



Victorian Healthcare Association

SUBMISSION

Victorian Health Priorities Framework 2012-2022:
Metropolitan Health Plan

14 June 2011

1. Introduction

The VHA welcomes the opportunity to provide initial feedback to the Victorian Health Priorities Framework 2012-2022: Metropolitan Health Plan. The VHA will provide further submissions to the Department of Health over the coming months as the Victorian Health Plan progresses. The VHA agrees to this submission being treated as a public document.

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The Victorian Healthcare Association

The VHA is the major peak body representing the public healthcare sector in Victoria. Our members include public hospitals, rural and regional health services, community health services and aged care facilities. Established since 1938, the VHA promotes improvement of health outcomes for all Victorians, from the perspective of its members.

Introduction

The development of a long term health plan has been a key policy priority of the VHA over the past five years. The absence of a Victorian health plan to date has represented a failure to design an integrated health system for the future of all Victorians, and leads to a continuation of the existing service paradigm.

Existing system failures result in many avoidable hospital admissions, inadequate illness prevention and disjointed efforts to reduce the burden of chronic and complex conditions. During the lead-up to the 2010 Victorian State Election, the VHA urged all political parties to commit to a health plan that includes an assessment of Victoria's population health needs, a service strategy and a resource plan to address those needs.

With the system already under financial and capacity pressures, the need to significantly boost funding for health services within the budgetary process is clear. It is also clear that there is an urgent need to plan and deliver healthcare services *differently*. Consequently, the VHA applauds the commitment to a Health Services Plan 2022 and welcomes the release of the Victorian Health Priorities Framework 2012-2022: Metropolitan Health Plan.

The VHA also acknowledges and supports the future development of the Rural and Regional Health Plan; the Health Capital and Resources Plan 2012-22; a Victorian General Practice and Primary Health Plan (in conjunction with the Commonwealth Government); and the State Public Health and Wellbeing Plan 2011-2015. Each of these plans will contribute to guiding the future direction of the health system, alongside existing planning frameworks such as the Victorian Cancer Action Plan and strategies for men's and women's health.

The VHA Response

The VHA strongly argues the need for change in our health system. Without changing the structure, funding and focus of the health system, the proportion of government spending on health and healthcare will continue to rise. Similarly, health agencies in Victoria



recognise the need to change their practices, with many agencies already changing their service models to meet community needs.

Finding and implementing the ideal blend of infrastructure, human endeavour and pricing policy represents the lifeblood of policy debate. By necessity, any informed attempt at developing a health plan must begin with a contemporary assessment of where we are now – to what extent our current reality aligns with our belief of the 'ideal'.

Victoria's devolved governance model is a major strength of the Victorian health system. The benefit of devolved governance – or boards of governance - is the capacity to make decisions at the point of service. This model allows for local and responsive decision making that involves local solutions to meet local needs. Victoria's health agencies (and their boards of management) need guidance from government in the form of a policy context that sets the parameters for system change. From the policy context, each governing board can tailor their service delivery plan to the needs of their community of interest.

For example, health services no longer operate merely to serve those that "walk in the door" seeking immediate medical care. Rather, their role has extended to be a key stakeholder of community viability, actively targeting sub-populations, including those most vulnerable or at risk. Health services are also significantly involved in health promotion and illness prevention.

However, funding and reporting arrangements remain focused on the historic throughput model. It is imperative that funding structures and reporting mechanisms are evolved to enable inherent flexibility for services to utilise their resources to meet local needs in accord with the aspirations of the Health Services Plan 2022.

Reshaping the health system

The VHA Directions 2010 document proposed a range of actions to reshape the health system and minimise demand pressure on Victoria's hospital system. The VHA will be seeking assurances that these actions will be met throughout the implementation of the health plan.

These are:

- Increase the overall health budget to "top up" the recurrent budgets of health services, so they can meet demand for services
- Invest substantially more money in preventative healthcare
- Plan health services on the population health needs of local areas
- Provide extra infrastructure funding for facilities with old buildings to rebuild existing infrastructure and "interface" areas to build new healthcare facilities
- Redesign funding models to encourage healthcare agencies to shift outside the acute hospital system into community based settings
- Redesign the health workforce to one based on competency, cooperation and efficiency

The VHA recommended that the implementation of the finalised health plan should be publically reported at least every two years, with a public review of the plan at least every four years. The VHA is pleased that the Department of Health documentation notes the intention to "review the Health Plan every four years, and revise the related blueprints for health services development accordingly" (p.3).



For the Victorian Health Plan to be successful, the VHA recommends that this plan includes:

- Objectives for acute, sub-acute and primary healthcare, and residential aged care services
- Consideration of the role government and non-government sectors can play in addressing the social determinants of health such as transport, education, housing, environmental design and social isolation
- A 10-year resourcing and infrastructure plan that sets priorities for future infrastructure projects based on need, productivity dividends and demand
- The allocation of a higher proportion of the health budget to non-bed based primary, community and preventative services
- Identification of the linkages between hospitals, primary healthcare and preventative health services
- Transparent processes to ensure successful and innovative programs are sustained in the long term with clear implementation timelines, capital and recurrent expenditure

Victoria is at a juncture, with a changing demographic and ongoing population growth. Major reinvestment and redesign of the healthcare system is needed to create a contemporary public healthcare system for generations ahead.

An analysis of the past eight Victorian state budgets shows the apportionment of the total health budget throughout this period has remained static. That is, the share of the health budget allocated to eight service areas (acute health, ambulance services, mental health, aged care, primary health, small rural health, public health, and drug services) has barely changed from 2004-05 to the current 2011-12 budget. This approach is unsustainable. Future budgets must provide significant capital funding to guarantee the sustainability of community health services and to ensure that sufficient infrastructure capacity exists as we move more services to sub-acute and community-based service settings.

Further Action

The VHA expects the Victorian Government to show leadership in the following areas:

Governance: The workload for directors is increasing and the level of complexity within the system is building. These directors have significant responsibilities and therefore, need contemporary governance training processes. Supporting these boards must be a consideration of the Department of Health as the plan is implemented into the future. The VHA urge's the Department of Health to consider innovative governance training options to enable health agency boards to suitably govern their health services.

Capital Infrastructure: Health services need to know where they stand in the infrastructure queue so they can make strategic decisions about whether to upgrade outdated facilities or to wait for a rebuild. This is especially so in rural Victoria, where many health services operate from fully depreciated facilities that are often unsafe, impractical and inefficient. The poor state of much of Victoria's rural health infrastructure and the high costs of maintaining it was a major finding of the VHA-commissioned Access Economics study Victorian public hospital funding and productivity.

Population Health: The VHA advocates for population health approaches planning – that is - integrated and collaborative planning that demands that health and non-health sectors, government departments, and service delivery agencies work together to address the issues faced by their communities and populations. Population health approaches to planning are in their infancy in Victoria. Yet, the VHA believes this approach offers the potential to improve the health and wellbeing of whole populations, and to target inequities within and between specific population groups.



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Workforce: The healthcare workforce is an essential component of the healthcare system. An undersupply of workers creates poorer health outcomes. However, there is no publicly available strategy to ensure workforce supply meets Victoria's future healthcare needs. The current approach to workforce requires patient care to be given according to professional discipline, regardless of the competency of other healthcare workers. This often results in healthcare services being restricted in their workforce solutions.

Illness prevention and health promotion: Whilst investment in capital infrastructure for high-quality hospitals and health services will remain a fundamental component of Victoria's healthcare system, the VHA supports increased funding for illness prevention and health promotion through this, and future planning exercises.

This shift is fundamental to deal with future challenges of an ageing population, widening social inequities, rising levels of demand and increasing rates of chronic disease. Victoria has been a leader in these activities and must remain so. The VHA supports the government's commitment to strengthen the role that VicHealth plays in promoting healthy communities and recommends that the Victorian Government uses the forthcoming Victorian Public Health and Wellbeing Plan to reevaluate and strengthen its approaches to prevention in Victoria.

IT: Effective information technology systems will underpin the health system into the future. Yet, a one-size-fits-all approach to information management and communications technology product choice is failing Victoria's public health services and consumers. This is because health services vary significantly in the services they provide, the size of their organisation and the overall scale and scope of their operations.

Ongoing investment in IT is essential. The VHA recommends the Victorian Government develop a new Victorian Telemedicine Strategy that includes reliable remote access to specialist assistance, infrastructure flexibility to physically bring the telemedicine equipment to the patient and funding that remunerates all parties for services provided.

Note

The VHA acknowledges that Trevor Carr, CEO, Victorian Healthcare Association is a member of the Ministerial Advisory Committee for the development of the Health Services Plan 2022, chaired by the Hon. Rob Knowles AO.

The VHA looks forward to working with the Government to achieve a considered, long term plan for Victoria's health system, to achieve a more transparent and cohesive health policy context for the state.

The VHA welcomes the opportunity to provide further information to the Department of Health on this or any other issues relating to health in Victoria.

Please contact me on (03) 9094 7777 to clarify any information in this submission.

A handwritten signature in black ink, appearing to be 'Trevor Carr'.

Trevor Carr
Chief Executive Officer