



Australian Government
National Health and Medical Research Council

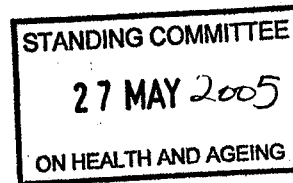
Contact for this correspondence:

Name: Damir Ivkovic
E-mail: damir.ivkovic@nhmrc.gov.au
Telephone: (02) 6289 9584
Facsimile: (02) 6289 9131

SUBMISSION NO. 49
AUTHORISED: 15-06-05

In reply please quote: Health Services Research Program

Mr James Catchpole
Secretary
Standing Committee on Health and Ageing
Parliament House
Canberra ACT 2600



Dear Mr Catchpole

Commonwealth Parliamentary Inquiry into Health Funding

Thank you for your invitation to provide a submission to this Inquiry and for accepting the submission after the closing date.

The National Health and Medical Research Council's submission has been prepared by the Centre for Research Management and Policy and endorsed by the NHMRC's Research Committee.

The submission provides information about NHMRC supported health and medical research in the field of health services, which is playing a crucial role in generating the evidence base needed to inform health care policy and the planning and delivery of health services.

The NHMRC believes that the information provided will assist the Committee and help inform its consideration of how the Commonwealth government can take a leading role in improving the efficient and effective delivery of evidence based health care services to all Australians into the future.

If you have any questions about this submission please contact me directly or speak to Damir Ivkovic from the NHMRC secretariat. Mr Ivkovic can be contacted by email at damir.ivkovic@nhmrc.gov.au or on (02) 6289 9584.

Yours sincerely

Suzanne Northcott
Executive Director
Centre for Research Management and Policy

17 May 2005



Australian Government

National Health and Medical Research Council

Submission to the House of Representatives, Standing Committee on Health and Ageing Inquiry into Health Funding

May 2005

Introduction

As Australia's leading expert body in the field of health and medical research, the National Health and Medical Research Council (NHMRC) plays a central role in the development of evidence-based health care in Australia. A robust, up to date evidence base specific to Australia's unique health care system is critical for developing health care policies. This is particularly so when governments are faced with high expectations for sophisticated health care in the face of steeply rising costs and rapid technological change.

This submission provides information about NHMRC supported health and medical research in the field of health services. This research provides a scientific means of analysing the cost and benefits of health care and services. The evidence base generated from NHMRC funded research informs policy and practice in relation to the matters under consideration by this Inquiry.

Investing in Australia's Health

The NHMRC is a statutory body within the Australian Government's Health Portfolio. It is established under the *National Health and Medical Research Council Act 1992* which imposes four statutory obligations:

1. To raise the standard of individual and public health throughout Australia.
2. To foster development of consistent health standards between the States and Territories.
3. To foster medical research and training and public health research and training throughout Australia.
4. To foster consideration of ethical issues relating to health.

The NHMRC also has statutory obligations under the *Prohibition of Human Cloning Act 2002* and the *Research Involving Human Embryos Act 2002* and corresponding State and Territory legislation.

The NHMRC pursues initiatives through a series of expert Principal and Working Committees and maintains a strong commitment to evidence-based decision making and community involvement.

The NHMRC supports both investigator initiated and strategic, priority-driven research through a comprehensive suite of grant schemes. The systematic, incremental increase in knowledge which such research produces forms the foundation for evidence-based medicine and health policy.

Supporting a world-class health and medical research workforce

Investigator initiated research, where the topic of the research is determined by the investigator, harnesses the creativity of Australian researchers and has been the hallmark of world-class, cutting edge health and medical research in Australia. All applications are subjected to rigorous peer review and only the best are funded.

The high quality and international competitive standing of NHMRC generated research findings is evidenced by the rate of citations for these findings in high impact journals such as *Nature*, *The Lancet* and *The Medical Journal of Australia*. A recent analysis found that the citation rate for NHMRC supported research is above the Australian average and above the world average internationally in all but two health and medical related disciplines.¹

The NHMRC provides funding for investigator initiated research through a range of grants and awards which are designed to support work in all areas of health and medical research. These include:²

- Project grants – support of one to five years' duration for individuals and small teams of researchers.
- Program grants – support for teams of researchers to pursue broadly based collaborative research activity which contributes new knowledge at a leading international level in important areas of health and medical research. For research projects of up to five years' duration.
- Fellowships and Scholarships – a range of schemes provides opportunities for outstanding biomedical and health researchers with proven track records to undertake research, in Australia and overseas, that is both of major importance in its field and of significant benefit to Australian health and medical research.
- Career Development Awards – aimed at increasing skills in research across the spectrum of health, supporting early career researchers and encouraging the translation of research outcomes into health practice.
- Other programs, such as *Burnet Awards*, which are designed to bring Australian health and medical researchers of very high calibre back to Australia to conduct research that is internationally competitive and to support the research team associated with the award; and grants designed to increase research capacity, such as *Enabling Grants*, *Centres of Clinical Research Excellence Grants* and *Capacity Building Grants in Population Health Research*.

Over the five years from January 2000 to December 2004, the NHMRC provided a total of \$31.6 million for research in the fields of health economics, health information systems, health promotion, health counselling, public health and health services. The NHMRC is anticipating spending a further \$13 million on such research in 2005.

Examples of research currently supported include;

- Professor Jane Hall, University of Technology, Sydney: An evaluation of health policy using a microeconomic approach to understanding consumer and health provider decisions about health care. Program Grant, \$6.825 million over 5 years
- Professor D'Arcy J. Holman, University of Western Australia: Studies of the use and effectiveness of health care services. Project Grant, \$975,923 over 5 years.

¹ *NHMRC-supported research: the impact of journal publication output 1996-2000*, Butler, L, Research Evaluation and Policy Project, Research School of Social Science, Australian National University, 2003

² Further information on the NHMRC's funding schemes is available at www.nhmrc.gov.au

- Professor Geoffrey Donnan, National Stroke Research Institute, Melbourne: This Centre has developed an innovative multidisciplinary model for hospital based clinical research into the common public health problems of stroke and epilepsy. The grant funds research into mechanisms, outcome and rehabilitation of stroke and epilepsy, teaching research skills, career development and external assessment. Clinicians, researchers and students from medicine, nursing and allied health will be involved. This approach will enhance wider dissemination of research into the community and may provide a model for other clinical research programs. Centre of Clinical Research Excellence Program, \$2 million over 5 years.
- Professor Simon Stewart, University of South Australia: Optimising the therapeutic management of individuals with chronic cardiac disease. Career Development Awards, \$473,250 over 5 years.
- Ms Janette Lewis, University of Melbourne: The impact of new policy directions on health occupations and institutions. Public Health Fellowship, \$220,871 over 5 years.

Strategic and priority-driven research

The NHMRC complements investigator initiated research with a range of programs that identify and address priority research areas in a multi-disciplinary and cross-sectoral manner.

The NHMRC's approach to strategic and priority-driven research was refined following the 1999 *Health and Medical Research Strategic Review* (the Wills Review). The *Review* identified the value of priority-driven research and the need for a 'virtuous cycle' of government, research and industry interaction to improve the uptake and dissemination of research findings. In particular, the Wills Review emphasised the importance of research into how financing systems, organisational structures and processes, health technologies, social factors and personal behaviours affect the quality and cost of health care, access to health care and, ultimately, the health and well-being of the Australian people.

The NHMRC's strategic focus was further refined in response to the announcement by the Prime Minister in 2002 of the National Research Priorities (NRPs). As Australia's peak body for supporting health and medical research, the NHMRC assumed lead agency status for the *Promoting and Maintaining Good Health* NRP, and its four priority goals comprising:

1. A Healthy Start to Life;
2. Ageing Well, Ageing Productively;
3. Preventive Healthcare; and
4. Strengthening Australia's Social and Economic Fabric³.

The NHMRC has adopted a comprehensive approach to address the NRP *Promoting and Maintaining Good Health*. This approach is based on the recognition that many significant factors that are crucial to health and well-being lie outside of the 'traditional' health domain. To ensure that issues identified as having a direct or indirect impact on the promotion and maintenance of good health are addressed comprehensively, the NHMRC supports research that promotes collaboration between stakeholders, organisations and government agencies across a broad spectrum of disciplines and across all relevant sectors.

³ This fourth priority goal was added later as a result of an enhanced and refined NRP framework developed by Government in 2003 to give further emphasis to the social sciences and humanities.

The NHMRC's Health Services Research Program

The Australian health care system is characterised by a unique mix of government jurisdictions, public and private insurance arrangements and diverse modes of service delivery and payment schemes. This presents a unique set of problems for policy makers and practitioners.

In response to the need for a long term, programmatic approach to research which informs health care policy, the NHMRC announced a \$50 million collaborative program in health services research in 2001. This funding is separate from, and in addition to, the funding provided for investigator initiated research.

Informed by an extensive program of national consultations, and following on from the findings of the Wills Review, the Health Services Research Program was designed to bridge the gaps between research, policy and practice by offering policy makers and health service providers opportunities to address research questions of crucial importance to them.

The Program's aim is to:

- Support a program linking the Commonwealth, States and NHMRC;
- Fund high quality, policy relevant research which will establish crucial evidence to inform policy and practice;
- Encourage collaborative links between researchers, policy makers and practitioners;
- Increase expertise and capacity in policy and service delivery-related research.

The development of the Health Services Research Program has been overseen by an NHMRC working group comprising individuals with a range of expertise drawn from, but not limited to, the following domains:

- Australian Government Department of Health and Ageing;
- State Governments;
- Health care consumers;
- Health researchers (including economists, and health economists); and
- NHMRC committee members and senior officers of the Secretariat.

Round One

The first round of grants awarded under the Health Services Research Program focussed on the *Economics and Financing of Health*, an area of importance identified through public consultation.

There was strong interest in Round One of the program. Following a rigorous selection and review process, applications were received from seven high calibre research teams. These incorporated collaborations of health services researchers, health economists, mainstream economists, State and Territory government policy makers and health services providers. Three of the applications were recommended for funding on the basis of their scientific excellence and strategic importance.

The Minister for Health and Ageing, the Hon Tony Abbott MP, approved funding totalling \$11.2 million for the following three projects to commence in 2005:

- Dr James Butler, Australian National University: Innovative Analysis of Health Insurance, Ageing and the Economic Burden of Illness and Injury. \$4.5 million over 5 years

- Associate Professor Theo Vos, University of Queensland: Guiding Intervention Choices to Reduce Health Costs, Health Inequalities and Improve the Health of Australians: Avoidable Disease Burden and Cost-Effectiveness of Prevention. \$3.2 million over 5 years.
- Associate Professor Anthony Harris, Monash University: Modelling the Economics of the Australian Health Care System for Policy Analyses. \$3.5 million over 5 years.

Round Two

Work on Round Two of the Health Services Research Program is well advanced. The focus is on research proposals which link to the Australian Government's National Research Priorities and/or National Health Priority Areas.⁴

The Program aims to support the development of new partnerships across research disciplines, policy and service delivery areas and involve providers and users of health services. The Program also aims to develop overall research capacity by bringing new researchers into the health services field, especially from disciplines such as economics.

The NHMRC is seeking innovative proposals which will address policy-relevant questions in a multi-disciplinary and cross-sectoral manner. The forthcoming call for research presents a real opportunity for policy makers to identify gaps in the evidence base needed to inform policy.

Funding for Round Two is \$10 million over 5 years. The program will support larger scale projects of up to 5 years' duration. However, smaller scale and shorter duration projects which satisfy the rigorous standards of the NHMRC and demonstrate policy and practice relevance will also be considered.

It is anticipated that an announcement of the successful grants will be made in early 2006.

⁴ The seven National Health Priority Areas (NHPAs) are: Asthma, Arthritis, Cancer, Cardiovascular Health, Diabetes, Injury and Mental Health. Designation as an NHPA means that State and Territory Governments will work collaboratively with the Australian Government on these priority health issues. Further information on the NHPAs is available at: <http://www7.health.gov.au/pq/nhpa/>