



# POSITION STATEMENT

Victorian Healthcare Association

VHA 2009 Board Endorsed Position Statement



## *Whole of Health*

*“Optimising health outcomes for all Victorians”*

# The Victorian Healthcare Association

The Victorian Healthcare Association (VHA) is the major peak body representing the interests of the public healthcare sector in Victoria. The VHA promotes the improvement of health outcomes for all Victorians from the perspective of its members that include public hospitals, rural and regional health services, community health services and aged care facilities.

## Executive summary

The VHA remains committed to a “whole of health” approach to funding and operating Victoria’s healthcare system. This fundamental principle underpins all of our advocacy work and the organisation’s stated aim to “optimise health outcomes for all Victorians”.

A “whole of health” approach would necessitate health impact statements as an integral part of all government decisions across all policy areas. This recognises that often it is what occurs outside the healthcare system that most affects the health status of communities.

The socio-economic determinants of health cannot be ignored if society wants to make inroads in reducing rates of preventable chronic illness. The VHA/Access Economics report on Victoria’s public health system<sup>1</sup> found rising rates of chronic illness will be the primary cause of rapidly increasing government expenditure on public healthcare.

A “whole of health” approach implies a fundamental shift of emphasis away from focusing on a particular illness and individual behaviour change to a holistic approach that focuses on whole communities and sub-population groups.

This will necessitate a move away from predominantly acute, bed-based care to a preventative model of healthcare that plans service delivery from a population health perspective and concentrates the appropriate level of resources on health promotion, prevention, early intervention and primary healthcare.

Such a shift will also require new funding mechanisms for Victoria’s public healthcare system that reward service innovation, are based on population health indicators and are backed by access to quality, local data that allows health services to benchmark their performance according to a series of industry-agreed key performance indicators (KPIs).

*Produced by The Victorian Healthcare Association (VHA). This document has been prepared by the VHA with input and feedback from VHA members. While this position statement aims to broadly reflect the views of the health sector in Victoria, it remains the position of the VHA and does not supersede any submission or position stated by any member agency.*

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### Whole of Health

The “*Whole of Health*” position statement is an umbrella document or a policy blueprint that summaries the VHA’s research on health system reform. Its recommendations outline the main steps in the health reform process that governments must expedite to ensure the sustainability of Victoria’s public healthcare system.

The recommendations are cross-referenced to the VHA’s library of position statements that tie in with the organisation’s strategic priorities. All of these position statements are indexed at the end of the document and are available by contacting the VHA on (03) 9094 7777 or at [www.vha.org.au](http://www.vha.org.au).

# 1. Prefacing comments

One of the VHA's strategic priorities is to advocate for government health policy that reflects a "whole of health" approach. Effective advocacy requires that the VHA defines "whole of health" at a policy and practical level.

## 1.1 Broad definition

The health system is traditionally defined by health service providers and the institutions in which they reside.

A "whole of health" approach rejects this medicalised definition in favour of a view of health that includes all potential influences on an individual's health and wellbeing. This includes but is not limited to:

- Social and economic conditions
- Government policy
- Access to affordable housing
- Educational opportunities
- Mortality and morbidity statistics
- Genetic predisposition
- Organisation and structure of health services
- The health workforce
- Access to services
- A person-centred approach to healthcare
- Structures that support consumer participation

## 1.2 The rationale for this paper

This position statement will outline the academic rationale for a "whole of health" approach via the following issues:

- Why whole of government involvement is needed in health
- The need to address the social determinants of health
- Why take a holistic approach?
- Why the need to focus on primary care, prevention and health promotion?
- The next step in health reform is population health planning
- Managing community expectations of the healthcare system

# 2. 'Health in All Policies'

All levels of government – federal, state and local – provide health services to the community. Potentially, there are a number of efficiency gains to be made by coordinating services across these three levels of government to minimise duplication and encourage optimal health outcomes.

In every country where it has been studied, less well off people are more likely to have a shorter life expectancy and more illnesses than their richer counterparts. In recent years, policies and programs that aim to strengthen the 'engagement, connectedness and resilience of local communities have become a core

element in public policy'.

The VHA believes much can be done at a municipal level to create healthier communities by looking at interventions outside the traditional health sphere. This may include providing quality public housing and open space that detracts from the creation of obesogenic and other environments that contribute to poor physical and mental health.

Recognition of the need for a "whole of health" approach is apparent already at state and federal levels of government, yet the VHA believes the approach has not gone far enough. A Council of Australian Governments (COAG) Communiqué states that: "collaboration by all jurisdictions in developing a shared long-term vision for health system reform is essential"<sup>2</sup>.

The VHA is committed to lobbying the treasury department for a commitment to a "whole of health" approach. This department acts as a "whole of government" department whose decisions have a widespread impact on other departments and programs. Consequently, treasury may be more receptive to the financial benefits a "health in all policies" approach could bring to the already overstretched health budget.

A "whole of government" approach was evident also in the creation of Centrelink, an agency that combined the functions of previously separate government departments<sup>3</sup>.

In Victoria, the "A Fairer Victoria"<sup>4</sup> policy document is one example of small inroads being made into a "whole of government" approach to policy planning. This document outlines how a number of government departments will work together to combat community disadvantage. The Neighbourhood Renewal and Community Renewal projects are further examples of Victoria's rudimentary inroads into a "whole of health" approach.

## 2.1 A "Whole of Health" summit

The VHA continues to call on the Victorian Government to convene a Health Summit to develop a shared vision for Victoria's public healthcare system over the coming decades.

A primary focus of this summit would be to examine the potential of investments in non-health portfolios for the health benefits they may bring. For example, investment in education is tantamount to investment in employment, productivity and health; so too investment in the environment will strongly influence the health of both communities and individuals.

## 3. Population health approaches

Population health approaches must underpin health service planning across Victoria. This entails recognition of the social determinants of health and investing in data collection to inform service delivery and policy planning that meets local needs.

Part of the “whole of health” approach involves acknowledging the causal relationship between a person’s social and economic conditions and their health status. Key factors that affect the health status of individuals include: stress levels, conditions in early life, social exclusion/inclusion, workplace conditions/unemployment, social support networks, addiction or substance abuse, access to healthy food and food security and access to transport<sup>6</sup>.

The concept known as the “social gradient” shows health status is aligned with social status. In other words, “life expectancy is shorter and most diseases are more common further down the social ladder in each society”<sup>7</sup>. Policies that affect health outcomes, such as in employment or education, **must** be part of a “whole of government” approach to health.

Population health planning is required across all government departments, especially health, housing and community services and this should involve all stakeholders. There is a need for clear methodology and a sharing of data across government portfolios to inform policy development that affects the health status of the population.

The process of surveying the health of the population must include a range of measures that meet the test of usefulness and to enable effective service planning at a local level. Measures of mortality and morbidity represent the minimum in terms of relevant data. Measuring the overall health and wellbeing of the community requires a larger investment by governments.

Eckersley, Wierenga and Wyn<sup>8</sup> note, when looking at people’s health and wellbeing, that it is important to examine total health, not just ill health. Similarly, Nicholson and Sanson<sup>9</sup> point out that longitudinal studies of health and wellbeing are “essential to understand the causes of health problems and identify possible solutions”.

The VHA supports the expanded Victorian Population Health Survey. In 2005, this survey stated: “self-rated health assessments have been found to be a powerful predictor of future health care use and mortality, independent of other medical, behavioural or psychosocial risk factors”<sup>10</sup>.

### 3.1 The need for common planning cycles

Part of the implementation of a population health approach to service planning will entail realignment of planning and reporting cycles across the healthcare system.

Research by the VHA in 2008<sup>11</sup> found misaligned planning cycles continue to plague Victoria’s healthcare

system. Currently, Primary Care Partnerships (PCPs), local government and health services plan separately as a result of funding and reporting guidelines based on divergent data and varied planning cycles. Despite sharing a common goal of meeting community needs, this duplication can only be rectified by structural change. Alignment of planning cycles could result in funds pooling, effective resourcing and reduce costly duplication. Services consistently report that the administrative burdens imposed by multiple funding streams limit their ability to adopt a “whole of health” approach. Internal planning and service coordination receives little or no specific government funding. This leaves minimal capacity for agencies to collaborate (both within and outside the health sector) to begin to make inroads into tackling health inequities.

Consultations with the VHA membership also found that some agencies work closely with the Department of Health centrally, while others tend to work through regional offices. This variance in approach was evident in the trials for Care in your Community, where community-based agencies felt the contribution of metropolitan networks was tokenistic and disengaged from the process.

### 3.2 Investment in data

It is unacceptable that in the modern era, Victoria lacks a modern system of data collection and analysis to manage the state’s public healthcare network. Access to good data is vital to underpin service planning and inform policy shifts from the current throughput approach to an output (or results) approach.

The VHA is calling on the Federal Government to fund a national database overseen by a single, major academic institution that aligns key health data from a range of sources. This data bank should be publicly available and accessible via Geographic Information System mapping capabilities that will allow individual health services to access specific, area-based data to inform service planning and innovation.

Currently, health services cannot access all of the available data, particularly from the Health Insurance Commission - the biggest source of information on primary healthcare activities of Australia’s population. Data is often aggregated to state or regional averages, and does not allow services to focus on local needs.

Also, there is a misalignment of planning cycles and inconsistent data collection that limits the ability to compare data and impedes benchmarking of health services to a set of industry-agreed key performance indicators.

## 4. Protecting Victoria’s advantages

The importance of the state and federal governments working together to preserve and build on the existing primary healthcare arrangements in Victoria cannot be underestimated.

The VHA will continue to advocate on behalf of Victoria’s healthcare system in all its submissions to federal and

state health reform bodies and is concerned that federal forays into health reform threaten to derail Victoria's unique health system advantages by levelling out the playing field, while stalling reforms in this state.

In particular, the boards of governance structure that underpins the management of Victorian health services provides important community involvement in the healthcare system and the state's network of stand-alone and integrated community health services offers a unique model of primary healthcare that may be jeopardised by federal incursions into the state's healthcare system.

## 5. A review of funding models

Funding innovation is needed to drive service innovation to ensure the sustainability of Victoria's public healthcare system. This system – among the best in Australia and the world - is threatened by unprecedented demand for services caused by the dual effects of population ageing and a rise in chronic conditions that are both costly and complex to treat.

Australian Institute of Health and Welfare (AIHW) figures found total health and residential aged care expenditure is set to rise by 180 per cent between 2003-2033 from \$85 billion to \$246 billion, or as a proportion of GDP from 9.3 per cent to 12.4 per cent.

The VHA believes that a “whole of health” approach entails reviewing existing funding models for health services to streamline the approach to funding and capital investment and to consider how investments outside the traditional health sector can impact or benefit health.

In 2008, the VHA commissioned Access Economics to undertake a scoping study into the funding mechanisms that underpin Victoria's healthcare system. That study<sup>12</sup> found the healthcare system will be unsustainable without major reinvestment in infrastructure – particularly in population growth areas - and linking funding systems to productivity analysis of where investments are likely to provide the greatest returns. The report found the complicated nature of health service funding and the lack of any evidence-based process to determine where funding is needed and where it will be most effective is a major failing of the state's public healthcare system that requires urgent rectification.

Although the case mix funding system used in Victoria does encourage individual health services to use resources productively, it also acts to discourage cooperation and information sharing between hospitals, resulting in competition and turf protection as services compete for bonus payments and extra resources.

In a 'Small Rural Health Service' framework, the VHA believes the State Government must act immediately to increase the indexation rate to match that received by the state through the Australian Healthcare Agreement. In addition, an extra funding pool is needed for maternity services, and financial incentives must be initiated to encourage the move from throughput to a focus on population health outcomes in local catchment areas.

Funding reform is also needed to the Medicare Benefits

Schedule to allow greater access for healthcare professionals, other than general practitioners or specialists, particularly in rural areas where access to GPs is restricted. The National Health and Hospital Reform Commission's 2009 interim report<sup>13</sup> flags the prospect of allowing more than one practitioner to bill Medicare for telemedicine consultations that, if introduced, would offer practical incentives for healthcare professionals to broaden access to such services.

## 6. A holistic approach

The focus of healthcare needs to shift from treating individual illnesses to a holistic, person-centred approach that provides access to interdisciplinary teams and a focus on self-management.

Focusing on individual diseases or conditions will only produce results directly related to those conditions, rather than improving overall health and wellbeing. Instead, the VHA supports the notion that a “whole of health” approach that relies on concepts of person-centred care, where practitioners focus on the whole person rather than their illness alone, is the norm.

A key component of this integrated approach is the provision of multidisciplinary care, where the focus is on improving self-management of chronic conditions that Australian Institute of Health and Welfare (AIHW) figures show will present the biggest spike in demand for health services.

The Hospital Admission Risk Program (HARP) is one example of a program designed to deal with increases in chronic and complex conditions. Its eight guiding principles are:

- Client-centred
- Carer involvement
- Collaboration
- Integration
- Leadership
- Workforce development
- Evidence-based practice
- Quality

These principles describe an approach that is consistent with a “whole of health” approach. The initiative aims to keep people out of hospital and favours programs of intensive care in the community that address both health and lifestyle factors. This is achieved by empowering the individual to understand their condition in the context of their life as a whole and educating them on how to stay out of hospital or residential care. The public report on the HARP initiative outcomes shows program participants had 35 per cent fewer emergency department attendances, 52 per cent fewer emergency admissions and 41 per cent fewer days in hospital<sup>14</sup>.

Bauman et al<sup>15</sup> argue, “the traditional, didactic ‘medical model’ approach to the doctor-patient interaction that focuses on the disease, rather than the person with the disease, will not reduce total morbidity”. Rather, the application of principles of person-centred care that demand effective communication with consumers, partnerships between service providers and a holistic

approach that looks past specific conditions to the whole person and their lifestyle are most successful. The results from the HARP initiative echo this sentiment. Bauman et al notes that “there is some evidence that patient-centred approaches can increase patient satisfaction, engagement and task orientation, reduce anxiety and improve quality of life”.

A consumer - moving through the health system - should be able to view the system holistically. By navigating the individual silos and funding streams, consumers should be guided seamlessly across the continuum of care.

This process would be greatly assisted by government investment in e-health records to provide practitioners with the accumulated medical history of individuals in the acute and non-acute sectors.

## 7. Consumer input

Healthcare users must be the core of service delivery. Their needs will be served via health service boards of management; participation in service planning, implementation and evaluation; programs and projects; engagement with families, carers and the broader community.

Facilitating the participation of consumers, carers and the general community in health service planning, implementation and evaluation of services, programs and projects is another integral part of a “whole of health” approach.

The Consumer Focus Collaboration<sup>16</sup> found active consumer involvement is “integral to their success”. And that participation can lead to “more accessible and effective health services”. The VHA will continue to lobby for the retention of the boards of governance model in Victoria that enables community participation in local health services and acts as a safeguard against poor governance.

## 8. Renewed focus on prevention

Preventing ill health must be elevated to a higher priority and the healthcare system reoriented to one based on outcomes (or results) rather than throughput.

One of the key elements of a “whole of health” approach is the need to shift the focus from traditional healthcare practices – such as reactive bed-based care – to a proactive approach to preventing ill health in the first place.

The focus of health promotion is to educate consumers to make informed choices about their health and wellbeing by building healthy public policy, strengthening communities and reorienting the health system and individuals working in that system towards a focus on preventative primary care<sup>17</sup>.

While primary healthcare, early intervention, prevention and health promotion is funded and practiced in a majority of Victorian health services, it represents only a fraction of the health budget. More than 90 per cent of

the Australian health dollar is spent on medical services for the sick, rather than on public health and prevention, where spending is less than two per cent. A system based on treating sickness, rather than keeping people healthy, does not address the needs of the disadvantaged or the complexities that underpin poor health.

In addition to increasing the budget for prevention, this approach must become a core part of the curriculum of tertiary education facilities. The health workforce must also be educated to understand the principles of prevention.

There is currently an overwhelming body of evidence that favours the need to increase the focus on prevention and health promotion. The health sector believes these types of services not only entail lower risks but deliver more desirable health outcomes, improved cost effectiveness and a lower impact on families and the community from an individual episode of poor health.

## 9. Key performance indicators

In Victoria, the Department of Health should develop an industry-agreed list of key performance indicators (KPIs) to measure performance in the healthcare system, beyond the outdated focus on hospital waiting lists.

This will lead to the development of a clear, articulated set of industry agreed population health indicators and mandated public reporting of these indicators.

The KPIs are necessary to provide a shared focus as the healthcare system moves from the provision of acute services to early intervention, prevention and health promotion. It will also facilitate the important task of benchmarking between health services that the VHA-commissioned 2008 Access Economics funding and productivity study recommends as a vital step to delivering any further productivity improvements in an overstretched public healthcare system. The Access Economics report says: “The performance review process should provide relevant benchmarks and allow for the resources to allow service providers to change their processes towards best practice State benchmarks”<sup>18</sup>.

The report found estimation of productivity across Victoria’s healthcare system was ‘poor’ and efficiency targets were often unachievable and may inhibit health outcomes for local communities. It found the payment of bonuses as incentives for health services to meet government performance targets created an adversarial environment that discouraged cooperation and shared learning. Access Economics recommended a more cooperative model that sets state benchmarks for best practice and allows sharing innovative approaches to service delivery to improve healthcare outcomes for local communities.

## 10. Investing in workforce

Workforce limitations remain a key impediment to health sector reform. There exists a worldwide shortage of healthcare professionals and Victoria is not immune from this shortage, already acute in rural areas. Current DoH

analysis of workforce shortages suggests that by 2016 demand for health services will increase by 54 per cent but the health workforce will only increase by 37 per cent.

To protect the sustainability of Victoria's healthcare system at a time when quality healthcare professionals are in short supply and ageing, there is a need for fundamental systemic reform of traditional workplace jurisdictions. The VHA believes this should encompass:

- The creation of roles that complement our trained professionals by relieving them of routine and time-consuming elements of their professions that can be safely left to new classes of healthcare workers
- Increasing the number of trained healthcare professionals

This issue is not unique to Victoria and is currently the subject of significant review at a national level. The VHA has indicated its support at a federal level for opening up access to the Medicare Benefits Schedule for use by other professions, such as nurse practitioners.

The VHA also supports the better use of nurses in emergency departments and ambulatory care settings. Of concern to the VHA is that the criteria to attain registration as a nurse practitioner is currently set at a very high level (Masters). Models applied successfully in other jurisdictions do not require study to this level and must be considered by governments when defining the future application of skilled nurses within independent care settings.

Workforce constraints will only be overcome by moving away from a system based on professional disciplines to one based on professional competence. Therefore, the reform process must look at "scope of practice" issues to better utilise the skills of scarce medical professionals, particularly in rural areas. This will necessitate a transparent analysis of training within health science faculties, with a view to redefining competencies for various healthcare professions. A final chapter in this process should be the introduction of standardised processes for testing professional competencies.

## 11. Conclusion

Evidence for a "whole of health" approach is substantive; what is required now is the political will to reform the system and the cooperation of healthcare professionals and their willingness to put aside disputes over disciplines and territories to support a transition of the health system to one that is client-centred and holistic.

The system itself must better fund and support primary care and prevention to address rising rates of preventable chronic disease and reduce unnecessary hospital admissions. This will require the introduction of a series of key performance indicators informed by rigorous data collection to transform the system from one based on output to one based on outcomes and a population health approach.

Economic modeling that demonstrates the benefits of a "whole of health" approach will enable appropriate resource allocation to this important and internationally recognised model.

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