

Access Economics' Report: Media Kit

KEY MESSAGES

1. PRODUCTIVITY: A new approach needed

- Victoria's health services are struggling to meet key performance targets and will not deliver further productivity gains without significant **new investment in capital and a simplified funding system**
- **Emergency departments continue to operate unsustainably and significant resources are wasted on cross-subsidisation by health administrators**
- The current Casemix funding system should be replaced with a more **cooperative framework that rewards information sharing between health services**
- **Ageing infrastructure is a major impediment to productivity**, particularly in rural and regional areas (EG: Bendigo ED operating at 200 per cent capacity and infrastructure at a "tipping point" at Swan Hill)

2. CAPITAL: The financial crisis is an opportune time to invest

- Victoria urgently needs a **10-year capital investment plan** to prioritise infrastructure investments in line with the current valuation exercise being undertaken by Victoria's Valuer General and other priorities including:
 - a. **Population projections of need**
 - b. **Equity**
 - c. **Potential productivity gains.****Capital may well have the potential to unlock major productivity improvements in the health system**

3. FUNDING: Needs simplifying into a single stream

- The current funding system of multiple grants requiring different processes is **overly bureaucratic** and creates an **unnecessary administrative burden** on health services

4. BENCHMARKING: Is the next step to drive productivity

- The Department of Human Service **currently collects data but does not provide sufficient feedback to health service administrators**
- **There is a need for funding to support an external body to develop data sets to assist health services to meet state's best practice benchmarks**
- The current system **identifies underperformance** but does not encourage information sharing

5. LABOUR: Costs continue to rise for health services

- **Wage costs** continue to **rise** for health services, particularly in rural and regional areas
- The VHA Member Survey found many health services complained they were not fully funded for **the costs of implementing EBAs** and the amount of compensation awarded by the DHS lacks transparency

6. INFORMATION TECHNOLOGY: Is a major infrastructure need

- The Victorian Government must **fully fund the implementation of the HealthSmart strategy** as a critical infrastructure project
 - a. A universal IT system across all health services is a vital link to improve data collection and patient management across the acute and non-acute sectors
 - b. Implementation costs and lack of product flexibility continue to frustrate health services throughout Victoria

7. FUTURE SERVICE PLANNING: Is needed to cope with demand

- The **volume of demand** and the **complexity** of that demand is **increasing** in line with an ageing population and rising rates of chronic disease
- **Planning** must begin **now** on how the **system will cope** with this pressure
- **Costs for health services** like Bendigo **will rise per patient** as their ageing population leads to increased admissions from **high cost aged care patients**
- **Data analysis by Access Economics** shows **labour productivity is slowing** and it is taking more staff time to achieve patient separation, that will feed into costs

8. WORKFORCE: The health professional shortage continues

- **The GP shortage** is leading to **pressure on hospital EDs** in rural and regional areas (**EG: Swan Hill – 6000 ED presentation could have been seen by a GP Clinic and at Latrobe the cost overrun in the ED is attributed to a shortage of GPs**).
- Where the GP shortage cannot be rectified there is a need for more flexible work practices to better utilise the skills of other health professionals