

Précis of the:**Australian Government's National Health and Hospitals Reform Commission's
A Healthier Future for All Australians: Final Report June 2009**

The Final Report of the National Health and Hospitals Reform Commission is the outcome of many submissions and 16 months of consultation, discussion, debate, research and deliberation between Commissioners, health consumers, community representatives, peak and non-government organisations, government departments, health providers and practitioners and an expert community of interest. The Commission suggests health reform is everybody's business and must be driven across the societal strata.

The Commission developed a set of principles to guide reform and future directions of the Australian health system, including the design principles of people and family-centred, equity, shared responsibility, promoting wellness and strengthening prevention, comprehensiveness, value for money, providing for future generations and recognising that broader social and environmental influences shape our health. Governance principles identify taking the long-term view, quality and safety, transparency and accountability, public voice and community engagement, a respectful, ethical system, responsible spending and a culture of reflective improvement and innovation (Appendix F in report).

The report makes 123 recommendations, focusing on the areas of taking responsibility, connecting care, facing inequities and driving quality performance. The intent is improved, realistic, affordable and fair distribution of resources to provide more efficient and effective health care over the next five to ten years. The report suggests "investing in these reforms now will deliver greater value for the community in the future." The Commission affirms the value of targeted health services, universal entitlement to medical, pharmaceutical and public hospital services under Medicare and citizens' choice to access private health insurance.

This report builds upon two earlier reports, *Beyond the Blame Game* (April 2008) and *A Healthier Future for All Australians: Interim Report* (December 2008).

The report identifies growing concerns about quality and safety and the action needed to prevent adverse events (section 1.3.5). An accumulation of evidence suggests simple mistakes like failure to hand wash between patients and more complex human and systemic errors are too frequent and could be reduced. The report also suggested the poor capture and use of performance data and the need for a smart reporting framework.

Demographic trends identified in the report come as no surprise – an ageing population, the impact of longevity, dramatically altered work and recreational activities and changing family structures. Of particular concern, were the shortage of health professionals and declining morale (section 1.4.3) and the impending impact of increasing chronic health conditions. Conversely, advances in health, information and communication technology can be exploited to benefit consumers and practitioners.

The Prime Minister, Kevin Rudd, has committed to a further six months of Australia-wide citizen consultations before the Australian Government delivers its response to the report.

In her media release of 27 July 2009, Carol Bennett, Executive Director, Consumers Health Forum of Australia suggested, "This report again emphasises the enormous economic and human costs of continuing with our existing health system...offers solutions [for reform]...much more than the Commonwealth simply taking over hospitals or putting more money into the current system." Ms Bennett further indicated health consumers should be at the centre of further discussions, particularly around the quality of healthcare and access to the services people need, rather than system-defined services.

Page 13 of the report provides a one-page *Blueprint for Reform*, a very useful tool to put the proposed reform goals, themes, transformative actions and principles in perspective (Attachment A). This document further refines the one-page *Summary*, which was provided in the interim report.

The Commission believes the first step to national health reform is an agreement by the Council of Australian Governments in 2009 to develop a **Healthy Australia Accord** in 2010. The accord articulates agreed and complementary roles and shared responsibilities of all governments across Australia. The Commission supports the move to **one health system**, realigning Commonwealth and state governments' roles and responsibilities. The Commission suggests the Commonwealth have full policy and funding responsibility for primary health care, basic dental care, aged care and the purchasing of health services for Indigenous people.

In addition, the Commonwealth would pay state governments activity-based benefits for public hospital care and other public health services, being 100 per cent for agreed, capped and efficient public hospital outpatient services and 40 per cent for efficient public patient admission to hospitals, sub-acute or mental health facilities and every attendance at a public hospital emergency department. This may be increased over time to 100 per cent of the efficiency cost. If implemented, these changes would have close to total responsibility for government funding of all public health care services across the care continuum, inside and outside of hospitals.

The Commission based its work on a vision of a people and family-centred, "sustainable, high quality, responsive health system for all Australians, now and into the future." Its three reform goals were to:

- tackle the major access and equity issues that affect people now
- redesign our health system to meet emerging challenges
- create an agile and self-improving health system for future generations.

In many ways, these goals mirror Health Consumers Queensland's (HCQ) priority areas of quality and safety, equitable access and targeted responses and participation and engagement. As mentioned in the *Executive Summary* of the report, "our own health and the health of our families are key determinants of our wellbeing" and can be greatly influenced by proposed reforms.

Reform One - tackle the major access and equity issues that affect people now

Access and equity are fundamental for an effective, efficient and coordinated health system. The Commission recommends **National Access Targets** across the health services continuum be developed through broad community consultation. These targets must consider the social determinants of health, not just the mere prevention, care or treatment of illness, disease or injury. The Commission believes:

- improving the health outcomes of Aboriginal and Torres Strait Islander people is a key priority. The Commission believes a concentrated effort needs to be made to close the gap between non-Indigenous and Indigenous life expectancy and opportunities. The current fragmented funding regimes should be aggregated into a new **National Aboriginal and Torres Strait Islander Health Authority**, which would use the funding to purchase and commission accountable, culturally appropriate, needed health services and lifestyle management initiatives for Indigenous families and communities. Recommendation 60 suggests strengthening and expanding organisational capacity and sustainability of Community Controlled Health Services to provide and broker comprehensive primary health care services, while recommendation 62 suggests core, specific Indigenous modules be included in accreditation processes.
- there is a need for better treatment, care and support services for **people with serious mental illness** across the care spectrum. In particular, expanded sub-acute community

services and 24/7 rapid and intensive response outreach teams would provide an alternative to hospital presentation. Prior to discharge from hospital, there should be clarity as to where the consumer will be discharged and that appropriate persons at that location are fully informed. Recommendation 82 acknowledges the important role of carers in supporting people living with mental disorders and the need for consumer and carer participation to shape programs and service delivery.

- improved access to dental health care could be facilitated through a universal basic dental health scheme, **Denticare Australia**, which could be funded through a 0.75 per cent of taxable income Medicare levy increase. This could ensure Australians have access to prevention, restoration and denture services, particularly Australian children via preschool and school dental programs.
- support for **people living in remote and rural areas**, through the use of 'top-up' funding, to ensure better access to medical, pharmaceutical, primary health care, patient travel and accommodation and strategies to improve health workforce supply and professional development. Recommendation 66 identifies the expansion of specialist outreach and telehealth services, referral and advice networks for remote and rural practitioners and 24/7 telephone and internet consultations. Recommendation 69 supports the building of health service, clinical and workforce capability through a remote and rural health research program.
- committed Commonwealth Government public hospital funding to **reduce waiting lists** is extended beyond 2010-2011. Also, **increased ward bed capacity** will ensure consumers are transferred from emergency departments in a timely manner.

Reform two - redesign our health system to meet emerging challenges

In any redesign of the health system, the Commission considers prevention and early intervention the key to better health outcomes. It recommends the creation of an independent **National Health Promotion and Prevention Agency**, which will work to shift current thinking on general and mental health and wellness, through education, evidence and research. The Commission suggests focusing on children and young people, to encourage a healthy start to life through a mix of universal and targeted services and community and social programs. This child and family-centred proposal is based on partnership with parents and significant others, within a life course approach and progressive universalism across universal, targeted and intensive care levels of care and a schedule of core contacts within the first three years of life and regular access to a school health nurse during primary schooling.

The Commission supports strategies to help people take greater responsibility for improving their health through "policies to make healthy choices easy choices." More health literate consumers and the integration of care and treatment over the life course, within the right setting at the right time will assist consumers and practitioners to deal with chronic diseases, multiple complex health and social problems and issues of ageing and frailty. Additionally, recommendation 41 recognises the vital role of equipment, aids and other devices for improved personal functioning and independence within their chosen environment.

The Commission suggests **comprehensive primary health care centres** located within people's communities as the first point and ongoing point-of-contact for most consumers. Through voluntary enrolment by young families, Indigenous people and persons with chronic and complex conditions and/or disability or long-term mental illness with a 'health care home', consumers would have access to integrated multidisciplinary teams in a known environment, over extended opening hours. Shared care arrangements in a community setting, focusing on health promotion, early detection of illness or disease, appropriate intervention strategies and care coordination of acute and ongoing conditions could be more reliably achieved and reduce the need for many episodes of hospitalisation.

The Commission believes the Australian Government should have responsibility for primary health care policy and funding arrangements, including the development of **primary health care organisations** which serve the needs of approximately 250,000 to 500,000 citizens within a community, evolving from or replacing the current system of Divisions of General Practice by 2015. Further, it believes speciality, outpatient and palliative care support could be community-based, with a separation of emergency and elective services within public hospitals.

In regards **aged care services**, the Commission feels repositioning would be appropriate to ensure a robust and sustainable sector with greater information about available care options, streamlined assessment and eligibility criteria and choice and responsiveness for consumers through wise use of public monies. Recommendation 42 suggests government subsidies for aged care should be more directly linked to people rather than places and that planning ratios focus on care recipients per 1000 people aged 85 and over. Recommendation 43 considers permitting accommodation bonds or alternative approaches as options for payment for accommodation for people entering high care, while responding to sufficient competition in supply and price.

Of special note, is the recommendation that the Commonwealth assume full responsibility for the Home and Community Care program and Aged Care Assessment Teams. The Commission believes there should be a more flexible range of care subsidies and user contributions for community care packages, compatible with current residential care guidelines and the inclusion of consumers in decision-making about the resources and support they require.

Of note, in recommendation 53, the Commission suggests a hospital discharge referral incentive scheme to ensure timely exchange of relevant information between all health professionals and providers involved in consumers' care and treatment. Recommendation 57 highlights the need for advance care planning and training of health professionals about the common law right of people to make decisions on their medical treatment and their right to decline treatment, where they have capacity to do so.

In order to redesign the health system and implement comprehensive primary health care initiatives, the Commission suggests the current universal service entitlement under **Medicare** needs to be revisited, particularly in relation to safety net arrangements, the scope of services available and payment mechanisms in operation.

Reform three - create an agile and self-improving health system for future generations

The Commission recommends the collaborative, community development of ten-year goals, starting with **Healthy Australia Goals 2020** at local, regional and national levels. These goals will be accompanied by a system of **continuous improvement health performance reporting**, to promote public confidence in the health system and provide comparative clinical performance data to hospitals, clinical units, health services and clinicians and publicly available health services information for consumers' informed decision-making.

The use of **blended funding models** is recommended in future primary health care settings, to ensure appropriate payments for multidisciplinary teams (fee-for-service payments, grant payments for clinical services and care coordination, performance outcomes payments, episodic and bundled payments). Additionally, the Commission is suggesting activity-based outputs funding for hospitals using case mix classifications linked to actual service provision. These matters would be addressed in a Healthy Australia Accord as mentioned previously.

The Commission firmly believes **consumer engagement and voice** are vital links in the chain of reform. It suggests building the health literacy of citizens through the National Curriculum for schools, fostering greater consumer participation in health decision-making processes and empowering consumers to make informed decisions about their health and lifestyle choices. The Commission acknowledges the informal/family carers, who support people with chronic, life-threatening and disabling conditions and their need for comprehensive and timely advice, training and mentoring to sustain their caring roles.

The Commission also supports the implementation of person-controlled **electronic health records** and **unique personal identifiers** for every Australian, particularly to improve information transference, continuity of care and health outcomes for consumers. To ensure the privacy and security of each person's health data, the Commission is suggesting the Commonwealth Government develop appropriate legislation, technical standards and a social marketing program to promote the risks and benefits of e-records. The Commission also proposes the implementation of a **National Action Plan on E-health** and that clinicians and health care providers be assisted to adopt electronic information storage, exchange and decision support software.

This will enable a 'wellness footprint' of communities and inform other social, economic, environmental and political initiatives for community wellbeing.

To achieve a modern, continuous learning and supported workforce, the Commission suggests the establishment of clinical senates across national, regional and local levels, developing a flexible, multidisciplinary competency-based education and training framework for health professionals and dedicated funding streams for clinical placements across public and private health settings. The Commission believes a **National Clinical Education and Training Agency** would assist this process.

Knowledge-led continuous improvement, innovation and research will drive the future health system. According to recommendation 34, public and private hospital episode data should be collected nationally and linked to the Medicare Benefits Schedule and Pharmaceutical Benefits Scheme data using a consumer's Medicare card number to develop understanding of health service usage and outcomes.

The Commission believes the **Australian Commission on Safety and Quality in Health Care** should become a permanent organisation and that the role of the **National Institute of Clinical Studies** be strengthened to disseminate evidence on which to base good practice and activity-based funded clinical education and training.

To ensure all Australians can get appropriate health care where and when they need it, the Commission is suggesting the Commonwealth conduct a SWOT analysis (strengths, weaknesses, opportunities and threats) of a new governance model, **Medicare Select**, that builds upon Medicare, establishing health and hospital plans, which cover a mandatory set of health services under a universal service obligation, to purportedly enable greater consumer choice, provider competition and better use of public and private health resources.

Under this model, the Australian Government would be the sole government funder of health services, with all Australians automatically belonging to a national or state government operated health and hospital plan with options to move to other plans. Commonwealth funding would be on a risk-adjusted basis for each person, through contracting arrangements with public and private providers to meet the full health care needs of plan members over their life course and service settings.

Based on the above recommendations, the Commission has encouraged urgency of reform, but suggested over the medium to long term, suggested reforms could reduce projected growth in spending on health and aged care. Section 7.5 states "a healthy population and an efficient and effective health care system are essential to maximising the wellbeing of our nation, and the productivity of our economy and workforce." Appendix G in the report sets out a preliminary and indicative action plan for implementing the Commission's recommendations.

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30 July 2009

BLUEPRINT FOR REFORM

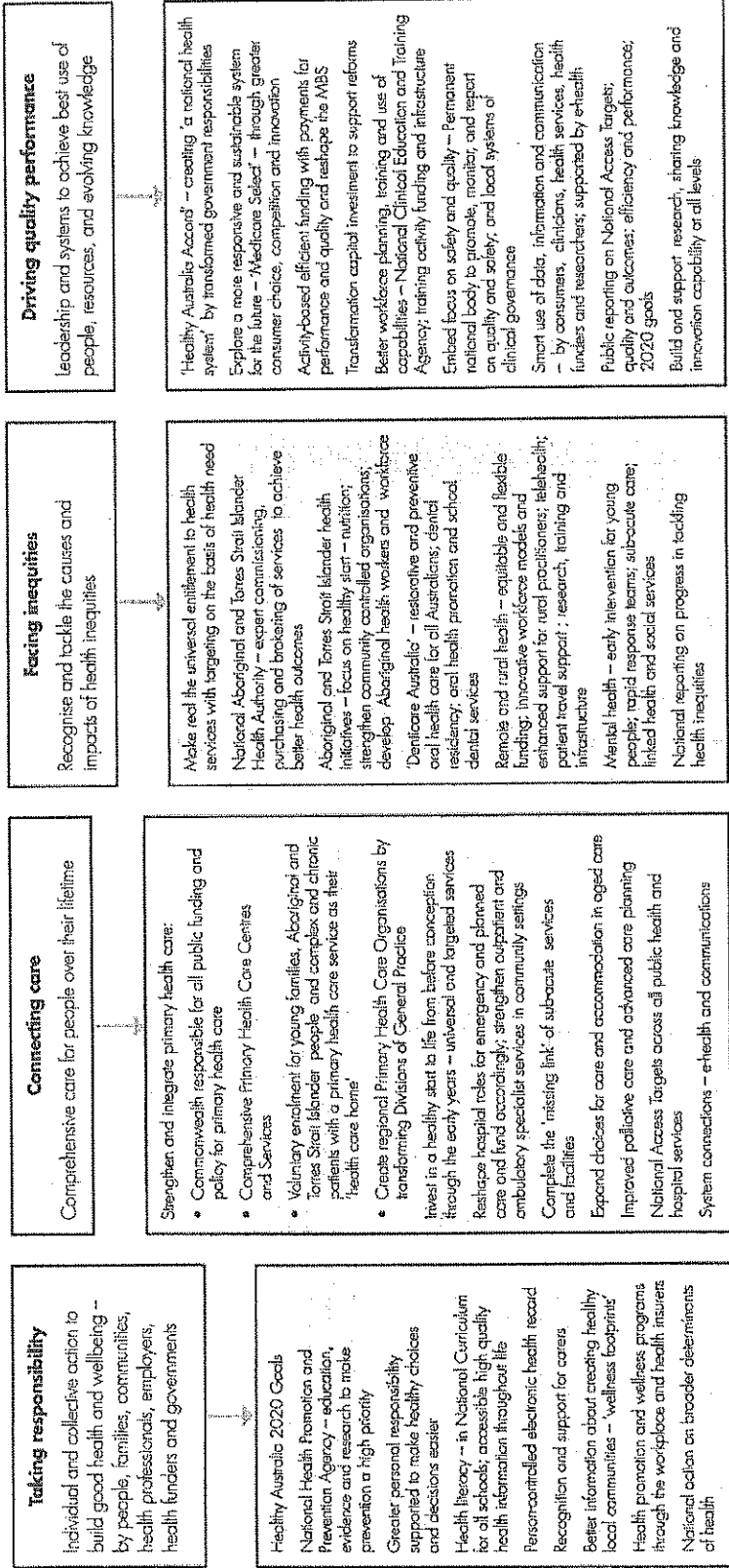
A Healthier Future For All Australians

VISION

A sustainable, high quality, responsive health system for all Australians, now and into the future

REFORM GOALS

- Tackle the major access and equity issues that affect people now
- Redesign our health system to meet emerging challenges
- Create an agile and self-improving health system for future generations



THEMES

Taking responsibility
Individual and collective action to build good health and wellbeing -- by people, families, communities, health professionals, employers, health funders and governments

Connecting care
Comprehensive care for people over their lifetime

Facing inequities
Recognise and tackle the causes and impacts of health inequities

Driving quality performance
Leadership and systems to achieve best use of people, resources, and evolving knowledge

TRANSFORMATIVE ACTIONS

Healthy Australia 2020 Goals
National Health Promotion and Prevention Agency -- education, evidence and research to make prevention a high priority
Greater personal responsibility supported to make healthy choices and decisions easier
Health literacy -- in National Curriculum for all schools; accessible high quality health information throughout life
Person-centred electronic health record
Recognition and support for carers
Better information about creating healthy local communities -- 'wellness footprints'
Health promotion and wellness programs through the workplace and health insurers
National action on broader determinants of health

Strengthen and integrate primary health care:

- Commonwealth responsible for all public funding and policy for primary health care
- Comprehensive Primary Health Centres and Services
- Voluntary enrolment for young families, Aboriginal and Torres Strait Islander people and complex and chronic patients with a primary health care service as their 'health care home'
- Create regional Primary Health Care Organisations by transforming Divisions of General Practice

Invest in a healthy start to life from before conception through the early years -- universal and targeted services

Reshape hospital roles for emergency and planned care and fund accordingly; strengthen outpatient and ambulatory specialist services in community settings

Complete the 'missing link' of subacute services and facilities

Expand choices for care and accommodation in aged care

Improved palliative care and advanced care planning

National Access Targets across all public health and hospital services

System connections -- e-health and communications

Make real the universal entitlement to health services with targeting on the basis of health need

National Aboriginal and Torres Strait Islander Health Authority -- expert commissioning, purchasing and brokering of services to achieve better health outcomes

Aboriginal and Torres Strait Islander health initiatives -- focus on healthy start -- nutrition; strengthen community controlled organisations; develop Aboriginal health workers and workforce

'Denicare Australia' -- restorative and preventive oral health care for all Australians; dental residency; oral health promotion and school dental services

Remote and rural health -- equitable and flexible funding; innovative workforce models and enhanced support for rural practitioners; telehealth; patient travel support; research, training and infrastructure

Mental health -- early intervention for young people; rapid response teams; subacute care; linked health and social services

National reporting on progress in tackling health inequities

'Healthy Australia Accords' -- creating 'a national health system' by transformed government responsibilities

Explore a more responsive and sustainable system for the future -- 'Medicare Select' -- through greater consumer choice, competition and innovation

Activity-based efficient funding with payments for performance and quality and reshape the MBS

Transformation capital investment to support reforms

Better workforce planning, training and use of capabilities -- National Clinical Education and Training Agency; training activity funding and infrastructure

Embed focus on safety and quality -- Permanent national body to promote, monitor, and report on quality and safety; and local systems of clinical governance

Smart use of data, information and communication -- by consumers, clinicians, health services, health funders and researchers, supported by e-health

Public reporting on National Access Targets; quality and outcomes; efficiency and performance; 2020 goals

Build and support research, sharing knowledge and innovation capability at all levels

PRINCIPLES

People and family centred
Providing for future generations
Transparency and accountability

Equity
Shared responsibility
Recognise broader social and environmental influences

Promoting wellness and strengthening prevention
Taking the long term view

Value for money
Quality and safety
Responsible spending

Comprehensiveness
A respectful, ethical system
A culture of reflective improvement and innovation