



8 October 2014

Secretariat
Senate Select Committee on Health
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir/Madam

Senate Select Committee on Health

The Health Consumers Alliance (HCA) is the peak body for health consumers in South Australia. Established in 2002 as an independent alliance of health consumers and health consumer organisations, we work together with our members to achieve our vision of consumers at the heart of health care. A strong and effective voice for the promotion and protection of health consumer wellbeing and rights, HCA promotes health equity and provides systemic advocacy to inform, shape and sustain consumer centred care. Health consumer and community engagement informs all of HCA's work – we seek out the lived experience of health consumers and carers to inform our policy and advocacy positions.

HCA welcomes the establishment of the Senate Select Committee on Health and is pleased to have the opportunity to make this submission. In the lead up to the 2014 State Election in South Australia, HCA worked with its members and member organisations to identify and develop our Top Ten Policy Issues for Consumer Centred Care. This work and other consumer and community engagement informs this submission to the Senate Select Committee on Health.

Introduction

Health care is a profoundly personal experience that has immense public consequences and is acknowledged by the World Health Organisation as a human right. The health care we get, or do not get, affects our ability to lead long and healthy lives. Health has ripple effects throughout our society, influencing the ability of children to succeed in school, the productivity of Australian workers, and the lifestyles of our ageing population.

Historically, the health system has evolved as a practitioner-centred system, developed around the needs, preferences and priorities of health care practitioners. Health care is not a low risk activity. 'Trust me, I'm a doctor, nurse, administrator' is no longer persuasive to Australians. Improving the safety and quality of health care involves everyone: politicians, administrators, doctors, nurses, allied health professionals and support staff. Importantly the needs, wishes and preferences of consumers, families, carers and communities should be central to any change agenda in health.

Transparency and openness to other knowledge, experiences, perspectives and values is critical for quality, safety, equity and sustainability. This can only be achieved if our health system is consumer-centred.

Based on our policy and advocacy work and engagement with health consumers, families, carers, communities and other stakeholders over the past 12 years, HCA understands that consumers

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look for health care to promote health and wellbeing; and seek a health system that is appropriate, effective and efficient.

HCA acknowledges that with current legislative and taxation arrangements, Australian governments (Commonwealth, State and Local) have a shared responsibility for the funding and delivery of health care and prevention services. We also acknowledge the important role of private practitioners, private hospitals and the non-government or charitable sector in the delivery of health care and prevention services in Australia.

A world leading health system

On many indicators (eg mortality, morbidity, burden of disease and disability and quality of life) Australia has a world's leading health system – we usually appear in the top ten of international health and wellbeing rankings. This success can be attributed to many factors, including the development of public health measures in Australia during the 20th Century. Particular developments of note include the introduction of universal health care (Medibank/Medicare and the Pharmaceutical Benefits Scheme) and a sustained focus on population health, health promotion and disease and injury prevention.

The continuing development of Australia's health system has been informed by a strong health and medical research sector, with health administrators and services seeking to make evidence based decisions about the planning, design, delivery and evaluation of health care. This approach has usually been informed by a social view of health, that health is a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity, and that health is a human right that has a value beyond the monetary or economic.¹

HCA believes that Australian Governments should continue to seek to improve our health system, based on evidence, and informed by a social view of health. In a wealthy country such as Australia, we should be seeking to reduce health inequities, improve access to health and social services, and improve the safety and quality of our health system. There appears little effort to improve our health services or the health of Australians in the 2014 Commonwealth Budget.

Aspects of the current discussion on health care

HCA believes that the health of Australians is threatened by a number of ill-informed public discourses and policy proposals about the health system, which have increasingly dominated the public discussion of health care over the last decade. These include discussion about the financial sustainability of the current health system and the impact of our ageing population; the need to introduce co-payments on Medicare funded services; and the view that health is an individual responsibility without any social determinants or societal value. The proponents of these views put forward very little analysis or evidence about how such proposals will improve the health of Australians. This may be because the weight of evidence favours universal health care access and a population health approach.

More concerning is the greater impact that introducing a co-payment on General Practice and Pathology and Imaging services will have on the sickest and most vulnerable in our community. These proposals will impact hardest those with the greatest health needs, that is: Aboriginal

¹ Preamble to the Constitution of the World Health Organization as adopted by the International Health Conference, New York, 19-22 June, 1946.

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Australians; older Australians; people living with a disability; families with children; and those living with chronic or complex diseases (people rarely have just one single chronic disease). Likewise those with fixed or low incomes will also be disproportionately hit by the proposed co-payments, paying a greater proportion of income for an essential service such as health care. Such proposals will only increase health inequities in Australia and further increase the socio-economic health divide.

The demise of health promotion and prevention services

Australia has an over reliance on the acute care sector in the delivery of health services, to the detriment of more local, primary health services located in community settings. With the advent of the National Health Reform Agreement in 2012, the Australian Government took on responsibility for primary health care services, and consequently the South Australian Government began a program of disinvestment in primary health and prevention services. Over the past year the Australian Government has defunded the Alcohol and Other Drugs Council of Australia, the Australian National Health Prevention Agency, Medicare Locals and abandoned of the National Partnership Agreement on Prevention with the States. This has resulted in the decimation of prevention and health promotion services in South Australia, and will undoubtedly see a rise in preventable disease, resulting in the shifting of cost (or deferral) to subsequent budgets, Governments and generations of Australian taxpayers.

Issues with the delivery of health care

All is not rosy with our current health system. There are many issues related to achievement of health equity in Australia including: the maldistribution of medical practitioners and other private practitioners affecting access to services; an over reliance on hospital based care and significant lack of investment in primary health and prevention services; internationally high out of pocket expenses for health consumers; significant health care variation and safety and quality issues in health care;² and significant health inequities in the health status of communities due to socio economic differences and little action on the social determinants of health.³ The measures proposed by the Australian Government in the 2014 Budget do not seek to improve the health of Australians, but rather seek to shift cost and responsibility and thereby reduce Commonwealth expenditure on health care.

Cuts to hospital funding in South Australia

Over the last decade we have seen the South Australian health system impacted by the economic downturn of the late 2000s. In response to the economic downturn the South Australian Government sought to cut approximately \$900 million over four years from the health budget in 2012. The Australian Government is now seeking to cut \$655 million from public hospital funding previously agreed to in the National Health Reform Agreement. Cutting \$655 million is the equivalent of closing a major metropolitan hospital, cutting 600 beds or 3,000 nurses.

² Australian Institute of Health and Welfare and Australian Commission on Safety and Quality in Health Care (2014) Exploring Healthcare Variation in Australia: Analyses Resulting from an OECD Study. Sydney: ACSQHC.

³ Catholic Health Australia and National Centre for Social and Economic Modelling (2012) Second Report on Health Inequalities: The Cost of Inaction on the Social Determinants of Health. Canberra: University of Canberra.

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These cuts will add further stress to an already strained public hospital system. For much of this year not a week goes by without an article in the local media describing a service access issue (frequently focussed on Emergency Departments or Mental Health Services). Over the last few months we have seen the queuing of ambulances at the Royal Adelaide Hospital, as the public hospital system has exceeded capacity. Patients have been triaged by Emergency Department staff while still in ambulances, in the hospital car park. Also of concern are the continuing reports of mental health patients being held in Emergency Departments for many days, being isolated in windowless rooms, physically and chemically restrained. This has all occurred prior to the impact of the Commonwealth Government's 2014 Budget cuts being felt.

Financing health services

The National Health and Hospitals Reform Commission (NHHRC) in 2009 proposed that the amount we spend on health services should be determined by cost-benefit analysis and governments should "put a value on the costs and benefits and ensure that desired health outcomes are achieved efficiently and effectively". The NHHRC Final Report also challenges the notion of the "rising costs of health and how it is unsustainable and may bankrupt governments".⁴

HCA is aware of international evidence that higher spending on health care does not necessarily deliver better health outcomes. Particularly the inverse care law identifies that the misalignment of health care to needs causes greater health inequity. The Triple Aim Framework has been developed by the Institute for Healthcare Improvement and identifies an approach to optimising health system performance. Operational strategies must be developed to simultaneously pursue three dimensions of excellence:

- improving the consumers experience of care
- improving the health of populations
- reducing the per capita cost of health care.

Unfortunately the health initiatives proposed in the 2014 Commonwealth Budget do not appear to meaningfully address any of these dimensions of excellence for health care improvement.

Consumer Centred Care in Australia

In 2010 the Australian Health Ministers endorsed the Australian Safety and Quality Framework for Health Care. This Framework, developed by the Australian Commission on Safety and Quality in Health Care, provides the vision statement for safe and high quality care for all Australians. It sets out the actions needed to achieve the vision based upon three principles for safe and high quality health care. These principles are care that is consumer centred, driven by information and organised for safety.

Improving access and health literacy, shared decision making, respect and consideration of culture, participation, continuity of care and protection of consumer rights are central to consumer centred care. Evidence is building that consumer centred care enhances consumer partnerships a

⁴ National Health and Hospitals Reform Commission (2009) A healthier future for all Australians - Final Report: Commonwealth of Australia

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cross health systems,⁵ and that a reorientation of health services to a consumer focus can deliver measurable improvements in safety, quality and health outcomes; service efficiencies and consumer experience of care.⁶

The Australian Commission on Safety and Quality in Health Care notes that while there is wide and strong commitment to a healthcare system that is focused on the needs of patients and consumers, health services still struggle with implementing consumer centred care in practice. It is disappointing that the Commonwealth Government, in their first budget, did not choose to further build our health services so they are consumer centred, driven by information and organised for safety. Rather the Government has sought to shift the costs of health care to individual health consumers without any reference to evidence or the literature.

Conclusion

The proposed cuts to Government funding of health care do nothing to build Australia's health care system or improve the health of Australians. Instead they undermine certainty of care and trust in our health system – as witnessed by the consumer response through the cancellation of General Practice appointments in the weeks after the Commonwealth Budget.

HCA notes that Australia is an economically and socially successful nation. While the health of Australians reflects this success, there are still significant health disparities and many opportunities for improvement. Issues related to achievement of health equity in Australia include: the maldistribution of medical practitioners and other private practitioners affecting access to services; an over reliance on hospital based care and significant lack of investment in primary health and prevention services; internationally high out of pocket expenses for health consumers; significant health care variation and safety and quality issues in health care; and significant health inequities in the health status of communities due to socio economic differences and little action on the social determinants of health.

HCA believes it is the role of government to appropriately raise sufficient revenues and provide services to meet the needs of the community in a way that promotes equity and social justice, and improves the health and wellbeing of Australians.

The measures proposed by the Australian Government in the 2014 Budget do not seek to improve the health of Australians, but rather seek to shift cost and responsibility to health consumers and the States, thereby reducing Commonwealth expenditure on health care. Some of the measures, such as the proposed co-payments, if implemented, will impact hardest on the sickest and most vulnerable individuals, families and communities in Australia. The health of the population will be reduced and Australia will be diminished as a result.

⁵ Luxford (2012) What does the Patient Know about Quality? International Journal of Quality Health Care 24 (5): 439-440

⁶ Stone S (2007) A Retrospective Evaluation of the Planetree Patient-Centred Model of Care Program's Impact on Inpatient Quality Outcomes, PhD dissertation, Hahn School of Nursing and Health Science, University of San Diego and Australian Commission on Safety and Quality in Health Care (2011) National Safety and Quality Health Service Standards ACSQHC: Sydney.

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HCA appreciates the opportunity to assist the Select Committee in its deliberations on these important issues and we are happy to provide further evidence and health consumer stories to illustrate the dangers of the proposed health funding cuts.

Yours sincerely

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