Submission to the National Health & Hospitals Reform Commission

Prepared by:

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1. Executive Summary

The Australian Healthcare & Hospitals Association (AHHA) is the only national industry body representing publicly funded health and community organisations, agencies and services at area, regional and district levels including public hospitals, community health centres, and aged and extended care facilities. Its National Councillors represent a broad cross-section of health care clinicians, managers, policy-makers and academics. Through its membership and extensive networks, the AHHA maintains productive working relations with Ministers/Shadow Ministers and relevant government departments at Commonwealth and state levels, as well as private and non-government health organisations.

The AHHA's primary role is to uphold and improve Australia's public health care sector through high-level policy development, advocacy and representation. The Association:

- Advances excellence in Australian public healthcare services in all settings by promoting the development and implementation of well-resourced evidence based policies;

- Supports a national industry network of hospital and healthcare organisations, creating a stimulating environment for analysis, review and development of health policy and practice; and

- Publishes leading information on national and international health industry research and practice including the high quality quarterly peer-reviewed journal, *Australian Health Review*.

The AHHA has recently undertaken a major policy development process in collaboration with a number of individuals and organisations across the country. These include clinicians working in hospitals, general practice and allied health, academics across a range of health disciplines, policy-makers and health service and system executives.

Our main objective was to provide coordinated evidence-based advice on a selection of key initiatives that can be advanced or commenced in the current reform environment. To this end, the AHHA convened four groups to develop practical policy options across a range of areas. Options and recommendations are contained in the attached position papers focussing on:

- **Data and Benchmarking**;
- **Information Management**;
- **Service Integration;** and
- **Oral and Dental Health**.

The recommendations in these papers are expected to shape the policies and programs of all governments and are designed to have immediate and continuing impact. The AHHA will maintain the activity of these groups to ensure an ongoing source of practical advice and assistance for the smaller scale programs up to whole-of-system reform and governance into the future.

The AHHA has developed recommendations to enhance some programs that are already underway, and provided ideas for testing broader application of good practice examples, in the context of major inter-government activity, namely:

- The Australian Health Care Agreements being rolled over to July 2009;

- The work of the National Health and Hospitals Reform Commission; and

- The COAG Health Working Group,

These position papers build on existing AHHA policy (see Terms of Reference Section below and attached).

In addition, the AHHA is establishing two more Policy Think Tanks in 2008 similar in approach to those above, looking at developing policy positions on:

- Mental health funding methodologies (already underway); and

- Whole-of-system workforce (second half 2008).

The AHHA will involve Commissioners in each of these policy processes to ensure the Commission is fully apprised of the progress made by the AHHA groups, and how the outcomes can inform the shorter- and longer-term reforms of the health system.

2. Commission Terms of Reference – AHHA Response

2.1 Reduce inefficiencies

Reduce inefficiencies generated by cost-shifting, blame-shifting and buck-passing

The Australian Healthcare & Hospitals Association (AHHA) has long advocated for clearer funding mechanisms to ensure funding-related inefficiencies are reduced. The overall aim of creating a more accountable and streamlined structure of funding is to improve health care access and outcomes for all Australians regardless of their location, background, socio-economic status or condition.

The AHHA strongly encourages a longer-term approach to pooling funding for health services and creating a 'single funder' through which primary accountability is held. In the shorter-term, the AHHA supports moves to consolidate Special Purpose Payments into one agreement for health, but emphasises that the programs funded by these payments continue to receive the same level of funding.

One of the key challenges facing the health system over the last decade has been the significantly reduced contribution to public health care made by the Commonwealth Government. This has primarily been due to an inadequate indexation factor applied within the Australian Health Care Agreements that failed to keep pace with increasing demand on public hospitals as well as massively increasing costs associated with better technologies and expanding workforce.

Recommendation: that the Commonwealth commit to an indexation factor in the Australian Health Care Agreements that will anticipate and match increases in demand and service costs.

The tendency to shift responsibility and 'blame' between different levels of government has created an environment for healthcare in which no one level of government ultimately accepts responsibility for the expenditure or the outcomes. It has enabled a situation in which problems within the health system, across all settings, are poorly addressed due to political argument and academic conversations about the historical structures of the health system.

The Reform Commission provides a unique opportunity to overcome these types of arguments and work towards developing ideal structures for the health system (for funding as well as service delivery). To this end, improved collection, analysis and reporting of data at a range of levels is required – to fully understand how the system currently operates, and expose areas in which far more effort needs to be placed. Such reporting would include internal reporting, cross-provider reporting and public reporting. The AHHA also believes that well-designed benchmarking (within and across health service providers) will lead to improvements in service delivery, from both a safety and quality perspective, as well as in terms of resource efficiency.

Please refer to **Attachment 3.1**, AHHA Position Paper on National Data and Benchmarking. This paper provides principles for the health system that can be supported by a balanced scorecard of performance indicators and benchmarks.

A specific example where 'buck-passing' has characterised inter-government relations to the severe detriment of the Australian population is in oral and dental health. Please refer to **Attachment 3.4**, the AHHA Policy on Oral and Dental Health. This policy cites the critical need for the proposed Commonwealth programs in this area to fully consider and maximise their impact. The AHHA and its Dental Policy Think Tank would welcome the opportunity to have further discussions with the Reform Commission around longer-term solutions to the critical situation in public dental care.

2.2 Better integrate and coordinate care

Better integrate and coordinate care across all aspects of the health sector, particularly between primary care and hospital services around key measurable outputs

Please refer to **Attachment 3.2**, AHHA Position Paper on Service Integration. This paper specifically addresses the issue of improved integration and coordination of services.

Please refer to **Attachment 3.3**, AHHA Position Paper on Information Management. This paper provides a range of options using information technology to improve the quality and appropriateness of communication along care pathways, between health care providers and with consumers.

2.3 Bring a greater focus on prevention

The AHHA does not presently have a discrete policy on preventative healthcare, however fully supports the need to focus on prevention mechanisms to begin to alleviate some of the burden on public hospitals from various chronic diseases.

To this end, the AHHA welcomes the establishment of the **Preventative Health Taskforce**, chaired by Professor Rob Moodie.

2.4 Better integrate acute and aged care services

Better integrate acute care services and aged care services, and improve the transition between hospital and aged care

Please refer to **Attachment 3.2**, AHHA Position Paper on Service Integration. This paper specifically addresses the issue of improved integration of services, including between acute and aged care settings.

2.5 Improve frontline care to better promote healthy lifestyles

Improve frontline care to better promote healthy lifestyles and prevent and intervene early in chronic illness

The AHHA does not presently have a discrete policy on preventative healthcare, however fully supports the need to focus on prevention mechanisms to begin to alleviate some of the burden on public hospitals from various chronic diseases.

To this end, the AHHA welcomes the establishment of the **Preventative Health Taskforce**, chaired by Professor Rob Moodie.

2.6 Improve the provision of health services in rural areas

The relatively poor health outcomes for people from rural and remote sectors compared with urban areas are well documented. Compounding this is the fragmentation of funding across various government programs. This is a particular problem in rural areas.

The AHHA recommends:

- 'Bundling' discretionary funding programs into larger funding allocations and the establishment of regional advisory groups by the Australian and state/territory governments working in collaboration to advise on priorities for spending. This program should form a first step in a move towards more integrated and population-based funding in under-serviced rural areas. Funding decisions would still be made by the relevant minister (Federal or state) taking account of the advice from the regional group.

- A review of access issues for people living in rural and remote areas. This should encompass workforce recruitment and retention, the use of information and communication technologies to deliver services, and funded transport to rural or metropolitan centres.

The AHHA will convene a Policy Think Tank on rural and remote health in 2009 to expand on its policies in this area.

2.7 Improve Indigenous health outcomes

Health outcomes for Indigenous Australians are so much worse than those of other Australians that this issue can only be described in the strongest terms. There is a well recognised nexus relating poor Indigenous health to inadequate investment in infrastructure and the need for community controlled services (*Griew R, Sibthorpe B, Anderson I, et al*: *On our terms: the politics of Aboriginal health in Australia in Healy J, McKee M, editors. Accessing health care: responding to diversity. Oxford: Oxford University Press, 2004*). Housing and educational opportunities for Aboriginal people fall below the standard expected by the broader community. The specific application of these issues in healthcare include on-going barriers in Indigenous access to the Medicare and the Pharmaceutical Benefits Schemes, contributing to substandard levels of healthcare service provision (*Bridging the treatment gap for Indigenous Australians. Joan Cunningham, Alan Cass and Peter C Arnold Med J Aust 2005; 182 (10): 505-506*) and an under-representation of Aboriginal People among the ranks of healthcare workers.

The AHHA recommends:

- A funding increase for Indigenous health to address the inequalities between Indigenous and non-Indigenous Australians;

- Increased dialogue between health services and Indigenous Australians about mechanisms to provide culturally appropriate health services; and

- Health services to address the systematic issues undermining Indigenous health by implementing affirmative action programs which ensure the meaningful employment of Indigenous people at all levels of the health system.

The AHHA will convene a Policy Think Tank on Indigenous health in 2009 to expand on its policies in this area.

2.8 Provide a well qualified and sustainable health workforce

The AHHA is convening a Policy Think Tank on health workforce in the second half of 2008. This policy will be developed in partnership with a range of experts and organisations, and will provide direct opportunities for the Commonwealth and States/Territories to collaboratively formulate a range of innovative solutions and options.

3. Attachments

3.1 AHHA Position Paper – National Data and Benchmarking

3.2 AHHA Position Paper – Service Integration

3.3 AHHA Position Paper – Information Management

3.4 AHHA Policy – Oral and Dental Health

NOTE: all attached papers are copyrighted by the Australian Healthcare & Hospitals Association