

2 March 2009

Division and SBO Chairs
Division and SBO Chief Executive Officers



National Health and Hospital Reform Commission – implications for the Divisions of General Practice Network

As you would all be aware, the National Health and Hospitals Reform Commission released its interim report on 16 February. Established by the Prime Minister, the Commission's brief was to provide advice to the Australian Government on performance benchmarks and practical reforms to the Australian health system for both the short and long term.

We are writing to update you on AGPN's proposed process for responding to the report and to you to draw your attention to a number of key recommendations in the report. This is one of the most important reviews of health care and governance that we have seen in Australia for some time - we encourage you, your Boards and local general practice community to discuss its implications for the Network and general practice at length over the coming weeks.

The report is quite substantial: however there is a good summary and an explanatory overview – see <http://www.nhhrc.org.au/internet/nhhrc/publishing.nsf/Content/interim-report-december-2008>. It offers a series of recommendations over four main themes:

- Taking responsibility - individual and collective action to build good health and wellbeing
- Connecting care for people over their lifetime – with a strong focus on strengthening primary health care
- Facing and addressing health inequities
- Driving quality performance.

To date, AGPN has issued media releases and provided initial commentary on the report in response to media inquiries. We have welcomed the broad thrust which has been to call by Commissioners for primary health care to be the foundation of the system, as well as for policies to tackle the problems associated with split responsibility for health between the Commonwealth and States/Territories. We are currently analysing the report's detail with a view to providing the Network with a full analysis of its recommendations should they be accepted by the Government. We will also be participating in a roundtable with some of the Commissioners on 4 March and will lodge a short response to the interim report by 16 March. Timeframes do not permit any further consultation with the Network. Our response will be based on existing AGPN policy, including the recently ratified *2009 Primary Health Care Position Statement* which will be available on the AGPN website from this Wednesday.



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Delivering local health solutions through general practice

AGPN acknowledges the financial support of the Australian Government Department of Health and Ageing

While the recommendations in the report are wide-ranging, we would draw your attention to several recommendations of interest, particularly under the 'Connecting Care' theme. Should the Government accept these, they will have a significant impact on the Divisions of General Practice Network both in terms of the opportunities they will present for divisions and general practice as well as the changes they will entail. While these are draft recommendations in an interim report from an independent commission, and hence do not yet represent government policy, a summary of particularly relevant issues follows:

Key reform area	Commission recommendation
Commonwealth responsible for all primary health care (rec 2.1 and 12.2)	The Commonwealth should assume responsibility for all primary health care policy and funding. The aim would be to provide leadership, focus and accountability to this particularly fractured part of the health care delivery system. It is noteworthy that this recommendation applies under all of the governance scenarios canvassed by the Commission.
New comprehensive primary health care centres (rec 2.2)	The Commonwealth should encourage and actively foster the widespread establishment of comprehensive primary health care centres. These centres would operate over extended hours as 'one stop shops' with services provided by a multidisciplinary team.
Divisions of Primary Health Care (rec 2.6)	Service coordination and population health planning could be enhanced at the local level through the establishment of Divisions of Primary Health Care evolving from or replacing the existing Divisions of General Practice. These divisions will need to be of an appropriate size to provide efficient and effective coordination.
National Access Guarantees and Targets for planned and emergency care (rec 4.1) and a review of the provision of ambulatory services (outpatients) (rec 4.5)	Hospital access times can be improved by the changes to the hospital system and by strengthening services outside of hospitals to reduce the unnecessary and avoidable demand currently placed on hospitals.
Sub-acute services (recs 5.1 and 5.4)	The visibility and access to sub-acute services should be increased by more directly linking funding to the delivery and growth of sub-acute services. Investment to build sub-acute care facilities is recommended as a top priority for the Health and Hospitals Infrastructure Fund.

Delivering better outcomes for remote and rural communities (rec 9.1)

Flexible funding arrangements are required to reconfigure service delivery to achieve the best outcomes for remote and rural communities. Where these communities are under-served by MBS providers, an 'equivalence' payment should be made and used flexibly for local health care delivery.

The Commission has not settled on a firm recommendation around health system governance but has put forward three options for whom should run the health system and how (recommendation 12.3):

- Shared Commonwealth/state responsibility with clearer accountability
- Sole Commonwealth responsibility for all health care financing and planning, delivered through regional health authorities
- Sole Commonwealth responsibility, establishing compulsory social insurance to fund local health service delivery.

Given the central emphasis the Commission has placed on a single government taking responsibility for primary health care, AGPN will be suggesting that a further option not canvassed by the Commission to date is the establishment of regional primary health care authorities to facilitate population health planning, purchasing and patient engagement with the system, a function that potentially could be undertaken by Network members. Either way, it is clear that if the notion of regional health authorities were to be taken up by Government in preference to the other options, we would need a view on the relationship that SBOs and divisions would have to this new infrastructure.

We will keep you informed of developments, and encourage you to discuss and debate these issues locally.

Yours sincerely



Dr Emil Djakic
Chair



David Butt
Chief Executive Officer