

## BEYOND THE BUDGET BLUES

VHA Funding Forum



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### State Budget Analysis

“Investing in the health of all Victorians” -

The Victorian Healthcare Association Submission to the Victorian State Budget 2009-10

“Optimising health outcomes for all Victorians”

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### WIES

2007-08	2008-09(b)	2008-09(e)	2009-10
.726	.7048	.7262	.7216

- Productivity squeeze loosened, but still remains
- Funding – Headline 8.6%, Underlying rate 4.6%

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### Palliative Care

Bed day target up by 4% to 79,000 bed days.

Consistent with changing demographic, but not matched by similar growth in HACC and Community (thus inconsistent to stated policy objectives)

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### Sub-Acute

Sub-acute target up by 7% to 655,000 bed days

Consistent with trend to GEM and Transition Care bed growth.

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### PAC

Target for completed post acute episodes up by 5.5% to 38,000

Growth agreed through ‘Sustaining health service capacity’ initiative (COAG)

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### Specialist Outpatient Clinics (weighted)

2007-08	2008-09(b)	2008-09(e)	2009-10
1382	1335	1406	1374

Increasing complexity noted, but growth represents only 2.9% yet this a key determinant in managing waiting lists

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### Ambulatory Care – sub-acute

Occasions of service up by 5% to 471,000

2.2% budget growth, 1.6% growth on expected  
Numbers consistent with target demographic

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### Non-admitted budget:

Indexed by 7.4% to previous budget

'Sustaining health service capacity' initiative  
included within growth

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### Emergency Services:

2007-08	2008-09(b)	2008-09(e)	2009-10
1350	1410	1340	1370

Output cost indexed by 13% to previous budget

Fund flows from 'sustaining capacity' initiative:

- recognition of resource intensity
- targets a little contradictory to anecdote

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### Acute T & D

Medical positions increase by 15% to 1,069

- Nursing static at 1,305 undergraduate and 832 post graduate
- Allied health increase by 1.6% to 453

Question regarding role of hospital in providing  
graduate nursing opportunity

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### Mental Health

Community contact hours static at 1,097,000

- Residential bed target up 5,000 (<14 day)

Numbers seem contrary to headline, target implies  
acceptance of lower productivity as not achieved  
08-09

Budget – 6.9%, tight considering bed increase

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### Residential Aged Care

- High care static (924,000), Low care down 3000 (414,000 – 8.2 day)
- Value Unit up (498,000 - .5%) indicating higher complexity residents
- Headline budget 5.2%, underlying indexation 4.6%

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### HACC

- Value Unit growth less than 1% (4,789,000)
- Budget headline 8.2%, underlying indexation 7.3%
- Output growth at less than 1% curious given target demographic

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### Community Health

- Service hours: 1% increase
- Value units: 1% decrease = Increased productivity!
- Funding: difficult to distil due to bushfire relief funding (headline 42% increase)

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### Dental services:

- Service hours: 1% increase
- Value units: 1% decrease = Increased productivity!
- Funding: effective index 5.5%

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### Small Rural Health Services:

- Acute value units up 1.4%, yet WIES and separations static???
- Residential care value units up 1.65%
- HACC value units up .3%
- Primary value units down 1.2% but service hours static
- Headline 2.2% = productivity!!!!!!

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### Public Health

- Targets generally are up
- Overall budget down
- Significant adjustments (inter-government)
- Contradictory to signals regarding investment in prevention

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### Drug Services:

- Pharmacotherapy numbers up 5.3% to 11,800
- Other program targets unchanged
- Budget up by 2% - ? Productivity expectation!

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### Child protection and family services

- Statutory CPS – target up 3.7%, budget down 1%
- Specialist support and placement – target up 5.2%, budget up 8.5% - effective index 3.1%
- Family and community services – target down .94%, budget up 5%, effective index 11.6%

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### VHA called for: A state-wide health plan

A comprehensive 2020 Metropolitan Health Plan by November 2009 that:

1. Links future capital infrastructure investment with pre-determined priorities based on need
2. Identifies the referral linkages between major regional providers and metropolitan health services
3. Invests an increasing proportion of the health budget in non-bed based primary and preventative services

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### VHA called for: A state-wide health plan

Rural Health investment that includes:

1. Fast tracking of regional self-sufficiency
2. A strategic review of emergency services provision
3. Linking capital priorities to evidence-based assessments of need

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### VHA called for: A state-wide health plan

Rural Health investment that includes:

4. New methodology for capital depreciation
5. Removal of maternity funding from Casemix
6. Direct funding relationship between DHS and Ambulance Victoria
7. Include growth capacity for public residential aged care

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### VHA called for: A workforce strategy

1. The breaking down of professional silos
2. Invest in a review of "currency of practice" and "scope of practice" issues
3. Increase the numbers of trained professionals through attractive career pathways and contemporary courses
4. Invest in telemedicine to support clinicians practising in rural areas
5. Further enabling the application of nurse practitioners in appropriate settings

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### VHA called for: Capital Infrastructure

1. 10-year infrastructure investment plan aligned with current policy, transparent in process, takes into account new environmental building standards and ensures appropriate facilities
2. Alternative strategies to incorporate depreciation costs into DHS capital funding methods
3. Simplifying the planning process for capital works applications
4. Creating a transparent process in partnership with industry, for prioritising the capital investment priorities

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### VHA called for: IT & Planning

1. Additional \$5m (\$1m for each rural IT alliance) in 2009-10 to overcome the current impediment to system development
2. Review current approach to IT with a view to better meet the varying size & capacity of organisations within which the product will be used
3. The creation of a national data bank that integrates health data

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### VHA called for: IT & Planning

4. Finalising the state-wide ICT strategy by November 2009
5. A time-frame for introducing a unique patient identifier
6. Working with the health sector to introduce a methodology for population health reporting and accountability

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### VHA called for: Flexible Funding

1. Increase indexation rate applied to Small Rural Health Service funding from July 2009 to match that received by the State through the AHCA
2. Create a dedicated funding pool for maternity services
3. Develop fiscal benchmarks and funding pool to enable operational support to all health services to change processes in accord with best practice
4. Align awarding of financial incentives to area based improvement in population health outcomes

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