CHEPA 2002 in Review

Centre for Health Economics and Policy Analysis

CHEPA Director Brian Hutchison

MESSAGE
from the Director

Health care is a priority issue for Canadians. Data from numerous recent public opinion surveys consistently indicate that Canadians are very concerned about the quality and accessibility of their health care system.

As policy makers work to develop a health care system that is accessible and effective, they need to be aware of the implications of different approaches to reforming the Canadian health care system. This is where the work of researchers at McMaster University's Centre for Health Economics and Policy Analysis (CHEPA) most often comes into play.

CHEPA's first-rate researchers are frequently called upon by governments, government-appointed bodies, health policy groups and health care organizations to contribute expertise to decisions that will shape the Canadian health care system and ultimately the health of Canadians. Since our inception in 1987, the Centre has grown to include 15 full-time and associate faculty and 25 research staff, all of whom are supported by increasing amounts of research funding. In this condensed version of our annual report (full version available at www.chepa.org), we have highlighted some of the work of Centre researchers that has informed current health policy discussions in Canada.

The Centre is pleased to have contributed to the policy process during this pivotal year in the evolution of the Canadian health care system. We look forward to contributing in the future as policy debates unfold and reforms are implemented over the coming years.

CHEPA Contributes to Romanow Commission Report

Recommendations in the recently released Romanow Commission Report on the Future of Health Care in Canada have been informed by the work of CHEPA researchers. Altogether, the Romanow Commission referred to 17 papers developed by 11 CHEPA members in its final report. In addition, CHEPA members prepared three papers that were specifically requestd by the commission:

Public Participation and Citizen Governance in the Canadian Health System, by Julia Abelson and John Eyles

This paper discussed the role and experience of the public in health system decision-making and made recommendations on how to enhance democratic processes, enhance links between citizens and their political institutions, and improve the legitimacy of public participation processes.

Political Elites and Their Influence on Health-Care Reform in Canada, by John Lavis

This paper examined the influence of federal government officials, physician and hospital associations and disease-based groups on the reform of provincial health care systems.

Influences on the "Health Care Technology Cost-Driver," by Jerry Hurley and Steve Morgan

This paper assessed the potential cost impact of health care technologies in the coming decade, highlighting the role of advances in genetic science, demographic changes and consumer-directed marketing.

In addition, Julia Abelson provided advice on the design of a workbook used by the Romanow Commission. The purpose of the workbook was to go beyond the kind of information that polls provide. The commission wanted to learn how Canadians reconcile the difficult trade-offs inherent in sustaining the health care system in the 21st century. Through the workbook citizens were encouraged to indicate online their preferences and values related to health care. Seventeen thousand Canadians completed the workbook.

Another contribution to the commission was made by CHEPA director Brian Hutchison, who served as a consultant to the commission on primary care reform. Dr. Hutchison was also invited to participate in an all-day, post-Romanow exchange (sponsored by the Canadian Health Services Research Foundation) with senior officials in the Ontario Ministry of Health and Long-Term Care in December, 2002.

Recommendations from the commission are shaping the future of Canada's health care system. That CHEPA faculty and associate members were asked to contribute to this important process is a testament to CHEPA's past and continuing contributions to policy relevant research.

McMaster University

Research Leads to New Community Care Funding Model

Home care and community support services are becoming increasingly important components of our health care system as the population ages and as changes in health care technologies and treatment patterns shift care out of traditional settings such as hospitals.

Since 1994, the Ontario Ministry of Health and Long-Term Care (MOHLTC) has been using a funding formula to allocate new funding to Community Care Access Centre (CCAC) regions for long-term care community services (which includes home care and community support services) that was based only upon the age and sex composition of the population. In 1998, the MOHLTC, in consultation with Community Care stakeholder organizations, began evaluating the funding formula. In 2000 the ministry approached CHEPA to carry out research to develop an improved, more equitable funding formula.

CHEPA developed a formula, whereby funds would be based on the needs-related characteristics of each of the 43 CCAC regions in Ontario. CHEPA's formula is more comprehensive than the model based upon age and sex, and includes information on demographic, health and socio-economic characteristics of the population – such as marital status, health status, number of chronic health problems, social supports and hospital admissions.

CHEPA staff member Suzanne Ross receives a research award from Tony Clement, minister of Health and Long-Term Care, and John Feightner, chair of the Making Research Relevant Merit Review Panel.

CHEPA's final report was submitted February 26, 2002, by team members Jerry Hurley, Brian Hutchison, Gioia Buckley, and Chris Woodward. The Community Funding Review Committee, a stake-holder group set up by the MOHLTC, has recommended the adoption of the CHEPA formula, which is now being considered for implementation by the MOHLTC. CHEPA is now working on refinements to the model.

"CHEPA's international reputation and experience in developing needs-based funding methods has been of significant benefit to us in developing a sensitive and useful funding model... Within the ministry, CHEPA has always been relied upon to bring a strong multidisciplinary team, strong evidence base and collaborative approach to help us open policy issues up for wider discussion. CHEPA plays a critical role in health services research in Ontario..."

***Sheree Davis**, Acting Executive Director, Integrated Policy and Planning Division, MOHLTC*

Determining Enrollment Methods for Primary Care Reform

The Ontario Family Health Network (OFHN) was created in 2001 as an arms-length agency of the Ontario Ministry of Health and Long-Term Care (MOHLTC) to implement primary care reform throughout the province. The Family Health Network model encourages groups of family doctors and allied health professionals to work together to provide accessible, continuous care to patients enrolled with them.

The Minister of Health's goal for enrolling primary care physicians into Family Health Networks is 80% by 2004. Consequently, research on the most efficient and appropriate methods of enrolling patients is important and will aid in the transition from a predominantly fee-for-service delivery environment.

CHEPA members Brian Hutchison, Suzanne Ross, and Vicki Rynard, and McMaster Department of Family Medicine members Cheryl Levitt and Janusz Kaczorowski conducted a randomized controlled trial of the effect of different methods of approaching patients to be enrolled into a Primary Care Network. Five methods of approaching patients were compared. The results of the study found that contacting patients by mail and telephone, in addition to approaching them when they came to their doctors' offices for care substantially increased enrollment.

The MOHLTC and OFHN have since asked CHEPA to conduct a cost-effectiveness analysis of the different approaches. This project is in progress.

"Thank you for the final report of [the] Family Medicine Rostering Research Project. It has been valuable to have a quantitative research study that complements the anecdotal evidence we have from the pilot Primary Care Networks. The results have informed the development policies for Family Health Networks(FHNs)."

***Donna Segal**, CEO, Ontario Family Health Network*

Medical Savings Accounts – Not as Good as They Might Seem

Medical Savings Accounts (MSAs) are a method of financing health care that includes two essential features: a) an individual (or household)-specific account with balances earmarked for health care expenses; and b) a high-deductible, catastrophic insurance plan that covers expenses above the deductible.

Advocates of the concept argue that MSAs can be integrated into Canada's system of health care financing without compromising universal access to medically necessary services while generating substantial benefits, including: increased consumer choice, better access to many services, greater cost control, improved efficiency, and increased personal responsibility and accountability.

MSAs have caught the attention of Canada's health care reformers as a potential solution to what ails medicare. Both the interim report of the standing Senate Committee on Social Affairs, Science and Technology (Kirby Committee) and the report of the Mazankowski Commission in Alberta identified MSAs as a health care financing reform that deserves serious consideration.

But research conducted by CHEPA faculty member Jerry Hurley demonstrates that MSAs aren't as good an idea as they may seem. Dr. Hurley's work on MSAs has been published in the Journal of Health Services Research and Policy (2000), Policy Options (2002) and the Canadian Medical Association Journal (2002). He also presented a brief to the Kirby Committee on MSAs and other health care financing issues.

Based upon the available evidence, Dr. Hurley concluded that:

i. MSAs are unlikely to control expenditures effectively;

ii. MSAs are unlikely to increase the appropriateness of utilization; and

iii. MSAs will likely compromise equity to high-risk, low-income individuals.

Following Dr. Hurley's presentation, the Kirby Committee backed away from supporting MSAs in its recently released final report. In Alberta, the Mazankowski Commission's support for MSAs is encountering opposition from government members of the legislature. Hurley's work on MSAs was cited by the Romanow Commission in its rejection of the MSA concept.

CHEPA Conducts Policy Workshops With Decision Makers

Each year, CHEPA hosts at least two interactive, invitational workshops in which a small group of research funders, researchers, policy decision-makers, and other opinion leaders meet to discuss research knowledge that has emerged in a particular domain. Workshop participants are selected based upon their diverse backgrounds and specific abilities to contribute to the discussions. Each workshop has a general theme. CHEPA members introduce two or three "key messages" that come from current research. These messages are followed with discussions that include problem identification, problem solving, and the identification of future research.

Themes for recent workshops include:

- Genetic Services. Policy Issues for New and Emerging Genetic Services. (February 17, 2003)
- Roundtable on Making Research Knowledge Work. (Oct. 21, 2002)
- Continuity of Care in Home Care: Components, Current Issues and Future Prospects. (Nov. 22, 2001)

CHEPA uses a workshop approach that capitalizes on the diverse backgrounds and strengths of the participants. Representatives from the political, health care and research worlds bring their own unique perspectives and interests to the table. The approach promotes interaction among decision-makers representing the key stakeholders in the topic area based on the premise that engagement in an interactive process will facilitate better policy outcomes.

Collectively and individually, CHEPA faculty and staff contribute expertise to policy decisions that affect the health of Canadians.

Assessing the Costs of Genetic Testing

Genetic testing has long been part of Canada's health system. However, the rapid emergence of new technologies has created a demand for public health policy that addresses issues of ethics, health insurance coverage, private sector marketing, cost to the health system, and cost-effectiveness.

At the request of the MOHLTC, CHEPA researchers (Fiona Miller, Jerry Hurley, Steve Morgan, Mita Giacomini and Patricia Collins) and colleagues at the Centre for the Evaluation of Medicines at St. Joseph's Healthcare (Bernie O'Brien, Ron Goeree and Gord Blackhouse) conducted research that examined the potential effect of new predictive genetic test services on health care costs. They offered a general framework that identified key factors determining the cost impact of predictive genetic test services and suggested how the choices of health system decision makers would influence costs.

CHEPA's report emphasized that the cost impact of a predictive genetic test is not limited to the cost of the test itself, which will likely be small in comparison to the costs that follow as a result of changes in health care utilization (costs such as additional tests, disease surveillance, prevention, and treatment).

The study concluded that policy decisions for predictive genetic services can be guided by test type, and informed by evidence specific to each service. The researchers identified three basic coverage options: no public coverage with a private market allowed; unrestricted public coverage; and criteria-based public coverage. In discussing the impact of each option, they indicated that the first option would open the market for such tests to more market-oriented dynamics and, while this would save the public funder the costs of the test itself, it would not avoid the downstream health care costs, most of which would be publicly funded. The researchers concluded that the second option would ensure broad access but not necessarily to appropriate services, and would produce the highest cost impact for the public funder. Thus, the third option, criteria-based public coverage, was the preferred option. This option would provide access to those in need while giving public funders the capacity to limit use to situations where the tests are most likely to produce benefits and avoid broad, inappropriate uptake that would generate large costs to the public system.

The work done by CHEPA members was influential in both MOHLTC policy decisions and decisions by other provinces and territories.

> "Through CHEPA's research we have been able to take coordinated action to help ensure that the benefits of human genome research are within the capacity of the public health care systems in Canada. Based upon your report, Ontario prepared a comprehensive report on genetics, genetic testing and gene patenting that was supported by all Provinces and the Provincial-Territorial Premiers' Meeting in Vancouver, British Columbia on January 24 and 25, 2002."
>
> ***Sheree Davis**, Acting Executive Director, Integrated Policy and Planning Division, MOHLTC.*

George Torrance Wins Two International Awards

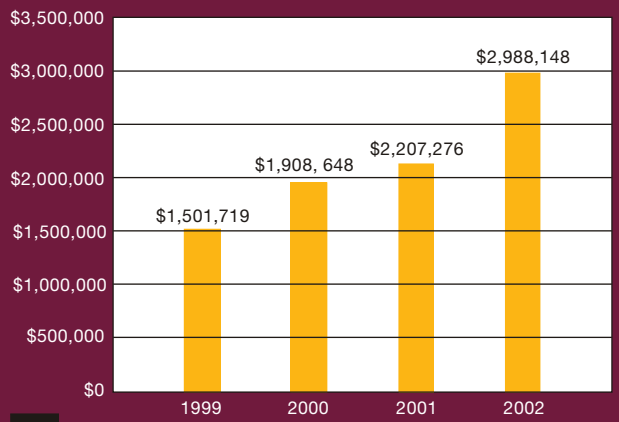
George Torrance

George Torrance has received two prestigious awards from international societies in recognition of his work in developing the Health Utilities Index (HUI), a method of measuring people's level of health and quality of life. The HUI is used to assess the health status of populations, and to determine the health and economic effects of health interventions. The HUI has been used in over 300 studies, in more than 20 countries and in over 15 languages.

Last year in San Diego, Dr. Torrance received the 2001 Award for Career Achievement from the Society for Medical Decision Making. The Society for Medical Decision Making is dedicated to promoting rational and systematic approaches to decision making that will improve the health and clinical care of individuals and assist health policy formation.

In addition, Dr. Torrance was recently presented with the 2002 President's Award from the International Society for Quality of Life Research (ISOQOL). This award is given annually to the individual or group that has advanced quality of life research and has made outstanding contributions to ISOQOL.

Dr. Torrance is Professor Emeritus in the Department of Clinical Epidemiology & Biostatistics at McMaster University and Member Emeritus of CHEPA.



Research Funding Nearly Doubles in Four Years

CHEPA is demonstrating continuing success in securing funding for high quality research projects. In the four years that ended last year, CHEPA's grants have nearly doubled.

The amounts in the graph represent the annual funding received for projects which have CHEPA members as principal investigators.

Cutting the ribbon for the new Community Care Research Centre were co-director Jenny Ploeg; Hamilton West MP Stan Keyes; member of the governing council of the Canadian Institutes of Health Research, Stephanie Atkinson; and co-director Brian Hutchison.

Deciding How Doctors Can Best be Paid for Their Services

Funding and remuneration methods for primary care providers have long been a subject of policy debate. Different methods of reimbursing physicians are thought to affect the quantity, cost, and quality of services provided.

At the request of the Ontario Ministry of Health, CHEPA members Brian Hutchison, Gioia Buckley, and Jerry Hurley conducted a comprehensive evaluation of primary care funding issues in Ontario. In their report, Remuneration of Primary Care Physicians: Issues and Options for Ontario's Primary Care Reform, the researchers discussed the alignment of rewards and incentives for primary care physicians with ministry policy objectives.

Specifically, CHEPA researchers addressed the underlying policy issue identified by the MOHLTC of whether the capitation models and rates being used in primary care reform pilots could be modified to better meet the variation in patient needs across Ontario. Of particular concern were remuneration methods for providing care to rural, remote, and socially disadvantaged populations; residents of long-term care facilities; commuters; snowbirds; students and cottagers. The report addressed these issues in light of available research evidence, identified and discussed policy options, and highlighted future research that could inform policy development.

"The Ministry found this report to be a valuable resource during discussions with the Ontario Medical Association for the development of the family health network template agreements. As a result of this report the Ministry has asked the Centre for Health Economics and Policy Analysis to pursue the completion of a project to develop and evaluate a needs-based capitation funding model for primary care."

Marsha Barnes
Director of the Alternative Payment Programs Branch, Health Services Division, MOHLTC.

Research Underway Through the Community Care Research Centre (CCRC)

The Community Care Research Centre (CCRC) is a partnership of public and voluntary community care agencies in Hamilton, Ontario and an interdisciplinary group of researchers from McMaster University. The centre is funded through a five-year grant from the Canadian Institutes of Health Research (CIHR). The principal activities of the centre are conducting collaborative research, providing consultation to partner agencies, and training students and partner agency staff.

The objectives of the centre include: 1) generating knowledge in the field of community care; 2) building research and evaluation capacity in community care; 3) stimulating interagency and intersectoral collaboration and resource sharing; 4) providing opportunities for agency staff and managers to acquire research skills; and 5) promoting the application of research evidence to client services, management and policy making.

Current research projects include:

- **continuity of care for disadvantaged seniors**
- **refugee women and their mental health**
- **telephone support for family caregivers**
- **organizational and community values about community care**
- **organizational change and the health and well-being of homecare workers**
- **neighborhood characteristics and homecare utilization**
- **systematic reviews of the literature related to abuse and neglect of older persons.**

CHEPA director Brian Hutchison is the principal investigator for the project and the CCRC co-director, along with Jenny Ploeg of the McMaster School of Nursing. Other CHEPA researchers participating in the centre include Julia Abelson, Mita Giacomini, Jerry Hurley, Chris Woodward, and John Eyles.

Participating in Public Service

CHEPA members are often invited to participate in public service in areas where their knowledge and problem-solving skills are valued. For example:

- CHEPA members Fiona Miller and Mita Giacomini served as members of the Evaluation Subcommittee of the Ontario Advisory Committee on Predictive Genetic Technologies. They drafted several background papers – a framework for highlighting the grey zones of coverage decision-making, types of predictive genetic tests, and issues in the economic evaluation of genetic tests. The results were included in the subcommittee's final report, which is currently guiding the Ontario Ministry of Health and Long Term Care (MOHLTC) in its policy development related to genetic technologies.
- CHEPA member Stephen Birch sits as a consumer representative on the Hamilton District Health Council. He also serves on the Health Professions Regulatory Advisory Council (HPRAC), which advises the Ontario Ministry of Health and Long-Term Care in deciding which health professionals can perform which health care acts and procedures. In 2001 he was a member of the Methodology Advisory Committee Working Group for the Expert Panel on Health Professional Human Resources (George Committee), which addressed the MOHLTC's request to evaluate the number of health professionals needed in Ontario.
- For the past two years, CHEPA member Jerry Hurley has been a member of the Leadership Roundtable on Health and Wellness, sponsored by the Conference Board of Canada. Dr. Hurley has provided expert advice regarding background papers prepared by the roundtable on health care financing.

Ontario Training Centre Has Active CHEPA Involvement

The Canadian Institutes of Health Research and the Canadian Health Services Research Foundation are together providing $3.75 million over 10 years to develop an Ontario Training Centre in Health Services and Policy Research. The goal of the centre is to increase capacity in health services and policy research in Ontario through an innovative training program that builds on existing strengths in university and decision-making environments. The centre is intended to expand the volume and scope of health services research that is available to meet the needs of health services policy makers, planners, and managers. The program is a collaboration of six universities: Lakehead, Laurentian, McMaster, Ottawa, Toronto and York.

CHEPA members Chris Woodward and Brian Hutchison, and Alba DiCenso from the McMaster School of Nursing led the development of the proposal to establish the centre. Dr. Hutchison acts as the McMaster site director and Dr. Woodward chairs the Curriculum Committee. All CHEPA members serve as centre faculty.

Undergraduate & Graduate Program Activities

CHEPA faculty participate in undergraduate education in the faculties of economics and health sciences, as well as in undergraduate and postgraduate health professional training programs (MD, nursing, midwifery, physiotherapy, & occupational therapy). CHEPA faculty also act as course coordinators and instructors, thesis supervisors and academic advisors to masters and doctoral students in the Health Research Methodology and Nursing graduate programs, and in the MBA program's Health Services Management stream.

Two student papers from courses coordinated by CHEPA faculty members have recently been published or are in press:

- McLeod, CB, Lavis, JN, Mustard, CA, Stoddart GL. **Income inequality, household income and health status in Canada: A prospective cohort study.** *In press in the American Journal of Public Health.*
- Devereaux PJ. Schunemann HJ. Ravindran N. Bhandari M. Garg AX. Choi PT. Grant BJ. Haines T. Lacchetti C. Weaver B. Lavis JN. Cook DJ. Haslam DR. Sullivan T. Guyatt GH. **Comparison of mortality between private for-profit and private not-for-profit hemodialysis centers: A systematic review and meta-analysis.** *JAMA 2002; 288(19):2449-57.*

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