



Health care in Australia

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Australia at a glance



- Australia's GDP per capita is near the OECD average
- Our culturally diverse population is now 21 million, two-thirds living in cities
- Life expectancy is around 80
- Most Australians have access to comprehensive health care of a high standard, financed mainly through general taxation.

[Money and policy]



- Fiscal and functional responsibilities for health care are divided between the Australian Government and six States and two Territories, and between public and private providers
- The ability of any one actor to plan or regulate is limited.

In detail

- The Australian population is ageing with 13% now aged 65 years or more
- Life expectancy is 79 years for men and 84 years for women
- The burden of disease (premature mortality in terms of years of life lost) is mostly due to heart disease, stroke and cancers
- Indigenous Australians (about 2.4% of the population), however, have much poorer health than other Australians with a higher burden of both infectious and non-infectious disease, including high rates of diabetes.

States, local government and private sector

- The States are autonomous in administering health services, subject to intergovernmental agreements
- State health departments administer public hospitals and other services, such as mental health services, school dental services, family health services, health promotion and rehabilitation services
- Local governments (over 850 municipal or shire councils) are responsible for environmental health services and public health programmes but play no role in clinical services
- The large private sector includes the majority of doctors (e.g. general practitioners and specialists), numerous private hospitals and day hospitals, a large diagnostic services industry and several private health insurance funds.

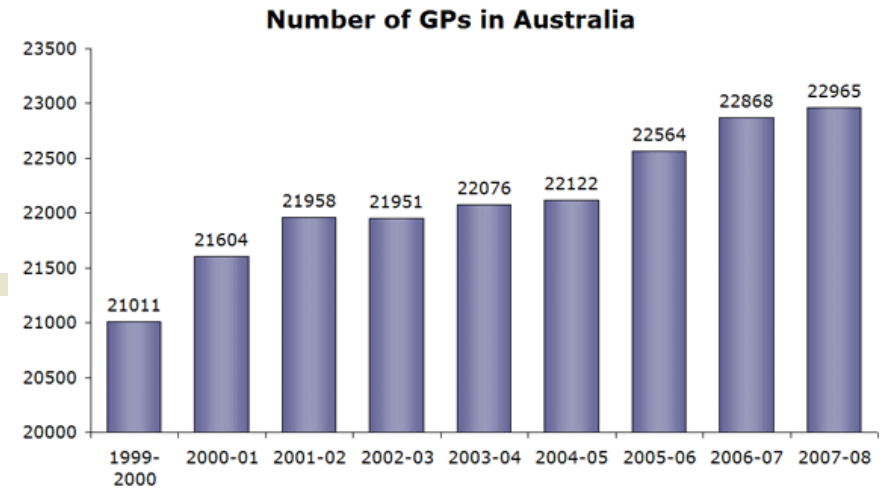
[How we pay for health care]

- Australia has a mainly publicly funded health system financed through general taxation and a small compulsory tax-based health insurance levy
- Medicare, the tax-funded national health insurance scheme, offers patients subsidized access to their doctor of choice for out-of-hospital care, free public hospital care and subsidized pharmaceuticals
- About 68% of total health expenditure comes from public sources, with the Australian Government financing 46% and the States 22%
- The remaining 32% comes from private sources.

[Commonwealth role]

- The Australian Government has the “power of the purse”, but funds, rather than provides, health services.
- It funds and administers the Medicare scheme that subsidizes ambulatory medical services, and the Pharmaceutical Benefits Scheme
- Through the Australian Health Care Agreements the Commonwealth contributes funds to the States to run public hospitals
- The Department of Health and Ageing engages in national health policy-making, funds health care and is concerned with population health, and with research and monitoring on population health and health system activities.

[General practice



Source: Primary Health Care Research and Information Service - www.phcris.org.au

- The health care workforce (about 570 000 persons) comprises nearly 6% of the total workforce. Increasing!
- General practitioners (GPs) (23 000 about 60% of active medical practitioners) mostly self-employed
- GPs are the first point of medical contact and refer to specialists
- GPs can bill a patient (who then applies to Medicare for reimbursement), or can “bulk-bill” Medicare, if they accept the Medicare schedule fee as full payment.

[Specialists and hospitals



- Medical specialists provide ambulatory secondary care, either in private consulting rooms or in outpatient departments of public hospitals
- Medicare reimburses 85% of the schedule fees for specialist consultations
- 1303 hospitals, including 1029 acute care hospitals, with public hospitals providing 70%
- Many small hospitals have closed, mergers have occurred between hospitals and free-standing day hospitals (253 in 2005) have grown for same-day procedures
- With 2.7 acute beds per 1000 population, Australia has fewer beds than many countries.

Changes to the system in past decade

- **Public support for private health insurance (for example, tax rebates for those taking out private health insurance cost the Australian Government AU\$ 2 billion in 2001–2002)**
- **A rise from 85% to 100% of the Medicare schedule fee for GPs to counteract a drop in bulk-billing**
- **Intergovernmental forums, such as the Australian Health Ministers Conference and the Council of Australian Governments**
- **National government funding for coordinated care programmes**
- **Workforce planning following a report by the Productivity Commission on shortages of health care professionals and inflexible work practices**
- **More e-health initiatives**
- **Greater attention to the quality and safety of patient care.**

Goals of the health care system

- **Equity** (fair payments and fair access to and use of services)
- **Efficiency** (value for money)
- **Quality** (high standards and good health outcomes)

[Reviewing the System]

- By one estimate Rudd Labor Government has established or ordered:
 - 83 reviews
 - 17 committees, commissions or boards
 - 12 inquiries
 - 11 working groups
 - 11 discussion papers
 - 7 summits
 - 7 consultations
 - 5 audits



[Conclusions and Discussion]

New policy advisory bodies in the health portfolio

Name	Purpose	Established	Reports to	Additional information
Cognate Committee on Organ and Tissue Donation and Transplantation	Advise governments on implementation of the recommendations of the 2007 National Clinical Taskforce on Organ and Tissue Donation final report	7 December 2007	Australian Health Ministers' Conference (AHMC)	Replaces Inter-governmental Committee on Organ and Tissue Donation and Australians Donate
Council of Australian Governments (COAG) Working Group on Health and Ageing	Improve the health of all Australians and sustainability of the Australian health system; plan implementation of election commitments	20 December 2007	Prime Minister and COAG	Chaired by Minister for Health; implementation plan for election commitments delivered at COAG meeting in March 2008; group scheduled to meet four times in 2008 to report on progress of this plan
National Health and Hospitals Reform Commission (NHHRC)	Advise on performance indicators and short- and long-term practical reforms for the Australian health care system	Election commitment; members announced 25 February 2008	Prime Minister, COAG and AHMC, via Minister for Health	Funded until July 2009; advice on framework for next Australian Health Care Agreements (AHCAs) and performance indicators delivered in April 2008; Australian Institute of Health and Welfare performance indicators delivered in July 2008; interim report due in December 2008; final report due in June 2009
Pharmaceuticals Industry Working Group	Provide policy advice on pharmaceutical industry development in Australia	Members announced 8 April 2008	Minister for Health and Minister for Innovation, Industry, Science and Research	Revival of earlier group formed in 1998
Preventative Health Taskforce	Develop a National Preventative Health Strategy, prioritising issues regarding tobacco, alcohol and obesity; provide a framework for Preventative Health Partnerships between federal, state and territory governments	Election commitment; members announced 9 April 2008	Minister for Health	Funded until July 2012; discussion papers released October 2008; draft strategy to be ready for comment by March 2009; final strategy due in June 2009

New policy advisory bodies in the health portfolio cont'd

Name	Purpose	Established	Reports to	Additional information
National Primary Health Care Strategy External Reference Group	Support the government in the development of the National Primary Health Care Strategy	Election commitment; members announced 11 June 2008	Minister for Health	Work on the National Primary Health Care Strategy will link with current related health reform processes, including the activities of the COAG Working Group on Health and Ageing and the NHHRC, development of the AHCAs, and the National Preventative Health Strategy
National Advisory Council on Mental Health	Provide independent advice on mental health and assist with the coordination of mental health services across federal, state and territory governments	Election commitment; members announced 12 June 2008	Minister for Health	Funded until July 2011
Ageing Consultative Committee	Improve government consultation with aged care industry, workforce and consumer representatives	Members announced 25 June 2008	Minister for Ageing	Merges former Aged Care Advisory Committee and Community Care Advisory Committee
Ministerial Council on Ageing	Help initiate, develop and monitor policy reform; facilitate consultation and cooperation between federal, state and territory governments	Election commitment	Prime Minister and COAG, via Minister for Ageing	Funded until July 2012
Australian Suicide Prevention Advisory Council	Identify community needs and priorities for the National Suicide Prevention Strategy	10 September 2008	Minister for Health	Minister for Health also announced a reinvigorated National Suicide Prevention Strategy Workplan

NHHRC Review 2009

THEMES

Taking responsibility

Individual and collective action to build good health and wellbeing – by people, families, communities, health professionals, employers 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

Better use of people, resources, and evolving knowledge

KEY REFORM DIRECTIONS

Healthy Australia 2020 Goals

National Health Promotion and Prevention Agency – education, evidence and research to make prevention a top priority

Greater personal responsibility for improving health supported by policies that make healthy choices easier

Health literacy in National Curriculum for all schools

Better information about creating healthy local communities – 'wellness footprints'

Workplace health promotion and wellness programs

Strengthen and integrate primary health care through:

Commonwealth responsible for all primary health care

New Comprehensive Primary Health Care Centres

Voluntary enrolment for young families and complex and chronic patients with primary health care services (including general practice)

Personal electronic health record

Invest in a healthy start to life from before conception through the early years

Reshape hospital roles for emergency and planned care and fund accordingly

Complete the 'missing link' of sub-acute services

Hospitals – National Access Guarantees and Targets

Expand choices for care and accommodation in aged care

Improved palliative care and advanced care planning

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

National Indigenous Health Authority – expert purchasing to achieve better Indigenous health outcomes

'Denticare Australia' – restorative and preventive oral health care for all Australians

Remote and rural health – equitable and flexible funding, innovative workforce models, telehealth, patient travel support

Mental health – early intervention for young people, rapid response teams, sub-acute care, linked health and social services

National reporting on progress in tackling health inequities

Options for better governance of the health system

National leadership for national functions such as health technology assessment

Activity based funding with payments for performance and quality

Better use of workforce capabilities - framework for competency based practice

Improved clinical training infrastructure

Permanent national body to promote, monitor, and report on quality and safety

Public reporting on access, efficiency and quality for public and private hospitals

Build a culture of continuous improvement, research and innovation with clinical leadership

[NHHRC final report July 2009]

- “We face significant challenges, including large increases in demand for and expenditure on health care, unacceptable inequities in health outcomes and access to services, growing concerns about safety and quality, workforce shortage, and inefficiency.”

[123 recommendations]

- Recommendations were designed to achieve three goals:
 - Tackling major access and equity issues that affect health outcomes for people now
 - Redesigning the health system so that it is better positioned to respond to emerging challenges
 - Creating an agile self-improving system for long-term sustainability
- The report reaffirmed the value of a universal entitlement to medical, pharmaceutical and public hospital services under Medicare, and of access to care through private health insurance

[A snapshot]

- **Indigenous health** – funding would be aggregated and a new National ATSI Health Authority established
- **Mental health** – better care needed for people with serious mental illness; sub-acute services in community expanded and all mental health services should have a rapid response outreach team available 24 hours
- **Rural and remote** – top up funding for local service provision and new networks of primary health services established in regional areas

[A snapshot]

- **Primary care** – Comprehensive Primary Health Care Centres and Services with extended opening hours; “health care homes”; new Primary Health Care Organisations, possibly out of the Divisions of General Practice; National Health Promotion and Prevention Agency
- **Public Hospitals** – Improve access to care, particularly in emergency departments and access to planned surgical and medical care
- **E-health** – Every Australian should own and control a personal electronic health record

National Health and Hospitals Network

- Reform of the funding and management of public hospitals
- Greater responsibility and a greater stake for the Commonwealth
- In isolation it's not the panacea for all the woes in our health system; we need to see the whole health reform picture
- Awaiting announcements on: general practice and primary care, emergency departments, IT, mental health, aged care, health workforce and prevention