



Australian Government

Department of Health

Secretary

Ms Stephanie Mikac
Committee Secretary
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

Dear Ms Mikac

Please find attached an Executive Minute outlining the Department of Health's remaining response to Report 476 of the Joint Committee of Public Accounts and Audit (the Committee) *Australian Government Funding covering Audit report 18 (2017-18) Monitoring the Impact of Australian Government School Funding* and Audit report 50 (2017-18) *Primary Healthcare Grants under the Indigenous Australians' Health Programme*.

Please note a response to Recommendation 8, which requested an update on the status of the implementation of the planned funding allocation model under the Indigenous Australians' Health Programme, was provided to the Committee Secretariat on 25 July 2019.

Please contact Ms Narelle Smith, Assistant Secretary, Corporate Assurance Branch, Legal and Assurance Division, on (02) 6289 5342 if you would like to discuss this matter further.

Yours sincerely

Glenys Beauchamp

30 September 2019



Australian Government
Department of Health

Executive Minute

On
JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT
REPORT 476
Australian Government Funding
Primary Healthcare Grants under the Indigenous Australians' Health Programme

General Comments

The Joint Committee of Public Accounts and Audit ("the Committee") released Report 476 *Australian Government Funding Inquiry based on Auditor-General's reports 18 and 50 (2017-18)*. The Report examined two reports into government funding:

- No. 18 (2017-18) *Monitoring the Impact of Australian Government School Funding*
- No. 50 (2017-18) *Primary Healthcare Grants under Indigenous Australians' Health Programme*.

This response is in relation to the *Primary Healthcare Grants under the Indigenous Australians' Health Programme*.

The Report made six recommendations directed at the Department of Health (the department).

The department's response for Recommendation 8 of the Report was provided to the Committee on 25 July 2019. The department's response addressing the remaining five recommendations is below and is due 2 October 2019.

Recommendation No: 9

The Committee recommends that the Department of Health report back to the Committee on the development and implementation of measurable national Key Performance Indicators for the Indigenous Australians' Health Program.

Summary of response: Agreed

Supporting rationale:

The department is continuing to enhance the transparency and measurement of Indigenous Primary Health Care, through ongoing work with the Australian Institute of Health and Welfare (AIHW) to review the national Key Performance Indicators (nKPI), as well as work to improve and enhance data collection systems. This work is undertaken in consultation with Aboriginal and Torres Strait Islander stakeholders.

In 2011, the Australian Health Ministers' Advisory Council (AHMAC) approved a set of 24 nKPIs for Indigenous primary health care to track and evaluate the Closing the Gap health outcomes of Aboriginal and Torres Strait Islander people. The nKPIs have been collected every six months from around 240 organisations since June 2012. The AIHW is the data custodian for both the Online Service Report (OSR) and nKPI data set. The nKPIs are a mix of process of care and outcome indicators. They focus on chronic disease prevention and management, and maternal and child health, which are two key areas for achieving the objective of Closing the Gap in life expectancy between Aboriginal and Torres Strait Islander and non-Indigenous Australians. Seven nKPIs have long term trajectories and are publically reported under the department's reporting against the 20 goals in the *Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan 2013-2023*. Some of the nKPI data is also reported in the biennial *Aboriginal Torres Strait Islander Health Performance Framework*.

In May 2018, the department commissioned the AIHW to conduct a comprehensive review of the nKPI data and OSR collections. The key aim of this review was to ensure that both collections remain aligned to current objectives, the indicator set/modules balance the need for data against the need to minimise reporting burden, the individual indicators/questions are both relevant and collectable from existing data, and the indicator specifications are correct and give practical guidance to Clinical Information System (CIS) vendors. Based on the early recommendations from the AIHW about the OSR data, the department has implemented improvements to the OSR data collection form in the Health Data Portal (HDP) which was successfully rolled out for the June 2019 data collection. It is anticipated that the AIHW review will be finalised in late 2019, with further changes considered in this context.

In January 2019, for the first time since this data collection started in June 2012, 100 per cent of the Indigenous Australians' Health Programme (IAHP) primary health care grant recipients successfully submitted their nKPI data by using the HDP. The HDP has been co-designed with the Indigenous health sector since July 2017. A total of 28 co-design workshops have been conducted from July 2017 to October 2019, with just over 470 attendees representing health services, sector support, clinical software vendors, the AIHW and state governments providing input to co-design and development of the HDP and the health service interactive reports.

Further information is collected from providers through the OSR, which includes information on clients, client contacts and episodes of care in aggregate form at the service level. The department uses this data to: identify key issues and service gaps; identify the range of services being delivered; and inform the continuous quality improvement processes at the service level. The data collected in the OSR informs the methodology behind the funding model for primary health care services currently under development.

Collectively, nKPI and OSR data submitted through the HDP is monitored and subsequently analysed regularly by relevant staff from the department and under the Department of Social Services' Community Grants Hub to determine current performance against funded organisations agreed project requirements.

Recommendation 10

The Committee recommends that the Department of Health report back to the Committee with an update on the status of the implementation deliverables under the Indigenous Australians' Health Program.

Summary of response: Agreed

Supporting rationale:

The *Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan 2013-2023* (Implementation Plan) sets out the overall policy framework in Indigenous health and guides investment across priority areas. It includes 20 goals, focusing on prevention and early intervention across the life course, and contains 106 implementation deliverables.

There has been positive progress against many of the Implementation Plan goals, and 12 of the goals are currently on track to be achieved by 2023.

Notably, all three goals in the maternal health and parenting domain are currently on track to be achieved. Furthermore, the 88 per cent immunisation target for Aboriginal and Torres Strait Islander 1-year-olds is on track to be met by 2023; and the 96 per cent immunisation goal for 5-year-olds is on track to be met by 2023. Five-year-olds also have the highest immunisation rates of any group nationally. All goals relating to smoking are also on track to be achieved by 2023, and this is expected to have an impact on the burden of disease over time.

Six of the Implementation Plan goals are currently not on track to be achieved by 2023. Four of these goals relate to Aboriginal and Torres Strait Islander Health Assessments (health checks), although data from recent years show that the rate of health checks is increasing. The Government is currently working to further increase the uptake of the health checks, through the development of communication products targeted at health practitioners and patients. In addition to this, through partnership with the Royal Australian College of General Practitioners and the National Aboriginal Community Controlled Health Organisation the department will continue to support the implementation of the National Guide to a Preventative Health Assessment for Aboriginal and Torres Strait Islander People. The project includes the development of a suite of resources to support the implementation of the National Guide, including new health check templates for use across the lifecycle

reflecting clinical and best practice. This will contribute to continue to increase the rates of health assessments as per the goals of the Implementation Plan.

The rate of full immunisation for Aboriginal and Torres Strait Islander 2-year-olds is also not on track, although this is expected to continue to increase over time. This increase is consistent with progress in other age groups and is supported by a number of Australian Government child and family health programs, such as the Australian Nurse Family Partnership Program, and the integration of the New Directions: Mothers and Babies Services program into primary health care.

Recent data from the AIHW shows that further work is needed to increase the proportion of Aboriginal and Torres Strait Islander people with type 2 diabetes who had a kidney (renal) test in the previous twelve months if this goal is to be met. Diabetes and renal care are provided through a range of programs supporting the delivery of comprehensive primary health care and through specific activities targeted at people with chronic conditions, including Integrated Team Care, Indigenous Health Incentive of the Practice Incentive Program and the Medical Outreach Indigenous Chronic Disease Program. It is also important to note that the other diabetes-related goal (aiming for an increase in the number of people receiving a regular diabetes-specific check) is currently on track to be met by 2023.

The two remaining goals cannot be assessed due to data limitations. These goals relate to influenza and pneumonia immunisation rates for adults aged 50 plus. Ongoing data improvement remains a priority for the department and AIHW.

As of 31 May 2019, out of 106 deliverables linked to the Implementation Plan, 69 were complete and 37 were ongoing. It is noted that a significant number of deliverables also fall within the remit of the states and territories in the context of their existing frameworks and strategies.

Recommendation 11

The Committee recommends that the Department of Health review its approach to using public reporting to monitor the achievement of program outcomes under the Indigenous Australians' Health Program, and implement a targeted framework in its application of wider statistics to inform program evaluation mechanisms.

Summary of response: Agreed

Supporting rationale:

The department continues to review and assess its reporting framework and currently utilises a range of external and internal reporting mechanisms. This includes:

- biennial reporting under the *Aboriginal and Torres Strait Islander Health Performance Framework*;
- biannual reporting by the AIHW against the primary health care nKPI;
- yearly reporting by the AIHW against the OSR results;
- reporting against the *Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan 2013-2023* and its 20 goals, including against the seven nKPI trajectories.

This is in addition to department reporting under the Portfolio Budget and Annual Report.

The department has also commissioned an overarching, independent *Evaluation of the Australian Government's investment in Aboriginal and Torres Strait Islander primary health care through the IAHP*. The evaluation is taking a whole of system, person-centred approach that includes other parts of the primary health care and wider health system. The evaluation will assess the appropriateness and effectiveness of the investment in primary health care through the IAHP, explore the barriers, enablers and changes needed to actively support the health system to produce sustained improvements in service delivery and health outcomes for Aboriginal and Torres Strait Islander people.

The evaluation has four core objectives:

1. to evaluate the appropriateness and effectiveness of the Australian Government's investment in Aboriginal and Torres Strait Islander primary health care;
2. to support informed policy, planning and evidence-based decision making;
3. to develop an improved understanding of clients and health care providers' perspective and experiences of the health system; and
4. to recommend an approach for monitoring and evaluation over the long term (five to ten years).

Findings will be drawn from quantitative and qualitative data collections at local, jurisdictional and national levels as well as ongoing review of research and evaluation sources such as peer-reviewed and grey literature.

Recommendation 12

The Committee recommends that the Department of Health conduct an evaluation of the initiatives implemented to support the assessment and mitigation of risk of multiple software systems for the Indigenous Australians' Health Program.

Summary of response: Agreed

Supporting rationale:

The Clinical Information System (CIS) vendors are external commercial businesses, however the department has mitigated the risk of multiple CISs being used for the IAHP data reporting, through a risk assessment process. This process involved engaging directly with the vendors of the four main CISs used by over 90 per cent of reporting Indigenous health services, including: Telstra Health (Communicare), HCN (Medical Director), Best Practice and ISA Healthcare (MMEx), to identify the individual CISs risks and establish risk treatments. This process has allowed the department to influence the vendors to make corrections, updates and refinements (relevant to the nKPI, OSR and HCP collections) to their reporting modules, to meet specific standards and timeframes.

The department will continue to monitor and assess risk and work with relevant CIS's to further influence vendor actions, noting that their development pipelines are often crowded with other priorities.

Recommendation 13

The Committee recommends that the Department of Health report back to the Committee with a detailed outline of the transition from the historical grants paradigm to that of the value-for-money considerations to be included within the proposed national funding model for the Indigenous Australians' Health Program.

Summary of response: Agreed

Supporting rationale:

The IAHP primary health care funding model is being designed to distribute available funding fairly and transparently among eligible Aboriginal Community Controlled Health Services for the delivery of comprehensive primary health care. As reported previously, implementation of the model is scheduled for 1 July 2020.

Value for money is a core component of grant management and is assessed at the grant application as well as through on-going monitoring, implementation and evaluation of risk management and day to day grants management processes.

Further, the department has adopted the use of the Commonwealth Standard Grant Agreement template for Primary Health Care services projects which includes enhanced performance measures that must be achieved by grant recipients. The template includes the addition of mandatory requirements for grant recipients to submit six monthly performance reports through the HDP in the form of the nKPI data and/or the OSR data.

To strengthen value for money assessment, as part of the direct application grant opportunity process seeking primary health care funding under the IAHP in 2019-20, the department included an analysis of each service's nKPIs against the nKPI trajectories. This allowed the department to assess how service levels have continued to improve over time.

The HDP allows for almost immediate analysis of data submitted by grant recipients against key nKPI objectives and the analysis of this data informs continuous quality improvement processes at the service level. The performance of grant recipients is monitored through the submission of data in the HDP against their agreed performance targets and against the national nKPI trajectories.