

27 March 2019

Dr Harry Nespolon  
President  
Royal Australian College of General Practitioners  
100 Wellington Parade  
East Melbourne Victoria 3002

Sent via email: [advocacy@racgp.org.au](mailto:advocacy@racgp.org.au)

**Re: Submission in response to the February 2019 white paper, *Vision for general practice and a sustainable healthcare system***

Dear Dr Nespolon,

The Australian Healthcare and Hospitals Association (AHHA) welcomes the opportunity to provide a submission in response to the Royal Australian College of General Practitioners' February 2019 white paper, *Vision for general practice and a sustainable healthcare system*.

AHHA is Australia's national peak body for public hospitals and healthcare providers. Our membership includes state health departments, Local Hospital Networks (LHNs) and public hospitals, community health services, Primary Health Networks (PHNs) and primary healthcare providers, aged care providers, universities, individual health professionals and academics. As such, we are uniquely placed to be an independent, national voice for universal high-quality healthcare to benefit the whole community.

To achieve a healthy Australia supported by the best possible healthcare system, AHHA recommends Australia reform the healthcare system over the next 10 years by enabling outcomes-focused and value-based healthcare. This requires:

1. A nationally unified and regionally controlled health system that puts patients at the centre;
2. Performance information and reporting that is fit for purpose;
3. A health workforce that exists to serve and meet population health needs;
4. Funding that is sustainable and appropriate to support a high quality health system.

AHHA's *Healthy people, healthy systems* is a blueprint with a series of short, medium and long-term actions to achieve this goal. I have attached a copy of *Healthy people, healthy systems* along with this submission, and it is also available online at [www.ahha.asn.au/Blueprint](http://www.ahha.asn.au/Blueprint). Also available are a series of Australian case studies, exemplifying these recommended actions in practice.

AHHA supports a sustainable healthcare system and acknowledges the important role general practitioners (GPs) play in ensuring patients receive the right care, at the right place and at the right time. We are committed to a strong primary care system which aims to reduce unnecessary and preventable hospitalisations, and includes a workforce where clinicians are funded and authorised to work to the top of their scope of practice.

AHHA submits the following comments on the Royal Australian College of General Practitioners' February 2019 white paper, *Vision for general practice and a sustainable healthcare system*.

## **Modernising the MBS**

AHHA supports the current Medicare Benefits Schedule (MBS) Review Taskforce's commitment to providing recommendations to the Minister for Health that will see the MBS deliver:

1. Affordable and universal access
2. Best practice health services
3. Value for the individual patient
4. Value for the health system

There is a clear need for an ongoing and transparent review of MBS items to ensure they are evidence-based, fit-for-purpose, reflect contemporary medical practice and offer value for money.

AHHA has urged the MBS Review Taskforce to ensure its processes and practices put patients first.

Changes to the MBS must improve continuity of care and management of chronic conditions, and must take into account the financial impacts for patients and clinicians providing services. Any changes associated with a significantly increased cost to the MBS must be supported by evidence.

AHHA has called for a transparent independent review and evaluation within 12 to 24 months of any change to the MBS to ensure that the proposals are delivering value for money and improved patient care in the manner contended by the MBS Review Taskforce. This must also involve the collection of appropriate baseline data before a change is made to the MBS to ensure that this independent review and evaluation can be validly conducted.

If the proposed recommendations do result in improved patient care where the benefits exceed the cost, then this would represent a valuable investment in the health of all Australians. However, where for example similar services are being provided but at a recommended significantly higher cost to the MBS, the evidence needs to be established that this represents value in patient care and to the health system.

AHHA supports the potential establishment of sunset clauses to remove the necessity of exhaustive review processes every few decades and to strengthen the ongoing sustainability of the MBS, as well as rapid reviews to allow the Medicare Services Advisory Committee to speed up some applications to add new services to the MBS.

## **Continuing fee-for-service payments**

Alternative funding models such as bundled payments for chronic conditions should be explored to support optimum care that places the patient at the centre rather than the payment system at the centre.

The current MBS is an uncapped, demand-driven fee-for-service program. The challenge with the MBS fee-for-service model is that it promotes an emphasis on activity rather than outcome, and episodic rather than coordinated, multidisciplinary care.

Reforming payment models in relation to the care and support needed in the community should form part of a modern and responsive health system. This was a key finding at the AHHA's

September 2015 think tank on health funding<sup>1</sup> and from AHHA's paper on the role of bundled payments in Australian primary healthcare<sup>2</sup>.

While AHHA welcomed the Commonwealth Government's Health Care Homes program when first announced, AHHA urged the Government to provide the trial sites with the funding and resources needed to succeed in delivering transformational change to the primary care system and to the care of all patients.

Recommended by the Primary Healthcare Advisory Group to deliver continuity of care through coordinated services and a team-based approach according to the needs and wishes of the patients, the stated objectives of the Health Care Homes program cannot be achieved with inadequate funding that does not reflect the complexity of enrolled patients.

In addition to the Health Care Homes trials already underway, much can be learned from the approach to primary health adopted by Aboriginal Community-Controlled Health Organisations, and through the Department of Veterans' Affairs Coordinated Veterans Care program. AHHA members, including PHN leaders, contributed views on implementation of the Health Care Homes initiative in a 2017 paper<sup>3</sup>.

### **Setting rebates that accurately reflect the cost of service provision by specialist GPs**

AHHA supports setting rebates that accurately reflect the cost of service provision by health service providers.

AHHA equally supports the widespread availability of bulk billing general practices which allow people of all income groups to access health care. One of the fundamental aims of Medicare is to improve access to care regardless of a person's ability to pay.

AHHA acknowledges that while bulk-billing rates for GP services are relatively high (though this is not an accurate measure of inequality in the health system), the five-year Medicare rebate indexation freeze in general practice disproportionately impacts the viability of services provided to many of our most vulnerable people.

### **Ensuring appropriate and regular indexation to rebates**

AHHA supports appropriate and regular indexation to rebates for the provision of health services. AHHA also supports greater transparency around out-of-pocket expenses incurred by patients of non-bulk billing practices and practitioners.

---

<sup>1</sup> Australian Healthcare and Hospitals Association (AHHA) 2015, *Think tank on Sustainable Funding of Public Hospitals*, Australian Healthcare and Hospitals Association, Canberra, <https://ahha.asn.au/think-tank-sustainable-funding-public-hospitals-0>.

<sup>2</sup> Dawda P 2015, *Bundled payments: Their role in Australian primary health care*, Australian Healthcare and Hospitals Association, Canberra, [https://ahha.asn.au/sites/default/files/docs/policy-issue/bundled\\_payments\\_role\\_in\\_australian\\_primary\\_health\\_care\\_0.pdf](https://ahha.asn.au/sites/default/files/docs/policy-issue/bundled_payments_role_in_australian_primary_health_care_0.pdf).

<sup>3</sup> Thurecht L, Woolcock K, Silk K, Partel K and Verhoeven A 2017, *Health Care Homes: Principles and enablers for their Implementation in Australia*, Deeble Institute for Health Policy Research, Australian Healthcare and Hospitals Association, Canberra, <https://ahha.asn.au/publication/health-policy-issue-briefs/deeble-issues-brief-no-21-health-care-homes-principles-and>.

## **Encouraging continuity of care for patients within their preferred practice via voluntary patient enrolment**

AHHA acknowledges having a regular GP is beneficial for patient outcomes, patient experience and value to the system. AHHA supports in principle the concept of patient enrolment to build continuity of care under the proviso that enrolment does not inappropriately hinder patient access to other GPs, general practices or other appropriate healthcare professionals, nor increase costs to the patient, should they wish to seek service provision from an alternate provider. It is our view that voluntary patient enrolment will work most effectively in practices where the best-practice principles we identified for implementation of Health Care Homes (including team-based care) are applied<sup>4</sup>.

## **Assisting GPs to provide better coordinated care with additional payments**

To enable patient-centred and team-based coordinated care, AHHA recognises that business models for general practices need to be sustainable. Appropriate funding is required—this includes payments and incentives to better encourage connectivity between practices and service providers, and to support development of team-based care models where all members of the team work to the top of their licence.

To facilitate and sustain patient-centred and team-based coordinated care, it is vital that information technology enablers are deployed to enable the appropriate flow of information as it relates to the overall healthcare of patients. This would facilitate coordination within and across healthcare silos and enable innovative models of healthcare to be provided. We support a strategic focus by government to improve interoperability across information technology infrastructure, to develop common data standards, to promote greater use of mobile technology and to support portability of patient data in near real-time. Greater development of these tools will assist general practitioners in their leadership role in primary health and in their care of patients.

A purpose-built national minimum data set for primary healthcare is also essential. AHHA supports the current work by the Australian Institute for Health and Welfare (AIHW) in the development of a national primary care data asset and calls on the RACGP and their members to actively engage with AIHW in developing this resource. The use of proxy indicators and data that are not fit for purpose is sub-optimal and misses the opportunity to maximise the value of the patient care being delivered.

## **Providing payments to reflect complexity and comprehensiveness of general practice care**

AHHA supports this recommendation in principle, while noting further detail is required on the quantum of the payment and the range of services to be provided.

An expanded and appropriately funded Health Care Homes model would be a way forward, based on a population health approach with all patients having access to the Health Care Home model, not just those with chronic conditions. Appropriate funding is required that properly reflects patient care complexity, and funding needs to explicitly incorporate non-general practitioner primary healthcare services when needed (beyond the limits of the MBS disease program) and be weighted for remoteness.

---

<sup>4</sup> ibid

### **Increasing support for general practice and research**

AHHA supports funding health systems research, which includes general practice and primary health research, to support the design and delivery of evidence based care.

### **Supporting coordinated care between general practice and state or territory funded programs and services**

Collaboration between general practice, local hospitals and health networks (public and private) can support population health planning and reduction of inequities in health service access and health outcomes. We support the role of PHNs in facilitating this collaboration, and note the key role general practice and the broader primary health workforce must play in shaping collaboration.

Collaboration should include opportunities to pool funding, particularly to address preventable hospitalisations and to promote innovative models of care. AHHA has made a number of recommendations regarding health system governance in our *Healthy people, healthy systems* blueprint, available online at [www.ahha.asn.au/Blueprint](http://www.ahha.asn.au/Blueprint).

### **Supporting integrated care which improves the interface between general practice and other health services**

While primary care and greater system integration are part of the solution to better patient care, we must also acknowledge and address health and social inequalities, better utilise data and technology, promote better engagement between clinicians and patients, increase attention on transitions of care, focus more on advanced care planning and shift the system toward value-based care that is focused on patient outcomes.

Reducing preventable hospitalisations in order to improve health outcomes and reduce unnecessary healthcare system costs is a longstanding concern, and finding solutions will require effort, investment, research and system redesign. General practitioners must be engaged in this redesign, together with patients, other primary health providers, the acute care sector and policy makers.

The rising prevalence of chronic disease requires a concerted focus to better integrate care across the preventive, community, primary, acute, aged and disability care sectors, and to achieve better health outcomes and greater system efficiencies. Achieving and evaluating these goals will take both time and investment, and will challenge existing models of care and practices to enable all care providers to work to the top of their licence.

We appreciate the considered attention RACGP has given to these issues in its 2019 vision for general practice white paper, and its willingness to seek input from a broad community of stakeholders. I would be pleased to meet with you to further discuss AHHA views.

Sincerely,



Alison Verhoeven  
Chief Executive  
Australian Healthcare and Hospitals Association

Attachment: [Healthy people, healthy systems](#)