A Proposed Smart-Card Solution for Australian Health Services: The Problems Encountered

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EXECUTIVE SUMMARY

This case study describes the experience of a state government health department in evaluating the use of smart card technology to redesign health benefits programs for the disabled in Australia. The social and political context of the system is explained in detail, and the potential benefits and risks accruing to the government, health care intermediaries and the community are examined.

Keywords: e-commerce in government; e-health; socio-organisational systems; IT in health care systems

INTRODUCTION

In 1998, the Health and Social Services Department of an Australian State government began an investigation into the use of smart card technology in the provision of certain social services. Their goal was to develop an e-health solution to the mentally and physically disabled; one that would increase efficiency and facilitate better decision making and strategic planning within the department, while simultaneously empowering the disabled with greater flexibility in choice of service and provider. The expectation was that smart card technology could be used as the basis of a redesigned system of service provision that would improve efficiency, accuracy and financial accountability.

The potential impacts of changes to the structure of this system were wide ranging: the department contracted for the provision of services to a network of agencies, who typically subcontracted the work out to professional carers. Thousands of jobs and the viability of numerous small health care agencies would be affected, as well as the quality of life for thousands of disabled clients throughout the state. There were a number of risks inherent in this venture: the newness of the technology involved (used for this purpose); the number of stakeholders involved in the system and the complexity of
their inter-dependence; a high degree of technical and project definition uncertainty; and the high political sensitivity of the system in question.

An independent analysis of the proposed changes was concluded in 1999. The investigators examined the impact the suggested solution would have across the various stakeholder organizations. While the technological challenges in developing the system were relatively straightforward, there were significant issues identified associated with its fiscal viability, political acceptability, and social impact on the community. This case study presents these issues and the decisions faced by the department, ones common to the development of many e-health and e-government initiatives.

ORGANIZATIONAL/PROJECT BACKGROUND

The Stakeholders

The state government department involved provides a variety of health and social services. Included in its responsibilities is the assessment of eligibility of care entitlement for the disabled. In terms of structure, in 1998/9 the department included a centrally located head office and a number of regional offices. The department was, as might be expected, a traditional government bureaucracy in terms of structure and management. The department was responsible to the Minister for State Social Services and accountable through her for appropriate support to people needing disability care. Health policy was set at the ministry level, with control within the department being quite centralized.

At the time of the project, government policy encouraged the use of new technology to improve efficiency and reduce government waste.

The department provided its services through a network of intermediaries, in particular through independent (non-government) agencies that were contracted to provide care to the recipients. This network of agencies varied quite significantly in terms of their size, organization and technological infrastructure. Some were professionally organized and managed charities such as branches of the Red Cross, while others were very small organizations with few employees and minimal management overhead. Geographically, the agencies were spread across the whole state, although they were more concentrated in denser population centers. More remote geographic areas tended to have small agencies, and fewer of them. Disabled clients in regional areas therefore had limited choice in terms of service provider.

Roles of the Stakeholders

The Department:
- Evaluated individuals’ eligibility to receive services;
- Contracted with provider agencies (often charities) to supply services to those people with disabilities who had been evaluated and allocated a benefit; and
- Maintained a waiting list of eligible individuals and allocated them to a suitable place as places became available within the system.
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