



**IHPA Non-admitted care costing study
Response to consultation**

**SUBMISSION
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Company Overview

Organisation:	Johnson & Johnson Pty Ltd
Type of Organisation:	Proprietary Limited Company
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Johnson & Johnson Pty Ltd is a subsidiary of Johnson & Johnson, the world's most comprehensive and broadly-based healthcare company. In Australia we provide products and services including medical devices, diagnostics, pharmaceuticals and consumer healthcare products.

The Johnson & Johnson Family of Companies in Australia consists of:

- Johnson & Johnson Medical Pty Limited – medical devices and related technology;
- Janssen-Cilag Pty Limited – pharmaceuticals; and
- Johnson & Johnson Pacific Pty Limited – consumer health brands.

We employ approximately 1,500 Australians who bring innovative ideas, products and services to advance the health and well-being of the patients we serve. We recognise the impact of serious conditions on people's lives, and we aim to empower people through disease awareness, education and access to quality care. Our research and development focus on identifying medical needs and harnessing the best science, whether from our own laboratories or through strategic relationships and collaborations.

Johnson & Johnson Medical Devices Companies is the world's most comprehensive medical devices business, building on a century of experience, merging science and technology, to shape the future of health and benefit even more people around the world. With an unparalleled breadth, depth and reach across surgery, orthopaedics, vision and interventional solutions, Johnson & Johnson Medical Devices Companies are working to profoundly change the way care is delivered.

About the Janssen Pharmaceutical Companies of Johnson & Johnson At Janssen, we're creating a future where disease is a thing of the past. We're the Pharmaceutical Companies of Johnson & Johnson, working tirelessly to make that future a reality for patients everywhere by fighting sickness with science, improving access with ingenuity, and healing hopelessness with heart. We focus on areas of medicine where we can make the biggest difference: Cardiovascular & Metabolism, Immunology, Infectious Diseases & Vaccines, Neuroscience, Oncology, and Pulmonary Hypertension.

Johnson & Johnson Pacific is the largest over the counter supplier to retail pharmacy in Australia, and one of the top five health and beauty suppliers to Australian grocery. Many of our products are household names and are found in 7 out of every 10 Australian households. Our brands bring value to people's daily lives, while our innovation in areas such as smoking cessation and sun protection are helping to advance the prevention of disease in the Australian population.

Comments on IHPA Non-admitted care costing study

Johnson and Johnson welcome the opportunity to provide comments on IHPAs non-admitted care costing study. We understand that IHPA is developing a new classification for non-admitted care - the Australian Non-Admitted Care Classification (ANACC), with the costing study being undertaken to inform the classification. Although the primary purpose of the ANACC is activity-based funding (ABF), we support IHPAs aim of using the classification for other purposes. We consider the costing study and evolution of the ANACC as important steps in enabling healthcare costs across a patients care continuum (including diagnosis, treatment and ongoing management) to be better understood. This is of course necessary to inform initiatives to improve care co-ordination and to inform innovative approaches to healthcare funding – both essential in shifting towards more patient-centric models of healthcare delivery.

Study scope

The challenges of including non-clinical care services (e.g. home cleaning, meals on wheels etc.) within the scope of the study are recognized. However, inclusion of such services within the scope of the study would be beneficial with regards to fully understanding the impact of a patient's clinical condition on other budgets. IHPA should consider how non-clinical care services could be included – e.g. limiting cost collection to a sub-group of selected clinical conditions where non-clinical care service use is high. Better understanding of non-clinical care service use is of course useful with regards to knowing how investments in healthcare can have a positive impact on other costs.

Data collection - Q4. Are there strategies that could be employed to clinicians motivated to collect data accurately?

Clinicians need a clear sense of why this research is important – e.g. use of ANACC cost data informing research, policy and funding; all key enablers of efforts to better coordinate patient care. It should not be assumed that sites will consult with clinicians prior to agreeing to participate – discussion with clinicians could be a requirement before self-nomination for site participation in the study.

Options for bundling

It is evident that IHPA recognizes that how service events are bundled may need to vary depending on a patients clinical condition and how it is managed. This flexible approach needs to be maintained to ensure that bundles – and their funding arrangements -can evolve and adapt to changes in clinical practice and technologies. Bundling arrangements need to avoid the potential for perverse incentives – where the choice(s) of patient management is determined by what is funded (vs. what may be more suitable and cost-effective).

Other considerations

Q19. What are the other uses of the ANACC in addition to ABF that need to be considered in its design? Does the proposed data collection suite these uses?

There are several areas where ANACC data has potential uses:

- Enabling benchmarking for quality improvement
- Linkage with other data sets, including registries, for research purposes
- Linkage to the collection of Patient Reported Outcomes Measures (PROMs)/outcomes that matter to patients – necessary to understand whether costs invested in healthcare are achieving healthcare benefits and to enable Value-based healthcare initiatives

Our Credo

We believe our first responsibility is to the patients, doctors and nurses, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to provide value, reduce our costs and maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our business partners must have an opportunity to make a fair profit.

We are responsible to our employees who work with us throughout the world. We must provide an inclusive work environment where each person must be considered as an individual. We must respect their diversity and dignity and recognize their merit. They must have a sense of security, fulfillment and purpose in their jobs. Compensation must be fair and adequate and working conditions clean, orderly and safe. We must support the health and well-being of our employees and help them fulfill their family and other personal responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide highly capable leaders and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must help people be healthier by supporting better access and care in more places around the world. We must be good citizens — support good works and charities, better health and education, and bear our fair share of taxes. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed, investments made for the future and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.