

Efficiency in the Health System

The Government's recent approach to health funding reform has been to propose cuts to expenditure and the establishment of price signals by shifting costs to patients and clinicians. This approach has been driven by the view that health funding is out of control and unsustainable.

Despite these claims, Australia's health expenditure as a proportion of GDP is close to the OECD average and the recent Intergenerational Report (IGR) states that projected growth in Australian government spending on health will broadly keep pace with Australia's growing and aging population and will be slower than projected in previous IGRs.

AHHA POSITION:

- ✧ The Australian health system must be funded with a view to the long term benefits of a well-functioning and funded healthcare system.
- ✧ Investing in preventive health measures is a low cost way of reducing future fiscal pressure while also improving the wellbeing of all Australians.
- ✧ A focus on the efficiency of the health system is a more practical and sensible approach to addressing sustainability than shifting costs and increasing out-of-pocket expenses.

Choosing Wisely

- ✧ Government funded and supported healthcare practices require a fundamental shift to maximise high-value care and minimise no- and low-value interventions.
- ✧ Initiatives such as the Choosing Wisely program have the potential to offer considerable savings to the health system. Driven by clinicians, an evidence-based

approach is used to identify low-value or no-value investigations and treatments based on current evidence. Resources can then be freed for the provision of more effective and timely care for those who will benefit most.

- ✧ Linking to the work of the Choosing Wisely program, a systematic approach for ongoing review of items listed on the Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS) would provide an effective lever to drive changes to care and reduce unnecessary and ineffective expenditure in healthcare.

Coordinated efforts

- ✧ Greater use and entrenchment of personal electronic health records is critical to improving care and efficiencies.
- ✧ The negotiating power of the Commonwealth should be used more effectively to purchase pharmaceuticals at more competitive prices across the health sector (including PBS-subsidised, and in public and private hospitals).

Flexibility and innovation across the sector

- ✧ The provision of Hospital in the Home (HITH) and community-based acute and sub-acute programs that can provide improved patient care in lower cost settings must be facilitated.
- ✧ Health workforce policy must encourage a flexible approach to health practitioner scope of practice, while still ensuring sufficient protection for the population. Mechanisms to change scopes of practice must be available to make best use of the health workforce, with health service purchasing rules to encourage safe service delivery by a broader range of health professionals.
- ✧ Where patient needs will be appropriately met, new technology should be used to deploy innovative low-cost health services.

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