



# Through the looking glass

**A practical path to improving  
healthcare through transparency**  
Country report card: New Zealand



KPMG in New Zealand

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# Foreword

KPMG in New Zealand is delighted to release this discussion paper on the transparency of healthcare.

'Shining the light' on healthcare data is seen as one way to promote quality improvement and patient or consumer engagement. It also provides government and the public with confidence that the healthcare dollar is being well spent and being put towards building a health system that can meet the future needs of all New Zealanders.

In 2016 the Health and Quality Safety Commission (HQSC) released its Position paper on the transparency of information related to health care interventions. This report recommended that "to change outcomes behaviour has to change. Public reporting may change behaviours by patients or providers." However, it also cautioned that "publication needs to be in a manner that is meaningful and understandable to a wide range of people. Context needs to be explained." At KPMG, we support this approach and set out to provide some of the necessary context.

Our starting point was to compare the New Zealand health system to other nations across six dimensions of transparency.

Health providers, clinician groups, and government agencies are encouraged to examine their own performance relative to these six dimensions, and talk with us about how New Zealand can learn from the experience of others. In turn, the sector should be better placed to measure tangible benefits to patients, clients, and consumers.



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A health system that provides accessible, reliable, useful and up-to-date information to all interested stakeholders, so they can acquire meaningful understanding of the quality, patient experience, finance, governance, and individual health data associated with the health system, and make judgements on its fairness. ”

KPMG International definition of healthcare transparency, Through the looking glass (2017)

To read about these lessons and case studies in more detail, please see full report — *Through the looking glass: A practical path to improving healthcare through transparency.*

# What is a transparent health system?

Transparency of health systems matters, but progress to date has been more symbolic than substantive. KPMG International's recent report 'Through the looking glass' showed the wide variation that exists in how far different countries have pursued transparency in healthcare, with the central message that every system needs to improve how strategically it uses this powerful but potentially damaging tool.

What constitutes 'transparency' in healthcare is hotly contested around the world, but following a global literature search and interviews with international experts, the following six dimensions surfaced as the most important:

1. **Quality of healthcare:** transparency of provider-level performance measures, especially the quality of outcomes and processes.
2. **Patient experience:** patient perceptions of their healthcare experience and outcomes.
3. **Finance:** price and payments transparency, and the public nature of accounts for healthcare organisations.
4. **Governance:** open decision-making, rights and responsibilities, resource allocation, assurance processes and accountability mechanisms.
5. **Personal healthcare data:** access, ownership, and safeguarding of patients' individual health data.
6. **Communication of healthcare data:** the extent to which all the above is presented in an accessible, reliable and useful way to all relevant stakeholders.

Using these six dimensions, we constructed a scorecard to measure each of the world's major health systems. Twenty-seven indicators were measured for each country, tracking the extent to which different transparency practices were in effect on a systemic level. Selection of the indicators was on the basis of published evidence and interviews with experts, under the guidance of a twelve-member global health system transparency steering group. We considered indicators that were: employed by other organisations to measure transparency; likely to highlight meaningful variation across health systems; used by stakeholders to effect positive change; and, identified as important by interviewees.

Completed transparency scorecards were received from 32 countries, covering most OECD and G20 countries. A composite overall ranking score was created by summing each country's score for every indicator.

## Methodology

This study involved several research stages:

- Summary literature review of the evidence on health systems transparency
- 25 interviews with experts
- Development of the transparency framework and sense-testing with KPMG heads of health and interviewees
- Completion of the transparency scorecard by leaders of KPMG's major health practices
- Transparency scorecard data collected and analysed by country

## Data health warning

- It is not necessarily good to have a high score because transparency can be harmful as well as beneficial.
- The data shows what health systems are currently doing, not whether the transparency is well managed, or achieving good or harm.

## Global health systems transparency index – composite results (%)

	Overall Score	1. Quality of Healthcare	2. Patient Experience	3. Finance	4. Governance	5. Personal Healthcare Data	6. Communication of Healthcare Data
Denmark	74	67	62	83	94	93	50
Finland	72	48	46	83	88	86	93
Sweden	71	81	69	75	69	79	50
Norway	69	67	62	83	81	71	50
UK	69	57	85	83	81	57	57
Australia	68	52	62	83	88	64	64
New Zealand	67	38	54	83	94	64	79
Netherlands	67	57	85	75	69	50	71
Portugal	64	48	46	83	63	86	71
Singapore	63	57	77	83	81	43	43
Israel	62	48	92	50	56	79	57
Brazil	61	48	69	67	81	64	43
Canada	61	57	46	50	81	50	79
Spain	61	76	46	42	75	71	43
France	60	48	62	67	75	50	64
Germany	56	29	54	75	63	64	64
Italy	54	57	31	67	56	64	50
Iceland	53	43	54	75	63	50	43
Switzerland	53	33	69	67	69	57	36
R. of Korea	52	29	31	83	56	50	79
Poland	50	29	46	67	56	57	57
R. of Ireland	49	29	31	67	75	79	43
Luxembourg	47	29	46	50	63	50	50
Russia	47	33	38	67	63	50	36
Austria	46	29	31	58	56	64	43
Japan	46	48	31	67	56	43	29
Greece	43	29	38	50	69	50	29
Mexico	42	33	46	42	50	36	50
K. Saudi Arabia	38	29	31	50	50	43	29
South Africa	37	33	31	33	44	50	29
India	36	29	31	42	44	43	29
China	32	29	31	50	31	29	29
<b>Average Score</b>	<b>55</b>	44	51	66	67	59	52

70% and over

60% and over

50% and over

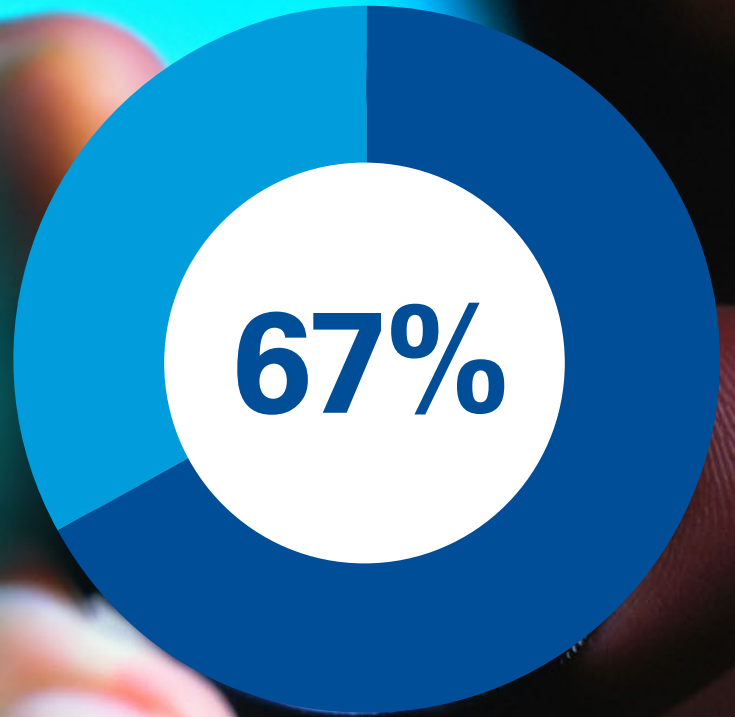
40% and over

Lower than 40%

# In-depth reflections on New Zealand's results



Overall  
transparency  
score





In New Zealand, we pride ourselves on having a high quality and largely publicly-funded healthcare system. Traditionally, we have measured this in broad terms such as percentage of gross domestic product (GDP) spent on healthcare, life expectancy, and Quality (or Disability) Adjust Life Years (e.g. QALY/DALY). However, as personalised healthcare data becomes more readily available and patients/clients more informed, health systems, including New Zealand's, are becoming more conscious of the patient experience, quality of care, and outcomes. This transparency index looks at the healthcare system through a quality lens and provides a framework for improvement.

As illustrated by the table on page 4, KPMG's global survey places New Zealand 7th out of 32 countries, slightly behind Australia and the UK, and equivalent to comparable countries such as the Netherlands.

Perhaps the most important observation to note in New Zealand's favour is that it is not necessarily good to have the highest transparency score. This is because, despite the mass of healthcare data available, data systems and analytical tools still remain relatively immature internationally. In addition, the statistical challenges are well-known and many.

In this context, New Zealand's score reflects our more conservative approach to releasing clinician or hospital-specific data. It also reflects the sector's desire to work cooperatively with clinical groups, quality agencies such as the Ministry of Health (MOH), Health and Quality Safety Commission (HQSC), the Accident Compensation Corporation (ACC), and the Health and Disability Commissioner (HDC), as well as clinical specialties.

To identify the learnings from this index, KPMG has summarised New Zealand's performance in each transparency dimension.

### Areas in which New Zealand scored well

**Governance.** This includes open disclosure, accountability provisions, and rights and responsibilities, with New Zealand scoring equally high as Denmark at 94 percent. This top ranking reflects public reporting of Serious Adverse Events (SAE), and the role of the Health and Quality Safety Commission and Health and Disability Commissioner in improving patient safety. At a more general level, many District Health Boards also publish 'quality accounts' of their own performance. We believe this not only supports public confidence in our health system but sets a benchmark internationally.

**Finance.** Principally, this includes transparency of pricing and financial reporting. In some countries, the high quality of care is undermined by high or disparate pricing, which in turn reduces the affordability of healthcare. Again, New Zealand shared the highest score across all 32 countries, with 83 percent. In KPMG's view, this score reflects the national pricing framework across most services including primary and secondary care, aged care, rehabilitation, and pharmaceuticals. New Zealand also has transparent and robust procurement processes mandated across government. Interestingly, New Zealand is the only country in the entire index where boards and healthcare providers maintain a register of gifts and hospitality received.

### Communication of Healthcare Data.

With a score of 79 percent, New Zealand was equal with Canada, but well behind the leader, Finland (93 percent), where patients have free and easy access to their electronic medical records, and can share access with any organisation of their choice. Like other small countries, New Zealand has the benefit of a universal National Health Index (NHI) number, supported by well-developed privacy regulation and practice. This supports the timely exchange of health information between professionals and providers. However, there is still some way to go to achieve a universal electronic health record that could empower patients and clients to control their own information.

### Areas where New Zealand can improve

KPMG's detailed analysis indicates that while government, providers, and clinicians agree that transparency can improve quality and performance, this enthusiasm is yet to be supported by national standards of data collection, and agreed risk adjustment models, to ensure that case complexity is accounted for, and that statistical techniques are consistently meaningful.

Examining how other nations have addressed these challenges may highlight ideas and approaches applicable in New Zealand for each of the following areas of transparency:

**Personal Healthcare Data.** New Zealand scored 64 percent in relation to access, ownership, and safeguarding of patients' individual healthcare data. This was equal to Australia and ahead of the UK but behind Scandinavian countries. Denmark is one of only two countries to have a patient portal where all patients can view, contribute to or edit their personal health data (such as medical notes). Norway has recently adopted a similar approach through a new electronic platform: 'kjernejournal.'

The concept of patient portals is almost certainly the way of the future. Many health agencies in New Zealand are hesitant to adopt this technology due to historical privacy concerns and the small numbers of patients with specific conditions in certain areas. However, the Ministry of Social Development supports this aspiration, and client portals are emerging in a range of social services supported by organisations like KPMG.



**Patient Experience.** This is perhaps one of the most important areas to focus on, if New Zealand is to truly be proud of its health system and receive international recognition as a quality-driven healthcare system. This domain covers patient perceptions of their healthcare experience and outcomes. New Zealand's score of just 54 percent fell short of leaders in this field such as the National Health Service (NHS) in the UK, and the Netherlands. While New Zealand scored highly due to the learnings published by both the Health and Quality Safety Commission and Health and Disability Commissioner, there is little routine use of international, standardised patient experience indicators. An excellent example of this is the New York State Cardiac Surgery Reporting System (NY CSRS), the longest-running and most studied programme in the US. In the UK, the Dr. Foster organisation has published mortality rates for coronary artery surgery by hospitals since 2001, and now all healthcare providers publish patient reported outcome measures (PROMS) for a range of outpatient and inpatient treatments.

Perhaps it's time for New Zealand to follow suit – although exactly how to do so is the challenge. The base data for patient experience and outcomes measures are clinical registries. Once established, registries can provide benchmarked, risk-adjusted outcomes and can be used as a basis for public reporting. However, they are work-intensive and expensive. Currently, New Zealand has few established clinical registries and there is no nationally consistent approach. Over time, the cost and complexity barriers are expected to diminish significantly as e-health systems routinely capture this information

directly from patients and clinicians. The Ministry of Health and District Health Boards now need to recognise the benefits this can bring to patients, integrate systems between primary and secondary care, and align service funding or commissioning to incentivise these quality measures.

It is also important to understand the context in which outcome and experience measures should be used. As highlighted in the Health and Quality Safety Commission's 2016 report, "There is increasing evidence that outcomes of surgery are less attributable to any single individual but instead depend on multidisciplinary teams and the collaborative and institutional context in which surgery is done." In other words, failures in teamwork and communication underpin a high proportion of adverse events, something that was certainly evident in the high-profile failures at both Bristol Royal Infirmary and Stafford Hospital in the UK.

In summary, the lessons for New Zealand are:

- define a simple, initial group of outcomes and process measures for each specialty group;
- co-design a process with consumers, colleges, professional bodies and employers;
- promote the use of clinical registries;
- focus on publishing experience and outcomes at unit, hospital or District Health Board level (not by individual practitioner); and
- integrate across the care pathway including primary, secondary, and rehabilitation.







**Quality of Healthcare.** This is defined as 'provider-led transparency of outcomes and process'. In this area, New Zealand scored just 38 percent compared to countries like Sweden with 81 percent, the UK at 57 percent and Australia at 52 percent. Simply put, countries that scored well have the capability to publish risk-adjusted mortality data, readmission rates, waiting times, and adverse events at the hospital provider level.

In New Zealand, the Ministry of Health publicly reports waiting times through Elective Service Performance Indicators (ESPI) and sponsors the National Patient Flows programme. However, reports are often at the more aggregated District Health Board level, which are more statistically correct but reduce transparency. Healthcare agencies have also been slow to collect the data sets needed to undertake the required analysis.

It is fair to say that most countries struggle to provide data on risk-adjusted, all-cause mortality. However, KPMG believes that New Zealand is well positioned to become a leader in this field over the next decade as the country moves to an electronic health record. There is also ample opportunity to learn from innovative organisations such as Sykenhuset Østfold in Norway (which supports a population of approximately 280,000 people through three hospital sites in south-east Norway), or from Sweden, which receives particular merit for being the only country that publishes hospital acquired infections (HAI) at ward, clinical and hospital level.

# New Zealand

## Global Health Systems Transparency Framework Results

 <p>Dimension 1 <b>Quality of Healthcare</b></p> <p>Total result: <b>38%</b></p>	<p>Indicator</p> <p>1.1. Mortality/survival rates for individual medical conditions and treatments</p> <p>(total possible score = 4)</p> <p><b>Score</b></p>	<p>1.2. All-cause mortality/survival rates</p> <p>(total possible score = 3)</p> <p><b>1</b></p>
 <p>Dimension 2 <b>Patient Experience</b></p> <p>Total result: <b>54%</b></p>	<p>Indicator</p> <p>2.1. Patient reported outcome measures</p> <p>(total possible score = 3)</p> <p><b>Score</b></p>	<p>2.2. Patient satisfaction</p> <p>(total possible score = 3)</p> <p><b>1</b></p>
 <p>Dimension 3 <b>Finance</b></p> <p>Total result: <b>83%</b></p>	<p>Indicator</p> <p>3.1. Financial performance</p> <p>(total possible score = 3)</p> <p><b>Score</b></p>	<p>3.2. Prices patients are charged</p> <p>(total possible score = 3)</p> <p><b>3</b></p>
 <p>Dimension 4 <b>Governance</b></p> <p>Total result: <b>94%</b></p>	<p>Indicator</p> <p>4.1. Freedom of Information legislation</p> <p>(total possible score = 3)</p> <p><b>Score</b></p>	<p>4.2. Patient rights</p> <p>(total possible score = 3)</p> <p><b>3</b></p>
 <p>Dimension 5 <b>Personal Healthcare Data</b></p> <p>Total result: <b>64%</b></p>	<p>Indicator</p> <p>5.1. Electronic patient records system</p> <p>(total possible score = 4)</p> <p><b>Score</b></p>	<p>5.2. Shared clinical documentation</p> <p>(total possible score = 3)</p> <p><b>1</b></p>
 <p>Dimension 6 <b>Communication of Healthcare Data</b></p> <p>Total result: <b>79%</b></p>	<p>Indicator</p> <p>6.1. Accessible data</p> <p>(total possible score = 3)</p> <p><b>Score</b></p>	<p>6.2. Up-to-date data</p> <p>(total possible score = 4)</p> <p><b>3</b></p>

<p>1.3. Hospital re-admission rates</p> <p>(total possible score = 3)</p>	<p>1.4. Waiting times for emergency care</p> <p>(total possible score = 3)</p>	<p>1.5. 'Adverse event' reporting</p> <p>(total possible score = 4)</p>	<p>1.6. Hospital-acquired infections</p> <p>(total possible score = 4)</p>
1		2	
<p>2.3. Patient approval</p> <p>(total possible score = 3)</p>	<p>2.4. Patient complaints</p> <p>(total possible score = 4)</p>		
1	4		
<p>3.3. Prices health insurers/payers are charged</p> <p>(total possible score = 3)</p>	<p>3.4. Disclosure of payments, gifts and hospitality to healthcare staff</p> <p>(total possible score = 3)</p>		
3		3	
<p>4.3. Procurement processes and decision-making</p> <p>(total possible score = 4)</p>	<p>4.4. Public decision-making</p> <p>(total possible score = 3)</p>	<p>4.5. Patient/Public involvement</p> <p>(total possible score = 3)</p>	
4	3	2	
<p>5.3. Patient data privacy and safeguarding policy</p> <p>(total possible score = 4)</p>	<p>5.4. Information on use of patient data</p> <p>(total possible score = 3)</p>		
4	3		
<p>6.3. Direct comparison of providers and services</p> <p>(total possible score = 3)</p>	<p>6.4. Open data formats</p> <p>(total possible score = 4)</p>		
2	3		

# Seven features of successful healthcare transparency

1

## **Adopting a consistent strategy**

The government of Denmark offers a good example, having successfully created a positive policy and legislative environment, supported by a governance model that focuses on quality of care and quality management. We believe that New Zealand is on a par with Denmark, benefiting from a well-developed legislative environment and genuine cross-agency and District Health Board commitment in this area.

2

## **Taking the lead from innovative providers**

The most enlightened stakeholders, be they providers, purchasers or payers, are not waiting to have transparency imposed on them by legislation, but are looking at how they can best introduce and manage transparency initiatives to improve quality and value. Taking the lead from them can avoid a top-down approach which may generate resistance. In New Zealand, there are no clear leaders at the provider level – where success can be easily demonstrated. Some programs, such as the First Do No Harm programme at the Northern District Health Board, are strong initiatives and have significant potential for wider adoption.

3

## **Measuring what matters to patients**

Information on patient experience is a key motivator in attracting more consumers to use performance data in healthcare decisions. The Friends and Family Test introduced by the English NHS provides real-time information on patient experience based on a single question, asking whether people would recommend the health service they have recently used to friends and family. We believe that the New Zealand health system is just beginning on the Patient Reported Outcome Measures (PROMS) journey, and this is the area where we can make our largest gains. KPMG has committed to supporting the sector to achieve higher levels of patient/client satisfaction and reported outcomes.

4

## **Having fewer measures, more meaningful data**

One of the most immediate benefits of transparency is that people can see what information is currently collected across the system. This can stimulate useful debates about how much of this is really necessary, and which indicators are most helpful to improving care. New Zealand risks being swamped by too much data and too little useful information. The key to improving New Zealand's performance involves incorporating the 'patient/client voice' and co-designing measures for conditions within specialties.

New Zealand already has a well-developed infrastructure, policy framework and quality-focused healthcare organisation. The challenge to improving quality through greater transparency, therefore, appears to be more practical than philosophical or structural.

Our research identifies seven different features that all health systems need to consider more seriously in order to unlock the gains of transparency.

5

#### **Providing personalised price transparency**

In line with evidence on what consumers seek from price data to support choice, personalised price transparency tools provide information on actual costs for individual patients. While this is not perceived as an issue in New Zealand (due to centralised pricing), the price is only one component of value for money. New Zealand's health system could improve by linking price, volume and outcome, clustered around conditions and quality of care.

6

#### **Using a give-and-take approach to safeguarding patient data**

Transparent data security and information governance have become a necessity. In developing a privacy and safeguarding strategy for personal patient data, it is vital that there is a clear 'what's in it for me?' argument for patients, in addition to any more abstract benefits to the system. In New Zealand, we are understandably vigilant and cautious about the privacy of patient information. However, this fear often prevents us seeing or providing key insights, which come only from representative samples. Internationally, healthcare organisations have developed robust tools to maintain the confidentiality of the base information – lessons that New Zealand could learn and benefit from.

7

#### **Promoting independent narratives to improve understanding**

Independent data assessment and interpretation enables a better understanding of the impact and outcomes of healthcare policies, performance, and markets. Dr. Foster in the UK was an early pioneer of independent third party narratives. The Health Care Incentives Improvement Institute (HCI<sup>3</sup>) in the US, using advanced analytic techniques, provides such narratives currently.

In New Zealand, the Health Ombudsman has made a conscious recommendation that "releasing individual surgeons' outcome data in its current state would do more harm than good..."<sup>1</sup> However, the Health and Quality Safety Commission (HQSC) concludes that "reporting at the unit level would provide information needed for clinicians, organisations and central agencies to drive quality improvement."<sup>2</sup> The HQSC also believes reporting could be achieved "through a co-design process, consumers, colleges, professional bodies and employers define a simple initial group of outcome and process measures for each specialty group."

<sup>1</sup> R. Paterson, Health Ombudsman, Request for surgical complications data, June 2016

<sup>2</sup> HQSC, Position paper on the transparency of information related to healthcare interventions, 2016

# Conclusion

Healthcare leaders in New Zealand, both public and private, highlight the desire and the need for transparency to be better managed in order to deliver its potential.

New Zealand's 7th position in this 32-nation index reflects a justifiably conservative approach to releasing performance data at a unit or hospital level, and the need for simple and meaningful measures.

However, although New Zealand scores at the very top in system-wide measures such as 'Governance' and 'Finance,' there is growing recognition that the country could do better at the consumer level. This relates particularly to the collection of patient-reported outcome and experience measures, as well as working with clinical groups to ensure measures are meaningful, both to the public and the multidisciplinary teams that provide the service.

KPMG firms are at the forefront of efforts to improve transparency internationally, working with the world's most advanced health systems, leading providers and clinical groups.





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