

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2016 - 2017, 1 March 2017

Ref No: SQ17-000167

OUTCOME: 2 - Health Access and Support Services

Topic: Community Mental Health Programs

Type of Question: Written Question on Notice

Senator: Siewert, Rachel

Question:

- a) What did the Department envisage the affected PHNs would do to manage the funding reductions to mental health nursing services and what consideration and risk management strategies were put in place to address the inevitable impact of people with mental illness losing service access?
- b) I understand that additional funding being provided will not be enough to make up for the cuts, will only be provided to a few of the PHNs in Victoria and is only available until the end of this year. Is this correct and what is the plan for the other PHNs who have had a reduction and what will happen at the end of this year when that additional funding is no longer available?

Answer:

- a) The Australian Government's response to the National Mental Health Commission's (NMHC) *Review of Mental Health Programmes and Services* includes Primary Health Networks (PHNs) commissioning primary mental health services within a person-centred stepped care approach, so that a range of service types are available within local regions to better match with individual and local population needs.

There were no funding cuts to mental health nursing services as a result of the former Mental Health Nurse Incentive Program funds being incorporated into the PHN mental health flexible funding pool.

PHNs will have flexibility to commission services according to local need. This is consistent with the aim of mental health reform to put user choice at the heart of service delivery and ensure health services are available where, and when people need help, and to deliver services in the most appropriate way for people seeking help for mental illness.

Continuity of care for previous MHNIP clients is a primary consideration for PHNs, who are expected to engage previous MHNIP providers in 2016-17, where possible, to deliver mental health nursing services.

As 2016-17 is a transitional year and has resulted in substantial change for the sector, the Department of Health is continuing to work closely with stakeholders to minimise the impacts of the new funding arrangements, including continuing to work closely with the Australian College of Mental Health Nurses (ACMHN) to explore innovation in the engagement of mental health nurses in a primary mental health care stepped care setting.

The Department is providing funding of \$1.5 million to the ACMHN for the *Mental Health Nurse Workforce Project* to develop a workforce model for the development of a sustainable mental health nursing workforce that is responsive to the mental health needs of the community.

b) The 2012 evaluation of MHNIP found that funding was distributed across the country on an inequitable basis. One of the opportunities available through mental health reform is the ability to address this historical anomaly and distribute mental health nursing funding across the country more equitably.

Six PHNs will receive a reduction in mental health nursing funding inputs from 2015-16 to 2018-19. The reductions range from 2 percent to 57 percent. Four Victorian PHNs will receive the highest reduction given they have historically had the highest level of service provision (per capita) through MHNIP.

On 28 April 2017, the Minister for Health, the Hon Greg Hunt MP, announced additional one-off funding of \$7.7 million in 2017-18 for the four PHNs in Victoria who will be most impacted by the new funding arrangements (South Eastern Melbourne, Murray, Eastern Melbourne and Western Victoria). This funding will assist them to transition to the new funding arrangements by 2018-19.

It is expected that, for all six impacted PHNs, the redistribution of funding will be managed through natural attrition, managing the intake of new clients and redirecting clients to lower intensity models of care (where clinically indicated). The impact of the reductions for all six PHNs should therefore be manageable from 1 July 2018.

PHNs have the flexibility to decide how funding is utilised to meet the primary mental health care needs of their regional population. PHNs are therefore able to invest funding from the flexible funding pool to support mental health nursing service provision where required across their region.