers within the community, particularly other nursing staff operating in an isolated environment. Stakeholders reported that access to around-the-clock support was important to their confidence managing the care of complex patients. The NP has also been able to identify opportunities for improvement in practice and for more seamless hand off between providers.
Medication Management

Medication adherence is an important aspect to the management of the health of the high number of patients living with complex, chronic conditions in the community. The NP model has enabled a significant increase in the use of Webster-paks to support patients to take prescribed medication correctly.

Challenges & Limitations

Site visits identified a range of challenges and limitations to the role operating as effectively as possible. These are outlined in detail below.

High reliance on fly in, fly out medical support

The ACCHS currently relies on fly in, fly out medical support. The time spent in the community by the NP and GP usually does not overlap, and the GP is often a different person to the previous GP on site. This creates a significant challenge to utilising the NP appropriately, because:

- it is difficult to establish pathways to support patient flow and to complete assessments and management plans. This also impacts on the effectiveness of MBS billing;
- the respective roles of the NP and GP change as the individual GP changes based on previous experience working with a NP, understanding of the scope of NP roles and personal preference.

Fragmented service delivery

Currently, no single organisation is responsible for planning, delivering and monitoring primary care health services in the community. This limits the NP role through:

- incomplete access to patient information. The ACCHS and LHD have taken early positive steps to overcome part of this challenge through an agreement to share information;
- a lack of clear and established patient pathways;
- an inconsistent understanding and/or acceptance of the NP role in delivering primary health care services;
- duplication, overlap and gaps between service providers due to inconsistent communication between health services;
- no single point of accountability for ensuring all of the patient’s primary health care needs are met.

Access to appropriate infrastructure

During the period of transition, access to appropriate infrastructure has been limited. The ACCHS services are currently delivered from within the existing State Government Community Health Centre. The NP has been allocated a room without access to a sink, which impacts on the safe delivery of certain procedures which require hand washing.

The transition of primary health care services to community control is expected to address the challenges listed above. However, a further final challenge to realising the full potential of the role is outside the control of the local stakeholders.
Limitations on scope and access to reimbursement

The most significant challenge to the long-term sustainability of the model identified by stakeholders were the limitations on scope and access to reimbursement.

These limitations result in the use of a NP being more costly to the ACCHS compared to traditional models. The ACCHS noted that, despite the significant benefits identified above, it was not possible to replicate this model across other communities they service because of these limitations, particularly:

- **Access to item numbers for Health Assessments (715) and Chronic Disease Management (721, 732, 723, 729, 731).** This activity is critical to the assessment and management of the health of Aboriginal and Torres Strait Islander patients. Within the ACCHS model, the NP plays the critical role in early detection, diagnosis and management of chronic health conditions but is unable to claim for this activity. This is particularly important in scenarios where access to a GP is limited.

- **Death Certification.** As identified above, the NP’s role has been able to support palliative care in the RACF. A limitation to this has been the inability of the NP to sign a death certificate. There is a requirement under section 37 of the Births, Deaths and Marriage Registration Act 1996 that a Medical Certificate of Cause of Death (MCCD) can only be completed by a registered medical practitioner. In a scenario where access to a GP is limited, this has resulted in the need to delay family access to the deceased impacting on culturally appropriate end of life practices.

In the ACNP Senate inquiry into the future of Australia’s age care sector workforce it was noted that NPs practicing in aged care and/or palliative care services need recognition in State legislation in order to sign death certificates.23

- **Close the Gap initiatives.** The NP is unable to access all Close the Gap initiatives including signing patients up to CTG PIP for the ACCHS and being able to do CTG scripts for patients and having access to ITC (Integrated Team Care) funding to help patients access funding for chronic disease management.

Cost Benefit Analysis

**Key points**

- This NP model’s costs relate primarily to the NP’s contract, room costs and job-related travel. Total costs of the model are estimated at $159,800 per year;

- The NP is currently funded through a contract with ACCHS which is supported by IAHP funding and MBS reimbursement. The MBS reimbursement covers 19% of total costs;

- The major benefits of this model are improved access to primary care and chronic disease management, and associated reduced hospitalisations. It is estimated that the total benefits of the model amount to $1,554,317 per year;

- The general benefits of this model significantly outweigh its costs, with an overall benefit cost ratio of 9.7. The BCR remains high under more conservative assumptions around the number of patients who receive improved levels of access to primary care.

---

23 Australian College of Nurse Practitioners. (2016) Senate inquiry into the future of Australia’s aged care sector workforce
Costs

The annual NP model costs are $160,000 to the ACCHS, which are supported by IAHP funding and MBS reimbursement.

Benefits

Identified benefits

The benefits of this NP model are related to improved access to primary care, chronic disease management and improved continuity of care.

Table 27: Benefit assumptions – Case Study H

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Site applicability</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Intervention</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Continuity of Care</td>
<td>✓</td>
<td>This is a qualitative benefit and has not been quantified as part of the CBA ratio</td>
</tr>
<tr>
<td>Avoidable ED/Hospital Admissions</td>
<td>✓</td>
<td>This is a qualitative benefit and has not been quantified as part of the CBA ratio</td>
</tr>
<tr>
<td>Chronic Care Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of Life</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Equity of Access</td>
<td></td>
<td>This is a qualitative benefit and has not been quantified as part of the CBA ratio</td>
</tr>
<tr>
<td>Aboriginal and Torres Strait Islander Healthcare access</td>
<td></td>
<td></td>
</tr>
<tr>
<td>De-prescribing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHC Allocative efficiency</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Clinical Staff knowledge up skill</td>
<td>✓</td>
<td>This is a qualitative benefit and has not been quantified as part of the CBA ratio</td>
</tr>
<tr>
<td>Patient experience</td>
<td>✓</td>
<td>This is a qualitative benefit and has not been quantified as part of the CBA ratio</td>
</tr>
<tr>
<td>Quality &amp; Safety</td>
<td></td>
<td>This is a qualitative benefit and has not been quantified as part of the CBA ratio</td>
</tr>
</tbody>
</table>

Source: Site visit

Measuring and valuing selected benefits

Zhao et al (2014) completed an in-depth economic evaluation of primary care chronic disease management for over 14,000 Indigenous residents living in remote Australian communities. It found that cohorts with medium levels of primary care (2-11 annual visits) achieved significantly better patient outcomes and reduced health service utilisations than cohorts with low levels of primary care (<2 annual visits), with return on investment ratios of $7.21 and $12.95, depending on the disease in question. If the NP model in this site improves access from low to medium for 100 patients across the 1,040 annual consultations, and achieve the same rates of hospitalisation reductions as shown in Zhao et al (2014), benefits are estimated at almost $1.6 million per year in reduced hospitalisation costs. If 50 the NP model improves access for 50 patients, benefits would be $800,000.

Benefit-cost ratio

The benefit-cost ratio for this NP site is estimated at 9.7. If access was improved for lower value number of patients (50 patients instead of 100), the BCR falls to 4.9.

Alignment of costs and benefits

As with most primary care models, there is a misalignment of costs and benefits in this site. Longer term health benefits will likely manifest in terms of reduce hospitalisations and emergency department visits, benefitting State governments, private health insurers and patients themselves, while the costs are borne by the Federal government and the site. This is of course not a function of the NP model but a function of Australia’s current fragmented system.

Table 28: Cost-Benefit Analysis Summary – Case Study H

<table>
<thead>
<tr>
<th>Cost-Benefit Analysis Summary</th>
<th>Annual $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Costs</strong></td>
<td></td>
</tr>
<tr>
<td>MBS funding</td>
<td>$29,682</td>
</tr>
<tr>
<td>Site-specific</td>
<td>$130,118</td>
</tr>
<tr>
<td>Total</td>
<td>$159,800</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td></td>
</tr>
<tr>
<td>Reduction in hospitalisations</td>
<td>$1,554,317</td>
</tr>
<tr>
<td>Total</td>
<td>$1,554,317</td>
</tr>
<tr>
<td><strong>Benefit Cost Ratio</strong></td>
<td>9.7</td>
</tr>
</tbody>
</table>

Source: KPMG
4 Findings

This chapter outlines the key findings from the CBA in response to the project objectives.25

4.1 NP operating models in the aged care and primary health care sectors

This section explores the range of NP operating models that were identified during the site visits, and explores key success factors and challenges raised by local stakeholders. The CBA found that the success of an NP model of care is determined by the extent to which it meets the needs of the community and fills a gap in health service delivery. The case study sites encompassed a variety of NP models of care and included primary health care settings as well as aged care settings in metropolitan and regional or remote locations. These sites were explored using a qualitative process of interviews supported by guiding questions and a quantitative data request. An overview of the models of care in place is presented in Table 29.

Table 29: Overview of NP models of care across case study sites

<table>
<thead>
<tr>
<th>Case study site</th>
<th>Model</th>
<th>Brief description of model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site A</td>
<td>NP based in hospital ED</td>
<td>The NP is based in the ED of a local public hospital, and acts as a link between the ED and the community (mainly in aged care). The NP attends to patients who would normally present to the ED, sets up a treatment plan and provides home care (in collaboration with GPs and specialists if required).</td>
</tr>
<tr>
<td>Site B</td>
<td>NP clinic</td>
<td>The model is a primary health NP clinic in rural Australia. Services are currently provided in a local community centre, with a main clinic due to open in the neighbouring town in the near future. Services are almost entirely provided by one NP, with a collaborating GP visiting the site one day per fortnight.</td>
</tr>
<tr>
<td>Site C</td>
<td>NP part of primary health care clinic</td>
<td>The NP operates as part of a multidisciplinary publically funded primary health care clinic with a focus on women’s health and supporting Aboriginal women in the community. The NP works independently and only refers to GPs when required.</td>
</tr>
<tr>
<td>Site D</td>
<td>GP / NP collaborating practice</td>
<td>The NP model is a private practice incorporating two GPs and nine NPs who are all associates within the practice. The practice provides person-centred health care services to RACF residents.</td>
</tr>
<tr>
<td>Site E</td>
<td>Single operator NP</td>
<td>The model consists of a specialist dementia care NP who is employed by a regional health clinic. The services provided by the NP revolve almost entirely around conducting tests and assessments required to provide patients with their dementia diagnosis.</td>
</tr>
<tr>
<td>Site F</td>
<td>NP part of ACCHS</td>
<td>The NP at this site operates as part of a multidisciplinary team employed by ACCHS. The NP at this site is a generalist with specialised skills in women and child health care.</td>
</tr>
<tr>
<td>Site G</td>
<td>Single operator NP / contracted by RACFs</td>
<td>The NP operates across separate RACF sites with one day per week assigned to each. The goal is to up-skill RACF employees and improve continuity of care to residents.</td>
</tr>
<tr>
<td>Site H</td>
<td>NP part of ACCHS</td>
<td>The NP operates as part of a remote ACCHS alongside a team of FIFO specialist staff such as RFDS and Allied Health as well as State-operated community health services. The NP at this site is focused on providing primary health and aged care services to the community, including chronic disease management.</td>
</tr>
</tbody>
</table>

Source: Site visits

25 It should be noted that any potential extensions to the existing scope of practice that were identified by stakeholders were acknowledged as part of this report, however an inclusion of those extensions in the CBA was not within the feasible scope of this project.
Operating Model

There was a high level of variability in NP operating models across case study sites, highlighting the extent to which each NP model of care was tailored to the specific community requirements. The variety in operating models is captured in Table 30. The case studies found that the NP models differed in maturity, with some models having been in place for 12 years (see site C) whilst others were less mature having been in place for only eight weeks (see site G).

Geographically, NP models of care were implemented across Australia regardless of the level of remoteness. Case study sites were located in areas ranging from metropolitan to very remote (MM 1 to MM 7, using the Modified Monash Model). Three sites were classified as MM 1, two sites as MM 3, and one site each as MM 5, MM 6, and MM 7.

Most sites had a focus on primary health care or aged care. Three sites provided care across both settings. Population groups differed by site, again reflecting the tailoring of NP models to meet community needs. Their focus ranged from providing primary health care to the general community, to Aboriginal and Torres Strait Islander communities, to specific patients waiting for a dementia diagnosis.

All but one case study site had only one NP incorporated into their model of case. Five models of care involved a designated GP on site working alongside NPs in a collaborative practice or clinic environment. Three models of care did not involve an on-site GP.

Table 30: Overview of site characteristics across case study sites

<table>
<thead>
<tr>
<th>Site</th>
<th>Time since establishment</th>
<th>Target group</th>
<th>Geographical classification</th>
<th>Population catchment</th>
<th>NP FTE on site</th>
<th>GP FTE on site</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>11 years</td>
<td>Aged care</td>
<td>MM 3</td>
<td>50,000</td>
<td>1.0</td>
<td>n/a</td>
</tr>
<tr>
<td>B</td>
<td>&lt;1 year</td>
<td>General community</td>
<td>MM 6</td>
<td>1,200</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>C</td>
<td>12 years</td>
<td>Aboriginal and Torres Strait Islander women</td>
<td>MM 5</td>
<td>6,200</td>
<td>1.0</td>
<td>n/a</td>
</tr>
<tr>
<td>D</td>
<td>7 years</td>
<td>Aged care</td>
<td>MM 1</td>
<td>&gt;1 million</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>E</td>
<td>4 years</td>
<td>Dementia patients</td>
<td>MM 3</td>
<td>25,000</td>
<td>0.75</td>
<td>n/a</td>
</tr>
<tr>
<td>F</td>
<td>5 years</td>
<td>Aboriginal and Torres Strait Islander population</td>
<td>MM 1</td>
<td>&gt;1 million</td>
<td>0.3</td>
<td>3.0</td>
</tr>
<tr>
<td>G</td>
<td>&lt;1 year</td>
<td>Aged care</td>
<td>MM 1</td>
<td>1 million</td>
<td>0.6</td>
<td>n/a</td>
</tr>
<tr>
<td>H</td>
<td>&lt;1 year</td>
<td>Aboriginal and Torres Strait Islander population</td>
<td>MM 7</td>
<td>1,600</td>
<td>0.5</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Source: KPMG / site visits

Funding model

The NP models of care were established under a variety of funding arrangements, dependent on the site and target group. Table 31 provides a high-level overview of the financial characteristics for each of the case study sites. In total, there was a spread of three private practices, two State-funded NP models of care, one Commonwealth funded NP role, and two models that had mixed funding from State and Commonwealth Government. Two of the private practices required their patients to pay a co-payment for services provided. Five sites had access to and received MBS reimbursements.

26 Refer page 4 for key to classifications
Table 31: Overview of financial site characteristics across case study sites

<table>
<thead>
<tr>
<th></th>
<th>Site A</th>
<th>Site B</th>
<th>Site C</th>
<th>Site D</th>
<th>Site E</th>
<th>Site F</th>
<th>Site G</th>
<th>Site H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment model</td>
<td>Salaried position</td>
<td>Self-employed</td>
<td>Salaried position</td>
<td>Partnership</td>
<td>Salaried position</td>
<td>Salaried position</td>
<td>Contracted position</td>
<td>Contracted position</td>
</tr>
<tr>
<td>Funding model</td>
<td>State-funded</td>
<td>Private practice</td>
<td>State-funded</td>
<td>Private practice</td>
<td>Commonwealth-funded</td>
<td>Commonwealth &amp; State-funded</td>
<td>Private practice</td>
<td>Commonwealth &amp; State-funded</td>
</tr>
<tr>
<td>Patient co-payment</td>
<td>✗</td>
<td>✓</td>
<td>✗</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Access to MBS</td>
<td>n/a</td>
<td>✓</td>
<td>n/a</td>
<td>✓</td>
<td>n/a</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Share funding from patient (MBS reimbursed)</td>
<td>0%</td>
<td>82%</td>
<td>0%</td>
<td>not available</td>
<td>0%</td>
<td>38%</td>
<td>50%*</td>
<td>19%</td>
</tr>
<tr>
<td>Share of funding from patient (co-payment)</td>
<td>0%</td>
<td>18%</td>
<td>0%</td>
<td>not available</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Share of funding from State Govt</td>
<td>100%</td>
<td>0%</td>
<td>100%</td>
<td>not available</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Share of funding from Comm. Govt</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>not available</td>
<td>89%</td>
<td>62%</td>
<td>0%</td>
<td>81%</td>
</tr>
<tr>
<td>Share of funding from other sources</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>not available</td>
<td>11%</td>
<td>0%</td>
<td>50%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: KPMG / site visits

*the contractor receives the patient/MBS payments, rather than the NP

Employment Model

The employment models were varied, and often complex (see Table 31). Most NPs were either self-employed or employed in a salaried position, however the complexities were rooted in the funding arrangements and administrative set-up of the role. Contracted positions in particular were complex in the way they had been established. For instance, Case study G depicts a model in which the NP works for RACFs, however the NP is employed through an agency who in turn contracts the NP service to the RACF. The NP role in case study H involves an NP working on a contractor rate directly for the ACCHS.

Success Factors

The CBA found that NP models of care are successful when they are targeted to the environment they operate within and define a clear model of care for the NP. More specifically, despite the variations in their operational models NP models had common themes that enabled their success.

- Each of these NP models was embedded in a community or setting where there was a clear and identifiable need for service. Most NPs reported that the establishment of their NP model was the result of their proactivity in recognising an area of need, and depended on their drive to create the role.
• The models were developed in a patient-centred and holistic approach, keeping the patient at the forefront of service delivery.

• There was a collaborative agreement between the NP and other health professionals (e.g. GPs) involved in the healthcare delivery of the model. In some instances collaboration between professionals took place in an informal way as part of a teamwork approach.

• Clarity around the NP scope of practice in the particular model of care was regarded as a critical element in enabling allocative efficiency of the healthcare services provided, and in preventing duplication of care.

• Executive support of the NP model of care from site leadership (e.g. case study F).

Despite the similarities that arose between the eight case study sites, there were also divergent, site-specific views on success factors that were reported during consultations. An example was the importance of generalist or specialist scope of NP practice. While some of the stakeholders felt that NPs should have a specialist focus, others raised that a generalist approach to care is more beneficial. This difference in opinion was particularly apparent between major cities and remote sites as remote sites noted that there was a definite requirement for generalists in these fields.
Table 32 provides a high-level overview of the key success factors that were identified by the sites.

Table 32: Overview of qualitative success factors identified across case study sites

<table>
<thead>
<tr>
<th>Success Factors*</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified area of need</td>
<td>A service gap in the community that is filled by the NP role</td>
</tr>
<tr>
<td>Scope of practice</td>
<td>The procedures, actions and processes that an NP is educated, competent and enabled to undertake.</td>
</tr>
<tr>
<td>Training and interpersonal skills</td>
<td>Aspects of NP education and ability to act within their role</td>
</tr>
<tr>
<td>Teamwork</td>
<td>Working closely with GPs or other health professionals</td>
</tr>
<tr>
<td>Community &amp; health sector relationships</td>
<td>Close relationships with other medical professionals or other health service providers</td>
</tr>
<tr>
<td>Specialty focus</td>
<td>Having a specific area of expertise within a generalist skillset</td>
</tr>
<tr>
<td>Leadership &amp; Support</td>
<td>Being provided with a certain level of governance in undertaking the NP role</td>
</tr>
<tr>
<td>Person-centred care</td>
<td>The ability to tailor services to the specific needs of each patient</td>
</tr>
<tr>
<td>Reputation</td>
<td>Being well known in the community for the services provided as part of the NP role</td>
</tr>
</tbody>
</table>

Source: Site visits

*these success factors were identified across multiple case study sites, however may not have been identified by all of the sites

Challenges and Limitations

Similarly to success factors, Stakeholders raised a variety of challenges and limitations to the NP role, some of which were the same or similar across sites. Common key challenges that were raised by sites are described as follows.

- The significant workload that NPs face in their role. Almost all NPs reported working significant overtime which impacted heavily on their work-life balance. This was due to the high level of flexibility required in regard to working hours (e.g. starting work early in the morning and working until late at night to see patients and complete administrative tasks), and a lack of further NP resources to take on some of the workload.

- A lack of sufficient funding and/or income was further seen as a significant barrier to success, with many NPs stating that they were struggling to remain financially viable with their business model. NPs saw a lack of access to MBS in general or to certain MBS items as a major disadvantage in securing sufficient income. Interestingly, MBS covered 93 percent of fees charged by NPs indicating that NPs do not currently charge a substantial co-payment. This may be because of access to other funding sources.

- Particular limitations in relation to MBS access included the narrow range of diagnostic imaging services, the inability to refer to allied health professionals, as well as the lack of billable items available to NPs (e.g. regarding health assessments, or chronic disease management). NPs stated that this contributes to duplication and fragmentation of care, as patients have to see other health professionals for these services. MBS-related challenges are further explored in section 4.4.

- There was a perceived lack of understanding of the NP role and their scope of practice. NPs felt that this was at times inhibiting their ability to practice to their full scope of practice and could lead to inefficiencies related to duplication of care when other health professionals do not fully understand what activities can be undertaken by the NP. This barrier was seen as less prevalent when an NP had strong relationships with other service providers.
• NPs felt that there is currently no solid evidence base for the success of implementing NP models of care due to a general lack of data in relation to outcomes achieved and services provided. Data collection was heavily dependent on the pro-activity of each NP, and was not actively supported or conducted by health care sites, or by the government. NPs felt that a more robust evidence base could potentially lead to more funding opportunities in the future.

Table 33 presents a high-level overview of the challenges and limitations that were identified by each of the case study sites.

<table>
<thead>
<tr>
<th>Challenges &amp; Limitations*</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workload &amp; recruitment</td>
<td>The amount of work to be done by the NP, and the extent to which additional resources can be hired</td>
</tr>
<tr>
<td>Lack of understanding of the role</td>
<td>The lack of knowledge within the community or among other health care providers about the NP’s scope of practice and/or the objective of their role</td>
</tr>
<tr>
<td>Funding / Financial viability</td>
<td>The way in which the NP role is funded</td>
</tr>
<tr>
<td>MBS/PBS access</td>
<td>Lack of MBS/PBS rebates for patients seeking care from an NP</td>
</tr>
<tr>
<td>Lack of data</td>
<td>The lack of evidence supporting the benefits of the NP role</td>
</tr>
<tr>
<td>Community &amp; health sector relationships</td>
<td>The lack of close or supportive relationships with medical professionals or other health service providers</td>
</tr>
<tr>
<td>Workplace culture</td>
<td>A lack of support for the NP role within the site’s working environment</td>
</tr>
</tbody>
</table>

Source: Site visits

*these challenges & limitations were identified across multiple case study sites, however may not have been identified by all of the sites

Options for change

Consideration should be given to:

• targeting dissemination of information to prospective and current NPs, PHNs and primary health care and aged care providers outlining how to develop and implement NP models in primary health care and aged care settings. This should profile better practice case studies. This should be considered based on workforce and service planning activities, as outlined above. Service planning and identified areas of need will support NPs and service providers to implement models in the aged care and primary health care settings. Further recommendations in this regard are made below.

• strengthening the formal network of NPs to disseminate key success factors, particularly in relation to efficient and effective NP models of care.

4.2 Potential areas of expansion for NP models of care / Potential areas of expansion for NP models of care in program areas such as Health Care Homes and aged care

This section explores potential areas of expansion for NP models of care and potential challenges related to this expansion. The opportunities for expansion were identified in close alignment with the needs of the community.

Aged Care

The case study visits identified that the NP model was implemented successfully across the RACFs. Stakeholders specifically noted the following success factors:
• **Workforce clinical support:** The NPs consulted considered the education and support of the aged care workforce as an important element to their scope of practice within the facility. Stakeholders identified that the NPs working within an aged care setting were able to support the facility staff by providing some clinical diagnoses and decision making. The effect of this was earlier and increased diagnosis and treatment of conditions on site which subsequently led to a reduced number of avoidable hospital admissions. A reduction of 1,436 ED admissions, hospital admissions and ambulance trips was self-reported by the NP in Case Study A, with an associated benefit of $1,645,763 per year.

• **Clinical expertise:** NPs in RACFs have been able to diagnose and deliver clinical care within the facility. Stakeholders recognised that this enabled NPs to support RACF employees with the delivery of safe and quality care by educating staff on the job and uplifting the skills of locally based nursing staff.

The RACFs case study sites identified a number of parameters that limited their ability to deliver efficiently, these include:

• **Sustainable business models:** Lack of access to specific MBS items such as Health Assessments for people aged 75 years and older (701,703,705,707) was raised as a significant and systemic challenge for NPs in the aged care sector. Stakeholders reported that this was a barrier to the provision of patient care due to the significant number of RACF residents that fall within this age group. Case Study F gave a specific example of practising in a RACF with no co-located GP. Without regular access to a GP, the NP is unable to complete the Health Assessment sign-off. It was noted that this challenge is outside of direct control of the NP or stakeholders involved on site, however it is also a contributing factor to fragmented delivery of health care services as patients have to see other health professionals for this service.

• **Recruitment and succession planning:** Across sites where there was scope for employing additional NPs it was suggested that the recruitment process has been mostly unsuccessful in the past. Stakeholders noted that this was due to a number of variables, with the predominant one being the general lack of NPs across the region. It was thought that a lack of NPs with skills and interest in aged care exist across the country, in addition to a general lack of dedicated training pathways for RNs to become NPs in aged care. The effect of this in the longer term is a risk to sustainability of the NP model within aged care.

**Options for change**

Consideration should be given to:

• communicating the benefits of NP models in aged care to RACF providers, PHN and Hospital and Health Services (focused on avoidable admissions);

• identifying and documenting better practice case studies drawn from established models, including specialist dementia and palliative care along with aged care generalist models;

• considering NP roles in the development of career pathways for aged care nurses.

**Aboriginal Community Controlled Health Service**

The case study visits identified that the NP model was implemented successfully across the ACCHSs. Stakeholders specifically noted the following success factors:

• **Culturally competent care:** Stakeholders reported the experience and background of the NPs within sites F and H as a critical component of delivering culturally competent care to marginalised and vulnerable populations. Case study F provided a specific example, of
increased willingness to share health concerns during consultation due to the NPs longstanding relationships with the community.

- **Clinical expertise:** The NPs considered that the clinical experience and skills they provided improved access to care within ACCHS. Stakeholders reported this as a benefit of the role in a service with limited resources and high patient demand.

The ACCHS case study sites identified a number of parameters that limited their ability to deliver their full scope of practice, these include:

- **Incomplete access to patient information:** Stakeholders identified that the incomplete patient information across primary care services created difficulty in delivering quality patient care. NPs working within rural and remote services noted that a range of different visiting providers interact with the health service and their patients. In circumstances where these providers do not record information into the local Clinical Information System it compromised the ability of the NP as the primary care provider to manage the care of patients (e.g. Case Study H).

- **Sustainable business models:** Access to specific MBS items such as Health Assessments for Aboriginal and Torres Strait Islander People (715) was raised as a significant and systemic challenge for NPs in sector. Stakeholders reported that this was a barrier to the provision of patient care and financially penalised the service. Case Study H gave a specific example of practising in an ACCHS with no co-located GP. Without regular access to a GP, the NP is unable to sign-off the 715 Health Assessment, causing a delay to patient care until the Health Assessment can be signed by a GP. It was noted that this challenge is outside of direct control of the NP or stakeholders involved on site.

**Options for change**

Consideration should be given to:

- working with ACCHSs and other providers to implement mechanisms that provide NPs with the tools and information required to deliver care. For instance, this could involve providing NPs who have lead responsibility for the coordination of planned care with access to a complete view of patient information across providers (with the permission of the patient). This will support NPs to operate at the top of their scope of practice and support the coordination of patient care in communities serviced by multiple, often disconnected, service providers. Implementing these mechanisms will also support an uplift in continuity of care.

- utilising existing forums (NACCHO, ACNP, CATSINaM and affiliates) to connect NPs working within the sector and communicate and educate key stakeholders on the benefits of NP models. This can be in the form of case studies of both NPs and the providers they work for.

**Remote Communities**

The case study visits identified that the NP model was implemented successfully across remote communities. Stakeholders specifically noted the following success factors:

- **Leadership, district and government support:** NPs working in remote communities identified strong support from health service management and LHD as a critical component to sustainable success. Case Study C provided a specific example, of support from the LHD to deliver specialist services to the remote community. The NP believed that the district sees the role as particularly beneficial to providing continuity of care for the local population.

- **Clinical expertise:** The NPs considered that the clinical experience and skills provided improved access to care in remote communities where limited other healthcare options
existed. Stakeholders reported this as a benefit of the role in a community with limited resources and high patient demand. In many cases the removal of the NP from remote communities would lead to a significant or complete reduction in access to care for the communities.

The remote case study sites identified a number of parameters that limited their ability to deliver their full scope of practice, these include:

- **Fly in fly out medical support workforce**: Leadership of remote health services identified the historical difficulty to attract and retain a medical support workforce in remote communities. Case study H provided a specific example, of challenges in the fly in fly out medical support workforce. The NP identified there was usually no overlap in time that the NP and GP are in the community and the GP is often a different person at each visit. This creates a significant challenge to utilising the NP appropriately, as understanding the scope of NP roles varies in relation to the GPs previous experience. Case study C and H identified that prior to implementation of the NP models the community had limited access to PHC, dependant on the presence of locum or fly in fly out medical support.

- **Access appropriate infrastructure**: NPs identified the ability to access appropriate infrastructure in remote communities to be limited. This limitation was identified to be linked with the relationship and understanding of the associated health service. Case study C provided a specific example of the equipment the NP uses to provide care, such as the medical bed not having been replaced for over 10 years. Through raising this issue with the associated health service, the NP is expecting replacement. Case study H also provided a specific example of the NP being allocated a room without access to a sink, which impacts on the safe delivery of certain procedures requiring hand washing. The impact of these limitations directly transfer to the delivery of quality patient care.

- **Recruitment and succession planning**: Stakeholders in remote communities identified they saw a risk in succession planning. The NPs at these sites identified health resourcing at any level in a remote setting challenging. It was thought that a lack of NPs with skills and interest in remote care exist across the country. The effect of this in the longer term is a risk to sustainability of the NP model within remote care.

- **Sustainable business models**: Access to specific MBS items such as Health Assessments for Aboriginal and Torres Strait Islander People (715) was raised as a significant and systemic challenge for NPs in the aged care sector. Stakeholders reported that this was a barrier to the provision of patient care. Case study H gave a specific example of practising in a remote community with no co-located GP. Without regular access to a GP, the NP is unable to complete the Health Assessment sign-off. It was noted that this challenge is outside of direct control of the NP or stakeholders involved on site. However, the restrictions interrupt the ability of NPs to complete their episodes of care, resulting in increased out of pocket patient costs and restrictions to their authorised scope of practice.

**Health Care Homes**

Current reforms in primary health care enable a discussion around the involvement of NPs in new health and innovative service delivery models. One of these new models is Health Care Homes (HCH), which introduces participating primary health care providers as a home base to the patient for ongoing coordination, management and support of their chronic conditions.

The case study visits identified that the NP models of care were implemented successfully in a manner that would be suited to HCH. Stakeholders specifically noted the following success factor:

- **Clinical expertise**: The suitability of NPs to provide high quality chronic care and chronic case management was highlighted by a range of case study sites. Case study D provided a
specific example, of their commencement into the implementation of a HCH model by registering as a trial HCH provider and slightly altering the operating model of one of their NPs to accommodate practice visits of HCH patients. The model is currently still in its infancy, however the case study site viewed it as an opportunity to showcase the approach to teamwork that is underpinning the NP model of care in their practice.

Options for change

Consideration should be given to:

- integrating education, workforce planning and service planning to link current and future NPs with identified areas of need. This may include working with education providers, such as universities, National Rural Health Alliance, PHNs and State and Territory health departments to identify areas of need and suitable for NP models of care.
- increasing the professional and financial incentives for facilitating access to NP services in rural and remote communities to mitigate the healthcare shortage being experienced. This needs to be reviewed in line with the recognition of NPs within the existing MBS considerations.

Women’s health

The case study visits identified that the NP model was implemented successfully delivering women’s health services through PHC. Stakeholders specifically noted the following success factors:

- **Community relationships:** Stakeholders reported that the NP role was able to create strong relationships with women’s groups throughout the local service areas. Case study C identified that this activity made the NP a trusted member of the community and created a reputation as a skilled and efficient practitioner.
- **Clinical expertise:** The NPs considered that the clinical experience and skills they provided improved early intervention. Case Study C provided a specific example, of the NPs ability to identify and subsequently treat two patients with cervical cancer at an early stage, who have since entered recovery. This type of early intervention is difficult to robustly quantify due to the lag between screening and long-term reductions in cancer rates.

The case study sites focused on delivering women’s health services identified a number of parameters that limited their ability to deliver their full scope of practice, these include:

- **Access to referrals:** Stakeholders identified that limitations in referrals created a loss in continuity of care and a flow-on burden for patients needing to be referred through a GP. Site F identified limitations to pelvic and obstetric ultrasound exam referrals as a key challenge to the NP model. Stakeholders also identified a barrier to the NP referring pregnant patients to Hospital maternity units. This also required a GP referral regardless of whether the NP had managed all other aspects of the patients care, resulting in increased out of pocket costs for patients and an increase in cost to the health care system.
- **Sustainable business models:** Access to specific MBS items such as procedural items, like Implanon and Mirena was raised as a significant and systemic challenge for NPs delivering women’s health. Stakeholders reported that this was a barrier to the provision of patient care. Site F provided a specific example: the NP reimbursements available for procedural items, like Implanon and Mirena insertion, were absent compared to a GP completing the same procedures. This lack of access causes increasing out-of-pocket patient costs, and restricts the authorised scope of practice of the NP.
4.3 Areas and costs identified with potential under-utilisation of NPs/ Potential savings associated with the expansion of NP roles

This section explores the current size of the NP workforce, and the economic rationale for expansion of NP roles based on the CBA of existing sites.

The CBA found that, while costs and benefits of NP models are difficult to quantify, they appear to deliver a positive return on investment which was particularly strong in NP models of care in the aged care space. The implications are that continued expansion of NP models could deliver substantial cost savings to the healthcare system and improved access to care for many.

The NP workforce

Currently, there are 1,604 endorsed NPs, however not all are actively employed in an NP role.27 The most recent available data (2017) indicates that 447 NPs completed consults that were reimbursed via the MBS, up from 412 in 2016 and 388 in 2015 (Figure 1). Growth in NP numbers appears to have slowed down since 2015. It should be noted that the data and figures presented in this section only represent those NPs that are claiming MBS items (regardless of whether they are doing so in the public or private sector). This means that NPs whose consults are not reimbursed by the MBS are not represented (half of the sites surveyed as part of this project).

On a per capita basis, there are 1.8 NPs per 100,000 population, up from 1.6 in 2015. By comparison, there are 145.0 GPs per 100,000 population, up from 139.7 GPs in 2015.28

The NP workforce currently makes up less than 0.08 percent of the overall health workforce employed in a registered position and 0.13 percent of the wider employed nurse and midwifery workforce.29

Figure 1: NP workforce

![NP workforce chart]

Source: DHS specific data request.

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29 KPMG analysis of DHS specific data request and the National Health Workforce Dataset (accessed 20th July 2018).
The NP workforce with MBS access is unevenly distributed across Australia. Two PHNs have over 50 registered NPs identified in MBS records; 13 PHNs have less than 10 NPs.

Figure 2: NP workforce by PHN

Source: DHS specific data request.

Aged care NP workforce

Department of Health data indicates that, as of 2016, there were 53 NPs working across home or community based aged care providers. Within residential aged care facilities, there were 227 NPs working across Australia.

NPs can be directly employed by residential aged care providers, or contracted in as private practice practitioners. NPs can also provide in-reach services, by being drawn on through coordinated action taken by local PHNs or via direct arrangements made by aged care organisations with local hospital networks that have nurse practitioners on staff. PHNs are funded by the Australian government to increase the efficiency and effectiveness of medical services for patients, particularly those at risk of poor health outcomes, and improving coordination of care to ensure patients receive the right care in the right place at the right time. Consultation with PHNs found that NPs can play a critical role in supporting this objective.

CBA of current NP models

Across the sites, the CBA highlighted that NP models deliver a positive return on investment (Table 34). In aged care models, this return was particularly strong, due to NPs reducing ED visits and hospitalisations. The NP models saved between 500 and 1,400 ED visits per year.

The benefits of primary care NP models are more difficult to quantify, however in rural and regional settings, NP models delivered services at a lower cost than equivalent GP services, after accounting for longer average consults and a proportion of NP consultations requiring a subsequent GP consultation. There was also strong evidence in the literature for the cost-

31 Department of Health, unpublished.
effectiveness of increased levels of primary care in a target patient group for remote Aboriginal and Torres Strait Islander populations.

Table 34: Overview of site characteristics and benefit-cost ratios across case study sites

<table>
<thead>
<tr>
<th>Site</th>
<th>Target group</th>
<th>BCR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site A</td>
<td>Aged care</td>
<td>12.4</td>
</tr>
<tr>
<td>Site B</td>
<td>General community</td>
<td>1.1*</td>
</tr>
<tr>
<td>Site C</td>
<td>Aboriginal and Torres Strait Islander women</td>
<td>&gt;1.0*</td>
</tr>
<tr>
<td>Site D</td>
<td>Aged care</td>
<td>not available</td>
</tr>
<tr>
<td>Site E</td>
<td>Dementia patients</td>
<td>2.3</td>
</tr>
<tr>
<td>Site F</td>
<td>Aboriginal and Torres Strait Islander population</td>
<td>1.0*</td>
</tr>
<tr>
<td>Site G</td>
<td>Aged care</td>
<td>5.5</td>
</tr>
<tr>
<td>Site H</td>
<td>Aboriginal and Torres Strait Islander population</td>
<td>9.7</td>
</tr>
</tbody>
</table>

* Benefits were difficult to quantify within the scope of this research

Source: KPMG

Identification of service needs for expansion of NP roles

The identification of a clear need for service was a success factor highlighted by the case studies. It is important then to consider if there are further service gaps that could be cost-effectively filled by an expansion of NPs.

In aged-care, there appears to be substantial need for NP models that can help reduce avoidable ED visits and hospitalisations. The AIHW reported that in 2016/17, there were almost 720,000 non-urgent and 3,200,000 semi-urgent ED visits, totalling 50 percent of all ED visits. The share increases to 58 percent in outer regional, remote and very remote areas.32

In primary care, access remains an issue to many Australians in rural and remote locations. The AIHW report that in major cities, 11.1 percent of people do not have a usual GP. This increases to 19.0 and 31.5 percent in outer regional and remote / very remote areas. In major cities, 3.4 percent of people cite ‘no GP nearby’ as the reason for not attending a GP when needed; this increases to 8.6 percent and 20.3 percent in outer regional and remote/very remote regions.33

In many Aboriginal and Torres Strait Islander populations, there is relatively poor access to primary care. The AIHW report that 40 statistical area level 2 areas have very limited access to Indigenous-specific primary health care services and to GPs in general; 10 of those areas have Aboriginal and Torres Strait Islander populations greater than 600.34

Options for change

Based on the CBA of the case study sites, an expansion of 10 NP roles in aged care would cost approximately $1.5 million per year, but conservatively result in 5,000 avoided ED visits each year, and annual savings of over $5.7 million in reduced ED, hospitalisation and ambulance costs.

In primary care, an expansion of 10 NP roles in rural and regional Australia, at a cost of $1.5 million per year, could conservatively improve access to 10,000 Australians; another 10 primary care NP roles in specifically targeted locations could provide services to over 6,000 Aboriginal and Torres Strait Islander populations with limited access.

The implications from this analysis are that continued expansion of NP models could deliver substantial cost savings to the healthcare system and improved access to thousands of

32 AIHW 2017, ‘Emergency department care 2016-17: Australian hospital statistics.’ Table 3.3
34 Australian Institute of Health and Welfare 2015. Spatial variation in Aboriginal and Torres Strait Islander people’s access to primary health care. Cat. no. IHW 155. Canberra: AIHW.
Australians. There is sufficient patient need and service gaps to support substantial expansion of the NP workforce.

4.4 The recognition of NPs within the existing MBS

This section explores the impact of the current MBS parameters on NP scope of practice and sustainable business models.

Recognition within the existing parameters was identified as the most significant limitation to the sustainability of existing NP models and their expanded use within primary and aged care settings.

Scope of Practice

All case study sites identified that the existing MBS parameters limited NP ability to work fully to their scope of practice, resulting in duplication, fragmentation of care and inability to provide complete episodes of care. Whilst these limitations differed depending on the focus of the model a number of consistent themes were identified. These include:

- **Collaborative arrangements**

- **Referral requirements**: The NPs consulted considered that their ability to refer was an important element of their scope of practice.

  Stakeholders identified that the parameters related to referral to allied health professionals or medical specialists were a limitation to effective practice. A number of NPs emphasised the importance of their role in coordinating care to meet all of their patient’s health care needs. Whilst NPs are able to make a referral to an allied health professional to support this, Medicare benefits are not be payable for those services, meaning that patients will not get reimbursed and will have significant out of pocket costs. This limitation was considered to delay care or limit management options, particularly for socio-economically disadvantaged patients with limited capacity to meet out of pocket costs.

- **Pathology and diagnostic imaging services**: Stakeholders identified that the limited range of diagnostic imaging services which attract a Medicare rebate hampered their ability to diagnose or treat patients, resulting in their inability to complete an episode of care. This included the ability to undertake point of care testing, for example HbA1c and ACR, essential to provide rapid diagnoses. This has resulted in a disruption of the continuity of care, increased cost and has created an inconvenience to the patient through the need to refer to a GP in order to request the service.

  Case Study F provided the specific example of pelvic and obstetric ultrasound exams. These exams are routinely used to support the diagnosis of conditions related to the reproductive and urinary systems, and to monitor the development of a foetus. As such, they are an important diagnostic tool in the area of women’s health. Limited access to these exams has a material impact on the scope of an NP specialising in this area.

- **Available items (Health Assessments, Chronic Disease Management)**: Health Assessments were identified as important tools to collect baseline information, inform care planning and drive a cycle of care, particularly for Aboriginal and Torres Strait Islander patients and the aged.

  Stakeholders reported that a lack of access to these items (Health Assessment for Aboriginal and Torres Strait Islander People, 715 and Health Assessment for people aged 75 years and older, 701, 703, 705, 707) was a very significant limitation to the use of NP models of care in ACHHSs and aged care.
The NPs considered that the collection of information, assessment and recommendations for appropriate intervention required by the assessments was within their scope of practice. However, they were unable to complete the assessment without referral to a GP. NPs further raised that Health Assessments include Home Medicine Review Assessments, which they are unable to initiate in aged care.

The need for a further appointment created the potential to delay diagnosis and the commencement of treatment and management. This problem was exacerbated in areas with limited access to GPs.

Similarly, the inability to access the CDM Medicare items (721, 732, 723, 731, and 729) was considered to be a limitation on the scope of NPs to manage the health care of people with chronic or terminal medical conditions.

This lack of access to CDM Medicare items was also seen as a barrier to having fully collaborative arrangements between an NP and a GP in a single practice. A number of stakeholders felt that NPs are often better placed to conduct longer consultations suited to the management of long-term health conditions, which would ‘free up’ the GP to tend to acute presentations. Access to CDM Medicare items was therefore seen as a useful consideration.

**Sustainable Business Models**

Stakeholders raised both the level and availability of reimbursement as limitations to the effective use of NP models.

**MBS reimbursement**

The analysis suggested that the current level of reimbursement available through MBS items was reported to be not sufficient to support a sustainable business model in a primary care or aged care setting. All sites that collected MBS reimbursement also relied upon other sources of funding to meet the costs of the model, including patient out of pocket payments, and State or Federal Government grants. The distribution of NP consultation levels is shown in Figure 3. The majority of NP consults are greater than 20 minutes (61%); by contrast the vast majority of GP consults are less than 20 minutes (76%). GPs were included in the analysis here as well as in Table 35 in order to provide a point of comparison to a health professional who has the skills and knowledge required to conduct activities similar to an NP.
Figure 3: Comparison of NP and GP consult durations

![Comparison of NP and GP consult durations](image)

Source: KPMG analysis of SA3 MBS data for 2016/17

The MBS schedule (Table 35) reimburses longer consults at a higher rate, such that the dollar / minute rate of reimbursement is broadly comparable across all consults.

Table 35: MBS funding for NP and GP consults

<table>
<thead>
<tr>
<th>Consult</th>
<th>NP</th>
<th>GP</th>
<th>Differential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short</td>
<td>$8.20</td>
<td>$16.95</td>
<td>$8.75</td>
</tr>
<tr>
<td>&lt;20 minutes</td>
<td>$17.85</td>
<td>$37.05</td>
<td>$19.20</td>
</tr>
<tr>
<td>20-40 minutes</td>
<td>$33.80</td>
<td>$71.70</td>
<td>$37.90</td>
</tr>
<tr>
<td>40+ minutes</td>
<td>$49.80</td>
<td>$105.55</td>
<td>$55.75</td>
</tr>
</tbody>
</table>

Source: MBS online.

However any consultations of greater than one hour are at a relative disadvantage in terms of the reimbursement per minute offered (Figure 4) This is of particular concern for NP models that have a high proportion of long consults (Site A and Site E, for example).
The overall sustainability of the NP model was further investigated in a sensitivity analysis (Table 36). This found that in the absence of external funding sources, NPs would need to average over 10 hours a day of patient consultations to cover the costs of their salary; or alternatively require patients to pay a substantial co-payment.

Table 36: Sensitivity analysis: Requirements for a sustainable NP model

<table>
<thead>
<tr>
<th></th>
<th>Sensitivity A</th>
<th>Sensitivity B</th>
<th>Sensitivity C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Co-payment</td>
<td>Co-payment</td>
<td>No co-payment</td>
</tr>
<tr>
<td></td>
<td>charged to all</td>
<td>charged to 50%</td>
<td>charged</td>
</tr>
<tr>
<td>Average consultation hours per day</td>
<td>5.0</td>
<td>5.0</td>
<td>10.3</td>
</tr>
<tr>
<td>NP consulting hours/day</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patient co-payment share</td>
<td>100%</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>Share of patients that pay a co-payment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patient co-payment level</td>
<td>$33</td>
<td>$66</td>
<td>$0</td>
</tr>
<tr>
<td>$/consult</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: KPMG analysis

In addition to the level of reimbursement, leadership at the case study sites identified the narrow scope of NP services that are available for reimbursement as a key financial limitation to the sustainability of the NP model. In some circumstances, the NP substantially completes an assessment or treatment but must refer to a GP for completion, limiting the cost-effectiveness of the service delivery. A key parameter in the CBA was the share of NP consults that require a further GP visit. As this share increases, the net benefits and allocative efficiency of the NP model decline.

Stakeholders also noted the absence of available incentives to offset the cost of the use of Nurse Practitioners within these sectors, compared to roles including Aboriginal Health Workers and Practice Nurses. In this context, the availability of Health Assessments and Chronic Disease Management (CDM) items was most commonly raised. These are discussed further in the following paragraphs.
Health Assessments

Health assessments are a particular case where MBS restrictions limit the NP model. A health assessment forms an integral component of the model of care for many services with a focus on caring for Aboriginal and Torres Strait Islander patients and the aged. Services rely on MBS reimbursement to meet the costs of delivering this activity.

Beyond this, policy and funding drivers also encourage ACCHSs to seek Medicare entitlements for the relevant services they provide, including through the establishment of national targets.

The limitation in relation to Health Assessments results in two scenarios:

- the NP substantially completes the assessment but refers to a GP for completion; or
- in the absence of a GP, the NP completes the assessment as part of good clinical practice, however the patient or service cannot claim reimbursement.

In the first scenario, the additional cost of a GP consultation in addition to the NP results in a model that is not cost-effective relative to models where a health worker or nurse collects the patient information and takes observations to support the completion of the assessment. As above, the higher the share of NP consults that must go on to see a GP, the more the allocative efficiency of the NP model is reduced.

In the second scenario, the service or patient must meet the cost of delivering this activity. There is also no reimbursement available for the range of follow-up services (up to 10 services per calendar year, 10987) or referred allied health services (up to five services per calendar year 81300, 81305, 81310, 81315, 81320, 81325, 81340, 81345, 81350, 81355 and 81360). This has the potential to have a material impact on income and means that for some services, in areas of need, the NP model is not a viable alternative to a GP.

Chronic Disease Management items

CDM items recognise that the management of health care for people with chronic or terminal conditions is ongoing, often complex, time consuming and involves a team of multidisciplinary providers. Stakeholders identified that NPs were uniquely suited to plan for and coordinate care for patients with these conditions. However, they also acknowledged care of these patients was costly, and without access to the CDM items alternative models were likely to be more cost effective for their organisation.

Options for change

This project found that NP models can address areas of need, particularly within aged care and within ACCHSs. However, limited access to MBS items reimbursement has a significant negative impact on the sustainability of these models and is likely to impede further expansion.

Therefore, consideration should be given to:

- the level of the MBS reimbursement relative to costs associated with the NP model;
- reimbursement parameters that recognise the longer duration of many NP consults relative to GP consults;
- the expansion of the availability of Health Assessment and CDM items to NPs practicing in areas of need;
- reviewing the range of other incentives available to support the development of NP models in order to support an enhanced role within primary and aged care.
4.5 Other considerations

This project identified valuable insights into the types of NP models operating across primary care and aged care settings and the associated challenges and success factors in sustaining them. However, the lack of a reliable, complete and consistent data set to inform and assess the economic impact of NP models of care at a granular level was a significant limitation in this project. Other limitations included the following:

- While aggregated administrative data such as MBS and PBS services are available at the PHN level, there are difficulties in isolating MBS/PBS data by site. This means much of the CBA was informed by semi-structured surveys and self-reported data collections that have the potential to be less accurate than administrative data.
- Short periods which some NP models have been in place for mean that longer-term impacts of the NP model (e.g. improved long term patient quality of life or reduced chronic disease severity) cannot be measured directly. This is a limitation for primary care NP models in particular; the benefits for these models are based on assumptions from the literature or comparative costs of a GP-led service.

On this basis, the development of systematic data collection tools and methods are required to support the NP role is considered an immediate priority. Data collection should focus on NP workforce composition and role, breadth of services delivered, activity and outcomes associated with service delivery. This will contribute to a wider understanding of the NP model and the benefits and value it can bring the delivery of safe, effective and efficient health care. The first step should focus on defining measures relevant to NP models of care to enable consistent and transparent approaches to data collection. Following this, embedding data collection mechanisms into NP practice should be a priority.

Future considerations

In addition to the project-specific findings, the overarching findings from the project have resulted in broad considerations for the Department and other key stakeholders into the future. Future considerations include:

- More work is required to communicate and formalise the value of Nurse Practitioners in the delivery and commissioning of services

Stakeholder consultations identified that knowledge of NP models was variable across PHNs. This was further supported by the analysis of PHN NP headcount data, suggesting that further work is required to embed the NP as a care provider in the delivery of care across aged care and primary health care settings. This can be achieved by increasing awareness among PHNs and other clinical stakeholder groups of the potential of NP models to meet identified community needs. A defined focus on implementing tools that foster formal and structured collaboration between NPs, PHNs and other clinical stakeholders is required. This will inform service planning and delivery activities, including the type and location of services. The objective should be to identify areas of unmet community needs which NP models are well suited to meet.

- The NP role needs to be clarified

The use of the NP role should be commensurate with their advanced training, skills and scope of practice. The NP role is an expensive resource when underutilised or allocated to clinical and non-clinical tasks not reflective of their advanced training. Available evidence indicates that NPs undertake some clinical and non-clinical tasks not aligned to their scope of practice and care that can be provided by registered nurses. While the role may be sustainable, it is not reflective of the economic benefit that NPs bring to the health system. Similarly, the cost-effectiveness of NP models could be improved by reducing the need for subsequent GP consults where appropriate.
This will involve systemically addressing the barriers to NP operating at the top of their scope of practice identified in section 4.4. As outlined in other sections of this report, it should be noted that NPs should not be regarded as a substitute for GPs but rather as an opportunity for meeting unmet needs.

Consider findings of concurrent reviews to inform future policy changes, particularly in relation to MBS billing

The MBS Review Taskforce is currently considering how services can be aligned with contemporary clinical evidence and practice and improve health outcomes for patients. The findings from this project should be considered in line with concurrent reviews, including from both the MBS Review Taskforce and its NP Reference Group.

Dedicated pathways for rural NP education and clinical professional development

NP models demonstrated the most value in economic terms in residential aged care facilities, particularly in rural and remote areas. However, NP workforce challenges are similar to those faced by other disciplines, particularly in recruiting and retaining a workforce in rural and remote areas. Therefore, dedicated education opportunities and professional development for rural and remote nurses and NPs is required to develop a pipeline of skilled and experienced NPs. This is an important factor in getting NPs ready for practice in rural and remote areas, and in increasing their skills in expertise in ‘rural generalism’ (i.e. being able to provide a broader spectrum of services in rural and remote areas than what may be required in metropolitan areas). Training for rural and remote NPs needs to focus on the generalist skills required to meet health care needs of remote communities. In addition, other key barriers associated with NPs practicing in rural areas should be investigated, such as financial sustainability, infrastructure and professional support and mentoring, in order to identify mechanisms to improve their attraction and retention. This may include the implementation of incentive payments for NPs to practice in these areas, support to universities to establish a ‘local’ NP workforce in identified areas of need (e.g. by providing training in rural settings), and capital investment for rural providers to establish effective working spaces for NPs.

Further investigate funding models to improve model sustainability and support innovative models

Case study sites were associated with a diverse range of funding models. This included three private practices, two State-funded NP models of care, one Commonwealth funded NP role, and two models that had mixed funding from State and Commonwealth government. Two of the private practices required their patients to pay a co-payment for services provided. Five sites had access to and received MBS reimbursements.

Evidence gathered in this project identified that funding approaches have a direct impact on the configuration of the NP model, including their sustainability and innovation. A number of NPs were initially established based on a business case for a set period. The short-term nature of this approach affected the sustainability of these models and the services provided. Given the growing evidence base and the benefits associated with NP models of care across primary health care and aged care, alternative funding models, such as practice/facility incentive payments, bundled payments or blended payments, should be explored to incentivise providers to incorporate the NP role into their service delivery.
Appendix A – Literature finding

Overview of models of care

NP models of care can be applied to a range of settings

NP models of care can be applied to a wide range of care settings, under a variety of funding arrangements and overarching business models. This means that each NP role can be tailored to the specific needs and service gaps in a particular region or community. For the purpose of this literature review – and in the context of the overarching project – the focus of this chapter lies on providing an illustrative overview of four models of care in the primary health care or aged care sectors:

- Single operator NPs;
- NPs incorporated into a general practice;
- NP practices;
- NPs based in residential aged care facilities.

It should be noted there may be NP models of care in Australia that differ from the ones described, or are a mix of two or more of the models in this section.

Single operator NPs

This model type generally comprises models that are private (for profit), small businesses run by individual NPs. In their 2015 evaluation of the Nurse Practitioner Aged Care Models of Practice, Davey et al. found this model of care particularly relevant in sectors such as aged care or disability, where clients are often immobile and dependent on service providers who provide services within the community including home visits. Services provided as part of this model often include disease prevention and health promotion activities, such as health assessments and monitoring, medication review, wound care, and referral to other services if required. The focus of single operator NP models is to integrate direct patient care relating to the management of chronic and complex illnesses with other primary healthcare activities, in the community.

Timely access to community and home based care is valuable not only in the provision of care for people with chronic conditions but also plays an important role in increasing the availability of care for those with other needs including palliative care. Nurse practitioners practicing within palliative care teams provide expertise in delivering responsive care that reduces fragmentation, increases choice and supports people, their carers and families both in health care facility settings.

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and the community. For instance, Bookbinder et al. demonstrated in their 2011 study that NPs could quickly enhance the value of hospice services to the community and lead to cost efficiencies that enabled the addition of several additional NPs to the service. In addition, Chapman et al. identified the significant role that palliative care NPs play in providing specialist palliative care in RACFs decreasing hospital admissions and improving symptom management.

Table 37: Overview of single operator NP practice models of care

<table>
<thead>
<tr>
<th>Single operator NPs</th>
<th>Funding model</th>
<th>Benefits</th>
<th>Barriers &amp; challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single operator NPs generate fee for service; they operate a practice as a small business. NPs in Australia are currently required to seek a Collaborative Arrangement with a specified medical officer, (in accordance with relevant legislation) in order to enable patients to receive subsidisation under the Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS) for care they provide. (see section ‘NPs in the Australian context’ for more information on MBS eligibility for NPs in Australia).</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Improve timely access to primary health care</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Improved access to community based / home care</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Improved management and monitoring of chronic and complex health conditions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Improved case management and care coordination</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Provide assistance for people in navigating the health system and accessing other health and social services</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Improved access to community based care after discharge from hospital to prevent avoidable readmission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Enhanced patient enablement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Improved access to health clinics / health promotion</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Reduced hospitalisations</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Improved early intervention.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Single operator NPs

Models require NPs to spend a significant amount of time on business administration which in turn impacts on time spent on care provision. The legislative requirement for NPs to have a collaborative agreement with a specified medical practitioner poses challenges for NPs operating under this model, as the ability to provide care subsidised by the MBS and PBS depends on the willingness and availability of medical officers to participate. Australian research has shown that success within this model relies on the personal commitment of both NPs and medical practitioners to navigate around system barriers. It is often reliant on a ground up approach by the NPs themselves.

NPs incorporated into a general practice

Within this type of model, NPs work alongside GPs in primary care. The practice of NPs in this setting predominately involves the provision of direct patient care including diagnosis, health promotion, referral to other health professionals, prescription of medicines, care coordination, case management and the development and initiation of care plans. Australian research has shown that success within this model relies on the personal commitment of both NPs and medical practitioners to navigate around system barriers. It is often reliant on a ground up approach by the NPs themselves.

Table 38: Overview of GP clinic models of care

<table>
<thead>
<tr>
<th>GP Clinics</th>
<th>Funding model</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GP practices may employ or contract NPs under this model, NP activity generates income via fee for service which may be met either in part or entirely by the scheduled fee assigned to the NP MBS item available to the patient. In addition, a gap payment may also be charged. In an employed model, the general practice will incur employment related costs including Workcover, superannuation and leave. These costs remain the responsibility of the NP under a contracted model.</td>
</tr>
</tbody>
</table>

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44 Currie J, Chiarella M, Buckley T. Collaborative arrangements and privately practising nurse practitioners in Australia: Results from an Australian survey. Australian Health Review, 41, 533-540
45 Schadewaldt, V. (2015). Characteristics of collaboration between nurse practitioners and medical practitioners in primary healthcare: A multiple case study using mixed methods. (Doctor of Philosophy), Australian Catholic University, Melbourne, VIC.
**GP Clinics**

**Benefits**

- Improved access to primary care for clients who cannot leave their home or are in a care facility
- Improved early identification of clients’ health concerns
- Provision of training to staff working in care facilities
- Enhanced patient enablement
- Adopt a collaborative care and information sharing approach within a multidisciplinary team environment
- Reduced unscheduled GP visits to care facilities
- Increased practice capacity to provide effective care.\(^{51,52,53}\)

**Barriers & challenges**

A significant challenge for general practice wanting to introduce NPs is meeting associated costs such as salary. As GP practices are frequently operated as small businesses, approaches rely heavily on practices generating sufficient income to cover their salaries and clinics' overheads. In an Australian example, the employed NP model was not able to offset related costs as NP services could not generate sufficient income to cover their salaries.\(^{54}\) (see section ‘NPs in the Australian context’ for more information on MBS reimbursement of NP services)

There are a number of additional, recurrent costs that GP practices need to take into account when employing staff including NPs. These include (among others) provision of office space and equipment, administrative support, provision of transport and travel arrangements and financial support for professional development. Provision of office space in particular can be a significant barrier the practice is unable to generate utilise the space to generate sufficient income.\(^{55}\)

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**NP practices**

Under a sole-operator model, NPs may provide either specialised and / or more general health care services. In this setting, while care is frequently provided alongside and in collaboration with medical and allied health providers, NPs are often a person’s primary care provider. NP clinics operate in rural and remote communities that have limited access to health care providers including GPs or allied health services, and with populations who are underserved (i.e. homeless, sex workers, Aboriginal and Torres Strait Islanders, refugees, etc.).\(^{56}\) Primary care services provided by NPs under this model include assessment, diagnosis and management of health

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\(^{53}\) Ibid.

\(^{54}\) Ibid.


problems, medication reviews, referral to other health professionals, prescription of medication, monitoring of chronic health conditions and health promotion and disease prevention.\textsuperscript{57}

Table 39: Overview of NP clinic models of care

<table>
<thead>
<tr>
<th>NP practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding model</td>
</tr>
<tr>
<td>NP activity generates income via fee for service which may be met either in part or entirely by the scheduled fee assigned to the NP MBS item available to the patient. In addition, a gap payment may also be charged.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Potential benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increase access to primary health care, particularly in communities with limited GP access</td>
</tr>
<tr>
<td>• Provide case management and care coordination</td>
</tr>
<tr>
<td>• Reduce clients’ need to travel away from home to receive care</td>
</tr>
<tr>
<td>• Provide opportunistic care, addressing clients’ care needs beyond the presented concerns and families/carers’ needs</td>
</tr>
<tr>
<td>• Monitor and manage chronic conditions</td>
</tr>
<tr>
<td>• Enhanced patient enablement</td>
</tr>
<tr>
<td>• Provide health education to clients\textsuperscript{58,59}</td>
</tr>
<tr>
<td>• Reduced hospitalisations</td>
</tr>
<tr>
<td>• Improved early intervention.\textsuperscript{60}</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Barriers &amp; challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>In a business environment, NP clinics must be able to generate sufficient revenue to be sustainable without the clinic receiving sources of income generated by other health care providers.\textsuperscript{61} The legislative requirement for NPs to have a collaborative agreement with a specified medical practitioner poses challenges for NPs operating under this model, as the ability to provide care subsidised by the MBS and PBS depends on the willingness and availability of medical officers to participate.\textsuperscript{62}</td>
</tr>
</tbody>
</table>

NPs based in care facilities

This model involves health care facilities such as Residential Aged Care Facilities or Palliative Care Facilities utilising NPs as employees. The types of services provided under this approach are incorporated into the model of health service delivery often include and professional leadership as well as education and research in addition to direct clinical care provided by NPs.


\textsuperscript{60} Ibid.

\textsuperscript{61} Ibid

\textsuperscript{62} Currie J, Chiarella M, Buckley T. Collaborative arrangements and privately practising nurse practitioners in Australia: Results from an Australian survey. Australian Health Review, 41, 533-540
Table 40: Overview of care facility based NP models of care

<table>
<thead>
<tr>
<th>NPs based in care facilities</th>
<th>Funding model</th>
<th>Potential benefits</th>
<th>Barriers &amp; challenges</th>
</tr>
</thead>
</table>
|                             | The NP may be a salaried employee of the care facility if employed directly. The income generated by NP activity may offset employment costs directly or form part of the NP’s income as part subsidy. In addition, NPs operating as sole operators may providing visiting services to the facility. | • Provide care in facilities otherwise delivered in hospital  
• Provide leadership for care staff within organisations  
• Provide education and training for staff within organisations  
• Address gaps in care delivery to complement GP services  
• Provide a timely access to health care in the home or community setting  
• Provide and support case management and care coordination  
• Enhanced patient enablement  
• Management of residents’ increasing acuity  
• Reduced hospitalisations of residents  
• Improved quality of care for residents  
• Identification of and intervention to prevent declining health status of residents  
• Improved chronic disease management.63,64,65,66,67,68,69 | In order to introduce NPs to a care facility, care providers must be able to cover related costs. Not many providers have the capacity to use existing funds to cover the cost of employing NPs which is a significant barrier to implementing this model.70 An additional barrier to NPs in the aged care sector is a lack of recognition as a clinician able to facilitate funding under the Aged Care Funding Instrument (ACFI), which frequently results in the duplication of services by a GP. |

Implementation of NP models in practice

Driving reform to implement the NP role must consider the ever increasing cost of healthcare, health workforce shortages, gaps in current service delivery, increasingly complex healthcare

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63 Ibid.  
70 Ibid.
needs of communities and the high level of adaptable knowledge acquired by nurses in preparatory education programs. In the local context, Australia is expected to have a national nursing shortage by 2020.

**Barriers to implementation**

Reported barriers to implementation of NP models include resistance to change by the medical profession, regulatory and legislative restrictions and financial barriers:

- **Resistance to change** – Maier et al.’s study described the required to implement NP models of care is often lengthy and controversial, partly due to strong opposition by medical and other key stakeholders. In New Zealand, for instance, the so-called Health Practitioners Bill went through its first reading in 2015, after first being proposed in 2005.

- **Regulatory restrictions** – Moving to a health system that facilitates the implementation of the NP role requires regulatory and / or legislative reform to enable practices such as the prescription of medicine, however, these reforms are often also lengthy.

- **Financial barriers** - From a financial perspective, financing and payment policies can have a significant impact on the accessibility of health care services for patients and in turn on the effectiveness of models of care delivery in improving access to care. In a number of countries, for example the USA, fee-for-service reimbursement for NP services is commonly lower than for physicians. In Australia, patients receive 85 percent of the scheduled fee assigned to NP item numbers. In the USA however, if the NP is working alongside a medical practitioner in the same practice, the NP earns 100 percent of what the medical practitioner earns (referred to as “incident to billing”). Lower reimbursement rates may present financial disincentives for practices to utilise NPs, or for NPs to establish themselves in their own private practice noting that NP salaries are also generally lower than physician salaries.

**Australian adoption of NP models**

**NPs in the Australian context**

In Australia, the role of the NP is regulated by the Nursing and Midwifery Board of Australia (NMBA). Its scope of practice is that the NP has been educated and deemed competent to perform determined by the individual NP and their employer (where relevant). The professional role is built on the foundation of the registered nurse scope of practice. Project work to develop the NP role in Australia commenced in New South Wales over 20 years ago, with the first NP endorsed to practise in 2000. The NP scope in Australia includes, but is not limited to, comprehensive health assessments, diagnosis and management of health problems, referral to other health professionals, prescription of medicines, and requesting and interpretation of...

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72 Ibid.
diagnostic investigations.\textsuperscript{78} An NP in the Australian context is experienced in a specialised and/or general area of clinical practice, and educated to Masters level. Currently, there are 1,604 NPs endorsed in Australia\textsuperscript{79}, although the number actually employed as an NP remains unknown. NPs work across the spectrum of health care delivery and have differing scopes of practice, which are partly governed by their local environment as well as Federal and State/Territory Government regulatory and legislative requirements.\textsuperscript{80}

**MBS funding for NPs**

In recent years, the Department has taken steps to expand the use of NPs across the system.\textsuperscript{81} This has included initiatives for the admission of NPs as eligible to participate as Medicare providers. This health policy platform has better enabled the support of the establishment of NP services in primary care. The change has allowed patients seeking care from eligible NPs to have certain medicines, pathology and diagnostic imaging services subsidised. These reforms have also allowed patients to receive rebates for some specialist medical services, when referred by a nurse practitioner.\textsuperscript{82}

<table>
<thead>
<tr>
<th>MBS Item</th>
<th>Item Descriptor</th>
</tr>
</thead>
<tbody>
<tr>
<td>82200</td>
<td>Professional attendance by a participating NP for an obvious problem characterised by the straightforward nature of the task that requires a short patient history and, if required, limited examination and management.</td>
</tr>
<tr>
<td>82205</td>
<td>Professional attendance by a participating NP lasting less than 20 minutes and including any of the following: a) taking a history b) undertaking clinical examination c) arranging any necessary investigation d) implementing a management plan e) providing appropriate preventive health care, for one or more health related issues, with appropriate documentation.</td>
</tr>
<tr>
<td>82210</td>
<td>Professional attendance by a participating NP lasting at least 20 minutes and including any of the following: a) taking a detailed history b) undertaking clinical examination c) arranging any necessary investigation d) implementing a management plan e) providing appropriate preventive health care, for one or more health related issues, with appropriate documentation.</td>
</tr>
<tr>
<td>82215</td>
<td>Professional attendance by a participating NP lasting at least 40 minutes and including any of the following: a) taking an extensive history</td>
</tr>
</tbody>
</table>


\textsuperscript{82} Scanlon et al. 2016, The complexities of defining nurse practitioner scope of practice in the Australian context. Collegian, 23(1), 129-142.

To provide services subsidised under the MBS, NPs must meet the requirements to participate as an eligible provider including the need to establish a collaborative arrangement with a specified medical officer. Patients cared for by an eligible NP are entitled to reimbursement of 85 percent of the scheduled fee assigned to the relevant NP MBS consultation item.

NP services that attract a Medicare benefit are listed in the MBS by item number and description of service. As an example, the four time-tiered professional attendance NP MBS items, introduced on 1 November 2010, cover a broad range of services as described in Table 41.

NPs as part of Australian primary care and aged care

It appears that majority of NPs are currently employed by State and Territory Governments in public sector. However there is a growing number of NPs providing primary health care services. Nurse practitioners practicing in primary health care do so either as a generalist, or by providing a specialist nursing service, e.g. in mental health, emergency, community health, drug and alcohol services, women’s health and aged care. Despite the limited numbers of NPs in primary care in Australia, international and Australian research has shown the positive outcomes of NP operating models in primary health care (PHC).

In 2010-11, $18.7 million of the federal budget were allocated to support NP models in aged care across Australia. The Initiative supported the establishment and development of these models. These models represented numerous jurisdictions, locations, clients and care providers (private practitioners, aged-care providers, Medicare Locals and community clinics). The Initiative ended on 30 June 2014. A team of researchers from the University of Canberra and the Australian National University undertook an independent evaluation throughout the period of the initiative which identified a range of benefits, including economic efficiencies gained through reductions in: unnecessary transfers to acute health facilities, ambulance costs, hospital bed days and thus hospital costs. The study estimated that “if all aged care facilities had NPs visiting, the savings from reductions in hospital bed days would have been $97 million in 2013-14”. This study suggests that the challenge of providing care to an increasingly ageing populating could be partly mitigated through better utilisation of NPs, who are able to deal with more complex and chronic disease management outside of high cost acute settings.

Generally speaking, there is a significant gap in the available literature in terms of case studies or articles investigating the implementation of NP models of care in Australia, particularly in

<table>
<thead>
<tr>
<th>MBS Item</th>
<th>Item Descriptor</th>
</tr>
</thead>
<tbody>
<tr>
<td>b)</td>
<td>undertaking clinical examination</td>
</tr>
<tr>
<td>c)</td>
<td>arranging any necessary investigation</td>
</tr>
<tr>
<td>d)</td>
<td>implementing a management plan</td>
</tr>
<tr>
<td>e)</td>
<td>providing appropriate preventive health care, for one or more health related issues, with appropriate documentation.</td>
</tr>
</tbody>
</table>

85 See www.mbsonline.gov.au
primary care. A number of examples of Australian NP models of care have been provided in the following table.

Table 42: Implementation of NP models of care in Australia

<table>
<thead>
<tr>
<th>Type of model</th>
<th>Examples in the literature</th>
</tr>
</thead>
</table>
| **Single operator NPs** | • A 2015 study of Australian private practice nurse practitioner (PPNP) services investigated workforce characteristics resulting from a national survey of NPs, including practice setting, level of primary healthcare demand, as well as the impact of PPNP services on patient access to care. The study suggests that PPNP have can increase patient access to primary health care, particularly in underserviced rural and remote communities.  
  
| **GP clinics** | • Incorporating an NP in a bulk-billing healthcare cooperative in the ACT. The NP works in collaboration with all 20 GPs within the practice and has one primary mentor, the co-op medical director (NPs working in private practice who access MBS- and PBS-subsidised services for their clients require a collaborative arrangement with a participating medical practitioner). The NP has his own caseload but also receives referrals from GPs, nursing and allied health team members within the co-op. The NP has expertise in the diagnosis and management of chronic health conditions. The success of this model relies on bi-directional, collaborative working relationships amongst GPs and NPs. NPs should have a generalist scope of practice and specialist expertise in order to maximise their utility within the general practice environment.  
  
| **NP clinics** | • An integrated chronic disease NP (ICDNP) clinic in Queensland, providing coordinated services to chronic disease patients with multiple comorbidities in a high-risk population group, conducted once a week. NPs across multiple specialties (renal, cardiac, and diabetes) collaborated to provide comprehensive chronic disease services. Patients were referred by specialist medical practitioners (renal, cardiac, or endocrine) at a nearby hospital to each NP. If the patient had two or all three chronic diseases, the NPs then referred the patient to the ICDNP clinic. The NPs worked as a team to provide specialised care, self-management strategies and education. The model was evaluated and was regarded as highly successful.  
  
|  | • Implementation of a Diabetes in Pregnancy Clinic (DIPC) at a hospital site in Tasmania, improving changes to service delivery for pregnancies complicated by diabetes in rural Tasmania where there is limited access to specialists. The NP coordinated a clinic involving an obstetrician, diabetes educator, dietician and antenatal nurse (as a ‘one stop shop’). The role of the NP was not described in the literature, other than stating that the clinic was led by the NP.  
  
|  | • The NP role within a women’s health centre was established in 2010, and has become an integral part of serviced delivery since. The NP focuses on the provision of health promotion, early identification and detection services (including Pap tests, well women’s checks, lifestyle education and counselling). Referral to other services is key part of this role. An evaluation of the NP role indicated that the majority of services provided by the NP focus on preventative health and health promotion. In doing so, the NP enhances the health literacy of women attending, and positively impacts on women’s health. |
and wellbeing. The most significant impediments to the effective functioning of the NP role were the structural barriers imposed by policy and legislation at a State and Federal level. These predominantly relate to Medicare funding arrangements and access to Item Numbers.β

### NPs based in or working with care facilities

- Davey et al. investigated residential aged-care NP models as part of their 2015 Aged Care Models of Practice evaluation. The core feature of this model type was that approved providers employed NPs to provide care to residential aged-care facility (RACF) residents. The evaluation found that RACF-based NPs improved the quality of care for residents and reduced hospitalisations.γ
- A Dementia Outreach Service (DEMOS), servicing residential aged care facilities in QLD. The DEMOS team is led by an NP specialising in dementia care, who is assisted by a number of nurses as well as (clinical) assistants. The DEMOS team works in the RACF over an extended period, providing ongoing training to staff while observing the residents' behaviours in order to make accurate assessments of what triggers behaviours of concern. The team further practices or models the new interventions with residents over the period of time they are in the RACF. The model has been evaluated, however the focus of the evaluation was on work of the team led by the NP rather than the NP.β

### Barriers to implementation

As described earlier, the Australian NP scope of practice in general includes:

- comprehensive health assessment;
- diagnosis and management;
- referral;
- medicines prescribing;
- initiating and interpretation of diagnostic investigations.ζ

The manner in which the role of the NP is implemented in practice appears to have limited boundaries and is open to interpretation by each individual workplace, as the exact scope an NP is operating within depends on each individual NP’s scope of practice.ζ Consequently, there are many possibilities of implementing NP models of care, which has resulted in certain challenges faced by NPs. For instance, misunderstandings and conflicts around roles are frequent with significant barriers to NP integration and practiceζ, and result in inconsistent utilisation of NPs.ζ

Furthermore, support from the medical profession has been identified as critical to the successful...
implementation of an NP model of care\textsuperscript{100}, however NPs have historically reported difficulties in obtaining appropriate amounts of medical buy-in. The opposition appears to be particularly strong with regard to autonomous decision making by NPs.\textsuperscript{101}

**Success factors for implementation of NP models**

In their 2015 evaluation of the Australian Aged Care Models of Practice Initiative, Davey et al. identified a number of critical success factors for the implementation of NP models. These include:

- **Organisational support for NPs and the implementation of NP models**: NP models were regarded as successful when the organisation hosting the model had the financial capacity to manage ongoing costs, and when the organisation was supportive of the NPs and the model.

- **Having a strategic advocate**: ensuring a person in a position of some influence is in place to support and promote the model.

- **High-calibre NPs**: ensuring the appointment of an NP with high-level clinical skills and leadership capabilities who are able to build trusting and productive, collaborative working relationships with other health professionals.

- **Positive relationships** between NPs and health professionals to ensure an effective work environment.

- **Models tailored to the local markets and contexts**: in order to be successful, NP models should be designed and adapted to specific local environments in which they operate. Ideally, models understand and respond to the features and health needs of local communities.

- **Sound clinical governance procedures, processes and infrastructure** should be in place.

- **Mentoring and support structures**: access to both formal and informal mentoring and other professional supports is crucial for NPs in order to be able to maintain their contemporary skills and expertise.\textsuperscript{102}

**Economic evaluation of NP models**

**Overview of Economic Evaluations in NP Models of Care**

The literature available regarding economic evaluation of NPs is growing, though historically there have been some inconsistencies between guidelines for economic evaluations in terms of their structure and recommendations.\textsuperscript{103} These inconsistencies can centre on choices of the societal versus payer perspective, selection of the reference case and discount rates for costs and outcomes. In addition to these economic evaluation model challenges, there are several other challenges in conducting economic evaluations specifically in the health service settings that have been identified through the literature review.

Firstly, how NPs models are implemented varies considerably across the globe due to the unique social, political, economic and geographic contexts of different health care systems. Health policy,


legislation, regulation, funding arrangements, and education will also all influence the role scope and implementation.\textsuperscript{104}

Secondly, it is difficult to generalise the findings of the economic analyses as NP roles are also highly dependent on individual attributes of the NP, organisational and practice setting contexts, area of specialisation and characteristics of the patient population.\textsuperscript{105} This means that economic evaluations with desired outcomes such as patient satisfaction could be difficult to generalise due to personal patient preference of clinicians with certain attributes.

Finally, the effects of NP roles are often reflected in patient relevant outcomes that are less tangible and more difficult to measure, such as patient enablement, treatment adherence and satisfaction.

One study published in the International Journal of Nursing Studies described a Quality Assessment of the existing literature on economic evaluations of NPs. A total of 43 Randomised Control Trials (RCTs) were identified that focused on NP and clinical nurse specialist cost effectiveness. When applying the Quality of Health Economic Studies Score, these trials scored 39 on average (on a scale of 0 indicating extremely poor quality and 100 indicating high quality).\textsuperscript{106}

Only three of the 43 trials (7\%) met the criteria for high quality scoring between 75 and 100. Two were cost-effectiveness analyses of NPs in an outpatient setting – one examined the effect on lowering blood lipids in patients with coronary heart disease based on an RCT and one examined quality of life improvements in children with eczema. The third was a cost-effectiveness of clinical nurse specialists in an out-patient setting in patients with rheumatoid arthritis.\textsuperscript{107} Most of the 43 RCTs scored high on specification of clear, measurable objectives, use of variable estimates from the best available source, pre-specification of subgroups for subgroup analysis, justification of conclusions and disclosure of study finding sources.

The areas of poor scoring were justification of economic model, specification of perspective of the analysis, handling of uncertainty, identification of an appropriate time horizon, specification of appropriate measurement of costs, description of primary outcome measures for the economic evaluation, use of validation reliable outcome measures, explicit description of data abstraction method for costing/resource use and outcomes and discussion of potential biases.

The economic implications of care delivered by NPs in primary care will involve examining a number of these parameters ranging from the overlap between the NP and traditional health care provider scopes of practice, current and required supply of each type of practitioner, and differences between NPs and other health care providers in productivity, resource utilisation, training costs, salaries and time in the labour force.\textsuperscript{108}

These challenges show that evaluation of the NP role is complex, with a wide range of influencing factors and limitations that will need to be carefully considered when conducting an economic evaluation of the NP model in Australia.


\textsuperscript{105} Elliott, N., Begley, C., Sheaf, G., Higgins, A. (2016). Barriers and enablers to advanced practitioners’ ability to enact their leadership role: a scoping review. LINS 60, 24–46


\textsuperscript{107} Ibid.

Economic Evaluation Models

The ‘justification of economic model’ described in the previous section was a low scoring segment from the Quality Assessment conducted in the International Journal of Nursing Studies. There are a range of economic evaluation models available, however each will have their own strengths and limitations when applied to the healthcare setting and in particular to the NP role. The most common types of economic evaluation model are cost-effectiveness analysis, cost-utility analysis, cost-consequence analysis, cost-benefit analysis and cost-minimisation analysis. It should be noted that there can be challenges to implementing any of these models in relation to policy restrictions in the context of Commonwealth, State/Territory, and local Government regulations.\[109\]

Cost Effectiveness Analysis

Cost Effectiveness Analysis assesses the costs per a single natural unit of outcome such as life years or number of recurrent events.\[110\] This model has been commonly used in economic evaluations of health services where it can be difficult to monetise health outcomes. The estimated cost-effectiveness of a single proposed intervention is compared with the cost effectiveness of a set of existing interventions. The potential challenge with this model arises in the limitations of using a single unit of outcome to evaluate NP roles, as commonly multiple outcomes are prevalent and will not be captured in this method.\[111\] This means it can be challenging to choose one unit of outcome to fully capture the benefits. The table overleaf identifies two studies, one focuses on cardio vascular disease risk reduction and the other focuses on cost effectiveness of childhood eczema treatment. Both studies have utilised this model and the types of outcomes measured and results captured from each.

Table 43: Example 1 of Cost Effectiveness Analysis

<table>
<thead>
<tr>
<th>Study Setting</th>
<th>Cardio Vascular Disease Risk Reduction by NPs[112]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Evaluation Method</td>
<td>Cost-Effectiveness</td>
</tr>
<tr>
<td>Evaluation Approach</td>
<td>Primary outcomes measures were analysed with an intention-to-treat analysis. General linear mixed models were used to model each outcome variable as a function of time and intervention group, controlling for age, sex, race, education, body mass index, insurance and an indicator of in-control for clinical outcome at baseline. A clinician time cost for each patient was calculated by multiplying the mean cost per hour of the practitioner’s time by the mean time per visit by the mean number of visits. This provider cost was added to the mean total cost of drugs and laboratory testing to determine the mean total costs per patient. Cost-effectiveness was calculated using four cost-effectiveness ratios, with the cost associated with the usual care group subtracted from the cost associated with the intervention group as the numerator, and the clinical benefit (percentage of reduction in LDL-C, systolic and diastolic BP, and Hb A1c) in the...</td>
</tr>
</tbody>
</table>

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### Study Setting

**Cardio Vascular Disease Risk Reduction by NPs**

usual care group subtracted from the clinical benefit in the intervention group as the denominator.

### Outcomes Measured

- Laboratory Testing (Number of Test & Cost)
- Medication (Number of Medication & Cost)
- NP Care (Number of Visits & Cost)
- Community Health Worker Care (Number of Visits & Costs)
- Physician Care (Number of Visits & Costs)
- Diastolic BP
- Systolic BP
- LDL-C
- Hb A1C

### Reported Costs & Benefits

The total cost for one year of intervention from the NP/CHW team exceeded the cost for physician care; however, the mean incremental total cost per patient (NP/CHW and physician) was only $627.

The cost effectiveness reported for one year intervention were as follows:

- $157 for every 1% drop in systolic BP
- $190 for every 1% drop in diastolic BP
- $40 per 1% drop in LDL-C
- $149 per 1% drop in Hb A1C

Findings showed that management of cardiovascular risk factors by NP/CHW teams that included lifestyle counselling, drug prescription and titration, and promotion of compliance is a cost effective strategy to reduce risk and address health disparities.

### Limitations

The sample characteristics were skewed to be predominantly female (71%) with annual income of less than $20,000. Less than half the sample also had private health insurance.

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**Table 44: Example 2 of Cost Effectiveness Analysis**

<table>
<thead>
<tr>
<th>Study Setting</th>
<th>Cost-Effectiveness of care by NP for childhood eczema in Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Evaluation Method</td>
<td>Cost-Effectiveness</td>
</tr>
<tr>
<td>Evaluation Approach</td>
<td>The cost-effectiveness analyses, mean annual societal costs, were linked to quality of life (IDQOL and CDLQI) and to Patient Satisfaction (CSQ-8).</td>
</tr>
<tr>
<td></td>
<td>Point estimates for the incremental cost-effectiveness ratio (ICER) were computed on complete cost-effect pairs by dividing the incremental societal costs by the incremental effects at 12 months.</td>
</tr>
<tr>
<td></td>
<td>The percentage of patients who fell into each of the four quadrants of the cost effectiveness plane was determined. A cost effectiveness acceptability curve (CEAC) was generated representing the probability that care by the NP was</td>
</tr>
</tbody>
</table>

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## Study Setting

Cost-Effectiveness of care by NP for childhood eczema in Netherlands\textsuperscript{113} more effective compared with care by the dermatologist over a range of thresholds.

## Outcomes Measured

- Healthcare Costs (Visits, Phone Consultations, Prescriptions, Laboratory Tests)
- Family Costs (Absence from work, Travelling expenses, out of pocket)
- Quality of Life (Infants Dermatitis Quality of Life Index - IDQL & Children’s Dermatology Life Quality Index - CDLQI)
- Patient Satisfaction (Client Satisfaction Questionnaire – CSQ-8)
- Severity of Eczema (SCORAD and SD).

## Reported Costs & Benefits

<table>
<thead>
<tr>
<th><strong>IDQL</strong></th>
<th>The point estimate for ICER was €925 (indicating that one point less improvement in IDQOL in the NP group compared with the dermatologist group at 12 months would save €925);</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The effectiveness of the two interventions was comparable with a clear difference in costs in favour of the NP group;</td>
</tr>
<tr>
<td></td>
<td>51% of the cost-effect pairs were plotted in the southwest quadrant, indicating lower costs and less effect in the NP group;</td>
</tr>
<tr>
<td></td>
<td>29% of the re-samples were located in the southeast quadrant indicating lower costs and more effect in the NP group;</td>
</tr>
<tr>
<td></td>
<td>The CEAC showed that without additional investment, the probability that the NP is cost-effective is 80%, which decreases quickly by investment because the benefit can only be explained by lower costs and not by gained quality of life.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>CDLQI</strong></th>
<th>For the CDLQI, the ICER was €751 per one point less improvement in CDLQI in the NP group;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>59% of the cost-effect pairs were plotted in the southwest quadrant, indicating lower costs and less effect in the NP group;</td>
</tr>
<tr>
<td></td>
<td>37% of the cost-effect pairs were located in the southeast quadrant, which indicates lower costs as well as more effect in the NP group;</td>
</tr>
<tr>
<td></td>
<td>The CEAC showed that without additional investment, the probability that the NP is cost-effective is 96%, but this decreases quickly by investment because the benefit can only be explained by lower costs in the NP group and not by gained quality of life.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>CSQ-8</strong></th>
<th>For the CSQ-8, ICER was €251, which means per patient €251 lower costs per one point more satisfaction in the NP group;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>92% of the replicates were plotted in the southeast quadrant, which means that treatment by the NP gave lower costs and more satisfaction;</td>
</tr>
<tr>
<td></td>
<td>The CEAC showed that without additional investment, the probability that the NP is cost-effective is 94% which increases to 99% by some investment.</td>
</tr>
</tbody>
</table>

Substituting NPs for dermatologists is both a cost saving and cost effective treatment whilst also achieving higher patient satisfaction (92% of replicates).

## Limitations

Comparisons against international studies were difficult due to types of costs determined, the units and unit process and eczema severity differed between all identified studies.
Study Setting

The time investment by the NP was almost twice that of the dermatologist which may lead to lower productivity. The parents who participated in this trial were predisposed to accept NPs, as a result of which they may have been more satisfied with NPs. It is also unclear whether satisfaction is biased by the individual NP’s characteristics.

Cost-Utility Analysis

Cost-utility analysis combines several outcomes into a single composite summary health-related preference, such as the quality-adjusted life-year gained. Given that NP interventions often produce complex benefits and non-health consequences, quality adjusted life years are a useful measure to capture both. The quality-adjusted life-year measure may not capture all benefits of NP roles.

Table 45: Example of Cost-Utility Analysis

<table>
<thead>
<tr>
<th>Study Setting</th>
<th>Cost effectiveness and cost utility analysis of multidisciplinary care in patients with rheumatoid arthritis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Evaluation Method</td>
<td>Cost-Utility</td>
</tr>
<tr>
<td><em>It should be noted that the clinical nurse specialist role is not comparable to the role of the NP as such. Due to a lack of CUA studies focusing on NPs, this study is presented for illustrative purposes</em></td>
<td></td>
</tr>
<tr>
<td>Evaluation Approach</td>
<td>The cost effectiveness analysis (CEA) and cost utility analysis (CUA) were part of a randomised controlled trial with two year follow up for patients with rheumatoid arthritis (RA).</td>
</tr>
<tr>
<td>Quality of life and utility were assessed by the Rheumatoid Arthritis Quality of Life questionnaire (RAQoL), the Short Form- 6D (SF-6D), a transformed rating scale (TRS), and the time trade-off (TTO). A cost-price analysis was conducted to estimate the costs of inpatient and day patient hospitalisations. Other healthcare and non-healthcare costs were estimated from cost questionnaires.</td>
<td></td>
</tr>
<tr>
<td>In the CEA, effectiveness was measured by the aggregate RAQoL score (defined as the area under the RAQoL curve, divided by two to correct for the two year follow up period).</td>
<td></td>
</tr>
<tr>
<td>In the CUA, Quality Adjusted Life Years (QALYs) were estimated by the area under the SF-6D, the TRS, and the TTO utility curves. QALYs were discounted at three percent per year, to reflect the fact that later years are somewhat less important.</td>
<td></td>
</tr>
<tr>
<td>Outcomes Measured</td>
<td>Quality of Life</td>
</tr>
<tr>
<td>Rheumatoid Arthritis Quality of Life Questionnaire – RAQoL</td>
<td></td>
</tr>
<tr>
<td>Short Form-6D</td>
<td></td>
</tr>
<tr>
<td>RAND-36 Questionnaire</td>
<td></td>
</tr>
<tr>
<td>Time trade-off – TTO.</td>
<td></td>
</tr>
<tr>
<td>Reported Benefits</td>
<td>Percentage of patients providing both baseline and non-baseline data for the four instruments:</td>
</tr>
<tr>
<td>RAQoL: 92%</td>
<td></td>
</tr>
<tr>
<td>SF-6D: 89%</td>
<td></td>
</tr>
</tbody>
</table>

Study Setting

Cost effectiveness and cost utility analysis of multidisciplinary care in patients with rheumatoid arthritis\(^{115}\)

- TRS: 93%
- TTO: 74%

Over the two year follow up period, patients in all three randomisation groups improved on all four instruments. These improvements over time were already apparent after six or 12 weeks. All improvements were significant (p<0.02), except for the RAQoL for the clinical nurse specialist patients (p=0.18) and the TTO for the inpatients (p=0.23). Aggregated over all three types of care, the average improvements on the instruments were:

- RAQoL: 1.50  (ES: 0.21)
- SF-6D: 0.045  (ES: 0.49)
- TRS: 0.061  (ES: 0.35)
- TTO 0.046  (ES: 0.18)

Over the two year follow up period, no significant differences were found on the quality of life and utility instruments for patients allocated to clinical nurse specialist care as opposed to those allocated to inpatient team care and day patient team care. Compared with inpatient and day patient team care, clinical nurse specialist care was shown to provide equivalent quality of life and utility, at lower cost. Therefore, for patients with health conditions that allow for any of the three types of care, the preferred treatment from a health-economic perspective is the care provided by the clinical nurse specialist.

Cost-Consequence Analysis

Cost-consequence analysis calls for all costs and outcomes are to be reported separately rather than in a combined form. This form of analysis can facilitate evaluation of multiple and multidimensional outcomes of nurse roles. NP roles will not necessarily have a positive effect on and/or be cost effective in terms of all outcomes. This method of disaggregated analysis will allow for asking necessary value judgements and trade-offs.\(^{116}\)

No literature describing cost-consequence analysis regarding NP or Advanced Practice Nurse models of care was found in the context of this literature review.

Cost-Benefit Analysis

Cost benefit analysis values all costs and benefits in monetary units. The willingness to pay technique can be used to measure the value of an intervention as a whole. Alternatively, a discrete choice experiment which evaluates trade-offs between attributes of an intervention and its effect on choice can be used to value an intervention when cost is included as one of the attributes.\(^{117}\)


### Table 46: Example of Cost-Benefit Analysis

<table>
<thead>
<tr>
<th>Study Setting</th>
<th>Geriatric NPs in Long-Term Care&lt;sup&gt;118&lt;/sup&gt;</th>
<th>Economic Evaluation Method</th>
<th>Evaluation Approach</th>
<th>Outcomes Measured</th>
<th>Reported Costs &amp; Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost-Benefit</td>
<td></td>
<td>A one-year retrospective data analysis on revenues and cost for 1077 HMO enrollees residing in 45 long term care facilities.</td>
<td>Utilisation and costs data (e.g. inpatient days, emergency department utilisation, skilled nursing days, ancillary services); Revenue data (based on the age-sex-Medicaid-institutional status algorithm, combined with individual premiums to obtain aggregate revenues for the population).</td>
<td>The cost-benefit analysis revealed that the NP / Medical Doctor teams in aggregate were able to manage utilisation and costs to earn a $72.93 per patient per month gain compared with a per patient per month loss of $197 per patient per months for patients in the Medical Doctor Only pool. After adjusting for the total cost of the GNP program inclusive of salaries and overhead, the GNP/MD program resulted in a small loss of $2 per resident per month to the organisation. The net benefit under GNP management was calculated to be $195 per resident per month.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Costs for MD only team (per resident per month)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Emergency Dept: $41.74</td>
<td></td>
<td>Emergency Dept: $23.06</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Hospital: $323.37</td>
<td></td>
<td>Hospital: $223.04</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ancillary services: $201.38</td>
<td></td>
<td>Ancillary services: $199.70</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>SNF: $559.58</td>
<td></td>
<td>SNF: $426.92</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total cost: $1,126.05</td>
<td></td>
<td>Total cost: $872.73</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Costs for NP/MD team (per resident per month)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Emergency Dept: $23.06</td>
<td></td>
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<td></td>
<td>SNF: $426.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total cost: $872.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limitations</td>
<td>An issue in analysing the data was the inability to address severity of illness differences between the NP/MD and the MD Only groups.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Cost-Minimisation Analysis

Cost minimisation considers only costs and is not a formal economic evaluation technique. This type of analysis can be used when outcomes in the comparison group are equivalent.<sup>119</sup>

It can be difficult to express many health outcomes in monetary terms. Using either of the supporting techniques mentioned can help to support the economic analysis in scenarios where multiple multidimensional and difficult to measure outcomes are prevalent.

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<sup>119</sup> Canadian Agency for Drugs and Technologies in Health. CADTH guidelines for the Evaluation of Health Technologies: Canada, 4th.
### Table 47: Example of Cost-Minimisation Analysis

<table>
<thead>
<tr>
<th>Study Setting</th>
<th>Dutch General Practice &amp; Common Conditions¹²⁰</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Evaluation Method</td>
<td>Cost Minimisation</td>
</tr>
<tr>
<td>Evaluation Approach</td>
<td>The cost-minimisation form of economic analysis used for this study was adopted. Analyses were performed according to the intention-to-treat principle wherein a sample of 12 NPs and 50 GPs working in 15 general practices participated (study practices). As cost data was highly skewed, estimates for costs were compared with estimates based on nonparametric clustered bootstrap (1000 replications) to check the robustness of the analysis. Both estimates gave similar results and so only the direct estimates were presented. Differences in clinical characteristics and healthcare use were analysed with Student’s t test (two-sided; α = 0.05) and χ², where appropriate. Univariate linear regression and mixed model analyses were used to determine whether there were significant effects in scores between the intervention group and control group on the different scores after controlling for potential confounding variables.</td>
</tr>
<tr>
<td>Outcomes Measured</td>
<td>• Complexity of Diagnosis; • Number of Referrals; • Number of Prescriptions; • Number of Diagnostic procedures; • Direct Costs (Salary Costs, Follow Up Costs); • Indirect Costs for paid work (based on mean income of Dutch population).</td>
</tr>
<tr>
<td>Reported Costs &amp; Benefits</td>
<td>Within study practices, a significant difference in direct costs appeared between the NP consultations and GP consultations: a mean difference was found in direct costs of €8.21 in favour of the NP consultations (P = 0.001). No significant difference in direct costs and productivity costs was found between NP consultations and GP consultations at study practices. Between study practices and reference practices, a significant difference was found in the direct costs within health care. The mean difference in direct costs was €3.45 per consultation in favour of the study practices (P = 0.04). Regarding the direct costs and productivity costs, the consultations in external reference practices cost less (€141.09) than those in study practices (€145.08; P = 0.09), although this was not statistically significant. Univariate linear regression revealed that direct costs were significantly associated with patients’ sex (F = 4.13; P = 0.042), age (F = 24.24; P = 0.001), and type of diagnosis (F = 63.67; P&lt;0.001). Direct costs were not significantly associated with the variable practice (meaning, patients nested within general practices). These variables explained 16.06% of the total variance (adjusted R² = 0.40).</td>
</tr>
<tr>
<td>Cost per NP consultation (all patients)</td>
<td>Direct costs: €31.94</td>
</tr>
<tr>
<td></td>
<td>Based on salary of GP in employment: €31.94</td>
</tr>
<tr>
<td></td>
<td>Based on GP employed by other GPs: €31.94</td>
</tr>
<tr>
<td>Cost per GP consultation (all patients)</td>
<td>Direct costs: €40.15</td>
</tr>
<tr>
<td></td>
<td>Based on salary of GP in employment: €38.33</td>
</tr>
</tbody>
</table>

Study Setting

<table>
<thead>
<tr>
<th>Study Setting</th>
<th>Dutch General Practice &amp; Common Conditions(^{120})</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Based on GP employed by other GPs: €37.45</td>
</tr>
<tr>
<td></td>
<td>Direct costs and productivity costs: €145.87</td>
</tr>
<tr>
<td></td>
<td>Based on salary of GP in employment: €144.05</td>
</tr>
<tr>
<td></td>
<td>Based on GP employed by other GPs: €143.17</td>
</tr>
</tbody>
</table>

Limitations

| Limitations | The study was unable to gather data for follow up consultations, length of consultations or number of days of absence in the external reference practices. It was also not possible to collect data on the follow up after a referral, therefore for each referral, one initial consultation was calculated in order to count these initial consultations within the study. |

Other influencing factors

The type of economic evaluation model used will require identification and consideration of a range of other influencing factors. The NP model can be implemented in and across a range of practice settings with the desired outcomes differing depending on the specific patient populations and health care systems. These additional influencing factors may include comparators/practice setting, study perspective, time horizons, discounting and economic modelling.

Comparators

When evaluating NP roles, the context of the role and type of model implemented is critical, as it will influence the identification of the comparator.

In a setting where the NP provides care that was previously the provided by a GP or other health care professional, the NP should be compared to the former providers of care.

Due to the nature of the comparator in this setting, challenges can arise when measuring outcomes as the data available covering costs and effectiveness of health care services is often insufficient for comparative purpose. An additional complication can occur in the form of varied salary and reimbursement models, as identified in the case study of the complimentary NP model, as well as the fact that some NPs may have limitations on their ability to practice to full scope, making comparisons difficult.\(^{121}\)

In a model of care where the NP is a complimentary provider to usual care, the evaluation comparison should compare usual care with and without the addition of the NP.

In this scenario, the evaluation model will need to be able to isolate the impact of the role and measure the outcomes accordingly.

Study perspective

The majority of economic evaluations in the health care setting will represent the public payer perspective rather than the society perspective. The public payer perspective can limit the scope for the evaluation as it focuses only on the resources and costs within the healthcare system.\(^{122}\)

This means that non-health outcomes are unlikely to be measured, for example benefits such as patient satisfaction. The societal perspective includes all significant costs of the intervention, regardless of the end experiencer. This includes short and long term outcomes relevant for patients, their families and society. A societal perspective is important to capture training and


productivity costs, shifts of cost to patient and savings or additional costs to other public sector agencies.

For economic evaluations focused around NPs practicing in a PHC setting, it is likely that a societal perspective will capture a broader range of potential cost and benefits.

**Time horizons & discounting**

The time horizon for realisation of costs and outcomes of NP intervention is likely to vary based on model of care and practice setting. If the effects of NP intervention are likely to span longer time periods beyond initial treatment, this should be accounted for within the economic evaluation model.

In a primary care setting, NPs are often focused on chronic disease management (see chapter 0 for more information). This practice scenario means it is likely that outcomes of NP intervention are likely to span a longer time horizon, meaning that a lifetime analysis may be beneficial.

When considering the time horizon of the economic evaluation, any costs and health outcomes that occur beyond one year should be discounted to present values at a rate of 1.5% per year. Generally, discounting is uncommon in economic evaluations as most have a relatively short time horizon. However if the practice setting centres around chronic care and is likely to have long term outcomes, costs and health outcomes that reflect society's rate of time preference, they should be discounted to present values when they occur in the future to ensure equitable analysis.

**Economic modelling**

A range of economic modelling methods exist that can be utilised depending on the type of economic evaluation method chosen. Models such as decision trees, Markov modelling and simulating modelling allow for a synthesis of evidence and assumption from various sources.

Modelling techniques can be used to extrapolate results of short term studies to evaluate their potential long term impacts. This methodology has not been widely used in economic studies of NP roles, however one example is a cost effectiveness study utilising the Markov model for registered nurse roles. This model was used to estimate the incremental cost effectiveness of recommended staffing versus median staffing in patients admitted to skilled nursing facilities for post-acute care. The outcomes measured from this study were life expectancy, quality adjusted life expectancy and incremental cost effectiveness.

**Outcome measures of NP care**

The measurable outcomes of economic evaluations can vary depending on the NP practice setting and the patient characteristics. However, there are common outcomes that appear across the literature when evaluating the effectiveness of the NP role.

**Cost and benefit measures**

The table below provides an overview of the cost and benefit measures observed in the context of this literature review. The majority of these studies are international with very few focusing on outcomes measures in an Australian setting. Though these studies are predominately

123 Canadian Agency for Drugs and Technologies in Health (CADTH) (2009). Addendum to CADTH’s Guidelines for the Economic Evaluation of Health Technologies: Specific Guidance for Oncology Products
124 Canadian Agency for Drugs and Technologies in Health (CADTH) (2009). Addendum to CADTH’s Guidelines for the Economic Evaluation of Health Technologies: Specific Guidance for Oncology Products
international, the evidence for strong patient satisfaction and patient health outcomes is particularly strong for NP care.

Table 48: Summary of cost and benefit measures

<table>
<thead>
<tr>
<th>Outcome Type</th>
<th>Evidence</th>
<th>Measures</th>
<th>Examples in Literature</th>
</tr>
</thead>
</table>
| Consultation Details | Consultation details are often found to be less costly for patients due to lower NP salaries, with average consultation length longer due to more prevalence of chronic disease management. | Number of Prescriptions | Allen et al. 2014  
Dierick-van Daele et al. 2010 |
|                    |                                                                          | Number of Visits   | Allen et al. 2014  
Dierick-van Daele et al. 2010  
Allen et al. 2014 |
|                    |                                                                          | Cost of Visits     | Allen et al. 2014  
Dierick-van Daele et al. 2010  
Allen et al. 2014 |
|                    |                                                                          | Consultation Length | Helms et al., 2015 |
| Patient Health     | High level of evidence supporting equivalent patient outcomes and self-reported patient perception of health. | Diastolic BP       | Allen et al. 2014  
Newhouse et al., 2011  
Horrocks et al., 2002  
Browns et al., 1995 |
|                    |                                                                          | Systolic BP        | Allen et al. 2014  
Allen et al. 2014  
Allen et al. 2014 |
|                    |                                                                          | LDL-C              | Allen et al. 2014  
Allen et al. 2014 |
|                    |                                                                          | HBA1c              | Allen et al. 2014  
Allen et al. 2014 |
|                    |                                                                          | Severity of eczema | Schuttelaar et al. 2011 |
| Patient Satisfaction | Patients were found to be more satisfied with care provided by an NP. This result was mirrored across the primary and aged care setting. | Specifically-designed patient satisfaction survey | Horrocks et al., 2002  
Laurant et al. 2004  
Donald et al 2013  
Gardner et al. 2014  
Laurant et al., 2004  
Donald et al., 2013  
Gardner et al., 2014 |
|                    |                                                                          | CSQ-8              | Schuttelaar et al. 2011 |
| Cost-Effectiveness | In high volume, low acuity areas, NPs may be more cost effective       | CEAC               | Schuttelaar et al. 2011 |
|                    |                                                                          | ICER               | Schuttelaar et al. 2011 |

<table>
<thead>
<tr>
<th>Outcome Type</th>
<th>Evidence</th>
<th>Measures</th>
<th>Examples in Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>than in lower volume, high acuity departments.</td>
<td>Cost-Effectiveness</td>
<td>Carter et al., 2007</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Christian et al., 2009</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Allen et al. 2014</td>
</tr>
<tr>
<td>Total Cost per Patient</td>
<td>The cost per patient is generally equal or slightly lower when treated by an NP, usually due to lower salary cost for NPs.</td>
<td>Cost per Patient</td>
<td>Allen et al. 2014</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Burl et al 1998</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Dierick-van Daele et al. 2010</td>
</tr>
<tr>
<td>Quality of Life</td>
<td>The Quality of Life is often comparable or somewhat better with the main difference being seen in the cost of treatment.</td>
<td>IDQOL</td>
<td>Schuttelaar et al. 2011</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CDLQI</td>
<td>Schuttelaar et al. 2011</td>
</tr>
<tr>
<td></td>
<td></td>
<td>RAQoL</td>
<td>Van den Hout et al 2003</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SF-6D</td>
<td>Van den Hout et al 2003</td>
</tr>
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<td></td>
<td></td>
<td>TRS</td>
<td>Van den Hout et al 2003</td>
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<td></td>
<td></td>
<td>TTO</td>
<td>Van den Hout et al 2003</td>
</tr>
<tr>
<td></td>
<td></td>
<td>QALYS</td>
<td>Van den Hout et al 2003</td>
</tr>
<tr>
<td>Family Costs</td>
<td>Absence from work, travelling expenses, and out of pocket expenses were generally lower for NP interventions.</td>
<td>Family Costs</td>
<td>Schuttelaar et al. 2011</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Dierick-van Daele et al. 2010</td>
</tr>
</tbody>
</table>

**Patient outcomes**

Taking patient outcomes into consideration is an important aspect of economically evaluating NP models of care, however quantifying these outcomes can be challenging. Studies that have included patient outcomes in their assessment of NP models of care have therefore often done so by incorporating a qualitative aspect into their economic evaluation.

A 2015 evaluation by the Queensland University of Technology (QUT) focused on evaluating the extent to which patient outcomes were improved by establishing an integrated chronic disease nurse practitioner (ICDNP) clinic. Patients who were interviewed as part of the study reported a number of benefits of attending the ICDNP clinic, including:

- good communication and interaction with the healthcare professionals;
- high levels of care received;
- establishment of trust with the health professionals on site;
- improved health and better understanding of own condition;
- good continuity of care by following up with the same staff on a regular basis;
- highly personalised/individualised services;
- education presented in lay terms;
• enhanced connection with the healthcare team and service.\textsuperscript{132}

A study of the quality and safety of an NP model implemented in an Australian setting found NP clinical care to be effective, satisfactory and safe from the perspective of patients, with patient satisfaction being particularly high in the analysis. A case review of 13 patients was conducted by a clinically qualified auditor which found that NPs conduct comprehensive patient assessments and that their clinical decision making is well supported by clinical and diagnostic information. The study also found consistent provision of education to patients and guidance on building self-care competencies. The NP practice was also found to be informed by evidence from specialty clinical guidelines and/or published research.\textsuperscript{133}

**Considerations for the CBA**

The literature reviewed provided an overview of the evidence base, both nationally and internationally, that exists around the effectiveness of the NP role. KPMG has been engaged to conduct a CBA of existing NP models of care in Australia, creating the opportunity to identify improvements and potentially new models of care, to address the increasing demand for service delivery faced by the Australian healthcare system.

The effectiveness of the NP role in improving patient outcomes and satisfaction is well established in the literature reviewed. NPs have been successfully established in many international settings prior to their introduction in Australia, for instance in North America and The Netherlands. Since the role introduction nationally in 2000, the number of endorsed NPs has grown to 1,604 (as at December 2017).\textsuperscript{134} The majority of these NPs are currently employed by State and Territory Governments in acute care settings, however there are also a smaller number of NPs providing PHC services.

Role numbers in the primary care setting and aged care setting are less prevalent as NPs have struggled to establish financially viable practices. NPs in PHC settings are required to establish a collaborative arrangement in order to provide services subsidised by the MBS.\textsuperscript{135} Once they have this arrangement in place, patients seeking care from an NP have access to a limited number of MBS items which are focused on time tiered professional attendances, a limited range of diagnostic investigations and limited specialist referrals. Patients are not able to receive MBS subsidy for relevant procedural items performed by NPs.\textsuperscript{136}

As described in previous chapters, the literature perceives the skill set of NPs in Australia as significant, particularly the ability of NPs to practice autonomously as part of a healthcare team utilising the role’s scope of practice to perform comprehensive physical assessment, request and interpret diagnostic tests, initiate referrals to other health professionals and prescribe which together potentially positions the NP well to provide flexible, timely and high quality health care.

Various studies have been conducted identifying ways to evaluate the effectiveness and efficiency of the NP role across healthcare settings, the most prevalent of these being the cost effectiveness methodology. This model has been commonly used in economic evaluations of health services where it can be difficult to monetise health outcomes.

Economic evaluations of NP models internationally have found the role to be cost effective and achieve strong patient satisfaction. A significant gap in the literature has been found when


searching for economic evaluation of NPs in PHC and aged care in the Australian health care setting. This is likely due to the low numbers of NPs working in these settings, however it also represents significant opportunity.

The effectiveness of NP roles can be dependent on the type and context of care, scope of practice and stage of model implementation. The objectives and methods of evaluations should reflect the complexity of the NP role that is characterised by their scope of practice, diverse health care settings, and interventions targeted to multiple groups. Studies should be designed to overcome the limitations to previous trials, such as small number of advanced comparators being evaluated, single site studies, inadequate power due to small sample size, flawed randomisation, absence of outcomes sensitive to NP roles, biased outcome assessment, losses to follow up and short follow up periods.\textsuperscript{137}

As the costs of healthcare for chronic disease management continue to increase, the role of NP is in a pivotal position to address the need for safe, effective, patient-centred, efficient and equitable healthcare.\textsuperscript{138}


Appendix B – CBA framework

This analytical framework for the development of the CBA was provided to the Department prior to the development of the CBA. Any changes to the methodology proposed in this original CBA framework were made in response to research limitations described in the methodology section of the report.

Stakeholder engagement activities

We will conduct a range of stakeholder engagement activities in order to gain qualitative input into CBA, and to gather stakeholder views on any quantitative data collected as part of the review. Two stakeholder consultation rounds will be undertaken.

The first stakeholder consultation round will consist of stakeholder interviews and will focus on gathering contextual knowledge on the current state of the NP model which will help us build our qualitative view of the existing system, and will form the basis of the CBA. The stakeholders we expect to consult with as part of this consultation round include:

- Departmental stakeholders at the Department of Health:
  - members of the Office of the Chief Nursing and Midwifery Officer;
  - members of the Nursing and Midwifery Strategic Reference Group;
  - members of the Workforce Data Analysis Section (Health Workforce Division);
  - members of other divisions within the Department, as deemed relevant.
- Inter-jurisdictional Government stakeholders (e.g. Chief Nurses in each State/Territory).

As part of this consultation round, we expect to identify a set of eight case study sites to investigate further. The sites will be selected based on responses to a national survey of NPs that was recently administered by the Department. As part of this survey, NPs described the model of care they work within and had the option of expressing their interest in participating in this project. A list of eight sites will then be identified with the intention of covering off a range of models and settings (i.e. both primary health and aged care settings, different models of care, services provided and funding models, as well as both metropolitan and regional / rural sites).

The second stakeholder consultation round will focus on conducting case studies through these site visits. The focus here will lie on collating information for:

- potential benefits and costs;
- breadth of the benefit impact;
- opportunities for further expansion, innovation and scaling;
- stakeholder perspectives about the challenges.

We expect stakeholders to be able to provide more detailed context to any data provided, and potentially point out additional datasets we may wish to include in the analysis as well as any
data-related gaps and issues. Key stakeholders we will consult with (depending on the specific site) include:

- GPs;
- NP clinics;
- Residential Aged Care Facilities.

We will further consult with national peak bodies to confirm findings from the first consultation round and from the site visits. These include:

- Australian College of Nurse Practitioners (ACNP);
- Australian Nursing & Midwifery Federation (ANMF);
- National Aboriginal Community Controlled Health Organisation (NACCHO);
- the Congress of Aboriginal and Torres Strait Islander Nurses and Midwives (CATSINaM);
- a range of Primary Health Networks (PHNs) that cover the sites that were included in the site visits.

Identification of costs and benefits

In preparation to the development of this framework, we reviewed the literature and consulted our NP expert to identify the key costs and benefits associated with the NP model of care. The literature lists two broad types of NP roles:

- Complementary – aims to improve the effectiveness of current models of care - includes an education and coordination role that helps improve adherence etc;
- Substitution – the NP provides services for some sub-cohort of patients/treatments (e.g. injections for chronic disease) that would otherwise be provided by those for whom they are substituting, e.g. GPs or physicians more broadly.

For complementary models, outcomes consider improvements in the current models of care. For substitution models of care, the literature typically focuses on the impact of NPs on health service utilisation. Below we list the most common forms of costs and benefits investigated during evaluations of NP programs.

**Costs**

- overall cost of NPs (note the perspective is important here – NPs can be funded from a range of different sources, including but not limited to MBS activity-based funding (MBS items 82200, 82205, 82210, 82215 and 82220; also MBS Telehealth Items for rural NPs 82220, 82221, 82222, 82223, 82224, 82225) as well as other funding from PHNs
- training costs
- administrative costs

**Benefits**

- reduced length of hospital stay
- fewer readmissions and unnecessary hospitalisations
- lower cost of healthcare
- improved allocation of GP resources
- reduced emergency visits
- more appropriate prescriptions and diagnostic tests

In some literature, *patient and provider data* were also gathered, including:

- mortality and morbidity
• quality of life
• satisfaction with care
• job satisfaction

Measuring costs and benefits

In Table 49 below, we discuss if/how we expect to be able to capture these costs and benefits for the CBA of the NP model.

Table 49: Potential costs and benefits

<table>
<thead>
<tr>
<th>Cost/benefit</th>
<th>Captured or not captured</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NP costs</td>
<td>Captured through site and PHN semi-structured interviews</td>
<td>n/a</td>
</tr>
<tr>
<td>Training costs</td>
<td>Captured through site and PHN semi-structured interviews</td>
<td>n/a</td>
</tr>
<tr>
<td>Administrative costs</td>
<td>Captured through MBS data; and site and PHN semi-structured interviews</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced length of hospitalisation</td>
<td>Not captured</td>
<td>n/a</td>
</tr>
<tr>
<td>Fewer readmissions and unnecessary hospitalisations</td>
<td>Captured through semi-structured site-interviews</td>
<td>n/a</td>
</tr>
<tr>
<td>Lower cost of healthcare</td>
<td>Captured through semi-structured site interviews; PHN data and potentially econometric analysis of MBS data at PHN/SLA level</td>
<td>n/a</td>
</tr>
<tr>
<td>Improved allocation of GP resources</td>
<td>Captured through semi-structured site-interviews; PHN data and potentially econometric analysis of MBS data at PHN/SLA level</td>
<td>n/a</td>
</tr>
<tr>
<td>Reduced emergency visits</td>
<td>Captured through semi-structured site interviews</td>
<td>n/a</td>
</tr>
<tr>
<td>More appropriate prescriptions and diagnostic tests</td>
<td>Captured through semi-structured site interviews; PHN data and potentially econometric analysis of PBS data at PHN/SLA level</td>
<td>n/a</td>
</tr>
<tr>
<td>Mortality and morbidity</td>
<td>Not captured</td>
<td>Potentially could link mortality data by PHN to the econometric analysis if it is available?</td>
</tr>
<tr>
<td>Quality of life</td>
<td>Not captured</td>
<td>Unless PHN/site has data</td>
</tr>
<tr>
<td>Patient satisfaction</td>
<td>Not captured</td>
<td>Unless PHN/site has data</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>Captured in semi-structured site interviews</td>
<td></td>
</tr>
</tbody>
</table>

Source: KPMG
Valuing costs and benefits

As per our proposal, we will value the benefits of using standard resource unit costs as detailed in Table 50 below.

Table 50: Valuing costs and benefits

<table>
<thead>
<tr>
<th>Resource</th>
<th>Description</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>GP consultation</td>
<td>Cost (benefits) associated with services that could have been provided by an NP</td>
<td>Medicare rate GP salary</td>
<td>Department of Health Medicare Rebate MBS billing data Participating facility salary data</td>
</tr>
<tr>
<td>Nurse practitioner consultation</td>
<td>Cost (benefits) associated with services provided by an NP</td>
<td>Medicare rate NP salary</td>
<td>Ambulance Victoria Fee Schedule (2017-18)</td>
</tr>
<tr>
<td>Avoided transfer to ED</td>
<td>Cost (benefits) of transfer to/from ED by an ambulance</td>
<td>$1,204</td>
<td>Ambulance Victoria Fee Schedule (2017-18)</td>
</tr>
<tr>
<td>Avoided ED presentation</td>
<td>Cost (benefits) associated with ED presentation within an aged care facility in the absence of the NP model</td>
<td>$604</td>
<td>IHPA Round 19 National Hospital Data Collection (NHCDC) Cost Report</td>
</tr>
</tbody>
</table>

Perspective

KPMG suggest that the CBA be considered from the following three perspectives:

- patient – what the NP model means from the patient's perspective;
- the PHN/site – increasing the roll-out of the NP model will require the model to be cost-effective from a PHN's or site's perspective;
- healthcare funder – the overall cost-effectiveness of the NP model of care to the healthcare system.

A wider societal perspective is often recommended, however in this case there is insufficient time and resource available for patient questionnaires that can capture wider societal costs such as the impact on carers.

Evaluation framework

We have initially suggested a quasi-experimental pre-post evaluation framework that looks at sites before and after the implementation of the NP. We believe this is still a valid approach, however have been informed by the Department that it is difficult to isolate MBS/PBS data by site within this data. We will therefore need to ask the sites and the PHNs themselves if they have historical administrative data on which we can base the evaluation (in particular, data on their site ‘pre’ NP). If administrative data is unavailable, we will need to survey the sites and ask them about the model of care within the site pre and post the NP. This will potentially limit the CBA if it is unable to be informed by detailed data around the costs and benefits of the NP model. In this instance, the CBA may become a scenario-based analysis that broadly highlights under what circumstances the NP model can be cost-effective, rather than a definitive quantitative analysis.
**Time period, discounting and net present values**

KPMG have assumed that the focus for this analysis is on current NP operating models, and our evaluation will not explicitly capture future costs and benefits so that there is no need for discounting. However where scenario modelling includes an analysis of any longer term benefits from NP programs derived from the literature, a discount rate of 3% will be applied, with a sensitivity analysis at 0% and 5%.

Similarly, given the time period over which we will be analysing data from sites (potentially up to 10 years), we will adjust for price changes as per the Handbook of CBA analysis, using an appropriate index depending on the specific cost or benefit.

**Potential survey questions for the sites**

Potential questions will focus on:

- staffing (GP, nursing and support staff full-time equivalents);
- patient volumes and mix;
- funding models/healthcare costs (proportion paid through MBS, patients etc.);
- impact on GP resources;
- ED/hospitalisation outcomes if possible;
- training and administrative costs associated with the NP model of care.

A list of draft questions has been provided in Appendix A.

**Econometric analysis to inform the CBA**

Within some PHN areas there are active NP programs, while in others there is very little NP activity. We will therefore also complete a detailed econometric analysis of publicly available MBS data to investigate if there are any discernable impacts from NPs on resource use, patient volumes and fees charged at the PHN and SLA3 level, by comparing areas with and without NP programs.

**CBA for each site**

The common framework listed here will be used for the CBA of each site. The results for each site will include:

- the total costs, costs per NP and costs per patient;
- the total benefits, benefits per NP and benefits per patient;
- cost-benefit ratio;
- qualitative description of the site.

Importantly, the results will be presented in consistent manner based on CBA framework, so that clear and concise comparisons can be made across the study sites.

**Scenario modelling sensitivity analysis**

Given the short-time frames of the evaluation and potential difficulties in accessing site specific data, there will be substantial uncertainties around the CBA results. To help evaluate these
uncertainties, and to help uncover the key factors that lead to cost-effective NP programs, we will conduct a scenario modelling sensitivity analysis. The scenarios will be based on the qualitative and quantitative data collated from each site, as well as evidence from the literature review including:

- ratio of GPs to NPs;
- funding models for NPs
- maturity of NP model;
- cost savings in ED or hospitalisations.

Performing sensitivity analysis to assess the impacts of changes in key variables on overall CBA outcomes can help inform the Department about what characterises a cost-effective NP program.

Consistency with national CBA frameworks

The CBA will be informed by better practice methods and aligned to the following frameworks:

- Commonwealth of Australia, Department of Finance and Administration, 2006, Handbook of Cost-Benefit Analysis, Financial Management Reference Material no.6;
- Department of Treasury and Finance, 2-14, Guidelines for the evaluation of public sector initiatives.

Limitations

There are potential limitations associated with the CBA:

- The Nurse Practitioner sites are already established, and as a result the evaluation framework does not use a randomised control trial that is the ‘gold standard’ in evaluation methodology. Instead we adopt a pre-post quasi-evaluation framework where it is possible, that considers a site before and after the establishment of the NP program. This helps to reduce bias associated with specific site factors, however we note the potential for bias still exists. We will review our results relative to the literature to help improve the robustness of the analysis.
- While aggregated administrative data such as MBS and PBS services are available at the PHN level, there are difficulties in isolating MBS/PBS data by site. This means much of the CBA will be informed by semi-structured surveys that have the potential to be less accurate than administrative data. We will complement the survey results with sensitivity analysis that highlights how the CBA results vary with different input assumptions.
- Short timeframes mean that longer-term impacts of the NP model (e.g. improved long term patient quality of life or reduced chronic disease severity) cannot be measured directly; instead we will ask the relevant sites to assess the impact of the NP model on these outcomes; and sense check this with relevant literature that have completed longer term follow-up.

Overall, these limitations are reasonably common for pragmatic real-world CBA evaluations. There is still significant value to be gained from the CBA in highlighting the key parameters that cause the NP model be cost-effective.
Appendix C – Stakeholder interview questionnaire

The consultation guide below is one of four that were used for the initial round of consultations, however due to the similarity of questions asked only one has been provided here.

Background

KPMG has been engaged to assist the Department of Health in conducting a cost benefit analysis (CBA) of nurse practitioner (NP) models of care across primary health care (PHC) and aged care settings. The project provides the opportunity to analyse the financial and non-financial impacts of the use of NPs across primary care and aged care settings, and to consider the potential to more fully utilise the role across the system.

Scope of the project

The CBA will provide an estimate of the costs and benefits associated with introducing an NP model in primary health, aged care and other settings. Specifically, the objectives of the project are to:

- conduct an in-depth assessment of NP operating models in the aged care and PHC sectors including NP case studies;
- undertake case studies to review and assess, from an economic perspective, existing NP business models (i.e. residential aged care facility-based, independent NPs, GP clinic, NP clinic, State government-based) and identify potential new models or innovative models;
- identify potential areas of expansion for NP models in program areas such Health Care Homes and aged care;
- identify areas and costs associated with the under-utilisation of NPs, potential savings associated with the expansion of NP roles, such as avoidable hospital admissions, reduced lengths of stay, ambulance costs, and any other related operational and financial costs;
- liaise with key stakeholders to affect a high quality response to this service requirement and within the bounds of the contractor’s control;
• investigate the recognition of NPs within the existing Medicare Benefits Schedule (MBS) parameters and detail any issues and options for change.

Consultation approach

As part of this project, consultations are being conducted with a range of stakeholders across the PHC and aged care sectors during April and May 2018.

Consultations will seek to explore the context and current state of the Australian NP models of care, and identify potential ways to better utilise the role. Site visits at a later stage in the project will be conducted to collate information relating to potential benefits and costs of NP models, breadth of the benefit impact, and opportunities for further expansion, innovation and scaling.

Findings from the consultation process will directly inform the development of the CBA framework, and provide context to the outcomes of the analysis.

Questionnaire

Below is an indicative list of questions we will explore with key stakeholders. They provide a guide to the content of the stakeholder consultations.

1. Can you tell us about your organisation and your role within it?

2. In general, what is your experience with Nurse Practitioner models of care and their implementation in the primary health and/or aged care sectors?
   a. What types of Nurse Practitioner models are you familiar with? (e.g. NP clinic, GP clinic, independent NPs, NPs based in care facilities etc.)
   b. What is your experience with Nurse Practitioners collaborating with clinicians and other health professionals?

3. What impact do you see Nurse Practitioners having on the quality and access to care for patients in primary health care and aged care settings?
   a. What are the key benefits associated with implementing NP models? (financial and non-financial)
   b. What are the key costs associated with implementing NP models?
   c. What are the costs that have been avoided by implementing a Nurse Practitioner model?

4. What key successes have you seen or experienced in planning and implementing Nurse Practitioner roles in primary health care and/or aged care settings?

5. What key challenges have you seen or experienced in planning and implementing Nurse Practitioner roles in primary health care and/or aged care settings?
   a. What changes would you suggest?

6. Have there been any major issues in the planning and implementation of Nurse Practitioner roles of which you are aware?

7. Have Nurse Practitioners generally enhanced the clinical capacity to provide primary health care and/or aged care? How so?

8. Are there any other opportunities for expanding the scope of practice of Nurse Practitioners in primary health care and aged care settings that have currently not been explored?

9. Is there anything else you would like to add?
Appendix D – Site visit questionnaire

Stakeholder Group | Facility leadership staff
--- | ---
1) How was the planning and implementation of the Nurse Practitioner model approached?
   a) Please describe the Nurse Practitioner model of care you have implemented.
   b) Please describe why the NP model of care was created in your context. Were there special populations or opportunities (e.g. funding, identified gaps in service provision, health conditions, underserved communities, etc.) that were specifically being targeted by the model in the planning stage?
   c) What facilitators and barriers did you experience in the planning for, and implementation of, the NP model of care?
   d) What key stakeholders did you have to garner support from, in order to plan and implement the role?
   e) How long did the role take to develop and implement? What were the key contributors to the time taken?
   f) If applicable, please describe any issues you’ve identified in recruiting a suitable candidate for the NP role.
   g) If applicable, please describe any additional training, certifications, policies/guidelines or credentialing processes that has been required to help develop or sustain the NP in their role.
   h) What were the expected outcomes of the NP model of care? Have these outcomes been realised? What aspects of your model do you think facilitated (or served as barriers to) those outcomes?
   i) What is the level of maturity of the Nurse Practitioner model? How long has it been in place for? Has it evolved over time (i.e. what is the model of care you had planned for, and what is it now?)

2) What impact has the Nurse Practitioner role had on:
   a) Medical/care staff work/life balance, interprofessional learning, and collaboration?
   b) Clinical governance for the organisation
   c) Costs and other benefits associated with ordering/interpreting diagnostic tests
   d) Costs and other benefits associated with prescribing/de-prescribing
   e) Costs and other benefits associated with initiating referrals to medical and allied health specialists
<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Facility leadership staff</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>f)</strong> Costs and other benefits associated with unplanned emergency presentations and avoidable admissions to hospital?</td>
<td></td>
</tr>
<tr>
<td><strong>g)</strong> Are there other identified key benefits (e.g. health outcomes, costs, etc.) for the NP model of care?</td>
<td></td>
</tr>
<tr>
<td><strong>3)</strong> What governance processes did you have to create/revise to ensure the Nurse Practitioner was able to work to their full scope of practice and the capabilities of the role?</td>
<td></td>
</tr>
<tr>
<td><strong>4)</strong> Should the existing model be modified? What changes would you suggest?</td>
<td></td>
</tr>
<tr>
<td><strong>a)</strong> Should the existing model be expanded to other patient cohorts?</td>
<td></td>
</tr>
<tr>
<td><strong>b)</strong> How would the model need to be modified (e.g. in terms of governance structures) if it was to be expanded?</td>
<td></td>
</tr>
<tr>
<td><strong>5)</strong> Is the NP employed by, or contracting their services? What funding model best describes the current Nurse Practitioner model? See options below:</td>
<td></td>
</tr>
<tr>
<td><strong>a)</strong> The Nurse Practitioner role is completely funded by MBS income.</td>
<td></td>
</tr>
<tr>
<td><strong>b)</strong> A percentage of the Nurse Practitioner's role is funded by MBS income, the rest is covered by other funding (e.g. government funding)</td>
<td></td>
</tr>
<tr>
<td><strong>c)</strong> A percentage of the Nurse Practitioner's role is funded by MBS income, the rest is covered by patient co-payments</td>
<td></td>
</tr>
<tr>
<td><strong>d)</strong> The Nurse Practitioner role is wholly or partly funded by the PHN</td>
<td></td>
</tr>
<tr>
<td><strong>e)</strong> The Nurse Practitioner’s services are contracted by a different organisation (e.g. non-governmental organisation or private agency)</td>
<td></td>
</tr>
<tr>
<td><strong>f)</strong> The Nurse Practitioner role is completely funded by public sector funding</td>
<td></td>
</tr>
<tr>
<td><strong>g)</strong> Other</td>
<td></td>
</tr>
<tr>
<td><strong>6)</strong> What are the direct yearly costs (e.g. FY17) related to the Nurse Practitioner(s) on site? (e.g. salaries, superannuation, room rental and required clinical equipment, etc.)</td>
<td></td>
</tr>
<tr>
<td><strong>7)</strong> What are the site’s yearly Nurse Practitioner training and professional development costs (e.g. FY17)?</td>
<td></td>
</tr>
<tr>
<td><strong>8)</strong> What are the site’s yearly administrative costs (e.g. FY17) in relation to the Nurse Practitioner role(s)? (Examples include secretarial support, computers, printers, etc.)</td>
<td></td>
</tr>
<tr>
<td><strong>a)</strong> Have the site’s yearly administrative costs increased or decreased since the introduction of the Nurse Practitioner role? How much has it increased/decreased by?</td>
<td></td>
</tr>
<tr>
<td><strong>9)</strong> What is the yearly cost of healthcare (e.g. FY17) related to services provided by the Nurse Practitioner(s)? (e.g. number and costs of visits, MBS data)</td>
<td></td>
</tr>
<tr>
<td><strong>a)</strong> If applicable, what is the cost of healthcare related to services provided by the GPs? (number and costs of visits, MBS data). What proportion of the practice site is covered by GPs as opposed to NPs?</td>
<td></td>
</tr>
<tr>
<td><strong>b)</strong> If applicable, what is the costs associated with diagnostic and/or therapeutic procedures conducted by the NP (e.g. suturing and wound care, spirometry, intravenous infusions, etc.)?</td>
<td></td>
</tr>
<tr>
<td><strong>10)</strong> If applicable, what is the financial impact of the Nurse Practitioner role on GP resources? (e.g. yearly MBS data before and after the implementation?)</td>
<td></td>
</tr>
</tbody>
</table>
### Stakeholder Group | Facility leadership staff
--- | ---
a) How many consults previously conducted by a GP does the Nurse Practitioner now conduct each week? What is the average consultation time of these consults compared to the GP?
b) What is the nature of consults conducted by Nurse Practitioners as opposed to the consults conducted by GPs? (e.g. outreach services to care facilities, home visits, clinic appointments)
c) Have the number of medical practitioner (GP or specialist) consultations increased or decreased from baseline with the addition of the Nurse Practitioner role? How many consults has it increased/decreased by?
d) Have there been indirect financial benefits to GPs when collaborating with the NP (e.g. income generated from NP involvement in chronic disease management plans/reviews, team care arrangements, health assessments, etc.)
e) Are there policy restrictions to NP practise that require GP involvement/resources, so that patients can obtain necessary care? If so, what are they?

11) What types of prescriptions and diagnostic tests are ordered by Nurse Practitioner(s) on site?
 a) What is the yearly volume of prescriptions and diagnostic tests ordered?
b) What percentage of these prescriptions are subsidised by the PBS, and what percentage are privately-prescribed? Are there any indications as to why medicines are privately prescribed?
c) What percentage of required diagnostic tests (e.g. pathology, imaging, ECGs, spirometry, simple basic point of care pathology tests) are subsidised by the MBS?
d) Has the volume of prescriptions and diagnostic tests changed from baseline with the addition of the Nurse Practitioner Role?

12) Have patient reported outcome measures (PROMs) or patient reported experience measures (PREMs) been measured at this site? If so, have they changed since the introduction of the Nurse Practitioner model?
 a) If yes, how?

13) Have you identified any issues relating to workforce sustainability and strategies to address them (e.g. retirement, attrition)?

### Stakeholder Group | Nurse Practitioners
--- | ---
1) What is your experience of the planning and implementation of the Nurse Practitioner model at this health service?
 a) Please describe the Nurse Practitioner model of care that was planned, and how it has been implemented.
b) Please describe your level of involvement in planning for the role.
c) What opportunities or gaps in care did you see for your patients given your context of practice? Have they been realised through implementation of the role? Why or why not?
d) What is the level of maturity of your Nurse Practitioner model? How long has it been in place for? Has it evolved over time?

2) What conditions do you commonly assess, evaluate and treat? (i.e. acute illnesses injuries, chronic health conditions, preventative care)
3) What conditions do you commonly assess, evaluate, that subsequently require further evaluation and treatment by a medical practitioner? Why do those conditions require further evaluation by a medical practitioner?

4) What impact has the Nurse Practitioner role had on:
   a) Medical/care staff work/life balance, interprofessional learning, and collaboration?
   b) Clinical governance for the organisation
   c) Costs and other benefits associated with ordering/interpreting diagnostic tests
   d) Costs and other benefits associated with prescrib/deprescribing
   e) Costs and other benefits associated with initiating referrals to medical and allied health specialists
   f) Costs and other benefits associated with unplanned emergency presentations and avoidable admissions to hospital?
   g) Are there other identified key benefits (e.g. health outcomes, costs, etc.) for the NP model of care?

5) What have been the health outcomes or patient benefits of implementing this model?
   a) Has the number of patient referrals for unplanned hospital admissions changed following the implementation of the NP model? How much by? What are the primary associated health condition(s) relating to these unplanned admissions?
   b) Has the number of specialist and/or allied health referrals changed following the implementation of the NP model? How much by? What have the referrals been for?
   c) Has the number of patient referrals to the emergency department changed following the implementation of the NP model? How much by? What are the primary associated health condition(s) associated with the referrals?
   d) Has continuity of care changed following the implementation of the NP model? If yes, how so?
   e) Has patient enablement changed following implementation of the NP model? If yes, how so?
   f) Has healthcare communication and information silos been addressed through implementation of the NP model? If yes, how so?
   g) Has the number of visits related to health promotion or prevention activities changed since the implementation of the NP model? If yes, how so?
   h) Has the monthly number of new patients changed since the implementation of the NP model? If yes, how so?
   i) Has the rate of new patients who return for a follow-up consultation changed since the implementation of the NP model? If yes, how so?

6) What challenges have you experienced in training for your role and putting it into practice?

7) If applicable, how has your professional role changed since first implementation of the role? How has your clinical role changed since first implementation of the role?

8) Should the existing model be modified? What changes would you suggest?
   a) Should the existing model be expanded to other patient cohorts?
   b) How would the model need to be modified (e.g. in terms of governance structures) if it was to be expanded?
<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Facility leadership staff</th>
</tr>
</thead>
</table>
| **9)** Have patient reported outcome measures (PROMs) or patient reported experience measures (PREMs) been measured at this site? If so, have they changed since the introduction of the Nurse Practitioner model?  
  a) If yes, how? |
| **10)** How has the legislated requirement to have a collaborative agreement when using the MBS/PBS affected your role? How has it affected patient care? How has it affected your professional relationships with others? |
| **11)** Have you identified any Commonwealth, State/Territory, or local policy restrictions that directly affect your ability to achieve your full scope of practice? If so, what are they? |
| **12)** Have you identified any Commonwealth, State/Territory, or local policy restrictions that contribute to duplication of care or information silos when involving care provided by a nurse practitioner? |
| **13)** Does your role improve access to marginalised or vulnerable populations? If so, which and how? |

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>GPs and other health professionals</th>
</tr>
</thead>
</table>
| **1)** What is your experience of the planning and implementation of the Nurse Practitioner model at this health service?  
  a) Please describe the Nurse Practitioner model of care that was planned, and how it has been implemented.  
  b) Please describe your level of involvement in planning for the role.  
  c) What opportunities or gaps in care did you see for your patients given your context of practice? Have they been realised through implementation of the role? Why or why not?  
  d) What is the level of maturity of the Nurse Practitioner model? How long has it been in place for? Has it evolved over time? |
| **2)** What conditions does the Nurse Practitioner commonly assess, evaluate and treat? (i.e. acute illnesses injuries, chronic health conditions, preventative care) |
| **3)** What conditions does the Nurse Practitioner commonly assess, evaluate, that subsequently require further evaluation and treatment by a medical practitioner? Why do those conditions require further evaluation by a medical practitioner? |
| **4)** What impact has the Nurse Practitioner role had on:  
  a) Medical/care staff work/life balance, interprofessional learning, and collaboration?  
  b) Clinical governance for the organisation  
  c) Costs and other benefits associated with ordering/interpreting diagnostic tests  
  d) Costs and other benefits associated with prescribing/de-prescribing  
  e) Costs and other benefits associated with initiating referrals to medical and allied health specialists  
  f) Costs and other benefits associated with unplanned emergency presentations and avoidable admissions to hospital?  
  g) Are there other identified key benefits (e.g. health outcomes, costs, etc.) for the NP model of care? |
### Stakeholder Group | Facility leadership staff
---|---
5) What have been the health outcomes or patient benefits of implementing this model?
   a) Has the number of patient referrals for unplanned hospital admissions changed following the implementation of the NP model? How much by? What are the primary associated health condition(s) relating to these unplanned admissions?
   b) Has the number of specialist and/or allied health referrals changed following the implementation of the NP model? How much by? What have the referrals been for?
   c) Has the number of patient referrals to the emergency department changed following the implementation of the NP model? How much by? What are the primary associated health condition(s) associated with the referrals?
   d) Has continuity of care changed following the implementation of the NP model? If yes, how so?
   e) Has patient enablement changed following implementation of the NP model? If yes, how so?
   f) Has healthcare communication and information silos been addressed through implementation of the NP model? If yes, how so?
   g) Has the number of visits related to health promotion or prevention activities changed since the implementation of the NP model? If yes, how so?
   h) Has the monthly number of new patients changed since the implementation of the NP model? If yes, how so?
   i) Has the rate of new patients who return for a follow-up consultation changed since the implementation of the NP model? If yes, how so?

6) What have been the key successes and challenges in implementation?

7) Have there been any issues that you are aware of?

8) If applicable, how has your professional role changed since first implementation of the role? How has your clinical role changed since first implementation of the role?

9) Has the Nurse Practitioner enhanced the existing clinical team’s capacity to provide unplanned urgent and primary care / aged care?

10) What have been the key benefits of this model?
   a) Have there been financial benefits for the health service?
   b) What are the costs that have been avoided by implementing this policy?

11) Should the existing model be modified? What changes would you suggest?
   a) Should the existing model be expanded to other patient cohorts?
   b) How would the model need to be modified (e.g. in terms of governance structures) if it was to be expanded?

12) Is patient satisfaction measured at this site and has it changed since the introduction of the Nurse Practitioner model?
   a) If yes, how so?

13) Have patient reported outcome measures (PROMs) or patient reported experience measures (PREMs) been measured at this site? If so, have they changed since the introduction of the Nurse Practitioner model?
   a) If yes, how?
<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Facility leadership staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>14) Have you identified any issues relating to workforce sustainability and strategies to address them (e.g. retirement, attrition)?</td>
<td></td>
</tr>
</tbody>
</table>
Appendix E – PHN questionnaire

<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Areas of focus</th>
<th>Indicative times</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introductions</td>
<td>Introduction to the KPMG team and a broad outline of the project objectives</td>
<td>10 minutes</td>
</tr>
<tr>
<td>Discussion on PHN Setting</td>
<td>• Understanding the characteristics of the PHN catchment</td>
<td>15 minutes</td>
</tr>
<tr>
<td></td>
<td>• PHN profile – key demographics and service needs</td>
<td></td>
</tr>
<tr>
<td>Discussion on understanding of the Nurse Practitioner role</td>
<td>• Awareness of NPs that operate within the PHN</td>
<td>15 minutes</td>
</tr>
<tr>
<td></td>
<td>• Awareness of any direct or indirect involvement with NPs that operate within the PHN</td>
<td></td>
</tr>
<tr>
<td>Discussion on any specific examples that the PHN is aware of within their network</td>
<td>• Scope that NPs operate across within PHN</td>
<td>20 minutes</td>
</tr>
<tr>
<td></td>
<td>• Key benefits that NP roles have created to support PHN in achieving their objective of increasing efficiency and effectiveness of medical services for patients as well as improving coordination of care.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Key costs associated with NP role implementation within the PHN</td>
<td></td>
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<tr>
<td></td>
<td>• Any challenges or issues encountered with the NP role operating within the PHN</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Any potential opportunities for growth identified regarding the NP role.</td>
<td></td>
</tr>
</tbody>
</table>
Appendix F – References


Canadian Agency for Drugs and Technologies in Health. CADTH guidelines for the Evaluation of Health Technologies: Canada, 4th.

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