

**The National Health and Hospitals Reform Commission**

A Healthier Future for all Australians:  
Key Reform Directions and Implications

Meeting with Victorian Healthcare Association  
5 March 2009

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Commissioner, NHHC

A HEALTHIER FUTURE FOR ALL AUSTRALIANS  
Interim Report of the National Health and Hospitals Reform Commission

**Hospitals hardly rate a mention**

**Healthier approach to caring**

**A healthy dose of prevention**

**Care for children to begin before birth**

**Recapturing the active Australian**

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**Devil in the detail of scheme**  
**Experts clash over reform option merits**  
**Radical dental proposal aims to stop the rot**

Health-care report not quite what the doctor ordered  
Just what the doctors ordered **Tell me where Sir Humphrey-style remedies for health it hurts**

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**REFORM THEMES:**

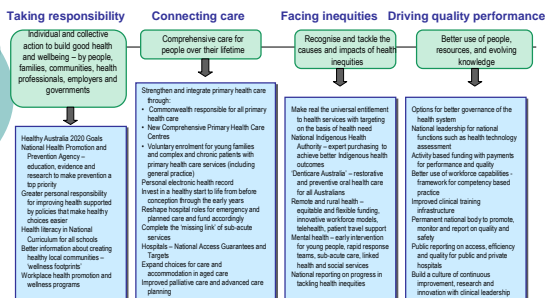
**Taking responsibility**  
Individual and collective action to build good health and wellbeing – by people, families, communities, health professionals, employers and governments

**Connecting care**  
Comprehensive care for people over their lifetime

**Facing inequities**  
Recognise and tackle the causes and impacts of health inequities

**Driving quality performance**  
Better use of people, resources, and evolving knowledge

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Principles  
Key Reform Directions

People and family centred | Equity | Shared responsibility | Promoting wellness and strengthening prevention | Comprehensive | Value for money  
Providing for future generations | Recognise broader social and environmental influences shape our health | Taking the long term view | Quality and safety  
Transparency and accountability | Public voice and community engagement | A respectful, ethical system | Responsible spending  
A culture of reflective improvement and innovation

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**Taking Responsibility**

Healthy Australia 2020 Goals

**National Prevention and Health Promotion Agency – education, evidence and research to make prevention a top priority**

Greater personal responsibility for health supported by policies that make healthy choices easier

Health Literacy in National Curriculum for all schools

Better information about creating healthy local communities – ‘wellness footprints’

Workplace health promotion and wellness programs

Taking Responsibility – Prevention Agency

**The challenge:** To make prevention a national priority

Barriers to prevention:

- Low investment in prevention
- No dedicated 'champion' or home for prevention
- Lack of evidence base to support funding decisions

Many useful resources:

- National Preventative Health Taskforce
- National Prevention Summit
- NHHRC commissioned papers
  - Design concept for a national prevention agency
  - Review of options for a Prevention Benefits Schedule

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Taking Responsibility – Prevention Agency

Our proposal: A National Health Promotion and Prevention Agency

- Independent, statutory agency
- Cross portfolio responsibility (not just health) with reporting to PM and Parliament
- National leadership on Healthy Australia Goals 2020, 2030 etc
- Functions:
  - Building evidence base – commissioning research and supporting prevention activities and interventions
  - Leading cross sectoral action on health promotion and prevention
  - Running social marketing and educational campaigns
- Leading role in funding prevention, particularly population health, supplemented by:
  - 'Clinical' prevention – interventions directed at individuals should be considered for funding through the MBS and PBS under new umbrella approach to 'national health intervention assessment'

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Connecting care

**Strengthen and integrate primary health care**

Personal electronic health record

Invest in a healthy start to life from before conception through the early years

Hospitals – reshape roles, National Access Guarantees and Targets

Complete the 'missing link' of sub-acute care services

Expand choices for care and accommodation in aged care

Improved palliative care and advanced care planning

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Connecting care – strengthen primary health care

**The challenge:** To make primary health care the platform of our health system

Our proposals:

1. Commonwealth to be responsible for funding and policy for all primary health care
  - Bring together responsibility for existing state-funded primary health care (e.g. community health, district nursing, child health public dental, school health) and primary medical care
  - Transform existing GP Divisions into Divisions of Primary Health Care to improve service coordination, integration and undertake population health planning at a local and regional level
  - Proposal is common across all governance options – strengthening primary health care is an essential stepping stone

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Connecting care – strengthen primary health care

2. Support continuity and comprehensive primary health care through:

- Establish Comprehensive Primary Health Care Centres in most local communities – primary health care needs to become the preferred location of care
- One stop shops for expanded range of generalist services with better links to other services including hospitals and aged care
- Provide opportunity for voluntary enrolment for young families and people with complex and chronic conditions

3. Transform funding arrangements for primary health care

- Greater use of blended funding models – MBS + grant funding linked to enrolment + payment for quality + bundled payments
- Expanded access to the MBS and PBS for nurse practitioners and other health professionals where doctors are scarce, within defined scopes of practice
- Equivalence payments across all primary health care services (MBS and other primary health care) in remote and small rural communities

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Facing inequities

Make real the universal entitlement to health services with targeting on the basis of health need

National Indigenous Health Authority – expert purchasing agency to achieve better Indigenous health outcomes

**'Denticare Australia' – restorative and preventive healthcare for all Australians**

Remote and rural health – equitable and flexible funding, innovative workforce models, telehealth, patient travel support

Mental health – early intervention for young people and psychosis, rapid response teams, sub-acute care, linked health and social services

National reporting on progress in tackling health inequities

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Facing inequities – Denticare Australia

**The challenge:** To improve access to oral health services

Existing situation:

- 650,000 people on public dental waiting lists, 27 months
- Gaps in access and eligibility:
  - About 30% eligible for public dental
  - About 45% have private dental insurance
  - About 25% have no coverage
- Low income people face high costs if they use dental services, but many do not access services
- Individuals pay most (67%) of dental costs, governments (18%), health insurance (14%)
- Most dental spending (about 80%) covers preventive and restorative services
- Most of the dental workforce is in the private sector (particularly dentists)

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Facing inequities – Denticare Australia

Our proposal: Denticare Australia

- Universal access to preventive and restorative services (including dentures)
- An increase in the Medicare Levy of 0.75%
- Under this new approach, people can use the funding from the Levy to either access dental services through a private health insurance plan or public dental services
- Funding would also be used to expand school dental services, oral health promotion and establish a 1 year internship for oral health practitioners

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Driving quality performance

Options for better governance of the health system

Activity based funding with payments for performance and quality

Framework for competency based practice and improved clinical training

Permanent national body to promote, monitor, report and support clinicians and health services to provide safe and high quality care

Public reporting on access, efficiency and quality for public and private hospitals

Build a culture of continuous improvement and innovation and strong clinical leadership

Prioritise health services research and fund infrastructure costs of research

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Options for better governance – Option A

Option A – shared responsibility with clear accountability

Commonwealth pays States a set amount (say 40%) for the efficient cost of inpatient and emergency department activity

Commonwealth assumes 100% funding responsibility for outpatients – using casemix approach such as VACS with activity levels negotiated

Commonwealth and States would agree an overarching National Health Strategy

Advantages: Commonwealth has incentive to reshape non-hospital services, improved risk sharing of most hospital costs, clear information on service activity levels, reduces financial pressure on states

Disadvantages: Creates new boundaries between inpatient and non-admitted services, may not achieve improved integration of services

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Options for better governance – Option B

Option B – Commonwealth responsibility with regional providers

Commonwealth assumes funding and policy responsibility for all health services, including public hospitals

Existing national programs – MBS, PBS, aged care – would continue

Regional health authorities (which could be states) would plan and deliver integrated health services, with regional budgets determined on national basis

Advantages: Single funder of all public health services and resolution of 'blame game', capacity for regional planning under consistent national framework

Disadvantages: Major funding shift and need to retain management expertise, potential for loss of local innovation and accountability

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Options for better governance – Option C

Option C – Social health insurance

Commonwealth assumes funding and policy responsibility for all public health services

Establishes social health insurance scheme – people can choose from competing private and public plans that purchase health services from public, private and non-profit health services

Commonwealth would determine the 'universal service obligation' or package of mandatory health services covered under the plans

Funding would be by a progressive taxation levy

Advantages: Plans have 'whole person' responsibility and incentive to focus on prevention and early intervention, introduces choice for consumers, encourages competition and smart purchasing by health plans

Disadvantages: Some public health functions may not be supported, may increase administration and transaction costs, competition depends on good information to consumers and access to services and workforce