

15 February 2013

Senate Inquiry into Implementation of the National Health Reform Agreement

One-year Gap in Federal Funding for *Community* Palliative Care Services.

There is considerable focus at present throughout Australia on the need for governments to increase funding for palliative care as was highlighted in the Senate Inquiry into Palliative Care in 2012.

In 2008-9 the Rudd Government granted \$500 million enhancement funding to the states for sub-acute medical services (that is rehabilitation, palliative care, geriatric evaluation and management and psycho-geriatric care), under the National Partnership Agreement on Hospital and Health Workforce Reform.

Of those funds, \$167.7 million was provided to NSW. Part of that funding was directed by NSW toward increasing the capacity of palliative care services, mainly for enhancing *community* palliative care services.

On 1 July **2013**, funding for inpatient palliative care services will change to funding based on the Activity Based Funding (ABF) model. However the ABF funding model for *community* palliative care is not scheduled to be introduced until 1 July **2014**.

Because of the imminent year-long gap in federal funding for community palliative care services, over 50 community palliative care positions across NSW could disappear on 1 July **2013** with the loss of some very necessary and important services. The present four-year funding stream for palliative care services was linked to increased activity *reporting* over that period. This withdrawal of federal funds for *community* palliative care for the period from 1 July 2013 to 30 June **2014** leaves the palliative care sector in the regrettable, some might say bizarre situation where service activity which hitherto has been growth-funded, will now have to be cut back to 2009 levels due to the loss of federal funding and resulting loss of this increased workforce.

The Health Minister's office seems to be under the impression that activity based funding will take over for *all* palliative care services from 1 July 2013¹. This is not the case. Activity Based Funding will only apply to *in-patient* palliative care services, and as things now stand, federal funding for *community* palliative care services will be withdrawn for 12 months until the introduction of Activity Based Funding for non-inpatient services on 1 July 2014.

Recommendations:

1. Please ask the Federal Department of Health and Ageing to explain its rationale for the looming 12-month hiatus in federal funding for *community* palliative.
2. Please recommend that Federal funding for *community* palliative care services be continued for the 12-month period 1 July 2013 - 30 June 2014

Sincerely,

Dr Yvonne McMaster