

Senate Finance and Public Administration Committee

ANSWERS TO QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Inquiry into COAG reforms relating to health and hospitals  
7 June 2010

Question no: 11

Topic: HEALTH REFORM

Written Question on Notice

Senator Fierravanti-Wells asked:

Please provide information on the number of COAG health reform meetings that the Secretary attended and the dates and location of those meetings?

Answer:

Jane Halton PSM, Secretary of the Department of Health and Ageing, has routinely attended high level meetings relating to COAG health reform.

Senate Finance and Public Administration Committee

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Question no: 12

Topic: HEALTH REFORM

Written Question on Notice

Senator Fierravanti-Wells asked:

Please provide information on the number of COAG health reform meetings that the Deputy Secretary attended and dates and location of those meetings?

Answer:

Ms Rosemary Huxtable PSM, Deputy Secretary, Department of Health and Ageing, has been routinely involved in high level meetings relating to health reform, including participating in Health Reform Working Group meetings.

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HEALTH AND AGEING PORTFOLIO

Inquiry into COAG reforms relating to health and hospitals  
7 June 2010

Question no: 13

Topic: HEALTH REFORM

Written Question on Notice

Senator Fierravanti-Wells asked:

How many representatives from the Department of Health and Ageing attended the COAG meeting on 19th-20th April and the signing of the COAG Agreement on 20 April 2010?

Answer:

One representative of the Department of Health and Ageing was a participant in the COAG meeting of 19 and 20 April 2010 and all relevant activities. Four support staff attended COAG with officers of other departments.

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HEALTH AND AGEING PORTFOLIO

Inquiry into COAG reforms relating to health and hospitals  
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Question no: 14

OUTCOME 13

Topic: HEALTH REFORM

Written Question on Notice

Senator Fierravanti-Wells asked:

Please provide where in the Budget papers I can find the allocation for the \$58 million announced by the Prime Minister at the AMA conference?

Answer:

The Prime Minister announced a new initiative of \$58 million over four years to improve clinical engagement in Australian health system on 28<sup>th</sup> May 2010 at the AMA Annual Conference.

The 2010-11 Budget Papers were released on 11<sup>th</sup> May 2010 which was before the announcement for this initiative. Therefore, the funds are included under *Decisions taken but not yet announced* in Table 2 of the 2010-11 Budget Paper No.2 (p84). This expense measure is not disaggregated by program area.

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Inquiry into COAG reforms relating to health and hospitals  
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Question no: 15

OUTCOME 13 Acute Care

Topic: HEALTH REFORM

Written Question on Notice

Senator Fierravanti-Wells asked:

How will the Commonwealth ensure that funding for new hospital and aged care beds actually happens? Will there be a bed-count system?

Answer:

States and Territories will be required to report upon their progress in meeting their bed targets as identified in their Implementation Plans required under the National Partnership Agreement.

The Commonwealth undertakes a stocktake of aged care places as at 30 June of each year.

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HEALTH AND AGEING PORTFOLIO

Inquiry into COAG reforms relating to health and hospitals  
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Question no: 16

OUTCOME 13

Topic: HEALTH REFORM

Written Question on Notice

Senator Fierravanti-Wells asked:

Will the Independent Hospital Pricing Authority develop its 'efficient' price in a consultative way? How will clinicians, hospitals and other experts have input into the process?

Answer:

The Independent Hospital Pricing Authority (IHPA) will seek private submissions from the Commonwealth and State governments to inform its deliberations on a national efficient price and appropriate weighting on payments. All governments will be able to make a submission at any time.

The state-specific prices and national efficient price to be used for Commonwealth funding will be calculated in a manner which ensures:

- a. reasonable access to public hospital services;
- b. clinical safety and quality;
- c. efficiency and effectiveness; and
- d. financial sustainability of the public hospital system.

There are no restrictions in the Agreement on the IHPA seeking advice on these matters from clinicians, hospitals and other experts as it sees fit.

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Question no: 17

Topic: HEALTH REFORM

Written Question on Notice

Senator Fierravanti-Wells asked:

How will doctors be involved in the National Performance Authority and the Australian Commission on Safety and Quality in Health Care? How will their expertise be engaged in the development of targets, indicators and standards?

Answer:

The arrangements for the National Performance Authority and the Australian Commission on Safety and Quality in Health Care are currently under discussion and precise details are yet to be finalised. The existing board of the Australian Commission on Safety and Quality in Health Care includes two medical practitioners. Continuing engagement with clinicians will be crucial to the Commission's success, as it will be for the National Performance Authority.

ANSWERS TO QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Inquiry into COAG reforms relating to health and hospitals  
7 June 2010

Question no: 18

OUTCOME 13

Topic: HEALTH REFORM

Written Question on Notice

Senator Fierravanti-Wells asked:

How will the Commonwealth ensure that States negotiate service agreements with LHNs that provide for realistic volumes? Will the service agreements provide for contingency funding to allow hospitals sufficient capacity to meet unforeseen, short term demand which is out of the hospitals' control?

Answer:

- Service volumes will need to account for standards for access to services such as elective surgery and treatment in an emergency department or State and Territories will lose out on reward payments in these areas.
- LHNs will be responsible for negotiating and agreeing with the relevant State government a LHN Service Agreement. States may agree with LHNs to renegotiate or amend LHN Service Agreements.
- National Health and Hospitals Network Funding Authorities in each state and territory will receive clearly identified Commonwealth and State funds, with Commonwealth funds flowing on directly to LHNs based on services provided.
- States will continue to be responsible for meeting the remaining costs of public hospital services, including meeting any costs over and above the efficient price, as well as the remainder of teaching, research, capital and block grants. This creates a strong incentive for states to be as efficient as possible in playing their ongoing role in our public hospital system.
- States may use their own proportion of public hospital funding, or Commonwealth block funding paid to the States, to retain some funding from LHNs and use it to adjust service levels across the State, and to respond to unforeseen events and other contingencies.
- The new arrangements will put in place strengthened performance and accountability mechanisms including a Performance and Accountability Framework, Hospital Performance Reports and a National Performance Authority.



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HEALTH AND AGEING PORTFOLIO

Inquiry into COAG reforms relating to health and hospitals  
7 June 2010

Question no: 19

Topic: HEALTH REFORM

Written Question on Notice

Senator Fierravanti-Wells asked:

There appear to be a number of primary care services that will be staying in state control (IGA B9) and a number of primary care functions still unresolved (IGA B34) at which stage/date will the Commonwealth actually have 100% control of primary care?

Answer:

- The Commonwealth will take full funding and policy responsibility for the following categories of GP and primary health care services currently funded by State governments, from 1 July 2011:
  - community health centre (CHC) primary health care services, such as generalist counselling, integrated care, GP and primary care coordination programs, including Indigenous and rural and remote primary health care services;
  - primary mental health care services which target the more common mild to moderate mental illnesses;
  - hospital avoidance programs that do not relate specifically to patients who are predominantly being treated in acute care;
  - primary and secondary prevention programs for early intervention and care coordination that focus on the management of patients with chronic disease in the community;
  - screening programs for cancer delivered in a primary health care setting;
  - immunisation; and
  - any further services to be agreed between the Commonwealth and one or more of the States.
- In December 2010 COAG will consider the possible transfer to the Commonwealth of:
  - community health promotion and population health programs, including preventative health;
  - drug and alcohol treatment services;
  - child and maternal health services; and
  - community palliative care.
- The possible transfer of specialist community mental health services will be considered by COAG in 2011.

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HEALTH AND AGEING PORTFOLIO

Inquiry into COAG reforms relating to health and hospitals  
7 June 2010

Question no: 20

OUTCOME 13

Topic: HEALTH REFORM

Written Question on Notice

Senator Fierravanti-Wells asked:

How can you be sure that the correct amount of funding will be provided for teaching and research and that it will be used for that purpose if the Commonwealth's 60% contribution will be based on a simple pro rata of what the states say they are going to spend rather than what needs to be spent?

Answer:

From 1 July 2011, the Independent Hospital Pricing Authority (IHPA) will calculate and determine the Commonwealth's funding contribution for 60 per cent of recurrent expenditure on research and training in public hospitals.

The Commonwealth will place strong conditions on this funding to ensure it is spent consistently with the overall objectives of the National Health and Hospitals Network. This will strengthen links with the research and training sector (including universities) and the teaching hospital sector not only through funding arrangements but also through formal linkages.