

DANILA DILBA HEALTH SERVICE

CLOSING THE GAP AND DELIVERING VALUE

INTRODUCTION

In March 2016, independent consultants Deloitte Access Economics was commissioned by Darwin's Danila Dilba Health Service (DDHS) to conduct a cost-benefit analysis. DDHS is an Aboriginal community-controlled organisation providing culturally-appropriate, comprehensive primary health care and community programs to Biluru (Aboriginal and Torres Strait Islander) people in the Yilli Rreung (greater Darwin) region of the Northern Territory.

Health care services provided by DDHS are focused on acute care, immunisation, chronic disease management, women's health, men's health, child and maternal health, sexual health and dental care. DDHS also provides a

range of community programs in areas including health promotion, mental health/social and emotional wellbeing, and alcohol, tobacco and other drugs.

The scope of the cost-benefit analysis was limited to considering three areas of DDHS services – maternal and child health, type 2 diabetes, and chronic kidney disease. These were chosen as they represent a substantial proportion of the burden of disease in Indigenous people in the Northern Territory. The benefits of DDHS services in the three areas were estimated in comparison with the health status of clients who attended other health providers.

KEY FINDINGS

The analysis found that Danila Dilba “**delivers value for money** in improving Indigenous health outcomes”. The analysis indicates that **for each dollar invested in DDHS, \$4.18 of benefit to society is generated**. These improved health outcomes are delivered to 80% of the Aboriginal and Torres Strait Islander population in the greater Darwin region, a population of some 16,000. However, funding comparisons show that DDHS's ability to continue to deliver high quality services may be negatively impacted.

The analysis found that investing additional funding into DDHS would “**represent a sound investment in improving Indigenous health in the NT, and would assist with further closing the gap in Indigenous health outcomes**”.

- DDHS services are estimated to deliver \$5.60 million in benefits in 2016: \$0.43 million in avoided health expenses and \$5.17 in avoided wellbeing losses.
- The cost of delivering these benefits is estimated to be \$1.34 million, delivering net benefits of \$4.26 million - a benefit-cost ratio of \$4.18, and a return on investment of 318%.
- 94.4% of DDHS clients identify as Indigenous, compared with an average of 80% across all Aboriginal community-controlled health services.
- Children attending DDHS clinics are less likely to be underweight, which implies a reduced prevalence among this population of diarrhoeal disease, low birth weight, lower respiratory infections, malaria, measles, and malnutrition.



- DDHS clients with Type 2 Diabetes Mellitus have:
 - lower blood glucose levels – this means that there is a reduced risk of complications such as vision loss, neuropathy, renal disease and cardiovascular disease
 - lower blood pressure – this means that there is a reduced risk of heart attack, stroke, and cardiovascular disease mortality.
- DDHS clients are at lower risk of Chronic Kidney Disease (CKD), which means there is a reduced risk of mortality, end stage kidney disease, acute kidney injury and progressive CKD.
- DDHS is underfunded in relation to comparable health services .



VALUE FOR MONEY

DDHS receives less funding per staff member, less funding per episode of care and less funding per person in its target population, than is received by comparable organisations. This negatively impacts on DDHS' ability to deliver high quality services at a sufficient volume.

DDHS faces significant cost pressures as a result of its location in Darwin and the characteristics of its client base, that are not experienced to the same extent by many other primary health care services. These cost pressures increase the cost of providing services. The cost pressures include difficulties with attracting and retaining staff, upwards pressure on wages, fast population growth, high rates of chronic disease and premature mortality, a high proportion of Indigenous clients, and issues with access to housing.

QUALIFICATIONS

The benefits found in the analysis are conservative estimates and do not account for all benefit generated by Danila Dilba Health Service. It is important to note that this cost-benefit analysis has not established a causal link between DDHS and the cost savings included in the analysis. While statistically significant reductions in the economic costs of conditions have been established, it is possible that some of this reduction would exist even in the absence of DDHS.

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