



**Australian
General Practice
Network**

NATIONAL PRIMARY HEALTH CARE REFORM AND THE NETWORK

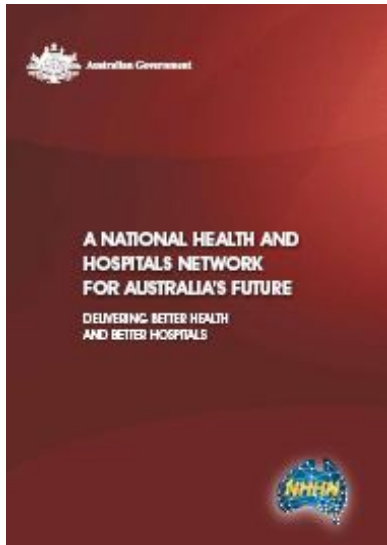
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Health reform is speeding ahead!

Recent key health reform announcements



3rd March: National Health and Hospitals Network (NHHN)

15th March: Additional GP and specialist training places

31st March: Payments for GPs to improve the health outcomes of voluntarily enrolled diabetes patients

12th April: Primary Health Care Organisations (PHCOs)+ increased services in aged care

20th April: COAG National Health & Hospitals Agreement

— Agreement to proposals in all states except WA

11th May: Federal Budget 2010-11

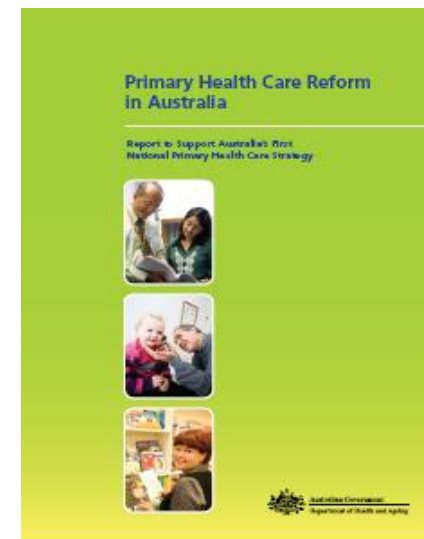
Want more info? www.yourhealth.gov.au

Federal Budget 2010: PHC Focus

- PHCO operational and transition funding
- GP infrastructure
- Practice nurse incentives
- After hours care
- Aged care
- Mental health
- Coordinated diabetes care
- Person-controlled e-health record

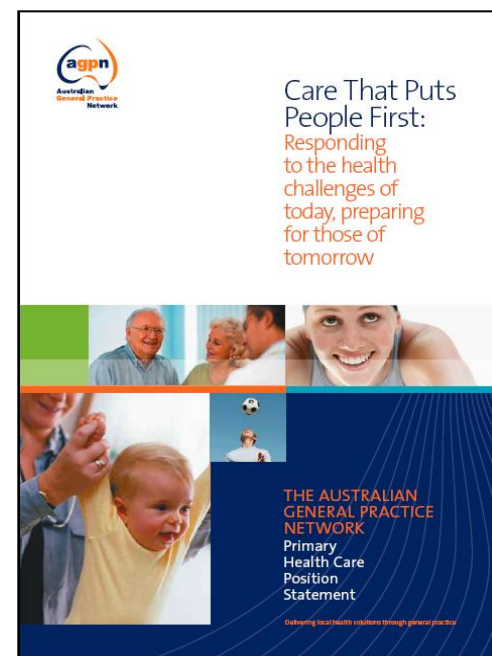
The journey to reform:

- A culmination of strategic reviews...
 - NHHRC Report – 123 recommendations
 - Draft Primary Health Strategy (now finalised)
 - National Preventative Health Strategy
- ...And also other significant policy work:
 - MBS review of PHC items (internal)
 - Maternity services review
 - Close the Gap – COAG
 - Health Workforce Australia
 - Nurse Practitioners legislation review
 - Men's and women's health policy



The Network's influence in reform:

- 2 primary health care position statements
- Policy statements & discussion papers including on:
 - eHealth
 - General practice and PHC funding models
 - Practice nurses
 - Futureproofing the Network
 - Annual federal budget submissions
- Submissions to major reviews
- Blueprint for PHCOs - *Connecting Care*



Why we need systems reform

- Australia's health system has strengths but...
 - Declining levels of health workforce
 - Increasing levels of chronic disease
 - Ongoing inequity...means it is over-stretched
- Divided responsibility for different parts of the health system is also inefficient:
 - cost shifting and the blame game
- Current system is complex, fragmented, too focused on costly acute care:
 - Existing format is NOT SUSTAINABLE

Why we need reform

- Health spend per person has increased 45% over the last decade (Overall Australian health spend: 9% approx GDP or \$86.9 billion)
- Only 2% of health spend is on prevention/health promotion
- 9% hospital admissions are considered potentially preventable
- Indigenous peoples + those living in rural/remote areas have higher rates of illness and live shorter lives - inequity
- Ageing workforce: 16% health workforce is over 55yrs compared to 12% about 5 years ago
- Remote areas have half the supply of medical practitioners & dentists than major cities (FTE per 100,000 pop)
- Primary care doctor supply is 9% lower than 8 years ago
- 7.4 million Australian adults are overweight (key risk factor for many chronic diseases)

Need to re-orient towards primary health care

Primary health care is a clear indicator for success in population health outcomes

“Many studies... show that areas with better primary care have better health outcomes, including total mortality rates, heart disease mortality rates and infant mortality and earlier detection of cancers....The opposite is the case for higher specialist supply, which is associated with worse outcomes.”

Barbara Starfield

“Primary Care Now More than Ever” WHO



But...

- ...PHC system in Australia is complex, fragmented and often uncoordinated...



The reforms are aimed to overcome this - but how?

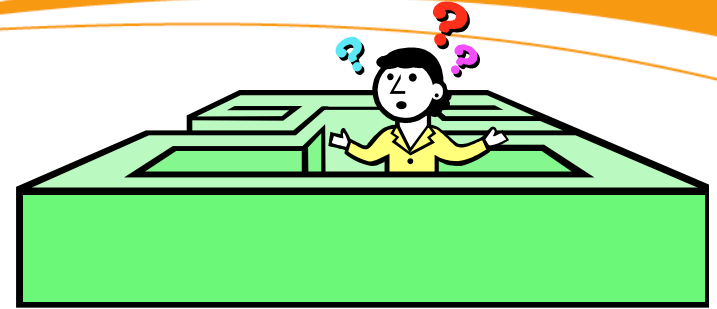
Through...

- One primary funder:
 - All funding and policy responsibility for general practice & PHC will rest with one level of government – the Commonwealth
- Structural reform - establishment of NHHN:
 - Local hospital networks (LHNs)
 - A national Network of regional Primary Health Care Organisations (PHCOs) by July 2012
- Much greater focus on PHC:
 - PHCOs will evolve from the Divisions Network
 - More investment in delivery in the PHC/community setting

Local Hospital Networks - overview

- Groups of between 1- 4 acute hospitals
 - Potential for inclusion of other inpatient services (eg. Sub-acute)
 - Regional LHNs may potentially include more small hospitals
- States to determine LHN configurations
- LHNs must be:
 - *“large enough to operate efficiently and to provide a reasonable range of hospitals services”* and
 - *“responsible for delivering on agreed services and performance standards”*
- 150-200 LHNs (approx) across the country

PHCOs - overview




- Independent, non-government entities
- Planning, coordinating and linking PHC services at a regional level
- Strong links to communities, health professionals, service providers and NGOs (social care services)
- Start small and build over time
- Initial focus: after hours GP services, aged care, diabetes and mental health
- Not responsible for management or funding of all general practice and PHC services - not MBS and PBS
- Called **Medicare Locals** in the Budget

What will PHCOs do?

- PHCOs will be funded to deliver better access, address inequities and coordinate and integrate services, by:
 - developing a regional health plan and models of care for their communities
 - allocating funding and ensuring the delivery of comprehensive primary health services for their population – addressing service gaps
 - supporting the broad health workforce
 - delivering programs that promote health and prevent illness
 - working with Local Hospital Networks (LHNs) on transition out of hospital and/or into aged care
 - in some cases, direct health service provision to communities
 - community and provider engagement

Why PHCOs?

- Provide planning and coordination for the delivery of primary health care services at a regional level
 - Will have the capacity and flexibility to introduce local solutions to respond to local needs
- 
- better patient access to care by addressing health inequities and service gaps
 - better coordinated care for patients through better linkages and integration across services
 - better access to comprehensive team care for patients, through planning and coordination around access to allied health services
 - greater responsiveness to population needs through effective **local** solutions
 - greater focus on health promotion and preventative health care needs

PHCOs: key enablers

- PHCOs are not an end in themselves:
 - they are critical enablers/building blocks of a better coordinated and connected PHC system
- Other enablers also required to strengthen PHC system and have been introduced as part of the reform package:
 - general practice infrastructure development funds to support practices to accommodate multi-disciplinary teams
 - additional funding for after hours GP services
 - a new incentive to support practices to employ Practice nurses
 - Commitment to introducing personally controlled eHealth record



What does it all mean?

- Impacts of reform: Potential significant benefits to:
 - community
 - patients and
 - GPN members
- Challenges and opportunities for the Network



For GPs and general practice



- Puts general practice front and centre of PHC
- A broader role for general practice in health care:
 - ▶ Provision
 - ▶ Local Leadership
- Makes general practice a more satisfying and rewarding place for GPs and other health professionals – more team focused
- Demonstrably leads to better health outcomes for patients and communities, reduces health inequity
- Sets the system up to train the health workforce of the future
- Provides greater support and coordination

For consumers and the community

- More coordinated care
- Greater access to multidisciplinary teams
- Greater access to care in areas of market failure or where there are service gaps
- Potential links with other parts of the system such as social or welfare services that impact on health



For the Network

- An exciting and challenging future
- PHCOs will have greater authority, capacity and responsibility
- They will also have greater accountability
- It will be a big step - but we are ideally placed to develop into PHCOs – by building on what we already do well
- Fundamental principle:
 - Retaining GP leadership and engagement while broadening the church
 - Retaining current services



Why build on the divisions network?

- National footprint: we are the only national, state and regional infrastructure of this type
- We have strong engagement with general practice and, increasingly broader primary health care
- Proven capacity to plan and deliver through flexible funds to meet local need- for eg. through MAHS, ATAPS and ACAI
- Established network- connected, with national leadership
- PHCOS will be the **best of what already exists through divisions** - but will more than “Divisions in sheep’s clothing”
- PHCOs Will have broader responsibilities and scope



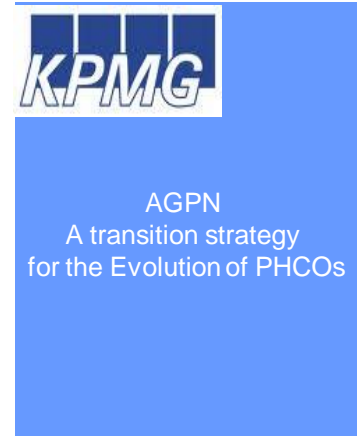
AGPN work to support transition

- Nov 2009:** released '*Connecting Care*'- a blueprint for Australian PHCOs
- Dec 2010:** Engaged KPMG to develop Network PHCO transition plan*
- Dec 2010:** Engaged Carla Cranny & Associates to undertake independent analysis of PHCO boundaries
- Mar 2010:** Engaged DLA Phillips Fox for independent legal advice on PHCO network structure, membership and governance*
- Mar 2010:** Developed draft position on the national PHCO agency in consultation with GPNLG*
- April 2010:** Engaged Eugenia Cronin consultancy re PHC leadership development*
- Ongoing:** Regular reform updates and fact sheets to Network (incl. specific info for GPs and consumers)
- Ongoing:** Engaging with key stakeholders, including Government, to represent the Network's interests and perspective

*Currently under Network consultation

PHCO Transition plan: more info

- Designed to inform strategic thinking and as a manual
- Key sections:
 1. Executive summary
 2. Introduction
 - Context & background
 - Major areas of change
 3. Key strategic transition issues
 4. Stepped transition (planning)
 - Practical activities and timeframes
 - Manual for transition
 5. Next steps

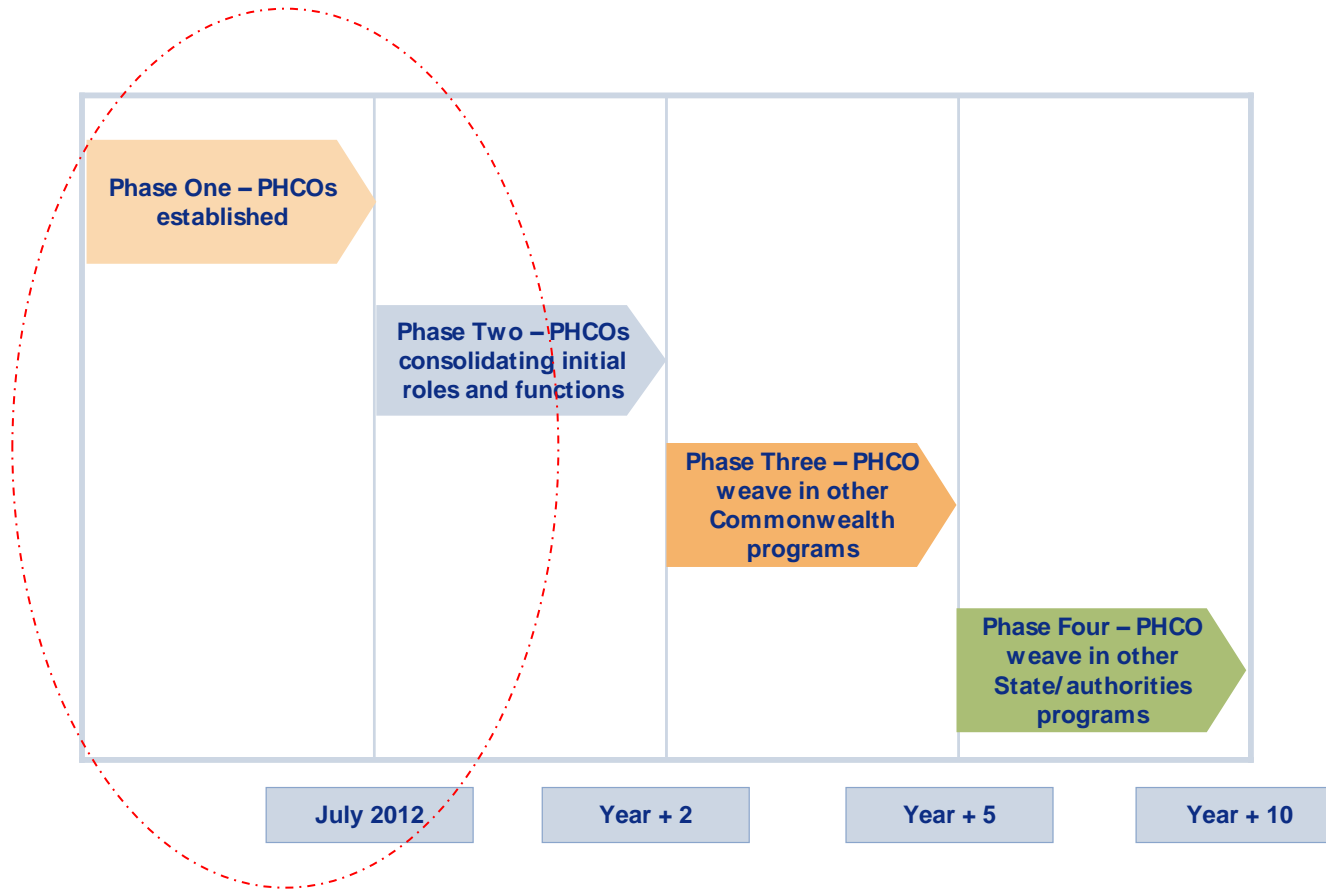


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- **Key strategic transition issues include:**
 - Program objectives, scope and scale of operation
 - Configuration, regional ‘positioning’ and branding
 - Role and function of national organisation
 - Boundaries, size and number
 - Legal structure
 - Membership
 - Governance
 - Partnerships and stakeholder engagement
 - Performance, improvement and quality systems
 - Leadership
 - Funding, authority and accountability
 - Due diligence

Stepped transition: transition plan/manual

- 2 important messages re PHCO transition:
- Evolution:
 - Staged 2, 5,10 year approach to full PHCO capacity
- Urgency:
 - all PHCOs established by July 2012
 - first round by July 2011
- Focus of transition plan is on the first 2 years - to PHCO establishment

Transition plan: staged approach



Feedback on PHCO transition plan

- Aim is to make the transition plan as useable and user friendly as possible - but can only ever be a guide
- Your feedback on this is critical - we welcome it
- Documents circulated early June 2010
- Release supported by two Network webinars
- Feedback template due 9th July 2010
- Aim: to have finalised version for CEO/Chairs day August 2010

Other major PHCO issues for consideration:

- PHCO Boundaries
- Membership and governance
- National Network structure
- Leadership

As noted - separate discussion papers regarding these issues developed - Network consultation now in process

So where are PHCOs up to? Q & A



When? Commonwealth has committed to first wave of 15 PHCOs by mid-2011 and national coverage by mid 2012

Who? First wave will be decided by the Government on the basis of an Expression of Interest process

Funds committed to transition and to ongoing operations in May 2010
Federal budget

Size and boundaries?

- PHCOs must be big enough to have the capabilities and competencies to do job – will be bigger than divisions
- expect around 55-65 nationally
- AGPN has no position on how many PHCOs or where boundaries should be drawn
- will be determined by Commonwealth in partnership with States by Dec 2010,

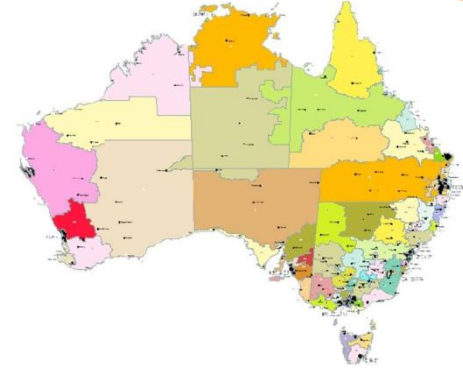
More questions and answers



■ Governance and membership?

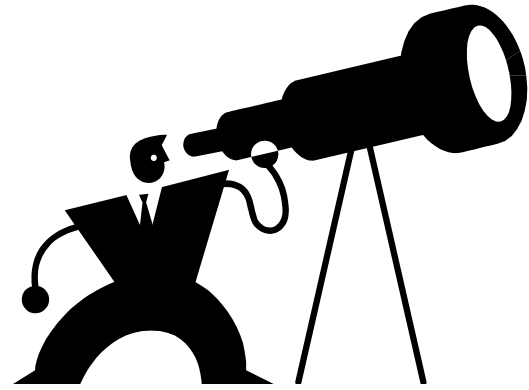
- Commonwealth has committed to a skills-based board with consumer and health professional involvement
- PHCOs are likely to be member-based, but it isn't determined who these members will be
- May be some variance in governance and membership structures across PHCOs
- the Commonwealth may specify some governance and membership requirements

Where does this leave the Network?



- Commonwealth has been clear that funding for the Network will cease at the end of June 2012
- Some pathways: some divisions will become PHCOs, some will merge with others to form PHCOs, some may seek to become service providers, being paid by the PHCO to provide particular services
- PHCOs will have greater responsibility and funding than the divisions, leading to greater opportunities for experienced staff

... and Network programs?



- In the short term it will be business as usual - we need to continue to deliver and perform
- In the medium term we expect the way in which services are delivered through current programs may change BUT the breadth of services provided to the community and to providers will not

Any other considerations?



- Federal election
- Date not yet known
- Possible change in government
- Impact on health reform unclear:
 - But significant momentum already gained
- AGPN developing bipartisan election strategy
 - Addresses benefits of reform for both parties

Outlook

- Transition support funding - secure capacity to implement the KPMG plan and support local planning
- Focus groups - to explore needs and issues in more in-depth
- PHCO EOI - for first wave
- COAG 2010 - position statements about the role of PHCOs in the service delivery domains they are going back to the table with at COAG Dec 2010
- COAG 2011 - focus on mental health reform - a Network primary mental health care blueprint
- Election strategy - a tool kit for members and policy 'manifesto' - bipartisan focus
- Key meetings - WHCN (July), CEO/Chairs (Aug and Nov), Forum and leadership program (Nov)
- Participate in Primary Health Care Advisory Group (DoHA)