

A brief history of 'Health reform' in Australia, 2007-09

In the lead-up to the 2007 Federal Election, Opposition Leader Kevin Rudd made much of his Party's intention to reform Australia's health system, with explicit reference to addressing hospital waiting lists, "ending the blame game" and expanding preventive health care¹.

With the launch in August 2007 of *New directions for Australian health: taking responsibility: Labor's plan for ending the blame game on health and hospital care*, Kevin Rudd undertook to embark with the States and Territories on a cooperative, systematic national reform process to improve services and to reduce costs and blame shifting. Failing agreement, Mr Rudd proposed to seek a mandate at the following election for the Commonwealth to assume full funding responsibility for the nation's public hospitals. The accompanying media release introduced the notion of "a Commonwealth takeover of hospital funding" confirming that, in such a case, there would be direct participation by regional and local communities but that "ultimately, responsibility for the quality of patient care will lie with Canberra".

In November, at the formal ALP election launch, Kevin Rudd asserted that in the long-term plan to "fix our nation's hospitals...the buck will stop with me"².

Following the election of the Rudd Government on 24 November 2007, the Prime Minister and his Health Minister, Nicola Roxon, moved to institute the commitment. A National Health and Hospitals Reform Commission was set up to produce a 'blueprint for health'; a National Primary Health Care Strategy was to be developed; and a Preventative Health Taskforce was established to lead work on a National Preventative Health Strategy.

The National Health and Hospitals Reform Commission (NHHRC)

The Terms of Reference for the National Health and Hospitals Reform Commission (NHHRC) were announced by the Council of Australian Governments on 20 December 2007. The involvement of COAG reflected the fact that the new Government's first request of the new body was for assistance with setting the parameters for the new Australian Health Care Agreements (AHCAs).

Under these Agreements, signed by the Commonwealth with each State and Territory, the Commonwealth provides part of the funding for the operation of public hospitals. State and Territory governments commit to providing equitable access to free public hospital services on the basis of clinical need for all eligible patients, and to matching the Australian Government's rate of growth in hospital funding.

The last of 'the old AHCAs' was for the period 2003-08. In the negotiation of those agreements considerable blame shifting and acrimony developed between the Commonwealth and the States about the true measure of the amount of money offered by the former. This, combined with disappointment at the ultimate ineffectiveness of special AHCA working groups into which many parties had put their efforts and hopes, led directly to the establishment of the Australian Health Care Reform Alliance (AHCRA).

Spurred on no doubt by Commonwealth, State and Territory Treasuries, the Council of Australian Governments agreed in December 2007 to rationalise some 90 Commonwealth Specific Purpose Payments (SPPs) made to the States into five new national SPPs. It was

hoped that the restructure would improve the quality and effectiveness of government services, clarify the roles of each level of government and improve accountability.

Each of the new SPPs is associated with a National Agreement that contains the objectives, outcomes, outputs and performance indicators, and specifies the roles and responsibilities that will guide the Commonwealth and States in the delivery of services across the relevant sectors. One of the new National Agreements is the new National Healthcare Agreement.ⁱ

COAG also foreshadowed a new mechanism - National Partnership (NP) payments - to fund specific projects and to facilitate and/or reward States that deliver on nationally-significant reforms. The financial arrangements include incentive payments to reward performance. The first wave of NPs, announced a year later, included those for preventive health, hospital and health workforce reform and Indigenous health. Closing the Gap in life expectancy and health outcomes for Aboriginal and Torres Strait Islanders remains an important focus of COAG.

Under the National Healthcare Agreement, the Commonwealth Government agreed to provide \$64 billion to the States and Territories for health and hospitals - an increase of about 50 per cent over the previous Agreements.

As part of the new Agreement, the Commonwealth, States and Territories have agreed to report against a comprehensive set of performance indicators. The indicators span the breadth of the health system, including adverse events and unplanned readmissions to hospitals; waiting times for public hospital services; the incidence of preventable disease and injuries; timely access to primary care services; and life expectancy, including the gap between Indigenous and non-Indigenous Australians;

This was the inter-governmental financial environment into which the National Health and Hospitals Reform Commission (NHHRC) was pitched. Its membership was announced on 25 February 2008. The Commission was chaired by Dr Christine Bennett, Chief Medical Officer at MBF Australia Ltd, and comprised ten Commissioners in all.

The proposals of the NHHRC relating to the new National Healthcare Agreement were the subject of its first report: *Beyond the Blame Game: Accountability and performance benchmarks for the next Australian Health Care Agreements*, dated 30 April 2008.

Next, the Commission was required to report by June 2009 “on a long-term health reform plan to provide sustainable improvements in the performance of the health system”³. It held a number of consultations, received written submissions and commissioned a number of special papers to help with its work. All of these materials are available on the website at <http://www.health.gov.au/internet/nhhrc/publishing.nsf/Content/nhhrc-report>.

The Commission’s broad focus was on the public hospital and primary health care systems with some specific focus on how to improve the provision of health services in rural areas, how to improve Indigenous health outcomes, and to how to ensure there would be a well-qualified and sustainable health workforce into the future.

ⁱ The others are for schools, skills and workforce development, disability services and housing.

The continuing close involvement of the Prime Minister is reflected in the fact that the Commission was required to report to the Minister for Health and Ageing and, through her, to the Prime Minister, the Council of Australian Governments and the Australian Health Ministers' Conference.

The NHHRC produced its interim report in December 2008. Many of the organisations and individuals that had made submissions to the Commission responded formally to that interim report.

A healthier future for all Australians, the Final Report of the NHHRC, was released in June 2009. It contained 123 recommendations, with much of the immediate public focus settling on the Commission's proposal that "The Commonwealth Government (would) assume full responsibility for the policy and public funding of primary health care services. This includes all existing community health, public dental services, family and child health services, and alcohol and drug treatment services that are currently funded by state, territory and local governments"⁴. Particular interest was also shown in its proposals relating to access to dental care, to what were called "comprehensive primary health care centres and services", proposals for the Commonwealth to move over time to fund 100 per cent of the efficient cost of running hospitals, and for the establishment in the longer term of health and hospital plans in a new system to be called Medicare Select.

The Final Report also urged governments to continue consultation and engagement with the community, health professionals and health services for the success of the reform agenda. The Prime Minister and his Health Ministers have attended over 100 consultations and encouraged people to have their say through other means as well, such as on the yourHealth website.

In Tasmania in January 2010 Prime Minister Rudd reiterated his intention to put his reform proposal to the States and Territories.

"What we have said consistently is that if they accept that, well and good, and if they don't then we'd seek a mandate from the people in terms of the Commonwealth moving to take over the system. That remains our position. The rubber will hit the road on all of that when we put our final proposal to the states and territories in the immediate months ahead."⁵

The National Primary Health Care Strategy

Nicola Roxon, Minister for Health and Ageing, announced on 11 June 2008 that the Rudd Government would develop a National Primary Health Care Strategy "to better tackle the health challenges of the 21st century, and make sure that families can get the health care they need"⁶.

The work was led from within the Minister's Department, with assistance from an External Reference Group chaired by Dr Tony Hobbs, a GP Obstetrician from Cootamundra in southern New South Wales, and Immediate Past Chair of the Australian General Practice Network. The external reference group had "membership comprising primary health care experts from around Australia, including a pharmacist, a midwife, a physiotherapist, a psychologist, a general practice nurse, a consumer representative, primary care academics

and strong representation from general practice, including those with Indigenous, rural and remote experience”.⁷

The priorities for the strategy were to include:

- “Better rewarding prevention.
- Promoting evidence-based management of chronic disease.
- Supporting patients with chronic disease to manage their condition.
- Supporting the role GPs play in the health care team.
- Addressing the growing need for access to other health professionals, including practice nurses and allied health professionals like physiotherapists and dieticians.
- Encouraging a greater focus on multidisciplinary team-based care.”⁶

The Discussion Paper was released on 30 October 2008 and public submissions were invited. The Paper proposed “10 key elements which could underpin a future Australian primary health care system”⁸:

1. “Accessible, clinically and culturally appropriate, timely and affordable care;
2. Patient-centred and supportive of health literacy, self-management and individual preference;
3. More focused on preventive care, including support of healthy lifestyles;
4. Well-integrated, coordinated, and providing continuity of care, particularly for those with multiple, ongoing, and complex conditions. ...
5. Safe, high quality care which is continually improving through relevant research and innovation;
6. Better management of health information, underpinned by efficient and effective use of eHealth;
7. Flexibility to best respond to local community needs and circumstances through sustainable and efficient operational models. ...
8. Working environments and conditions which attract, support and retain workforce;
9. High quality education and training arrangements for both new and existing workforce;
- ...
10. Fiscally sustainable, efficient and cost effective systems.”

The draft of Australia’s first National Primary Health Care Strategy was released on 31 August 2009 by the Prime Minister and the Minister for Health and Ageing. The media release claimed that the Primary Care Strategy “focuses on what Government can do to improve the frontline health care that Australians depend on, including the care delivered by GPs and other frontline health professionals like physiotherapists, psychologists and pharmacists”. The point was made that the Primary Health Care Strategy reinforced and built on the work of the NHHRC, “providing the next level of detail that sits below the Commission’s broad priorities”.

The draft strategy identified four key priorities for change:

1. improving access and reducing inequity;
2. better management of chronic conditions;
3. increasing the focus on prevention; and
4. improving quality, safety, performance and accountability.

To build what it called a modern primary health care system, the strategy identified a number of key building blocks including regional integration of all primary care services, investments in information and technology, including e-health, a skilled workforce for the future, and infrastructure to support comprehensive primary care.

The Preventative Health Taskforce

Health Minister Nicola Roxon announced the establishment of the Preventative Health Taskforce on 9 April 2008. It was to support the development of a National Preventative Health Strategy by providing “evidence-based advice to governments and health providers on preventative health programs and strategies, focusing on the burden of chronic disease currently caused by obesity, tobacco and the excessive consumption of alcohol”⁹.

The Taskforce was encouraged to “address all relevant arms of policy and all available points of leverage, in both the health and non-health sectors, in formulating its recommendations”. It was to focus, among other things, on “the most effective strategies for targeting prevention in high risk sub-populations including Aboriginal and Torres Strait Islander peoples and people living in rural and remote locations”.

The Taskforce was appointed for three years and is chaired by Professor Rob Moodie, former CEO of VicHealth, the Victorian Health Promotion Foundation.

The Taskforce was required to provide:

- “advice on the framework for the Preventative Health Partnerships between the Commonwealth and the states and territories by July 2008;
- a three year work program by September 2008;
- a National Preventative Health Strategy by June 2009; and
- advice on such matters as may be referred to the Taskforce from time to time by the Commonwealth Minister of Health and Ageing”.

The Preventative Health Taskforce commissioned papers on Indigenous aspects of its work, high-risk drinking, the social determinants of obesity and alcohol and tobacco usage, environments that tend to enhance obesity, the prevention of chronic disease, interventions for overweight and obesity, the relative effectiveness of various tobacco control strategies, and food marketing.

Its discussion paper, *Australia: the healthiest country by 2020*, was released on 10 October 2008 and consultations were held in all capital cities and some regional centres from October 2008 to February 2009. The discussion paper set the following targets for the period to the year 2020:

- “Halt and reverse the rise in overweight and obesity;
- Reduce the prevalence of daily smoking to 9% or less;
- Reduce the prevalence of harmful drinking for all Australians by 30%;
- Contribute to the ‘Close the Gap’ target for Indigenous people, reducing the 17-year life expectancy gap between Indigenous and non-Indigenous people”¹⁰.

The National Preventative Health Strategy was launched by the Minister on 1 September 2009. The Strategy has an overview; a roadmap for action; and technical papers focused on the three key areas – obesity, tobacco and alcohol.

In support of this preventive health agenda, under the Health Prevention National Partnership the Commonwealth has agreed to provide \$872 million over six years starting from 2009-10 to improve the health of all Australians. These funds are intended to support preventive health activities, including:

- increased access to services for children to increase physical activity and improved nutrition;
- healthy workers and communities programs; and
- a national campaign to increase public awareness of the risks associated with lifestyle behaviours and their links to chronic disease.

Other elements of the ‘health reform agenda’

Although they are likely to be key determinants of any new shape and direction for the health sector in Australia, the three reviews initiated in 2008 are not alone as the source of strategic change in the health sector.

The Rudd Government describes its aspirations as being to “implement serious intergenerational reform to our health system”¹¹.

On 10 September 2008 Health Minister Nicola Roxon announced a review of maternity services and launched a discussion paper on the issue: *Improving Maternity Services in Australia: A Discussion Paper from the Australian Government*. The review was led by the Chief Nurse and Midwifery Officer, Ms Rosemary Bryant. Submissions to the review were sought between 10 September and 31 October 2008. The Department conducted a series of invitation-only roundtable forums on a series of key topics.

More than 900 submissions were made to the review.

The *Report of the Maternity Services Review* was released in February 2009. It focused on the need to improve the choices available to pregnant women, access to high quality maternity services, and support for the maternity services workforce. Among its recommendations was the proposal for “Providing increased support for the maternity workforce, particularly in rural Australia”.

The Commonwealth Government then announced its intention to develop, with the States and Territories, a national plan for maternity services. Its purpose would be to try to ensure that “Australian mothers, wherever they live, are provided with the choices and care that they need”¹².

The Government has also signaled its intention to foster a more team-based, multi-disciplinary approach to health care. Its GP Super Clinics program, costing \$275 million, is intended to provide a model for delivering multidisciplinary care, providing a central hub that will bring together GPs, nurses, allied health professionals, specialists and other health care providers to deliver health services tailored to meet local health needs and

priorities. The Super Clinics are also intended to place greater emphasis on prevention and chronic disease management.

The Government is working to give eligible Nurse Practitioners and Midwives access to the Medicare Benefits Scheme (MBS) and Pharmaceutical Benefits Scheme (PBS).

On the general health workforce front the Government has increased the number of prevocational placements in General Practice through the Prevocational General Practice Placements Program, expanded the Remote Vocational Training Program and indicated its intention to increase GP training places from 600 to 800 in 2011.

Through the Council of Australian Governments, \$1.6 billion has been made available over four years for health workforce initiatives. This funding will support clinical training for 13,800 medical students, 38,500 nursing students and 18,000 allied health students, and additional intern training places. It also includes funding for infrastructure to support training outside traditional hospital settings, and for increased support for clinical supervisors.

At any given time there are a range of changes being effected in the health sector. In the period subject to this brief overview there have been initiatives relating to other matters such as MBS item numbers, the national mental health strategy, international medical graduates from New Zealand, health infrastructure including the national broadband network, research, and frameworks for women's and men's health. However, the strategic issues which are likely to be subsumed under the rubric of 'the health reform agenda', are those that stem from the work of the NHHRC and the reviews relating to primary health care, preventative health and maternity services.

References

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³ *National Health and Hospitals Reform Commission Terms of Reference*, www.nhhrc.org.au accessed 8 February 2010.

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⁵ Kevin Rudd, Prime Minister, 19 January 2010, Transcript of joint doorstep interview, Hobart, www.pm.gov.au accessed 8 February 2010.

⁶ Nicola Roxon, Minister for Health, Media Release: *National Primary Health Care Strategy*, 11 June 2008.

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⁸ *Towards a National Primary Health Care Strategy: A Discussion Paper from the Australian Government*, www.health.gov.au accessed 8 February 2010.

⁹ Nicola Roxon, Minister for Health, Media Release: *New health taskforce on prevention - tobacco, alcohol and obesity priorities*, 9 April 2008.

¹⁰ *Preventative Health Taskforce Discussion Paper*, www.health.gov.au accessed 8 February 2010.

¹¹ Nicola Roxon, Minister for Health, address to *Royal Australian College of General Practitioners National Conference*, 1 October 2009, www.health.gov.au accessed 8 February 2010.

¹² Nicola Roxon, Minister for Health, Media Release: *Maternity Services Report*, 21 February 2009.