Supporting rural Medicare Locals – Opportunities and challenges for integrated rural health care

Rural Policy Forum
7 April 2013

Introduction

Over 40 people concerned with the coordination of healthcare services in rural and remote areas attended a Policy Think Tank conducted by the Australian Healthcare and Hospitals Association (AHHA), National Rural Health Alliance (NRHA) and the Australian Medicare Local Alliance (AML Alliance) as a pre-conference workshop at the National Rural Health Conference in Adelaide.

Participants representing acute care services, Medicare Locals, professional associations, peak NGO organisations and universities, came together from around Australia to discuss the opportunities and challenges to integrated rural health care.

At the equivalent Policy Think Tank in 2012, the impact of the National Health reform program and particularly the role of Medicare Locals and their relationships with Local Hospital Networks (LHNs) remained unclear. Health care professionals were feeling disengaged from the process, which was affecting morale. Additionally in 2012, greater certainty about the funding to be available for Medicare Locals, block-funded smaller hospitals and Multi-Purpose Services (MPSs) was needed.

In 2013, there was greater understanding of the role of Medicare Locals as service coordinators however the need for greater clarification of their role and the relationship with the Australian Government was a consistent theme, as was the ongoing need for increased certainty of funding for a range of programs.

Approach

Andrew McAuliffe, Senior Director – Policy and Networks, AHHA facilitated the Think Tank. A range of speakers addressed the meeting (program attached) and these presentations are available at http://ahha.asn.au/taxonomy/term/529/2013-rural-and-remote-policy-think-tank.

To set the scene, Vanessa Vanderhoek, Executive Director, Policy Development, Independent Hospital Pricing Authority (IHPA), provided an overview of the National Health Reform process and the work of IHPA, with a focus on the block funding approach for small rural hospitals.

Claire Austin, CEO, AML Alliance, then addressed the role of AML Alliance and Medicare Locals and the challenges faced by rural MLs in service coordination and collaboration with the acute sector.

Andrew Harvey, CEO, Darling Downs-South West Queensland Medicare Local, Kate Clarke, CEO South West WA Medicare Local and Jenny Cleary, Executive Director, New Health Service Framework, Department of Health, Northern Territory provided contrasting overviews of the role of the Medicare Local in their area and the interactions and interconnections with the acute sector.

A consistent theme from all three speakers was the need for localised strategies and approaches to effectively engage and utilise local service providers in order to address local needs.

Key issues from the day

SERVICE PLANNING

- Rural and remote service planning must focus on the consumer at the centre of care and reflect the unique and varied service environments
- Community needs must be the basis for service planning and there is a need for case management
- To effectively address community needs and integrate care, service planning must involve all service providers and managers

MEDICARE LOCAL GOVERNANCE

- MLs are corporations
  - Must operate within Corporations law
  - Have a governance responsibility to evaluate the viability and appropriateness of programs and make appropriate responsible investment decisions
  - This can conflict with service delivery responsibilities imposed by the Australian Government
  - Australian Government must recognise the MLs' independence and diverse operational arrangements
- Local flexibility
  - One-size does not fit all
  - There is significant variation between MLs in terms of size, population, locality, 'overlap' with local councils and health services
- Many MLs commission other organisations to deliver services rather than deliver the services themselves. The tendering processes required:
  - Have a cost over and above the delivery of the services
  - Must have a high level of transparency and accountability
  - MLs must have/develop appropriate processes and assessment capabilities
- The transfer of the Rural Primary Health Services program funding to Medicare Locals with no additional funds for tendering processes for those MLs that commission others to provide services is creating uncertainty for providers, staff and consumers

WORKFORCE

- Building Supply
  - Stronger connections are required between tertiary training providers and health service providers to provide a balance between graduate supply and workforce demand and to ensure graduate skills and expectations reflect the workplace environment and workforce needs
  - Appropriate sustainable incentives and supports are required to address the inequity in workforce distribution between metropolitan and rural areas
  - There is a large potential for use of generalist roles in medicine, nursing and allied health

- Recruitment and retention
  - Effective incentives go beyond financial benefits
  - For many, working in a rural area is a lifestyle choice
  - Professional and social networks are critical to retaining staff
  - Health service and community infrastructure needs to address professional and personal expectations
  - Federal and State incentives and funding structures for students and staff need to be consistent across health professions (eg doctors, nurses, allied health)

STREAMLINING

- The consolidation of funding pools will enable greater flexibility and capacity to respond to community needs and encourage innovation
- Over-prescriptive contractual arrangements and the use of multiple contract schedules are contributing to an unnecessary administrative and reporting burden
- Reporting burden can be reduced through consolidation of contract schedules and reporting requirements across programs and funding pools
- Streamlined funding and reporting arrangements could be piloted in selected rural and metropolitan locations

RESEARCH

- A number of opportunities for research partnerships were identified including:
  - The impact of community participation models on health outcomes
  - The impact of public/private service mix of health service systems and health outcomes in rural areas
  - The impact of oral health workforce mix on access and outcomes

Conclusions

The involvement of the community and all service providers in the planning and delivery of health services was seen as critical to improving health outcomes in rural areas.

The coordination and integration of services and care provided by the primary, community and acute sectors, by public, non-government, private and community-controlled health services was also seen as critical to improving the effectiveness and efficiency of rural and remote health services.

Participants identified a clear need for flexibility in the service models and funding arrangements for rural health services to most effectively respond to the community's needs.

Reduction in administrative and reporting burdens was also a priority.

PROGRAM

From 9.00am	Registration and tea/coffee
9.45-10.00am	Welcome from AML Alliance, AHHA and NRHA
10.00-10.10am	Event outline – Facilitator
10.10-10.30am	Overview of rural/remote service funding Vanessa Vanderhoek Executive Director of Policy, Independent Hospital Pricing Authority
10.30-10.50am	Medicare Locals - the national perspective Claire Austin CEO, Australian Medicare Local Alliance
10.50am	Questions and comments from the floor
11.00am	Morning tea/coffee
11.20-11.40am	Rural Medicare Locals – View from the field Andrew Harvey, CEO, Darling Downs SW Queensland Medicare Local and Kate Clarke, CEO, SW Western Australia Medicare Local
11.40-12 noon	Local Hospital Network perspective Jenny Cleary Executive Director , New Health Service Framework Department of Health, Northern Territory
12.00-12.30pm	Speaker Panel – questions and discussion
12.30-1.15pm	Lunch
1.15-2.15pm	Small group discussions
2.15-3.00pm	Reports from groups Agreement of some key points Next steps
3.00-3.15pm	Commitments from the three sponsoring organisations