**Improving Productivity Through More Effective Healthcare:**

**A New Model for Integrated Quality Care in Inflammatory Bowel Disease**

Delivering quality healthcare effectively and efficiently is a core enabler of productivity and economic growth. The most significant contributions to productivity growth in the healthcare sector have stemmed from delivering more effective healthcare services rather than doing more with less.[[1]](#footnote-1)

Australia has long recognised the need to improve prevention, quality, and service integration in healthcare, but it has missed opportunities to implement reforms that could enhance workforce participation and productivity. It has also underinvested in prevention, especially regarding the improved prevention and management of chronic diseases.

**Inflammatory Bowel Disease (IBD) serves as a clear example of a missed opportunity to boost workforce productivity, resilience, and budget sustainability**. IBD—distinct from IBS—is the umbrella term for Crohn’s disease and ulcerative colitis, both of which are chronic, immune-mediated conditions. Currently, more than 180,000 Australians live with IBD[[2]](#footnote-2), including children, adults, and the elderly. Additionally, Australia’s IBD prevalence is among the highest worldwide and is projected to surpass the rates in Canada, the UK, and New Zealand.

Unlike other chronic conditions, which tend to be diseases of aging, IBD affects young people and those of working age**. With 80% of people living with IBD (about 145,000 individuals) being of working age**, there is a strong need to pursue health reforms that help people **achieve remission** and **stay productive throughout their lives through participation in school, work, and their communities.**

The total economic impact of IBD to the Australian community in 2025 is expected to be $7.8 billion.[[3]](#footnote-3) Approximately one third of these costs is direct healthcare costs, with the balance, and majority of the impact in the potentially preventable health and wider economic impacts arising from lower workforce participation, presenteeism and welfare support. In light of the compounding prevalence of IBD in Australian communities, the **total economic burden is estimated to be a staggering $77.9 billion in net present value (NPV7%) terms over the 2025-2035 period**.[[4]](#footnote-4)

Improving the management and care of IBD has a significant impact on a person's ability to work, their productivity in the workforce, and their capacity to live a full life and participate fully in their community. Research has shown that **people with** **poorly controlled IBD are expensive, ‘frequent flyers’** with hospital admissions and emergency department presentations higher per case per year than cancer, heart disease, endometriosis, arthritis, asthma, kidney disease, and dementia based on AIHW data (See Figure).

Research has also shown that **much of this care can be prevented** and that an integrated model of care would deliver **budget efficiencies** and **health care improvements**:

* Increases the **probability of achieving remission nearly four-fold**
* Reduces the **risk of hospitalisations by 30 per cent**
* Reduces the **risk of surgery by 44 per cent**
* Reduces the **risk of emergency department presentations by 78 per cent**
* Improves a **person’s probability of working by 26 per cent**
* Triples the **probability of a student staying in school**
* Improves a person’s ability to have a **more active social life by 50 per cent**.

**Working with the entire IBD community, Crohn’s & Colitis Australia has created a specific, detailed, and evidence-based proposal for a program that would provide more effective, efficient, and integrated healthcare for the 180,000 people living with IBD.**

CCA’s proposed **‘Integrated Quality Care in IBD’**[[5]](#footnote-5) program would involve development of a targeted, time-limited *Living Well with IBD* initiative focused on improving disease remission among priority populations. It also involves implementing foundational capabilities to enhance care quality and integration, such as creating a clinical care standard, expanding access to a national virtual multidisciplinary team (MDT) network, streamlining specialist referrals, increasing access to digital health services for more integrated primary and tertiary care, and providing workforce training to uplift service quality in IBD. The *Living Well with IBD* program intends to increase access to integrated, multidisciplinary care for priority groups, including paediatric patients, regional residents, Aboriginal and Torres Strait Islanders, Culturally and Linguistically Diverse Australians, elderly Australians, people with severe active disease, and those facing severe mental health challenges. Support will be available for these populations over three years, with the first 18 months dedicated to program development. The estimated cost of this initiative is $34.1 million over four years.

**Through the program, 23,400 people will gain access to integrated, multidisciplinary care** that they would not have received otherwise over the next four years. This represents approximately 22.7 percent of the expected IBD prevalence under active management. **Based on leading Australian research, it is estimated that about 9,360 of these patients will reach disease remission at least one year earlier than they otherwise would, avoiding unnecessary suffering and healthcare costs valued at $127 million in net present value (NPV, 7%).**

As a result, **this program will deliver productivity improvements, a more resilient workforce and cost savings** – both to the health system and wider economy. Specifically, the Integrated, Quality Care in IBD Program will:

* **Boost productivity and workforce resilience —** The program is expected to increase the number of Australians achieving remission, which in turn boosts workforce participation and productivity (by reducing presenteeism and absenteeism), as well as improving young people’s ability to attend school, participate in sports, and complete studies at TAFE or university**. An additional 2,152 people are expected to remain in the workforce,** 4,024 are expected to enjoy an active social life, and 9,360 people are expected to see their life satisfaction rise to match the population average, compared to taking no action.
* **Improve budget sustainability —** This proposal is **budget positive**. Regarding direct costs to the Commonwealth**, the benefit-cost ratio (BCR) is estimated at 7.1,** achieved through savings in welfare and income support payments, as well as lower demand for diagnostics, primary health care, specialists, and medicines. Research indicates that **a person with severely active IBD costs the Commonwealth $15,358 more annually (2025) than someone in remission.** Importantly, there are health and economic benefits that extend beyond the direct financial gains to the Commonwealth: **the integrated services model will reduce emergency department visits, hospital admissions, and improve service efficiency amid an overstretched health workforce and unsustainable ambulance callouts.**

The program will also have important impacts on **households’ cost of living**. On average, a person living with IBD spends $5,900 annually on out-of-pocket expenses for managing their disease, which amounts to about 10 percent of the average Australian household’s disposable income. Additionally, the **average loss of income from decreased workforce participation and unpaid leave due to illness is estimated at $19,000**. As a result, the financial burden on families from poorly controlled IBD is substantial. Improving access to quality, integrated care is expected to **increase Australian household income by $151 million**.

**CCA’s proposal for an Integrated, Quality Care in IBD Program is evidence-based, budget-positive, specific, and strongly aligned with the** **fifth pillar of the Government’s Productivity Agenda: Delivering quality care more efficiently.**

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1. Australia Government Department of Health and Aged Care. 2025 Incoming Government Brief. FOI number: FOI 25-0413 LD/FOI 25-0418 LD/FOI 25-0423 LD, release date: 26 June 2025 [↑](#footnote-ref-1)
2. Insight Economics (2025), State of the nation in inflammatory Bowel Disease in Australia, Final Report 2025, prepared for Crohn’s & Colitis Australia, available at: <https://crohnsandcolitis.org.au/wp-content/uploads/2025/05/CCA_State-of-the-Nation-in-IBD-1.pdf> [↑](#footnote-ref-2)
3. *Ibid.* [↑](#footnote-ref-3)
4. Hracs, L., Windsor, J.W., Gorospe, J. et al. Global evolution of inflammatory bowel disease across epidemiologic stages. Nature 642, 458–466 (2025). [↑](#footnote-ref-4)
5. This program is based on Option 3 (Foundations and Targeted Program for Priority Populations) developed in a Business Case to the Australia Government submitted in January 2025. See: <https://consult.treasury.gov.au/pre-budget-submissions/2025-26/view/239> [↑](#footnote-ref-5)