

## Welcome

Welcome to Future Vision 15. There has been a substantial amount of commentary and concern at the increasing costs confronting organisations in not only the health sector, but the broader commercial environment.

This is occurring due to many well documented factors, including resource constraints, ever increasing compliance costs and economic factors. In this issue of Future Vision we look at examples of how significant health industry organisations are investing resources to focus more closely on these health sector challenges, including Hewlett Packard Corporation and IDC with their Health Insights programme.

In addition in our Perspective on Health article, we look at a "real life" scenario where technology and a fresh approach can materially assist organisations in maximising their limited resources.



Gavin Wright  
Chief Executive  
Fraame Solutions

### IDC insights into true value for health



*The best of New Zealand IT is cost effective, intelligent & innovative. That's according to Vlad Dimitriu, high flyer with hugely respected international company IDC. Within IDC Vlad leads a large Health Industry Insights division (HII) with an even larger brief.*

Researching and analysing health-care expenditure on ICT everywhere from the Middle East to Hawaii, from New Zealand and Australia, and India to Taiwan is implicit in Vlad Dimitriu's position description.

So it's a feather in New Zealand's cap that Vlad rates the best of our IT offerings as excellent - with stratospheric international potential. From a background as Director of IBA Health (Asia) Limited, Vlad's current HII team is working to provide essential technological and investment

information to the health sectors - both public and private - of the whole Asia/Pacific region.

In the broadest sense, he says his HII research team helps hospitals and other health-care providers to efficiently run their businesses. In this context Vlad notes there's true value and systemic integrity to be found in New Zealand. He mentions two software solution companies he considers to be making waves in the industry.

"It's a most interesting finding, that if you look at the people who export software in the global market, and that's Americans, Europeans, Australians and New Zealanders, that often the great value for money is to be found from within New Zealand," Vlad says.

He cites two local companies as examples - Orion Systems International, based in Auckland, and Fraame Solutions Ltd, based in Christchurch. Both are innovative and clever, Vlad claims; low-key yet respected.

Size and noise doesn't always equal value for the health-care dollar, in Vlad's book. With an academic background in both mathematics and IT, Vlad is accustomed to seeing the big picture from both a business and a technological perspective.

When he surveys the health infrastructure of entire countries, he analyses their health-care systems in light of expenditure as a percentage of GDP.

One of the most efficient health-care locations in the world can be found in Singapore, Vlad states. That's in spite of its total operating expenditure totalling less than four percent of GDP.

By comparison, the USA spends 17 percent of GDP on its health-care, the bulk of which is provided by the private sector.

Vlad sees New Zealand as a nation "somewhere in the middle," with a health sector spend of around seven percent of GDP, while Australia's sits around the 14 percent mark. He draws a comparison between the healthcare efficiencies of Singapore and New Zealand. Both nations have concentrated populations, geographically speaking. And although differences exist between the two nations' tax bases and their demographics, both feature a health system predominantly funded by the public sector. To draw a more abstract comparison, Vlad says true value in IT systems can be found independent of infrastructural size.

IT solutions can be ideal for their target market, delivering operational efficiency, streamlining patient management

and relationships, all without being hugely expensive to install.

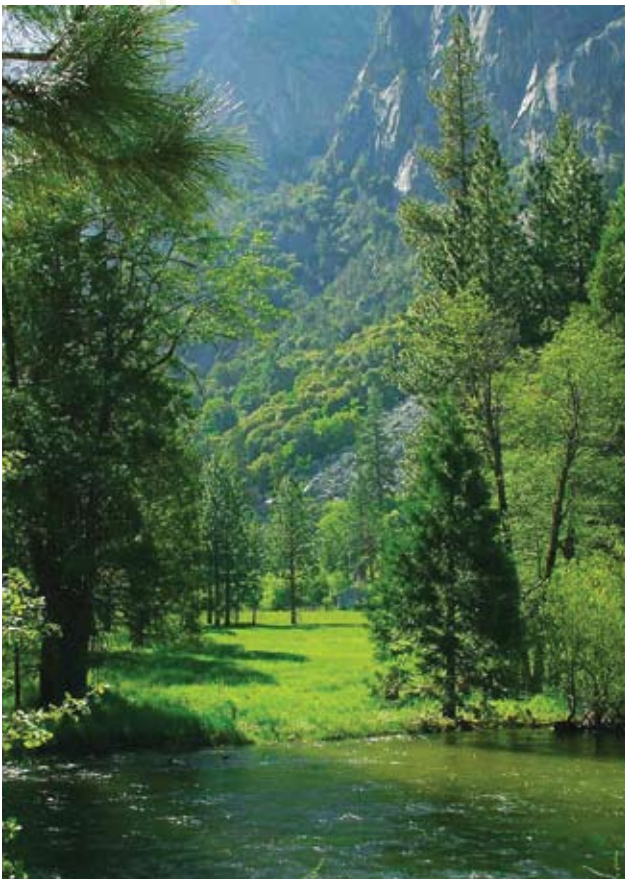
“Fraame Solutions Ltd is a good example of a company that plays well with this dynamic. Although it’s a relatively small company, its products and services help healthcare providers create efficiencies and cost savings throughout the organisation. They are an example of a New Zealand company that should be watched in this space.

New Zealand is a country like that. Its people in the IT industry are known for being hard-working and honest, and for producing value..”

For more information on specific research currently being undertaken in the health sector for the Asia/Pacific region, visit [www.healthindustry-insights.com](http://www.healthindustry-insights.com)

### **What is IDC Health-Insights**

Health Industry Insights is an advisory services and market research firm that closely follows the payer, provider and life science segments of the healthcare industry, with special emphasis on developing and employing strategies that leverage IT investments to maximise organisational performance.



## **What’s Happening Internationally?**

### **Speeding Innovation to Practice - HP in Health and Life Sciences**

The convergence of bioscience innovations, technology capabilities, and the aging population is pressuring the health and life sciences value chain to transform. HP has aligned an industry focus to provide integrated solutions that enable players and data sets across the total health and life sciences information value chain to collaborate and manage information effectively.

### **Business Partner**



HP is a global technology solutions provider delivering IT infrastructure, global services, business and home computing, and imaging and printing. HP’s Business Technology for Health and Life Sciences helps organisations deploy systems that improve business and health outcomes through the capture, management, and integration of information related to bioscience innovation, pharmaceuticals, medical technology, and patient data.

HP’s extensive portfolio of products, solutions, services, and partnerships enable health and life science organisations to lower costs, speed innovation into practice, function more efficiently, and improve the quality of care. For example, HP’s Digital Hospital Solution has been proven to unite people, processes and technology onto a common platform.

The HP Digital Hospital solution comprises a set of business technologies, products and services that connect different hospital systems together to help healthcare providers improve patient treatment.

Hospital staff members use advanced information systems to document patient records, enter and process orders, interact with patients and access image files, creating a more productive, secure, and safe environment for both patients and healthcare professionals.

For more information about HP’s Digital Hospital Solution and other HLS-specific solutions, please visit [www.hp.com/go/transformHLS](http://www.hp.com/go/transformHLS)

## What's Happening in New Zealand? Remotely successful or successful remotely

*A new partnership between Fraame Solutions Ltd and IT hosting company ASPX could soon spell the end to many technologically induced operational shortcomings in New Zealand Community based health-care.*



Fraame's extremely successful FileVision package lies at the centre of the recently forged partnership with ASPX. ASPX Business Development Manager, Ativalu Lemuelu is certain that FileVision has so much to offer health organisations in terms of its key reporting and data repository features. Health providers are no longer interested in managing multiple applications and software packages (multiple license costs).

The trend is towards smart applications that provide reporting, patient information, web forms, contract management, centralised data repository and many more features that help providers deliver their health services more effectively. Areas in health that would benefit directly from solutions such as Filevision are those with low uptake of IT, like Dental, NGO, Mental Health and Disabilities. He says an application like FileVision provides the necessary functions health-care organisations are seeking, particularly those in the not-for-profit community sector.

Managing Director of Fraame Solutions, Gavin Wright says he'd particularly like to see the hosted FileVision model taken up by Maori and Pacific Island primary health care groups who may previously have been under-resourced.

Both Gavin and Ativalu see the beauty of the hosted model lying with hassle-free set-up and help, in addition to its value, speed, security, and scalability factors.

They believe many community health service providers want their functional IT administration systems handled for them, "so they can worry about their primary purpose of caring, and of operating safely and competitively in their markets."

In fact, buying ideally targeted software as a remotely hosted IT solution on a subscription basis is "an effective risk avoidance strategy," according to Gavin. Companies are then not committing themselves to substantial investment in hardware or software systems which might prove less than ideal further down the track.

If you've gone ahead, made a big outlay and suffered down-time only to find you've made a mistake, it's too late. "This way, not only do health providers draw upon the cutting edge expertise and security 24/7, but FileVision is by nature able to be perfectly tailored to any level of organisational growth, as well as to specific population demographics."

The issue of security of patient files and information is one that ASPX takes very seriously. He says both the physical and technical security required by ASPX's multinational client companies has resulted in a 'Fort Knox' environment, where senior engineers alone access the technology via three rigorous sets of security requirements.

At present Ativalu says over 100,000 client personnel use the secure ASPX hosted IT environment. ASPX is software agnostic and intentionally established strategic relationships with Software providers like FileVision because we see their value and potential in the health sector. Fraame are prepared to engage with the Ministry of Health and District Health Boards where necessary, with the aim of ultimately bringing some groups within the not-for-profit sector on board.

"What we're finding is that certain subsets of the community health sector are providing great service, however, it is time consuming and labour intensive. Our health providers are pushed to the limit everyday as they have inadequate tools to help them deliver their services. Small providers need access to information that will help them deliver their services in health more effectively," he says.



## A Perspective on Health Confronting the realities of creating an effective health funding environment

When is a health system not really a health system? The obvious answer is what many people probably suspect .... when it ladles out an assortment of services and treatments to the healthcare consumer, but is often constrained by funding commitments and service agreements that fail to substantially meet the overall objective of significantly improving health outcomes.

When you think about it, what could be the main barrier to linking funding to health status improvement? It has to be having adequate and timely information streams and the associated outcomes at your fingertips.

Things are now starting to change with regard to information capture. With the information networks now possible and being increasingly "cost effectively" implemented in health care settings, the ability of funders to effectively measure health outcomes is making substantial progress.

CEO of Fraame, Gavin Wright, sees the key to qualitative measuring lying with a conceptual shift. The funder should be actively connected to the healthcare delivery process to a greater degree; a connectivity made possible through more effective use of information technology. This, he says, is the part which currently isn't happening often enough.

Gavin talks of an era developing in which contracting and funding management systems are far more sophisticated and three-dimensional than has been the case historically.

A good case in point, he says, is New Zealand's health system, made up of a "myriad of complex funding arrangements." Once providers see their contract management process as a discipline that is secure and effective, there will be a move to more open and transparent involvement by the funder in this care management process, including outcome measurement. They will be far more comfortable for funding agencies to engage in a way which goes well beyond just planning at the outset and assessing after the fact.

Using the best information technology for the purpose "can intelligently create effective, transparent

relationships between health providers and the associated funding agencies."

Take Healthcare of New Zealand (HCNZ) with its 38 branches and upwards of five thousand staff as an example. This innovative community health focussed organisation head quartered in Wellington, New Zealand, has automated the capture and management of all funding agreements with the country's 21 District Health Boards, the Accident Compensation Corporation and other health funders. HCNZ are intelligently linking this key service and management data to the key stakeholders of those funding organisations through the use of completely integrated and seamless information relationship management (CRM) functionality.

Why? In order to take all the relevant and available information about an agreement (term, audit and compliance requirements etc) and to proactively manage the relationship, to ensure the best possible outcomes for both parties and, ultimately, the patient. This approach serves to maximise the return on funds invested along with protecting itself from any information-leaks or exposure in what some commentators perceive as an increasingly litigious world.

"It's all in the interests of being well-informed for regular discussions between funder and provider. Into the future this closeness of working relationship won't be merely desirable and professional; it'll be essential."



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