



Submission to the

Senate Select Committee on Health Terms of Reference

19 September 2014

Introduction

The Australian Healthcare & Hospitals Association (AHHA) welcomes the opportunity to provide a submission to the Senate Select Committee on Health on their Terms of Reference.

The AHHA is Australia's national peak body for public hospitals and health care providers. Our membership includes state health departments, Local Hospital Networks and public hospitals, community health services, Medicare Locals and primary healthcare providers, universities, and individual health professionals and academics. We are uniquely placed to be an independent, national voice for universal high quality healthcare to benefit the whole community.

There have been a number of Senate Inquiries and Committee investigations into various elements and Bills relating to health expenditure and policy over recent months, but none has taken a longer term and whole of system view on reporting. The AHHA supports the establishment of a Senate Select Committee on Health and considers this as an opportunity for health policy, administration and expenditure to be considered in a **whole of system, longer term planning approach**.

Adequate and appropriate financial incentives and funding structures

Universal access is a founding principle of Medicare in Australia and the community's shared recognition that Australians should not face financial ruin for the purposes of achieving and restoring health. Australians contribute to Medicare based on their means.

The Senate Select Committee outlines a number of key areas in their Terms of Reference relating to costs and funding amounts or sources that will form part of their work. While it is important to assess and measure the impact of reduced funding on specific areas of the health system, it may also be appropriate to **consider appropriate levels of funding including areas where waste and inefficiency can be disincentivised** with those savings reinvested into areas demonstrating improvements in patient outcomes.

The current program to review the services listed on the Medical Benefits Schedule under the Comprehensive Management Framework should be enhanced and supported to increase the number of items being reviewed and enable reporting and response time to be undertaken in a more timely manner. Value-for-money considerations are important for financial reasons but also for service value. Technological and procedural change requires continual update of best practice and uptake of efficient technology, and the Comprehensive Management Framework should support this to occur within the Australian context. If this program requires additional funding in order to increase review speed and numbers it should be committed in an ongoing way, and would likely be offset in large part by the savings that are generated through the outcomes of the reviews. An appropriate level of resourcing needs to be provided to the Medical Services Advisory Committee balancing the work on review and disinvestment alongside the work to assess services for listing on the MBS.

It is important that professional groups, clinicians and the health workforce more broadly be engaged in the Comprehensive Management Framework reviews so that when recommendations are made there is minimal lag in response from health providers and minimal resistance to any significant change that is agreed to.

As part of this Select Committee, work could also include reviewing current health services funding mechanisms for their appropriateness, for example current Medicare payments support a throughput and short term approach to primary care services predominantly through GPs, whereas people with chronic disease would benefit from longer term outcome focused care. It would seem appropriate to be inquiring into whether different funding models could be introduced in order to support optimum care based on the current disease burden. **Reforming payment models in relation to the care and support needed in the community should form part of a modern and responsive health system.**

Health reform, whether funding or management or otherwise, should not be considered as a once off and final process. Any social support system should be constantly evolving and responding according to population need as well as affordability. Also inherent in reform is the importance of the interconnectedness and interdependencies within the system as a whole. An alteration or amendment in one part will inevitably have an effect elsewhere. It is important to investigate these 'downstream' effects when planning for change to ensure that full system responses are known and can be managed accordingly. The importance lies in being able to measure performance against expectations; be clear about those performance expectations and be transparent in reporting against measures; and be able to refine systems and processes to reach goals where unintended consequences have occurred or where they have been missed entirely.

Continual system improvement

In order to maintain the Australian health system's status as one of the best in the world, there would be value in the Committee investigating and making recommendations around a comprehensive approach to health system performance monitoring, taking into account all service which benefit from public expenditure, not just those which are directly funded by the Commonwealth. The whole sector including private hospitals, private health insurers, GPs and specialists should participate, noting the financial benefits they derive from MBS and private health insurance rebates, collecting and sharing data as deemed appropriate, with reporting being conducted on a **whole of system approach**.

Where performance is considered sub-par, those areas should then be supported to respond or adapt through shared best practice. A **continual process of review, evaluation, improvement and reevaluation** would allow for system responsiveness, uptake of new and emerging technologies and training for a world leading health workforce. To support this continual improvement process, time lags for data availability and reporting would need to be addressed, and expanded national minimum data sets on health system performance could be agreed in order to support a consistent baseline point.

A commitment to continual improvement would require buy in from all participants in the health sector and across diverse interests, and further demonstrates the interconnectedness and interdependencies that run through the system and the need to take a whole of system approach.

To deliver an effective health system a transformational approach is needed, not just restructuring.

Prevention

Much of recent discussion on health has been about financing and sustainability, including the particular challenges that the Australian health system is facing in regards to an ageing population experiencing high levels of chronic disease. Australia is not unique in this experience, as the same or similar challenges are being faced by health systems around the world in both developed and developing countries. The way in which Australians access and pay for their health care also shares similarities with comparable developed countries, however each system has its strengths and weaknesses and currently it seems no system has managed to make significant achievements in reducing the burden of chronic disease and in changing risk factors in the population.

The emphasis on **prevention and the maintenance of health** and wellness needs to be enhanced and supported across the community, not simply isolated through the health system. Much of Australia's health system is in fact an illness or injury system that provides care for short term interactions, rather than supporting people and communities to maintain health or adopt and change behaviours that increase risk factors for illness or injury. Adequate funding for programs that seek to educate and assist people to regain health needs to be available in recognition of the government's responsibility to those without adequate means, which includes both financial and human capital. This concept is not new, keeping people healthy or assisting them to regain health where it has declined will serve to enhance the health and productivity of communities and convey cost savings to the health system.

Integration of System and Care

Where prevention has not reached people they must be able to access and understand the care needed and being provided. Currently Australian health care is disparate and is not often integrated well. There is considerable waste and duplication in a system that is not well connected, and this can often result in poorer health outcomes for patients too. Health providers across primary and acute care should work to achieve shared outcomes and be centred on patient care, rather than the current situation where providers often operate to achieve vastly different or opposing objectives set by their funding providers, which can often result in competition and inefficiency. The Committee has an opportunity to look at policy that can **create an integrated system** working to achieve better health outcomes for the population it is serving, and the most effective financial incentives and sources in order to achieve this.

Better integration of health care should not simply stop at Medicare services, but all areas of health that Australians need in order to remain healthy or to regain health through care. Integrated health should include health providers and the qualified people providing care on a regular basis, with specific attention on lead carers and how best to encourage people to attend to their health through their lead or coordinating carer. Integrated care can also not occur unless all health services are

included, which extends beyond those with access to Medicare subsidised services, public services and outside of traditional primary and acute settings. Full integration needs to include aged care, community care, private health providers and services, non-government organisations and the providers within each. The use of health technologies including ehealth, telehealth and electronic messaging systems and patient recall systems should also be considered as tools to support an integrated health system, deserving of financial investment and design to do so.

An **integrated health system should be the main driver** for health policy, administration and expenditure in order to provide patient centred and appropriate care and prevention.

Federalism

The Government's commitment to reviewing federalism and its operations in Australia is an area that the Committee should seek to include in their work. It is possible that this review process may provide **the opportunity for a whole of system look** at appropriate funding and management of health services and systems in Australia for the purposes of achieving a better integrated, locally responsive and patient focused system. There is also a risk that the outcome of this review could be a shifting of responsibilities without sufficient funding or support to ensure that Australia's health care remains something to be proud of. The review of responsibilities between federal, state and local government in relation to health system management, service provision and funding contribution should not be put in the 'too hard basket' but should be afforded the good will and bi-partisanship that first ministers took in their approach to the National Health Reform Agreement. By identifying areas of common aim and focus this Agreement was able to be signed nationally for the most part. Again the approach to system responsibility needs to be founded in patient centricity and where the system can be leveraged in order to build in and enhance health and wellness and the prevention of illness or injury.

International comparability

All elements of health care and policy in Australia would benefit from international comparability and benchmarking. New policies or programs should consider those that are already existing and succeeding in comparable countries, and principles applied within the Australian context. A process of investigating what is already occurring in countries to reduce risk factors, improve clinical outcomes, enhance integration, reduce waste and improve expenditure is not done often enough with health policy and reform in Australia.

Committee Opportunity

Political ideology aside, it is the responsibility of any and all governments to ensure their populations have access to basic human rights and at the centre needs to be adequate, affordable and accessible health care. Health is fundamental to life and in a wealthy country it only stands to reason that with increasing wealth comes increasing expenditure on social supports such as health, disability and education. Governments need to uphold their responsibility to provide for all, and to develop policy that affects positive change; in health this has never been more important at a time when our population is ageing, technology is expensive and disease is global.

The Senate Select Committee on Health has an opportunity to investigate and make recommendations to improve the health system and health care for all Australians and to do it in a non-partisan way.

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