



# **ACRRM submission to the inquiry National Health Reform Amendment (Independent Hospital Pricing Authority) Bill 2011**

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<b>Organisation name :</b>	<b>Australian College of Rural and Remote Medicine</b>
<b>Contact details:</b> <i>Name</i>	<b>Marita Cowie</b>

The Australian College of Rural and Remote Medicine (ACRRM) is an Australian Medical Council accredited College in the specialist discipline of general practice particularly in the context of rural and remote medical practice. ACRRM sets and upholds the standards that contribute to the provision of safe, quality medical services to the communities which our members serve.

ACRRM welcomes the opportunity to comment to the inquiry National Health Reform Amendment (Independent Hospital Pricing Authority) Bill 2011. This Bill establishes the Independent Hospital Pricing Authority. This is of importance to ACRRM and rural and remote communities given the lower health status of those living in rural Australia and the ongoing issues of access to appropriate health care for rural and remote communities and workforce shortage in underserved areas.

ACRRM supports the establishment of the Independent Hospital Pricing Authority as it should result in improved transparency and efficiency in the pricing of hospital services resulting in better health outcomes. However, ACRRM does have concern with some aspects of the Bill.

ACRRM supports the Authority's role in establishing the price of care provided by public hospitals independently of government but when establishing the price it is essential that the true price of providing care in rural and remote communities is fully costed. Costs should include such items as education and training to build local capacity, continuing professional development, provision of locum support and higher infrastructure and operational costs that better reflect the additional cost of providing health services relating to location.

ACRRM would see value in the Authority developing innovative funding models to effect fair and equitable distribution of health funding to support appropriate and sustainable health services in rural and remote Australia.

ACRRM feels strongly that the Authority should have regard to the role and function of public hospitals to provide teaching, training and research opportunities. Research has shown that a positive learning experience in a rural setting can influence a doctor's choice to work in rural and remote medicine. Funding support for these functions is critical. Support for teaching, training and research particularly in the rural and remote context is not made explicit in the Bill. The role of the Authority in calculating cost to support these activities must be included.

Appointment of members of the Pricing Authority (section 144) (subsection 4) states "The Minister must ensure that a least one member of the Pricing Authority has:

- (a) substantial experience or knowledge; and
- (b) significant standing; in the following fields
- (c) the health care needs of people living in regional or rural areas;
- (d) the provision of health care services in regional or rural areas."

ACRRM strongly supports the requirement for the inclusion of a member with this experience as it indicates the recognition of the unique challenges in rural and remote health care delivery in Australia. However, Appointment of Clinical Advisory Committee members (section 179), does not include the same stipulation. ACRRM Fellows and members are a pivotal part of the health care service delivery system in rural and remote communities. They provide not only community based primary care but also clinical services particularly to smaller rural and remote hospitals. ACRRM seeks inclusion in the Bill of the requirement for a least one member of the Clinical Advisory Committee to have the same skills, knowledge and experience in the provision of health care services in rural and remote communities as those set out in the membership of the Authority.

In summary ACRRM is generally supportive of the Bill but recommends the issues of developing appropriate costing models to maximize the potential for rural and remote hospitals to perform against the performance indicators under the COAG Performance and Accountability Framework are included in the Price Authority functions. Further, that the Bill makes explicit the role of the Authority in calculating teaching, training and research costs to ensure these activities are supported. And in conclusion, membership across all levels of the Authority including committee or subcommittee level includes rural and remote representation.