

Experts welcome funding changes

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HEALTH experts have welcomed the simplification of Labor's funding plan, but warned it remains a "financial package" rather than a health reform, with on-the-ground problems unresolved.

The experts favoured the move to strip out the financing complexity from the original Rudd reforms, but many said the changes outlined yesterday would have limited impact on hard-pressed hospitals or GP clinics.

John Dwyer, founding president of the Australian Healthcare Reform Alliance, said the new plan "remains a financial reform package, not a health system reform package", and the national pool arrangement would be "cumbersome beyond measure".

Professor Dwyer said he "loved the rhetoric" put forward by Prime Minister Julia Gillard about increasing the emphasis on

primary care, which was "absolutely the way to go".

But he criticised the choice of Medicare Locals as the method for delivering this, saying it remained unclear what they would do or how they would interact with the hospitals.

Bob Wells, director of the Menzies Centre for Health Policy at the Australian National University, said the proposals were an improvement, and would probably succeed in shoring up the health reform agenda.

"It's something the states can buy into, whereas the previous plan clearly wasn't ... its probably easier to follow, and is clear," Mr Wells said.

"The only problem I have is with the central pooling arrangement I'm not sure what the point is."

Under the new plans, funds will be paid into a single national pool before being paid to state governments, which will in turn pay the hospital networks.

"I don't think any of this will go anywhere to stop cost-shifting," he said. "Whether the split is 60-40 or 50-50, you still have the incentive for both sides to shift costs to the other."

Mr Wells said the compromise still left state treasuries facing unsustainable costs in decades to come, but the new plan would make the system more stable, allowing time for further solutions to be implemented.

Former Australian Medical Association president and National Health and Hospitals Reform Commission member Mukesh Haikerwal said the new scheme was closer to the NHHRC's original vision.

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