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Adequate hospital funding, sensible investment in prevention and primary care, and a system-wide shift to universality, outcomes and value-based care are all needed to respond to the increasing challenges of healthcare systems under financial pressure and populations with ever increasing and more complex healthcare needs.

Rising rates of chronic disease and associated comorbidities result in more complex and more costly interactions between hospitals and primary care providers. Reducing the burden of disease, and reducing financial pressure on healthcare systems, will depend on improved service design, delivery and coordination.

Effective, integrated primary care and community based management of an individual's healthcare needs requires an upfront cost but avoids more costly future hospital admissions. Regionally coordinated care is also likely to be more responsive and an important dimension of this reform. For that reason investing in chronic disease prevention through coordinating care across the patient journey is an urgent issue that needs to be addressed within the health, disability and aged care sectors; with cost-effective health outcomes contributing to system sustainability.

Well-designed reform around integrated care, underpinned by strong government stewardship that encourages improved service quality, accessibility and consumer choice can be provided at a prospectively lower cost to the overall health system. For this to happen, financial and operational incentives need to be aligned. One way to achieve this is to place overall responsibility for both primary, community and hospital care with one organisation. This could be within a tier of government or a regionally based organisation accountable to governments. Governance arrangements and system design should incentivise health outcomes achieved rather than outputs produced.

The healthcare sector is multifaceted in its provision of services which are delivered by a variety of providers with various funding sources, spread across different levels of government and third party agents. There is a high degree of information asymmetry between consumers and providers, placing significant emphasis on the principal-agent relationship between the patient and care provider. Successful policy around outcomes focussed integrated care must therefore also consider the consolidation of professional roles and relationships within care teams.

The complexity and interwoven nature of the healthcare sector necessitates careful policy design around financial reforms, to ensure that the broad system impacts and the potential for unintended consequences are considered. It is important that the strengths of the existing system are built upon and the principles of equity, efficiency, sustainability and universality are preserved. A stable, predictable and equitable system with the institutional capacity to evolve and respond to consumer needs will be essential to improving quality of life, and provide sustainable economic benefits through reducing the impact of chronic disease on the system.

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