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## The role of doctors in stewardship of healthcare financing and funding arrangements

2016

### 1. Introduction

1.1 Stewardship in relation to healthcare financing and funding means ensuring health funding is directed to achieving health outcomes, does not have adverse impacts or involve wasteful expenditure, and is sustainable and able to meet future needs.<sup>1</sup>

1.2 While stewardship is relevant to all clinicians involved in providing healthcare, this position statement focusses specifically on the role of medical practitioners in relation to stewardship of healthcare financing and funding arrangements. It does not address issues of clinical judgements in individual clinical care.

1.3 This position statement complements AMA policy on the role of individual doctors in stewardship of resources at the individual patient level – see AMA Position Statement *Doctor's Role in Stewardship of Health Care Resources 2016*.

### 2. Why doctors have a role in stewardship of healthcare financing

2.1 Healthcare financing and funding arrangements and decisions need to be appropriately managed to ensure health funding enables all patients to continue to receive the best quality care, now and in the future.

2.2 Individual doctors affect health expenditure through their clinical recommendations and decisions regarding patient treatment. As such, doctors have an important role as stewards of healthcare resources in the context of providing individual patient treatment. This includes a responsibility to understand the financial implications of their clinical decisions. As the key clinicians and healthcare providers, doctors have a direct interest in the overall resourcing, performance and sustainability of healthcare.

2.3 The primary ethical duty of the doctor is to care for, and protect the healthcare interests of, the individual patient. Stewardship in relation to healthcare financing relates to a secondary ethical duty of doctors to protect the interests of other patients and the wider community. This secondary duty involves ensuring healthcare financing, funding and expenditure are managed to ensure resources are available for health needs currently and into the future.

2.4 Adequate and sustainable resourcing is an essential and critical condition for the provision of clinical care. Doctors must have an active role in the operation of healthcare financing and funding processes and be involved in decisions on the allocation of resources at the health system level.

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<sup>1</sup> Stewardship is not rationing. Rationing involves limiting the amount of health care a person is allowed to have because of economic reasons or scarcity of resources.

2.5 Doctors bring a practical and informed perspective from the real world of their clinical practice to healthcare financing and funding decisions. This includes advice on what such decisions will mean for clinical care in practice, whether and to what extent they will produce positive clinical impacts, and what adverse impacts are likely to occur. When major decisions affecting healthcare are taken without such clinical involvement, the results are often sub-optimal and unsustainable, with recent examples including GP co-payments, MBS indexation freeze, fee reductions, and public hospital funding.

2.6 A role in stewardship of healthcare financing is required to ensure the perspective of doctors is put forward and taken into account in decisions about the performance of current healthcare arrangements and services, proposed changes to existing financing of healthcare services or implementation of new healthcare services or arrangements. Without the clinical stewardship perspective, there is a significant risk that decisions will be driven primarily by government financing and political perspectives.

### **3. What does doctors' stewardship of healthcare financing and funding involve?**

3.1 The stewardship role includes:

- considering and advising on how healthcare proposals will work, or not work, from a clinical perspective;
- identifying what positive and negative impacts a proposal may have on clinical care, including its 'fit' with clinical workflow and the practical operation of medical practices;
- impacts of the proposal on the wider health system, including unforeseen and adverse impacts;
- sustainability of the proposal – are patient needs/demand, costs, and performance manageable over time; and
- overall, to what extent does or will the proposal contribute to improved health outcomes, and how will this be measured?

### **4. What is required to enable clinical stewardship?**

4.1 The role of doctors' stewardship in healthcare financing and funding must be explicitly recognised by governments. Doctors' representatives must have access to the information and data required to perform the roles above, including:

- access to up-to-date information on the current performance of healthcare overall, and detailed information about the specific area covered by the proposal under consideration;
- a clear statement on the need for change which the proposal is addressing;
- an analysis of factors currently influencing healthcare in the area concerned, including trends, pressures, and costs; and
- a clear statement of what is proposed, including expected impacts, forecast costs, and how performance will be assessed.

## 5. How should doctors engage in stewardship of healthcare financing and funding?

5.1 Doctors and their representatives should seek opportunities to formally engage in healthcare financing and funding processes. Decisions to actually engage should be made on a case by case basis, making a judgement on the expected value of involvement against possible risks, such as being 'locked in' to unsatisfactory processes and poor solutions.

5.2 Where not involved in formal processes, doctors should advocate from a stewardship perspective, applying AMA policy, including this position statement, to the available information. In particular, doctors should request information on the impacts of the proposal on current and expected health outcomes and on their financial sustainability.

5.3 The process for developing and revising healthcare resourcing and expenditure policies should be transparent, consultative, have appropriate oversight and be consistent with good medical practice.

## 6. Systemic factors in stewardship of healthcare financing and funding

### An environment that promotes responsible stewardship

6.1 The wider health care system must provide an environment that promotes responsible stewardship and explicitly recognises the unique perspective and role of doctors in stewardship.

### Health advocacy

6.2 Where decisions involving the allocation of healthcare resources are being made, doctors have a responsibility to advocate for the best interests of patients, the improvement of health outcomes, and the sustainable use of resources.

6.3 Doctors should use their knowledge and skills to assist those responsible for allocating healthcare resources to make informed, reasonable policies. This can be at the individual practice or institution (eg. hospital) level as well as the higher government or organisational level (e.g. health insurers).

### Clinical independence and professional autonomy

6.4 Doctors must retain their clinical independence and professional autonomy both when making individual healthcare decisions and when providing a clinical stewardship perspective on healthcare financing and funding. In both cases, clinical decisions and input must be based on the best interests of patients, and not the interests of third parties such as insurers, governments or employers.

### Public education

6.5 Patients and the wider community should be educated to ensure realistic expectations of certain tests, treatments and procedures, healthcare costs and limitations on healthcare resources.

6.6 This understanding should be complemented by publicly-funded work to improve health literacy, both in terms of individual health needs and responsibilities, and how healthcare is organised and works at the system level.

### Culture within the profession

6.7 The medical profession itself has a responsibility to educate and promote stewardship of healthcare financing and funding amongst its members, promoting the message that when decisions are made on the allocation of healthcare resources, doctors have a responsibility to advocate for the best interests of patients, the improvement of health outcomes, and the sustainable use of resources.

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