



## OPTIMISING PRIMARY HEALTH CARE: REFRESHING MBS

### EXECUTIVE SUMMARY

Although established as a funding tool, the Victorian Healthcare Association (VHA) purports that over the past five years, the Medicare Benefits Schedule (MBS) has been used as a policy tool to address health needs. This has created challenges for Victoria's primary health care service providers. Four years after the release of the *General Practitioners in Community Health Services Strategy* in Victoria, the VHA has explored the impact of MBS funded services on client access across health services.

The VHA argues that the MBS should not operate as a policy tool. Rather, it should be used as a funding system that enables consultations with health care professionals in a range of settings. While the MBS has expanded to include funding for a broader range of allied health services, it does not meet the needs of many communities and disadvantaged Victorians due to gaps in service provision.

As part of the development of a National Primary Health Care Strategy, the federal government is reviewing the MBS. This review aims to simplify the MBS, cut "red tape" for doctors and increase the focus on prevention. The VHA's position statement – **Optimising primary health care: Refreshing MBS** – examines the primary health care funding mechanisms that must be addressed as part of this review.

### POLICY CONTEXT

The VHA recognises State Government funding increases in recent budgets to support the building and renewal of capital infrastructure within the Victorian health system. These projects are of significant importance to ensure the health needs of all Victorians can be met today and into the future.

The Victorian Government and Commonwealth Governments have shown a commitment to fund health infrastructure. To ensure equivalent health facilities for all Victorians, government capital investment should be linked to an open systemic review of health service infrastructure and identification of high needs areas.

However, the VHA is concerned that this level of funding may not be sustainable in the long term. Further, the efficacy of small amounts of capital funding, used effectively has not been fully realised.

### AFFORDABILITY AND ACCESS

True universality of service access can only be achieved where financial barriers to access are addressed. These barriers exist across society and particularly impact the socioeconomically disadvantaged and also those with chronic illnesses who are on middle range incomes. Client co-payments should be incorporated into the new structure of the MBS but must be consistently applied across state and federal programs, and based upon capacity to pay and not solely upon income. Further investigation and consultation regarding how these should be applied is required.

Due to restricted access to appropriate primary health care and early intervention, there are high rates of presentations at emergency departments where individuals can receive care financed by State government funding programmes. This lack of access to publicly funded primary health care manifests in an overburdened acute sector and in care being delivered in settings designed and funded for other purposes.

## VHA POSITION

The VHA has previously identified through its position statement “Creating Healthy Communities: Reforming Primary Health Care in Australia” that substantial reform is required to meet the health needs of the Victorian population into the future. Governments must foster equity of access to services for socially disadvantaged and/or vulnerable client groups. The VHA supports funding models and structures that allow the public health sector to deliver services that best meet the needs of the communities they serve.

A key focus of any reform must be the implementation of strategies to address population health needs such as:

- Policies that emphasise a “wellness” approach to health care
- A cohesive framework that aligns both federal and state funding models to create more efficient use of resources, including MBS items
- A national primary health care policy that facilitates systemic change and reduces service duplication



## RECOMMENDATIONS

1. The VHA recommends restructuring the MBS to support funding of service delivery models in which entrance to the primary health care system is based on an appropriate intake assessment of need and where multi-disciplinary teams work in partnership with the client.

The VHA recommends the restructuring of MBS funding so that individual health care plans are funded. The aim of such plans should be:

1. Achieving optimal health outcomes and goals for individuals
2. An increased focus on individual responsibility for health through incentive based empowerment approaches
3. The availability of funding for a range of health and wellness services

2. The VHA recommends that MBS funds be “cashed out” to better achieve equitable access to services. There are two ways in which this should be implemented these are:

1. In specific geographic areas where it is not possible to provide adequate health services based on a fee for service model
2. For specific client groups where fee for service models do not provide adequate health outcomes, for example management of chronic illnesses such as diabetes.

3. In implementing such an approach the VHA recommends the federal government ensure a reoriented health system is funded on the basis of health outcomes rather than throughput. This must include an investigation of evidence-based approaches.

The VHA recommends the establishment of incentive payments to providers to facilitate access for clients with complex needs and those who are seen as ‘difficult’. This must include specific groups who are socially disadvantaged including but should not be limited to Indigenous Australians, the homeless, refugees, drug and alcohol clients. These programs must be appropriate, culturally sensitive and affordable and incorporate strategies to promote health and wellbeing.

The full position statement and references are available on the VHA website: <http://www.vha.org.au>

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