

# Chapter 4

## Health and Ageing Portfolio

### Department of Health and Ageing

4.1 This chapter contains key issues discussed during the 2013-2014 budget estimates hearings for the Health and Ageing portfolio.

4.2 The committee heard evidence from the department on Wednesday 5 and Thursday 6 June 2013. Areas of the portfolio and agencies were called in the following order:

- Whole of Portfolio/Corporate Matters
- Australian Institute of Health and Welfare
- Acute Care
- National Health Performance Authority
- Australian Organ and Tissue Donation and Transplantation Authority
- Mental Health
- Aged Care and Population Ageing
- Aged Care Standards Accreditation Agency
- Health System Capacity and Quality
- Access to Medical Services
- Health Workforce Capacity
- Health Workforce Australia (HWA)
- Primary Care
- National Health and Medical Research Council (NHMRC)
- Population Health
- Food Standards Australia New Zealand (FSANZ)
- Office of the Gene Technology Regulator (OGTR)
- Therapeutic Goods Administration (TGA)
- Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)
- Cancer Australia
- Australian Commission on Safety and Quality in Health Care (ACSQHC)
- Australian National Preventive Health Agency (ANPHA)

- Biosecurity and Emergency Response
- Private Health
- Rural Health
- Access to Pharmaceutical Services
- Hearing Services

4.3 The committee also heard evidence from the National e-Health Transition Authority (NeHTA) under the department's "Health System Capacity and Quality" area.

#### ***Whole of Portfolio/Corporate Matters<sup>1</sup>***

4.4 Senator Fierravanti-Wells began by first thanking the department for providing a budget reporting element (BRE) chart to the committee, and asked if this chart could be updated in line with the 2013-14 budget.<sup>2</sup> The committee then discussed advertisements on Victorian hospital funding, before moving to other general advertising costs for the department, including around budget funding of \$10m for a communications campaign about Medicare.<sup>3</sup> The department noted that the campaign was still subject to government approval, but that officers could discuss the rationale for the advertising that has been put to the Independent Communications Committee (ICC).<sup>4</sup>

4.5 There was also a general discussion on staffing in the department, including questions about the ratio between APS staff and EL staff, and work by the department to increase the number of more junior APS staff relative to middle management.<sup>5</sup>

#### ***Australian Institute of Health and Welfare (AIHW)<sup>6</sup>***

4.6 Senator Rhiannon referred the AIHW to a 2005 publication around abortion statistics. The AIHW confirmed that this is the latest data they have available, and that they do not intend to do further work at this stage, due primarily to funding constraints.<sup>7</sup> The committee then discussed a range of other research conducted by the Institute, including research into rising hospital admissions for older Australians,<sup>8</sup> and health outcomes that may be used to measure the success of income management

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1 *Proof Estimates Hansard*, 5 June 2013, pp 6–24.

2 *Proof Estimates Hansard*, 5 June 2013, p. 7.

3 *Proof Estimates Hansard*, 5 June 2013, p. 11.

4 *Proof Estimates Hansard*, 5 June 2013, p. 14.

5 *Proof Estimates Hansard*, 5 June 2013, p. 16.

6 *Proof Estimates Hansard*, 5 June 2013, pp 20–24.

7 *Proof Estimates Hansard*, 5 June 2013, p. 20.

8 *Proof Estimates Hansard*, 5 June 2013, p. 21.

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programs. The AIHW noted that they are currently working on the next version of *Australia's welfare*, which features some work looking at poverty, low income and wealth amongst particular groups, and will also have some specific work on workforce participation by older Australians.<sup>9</sup> The AIHW also ran the committee through its current work program,<sup>10</sup> and provided an overview of work being done to improve the accessibility of its research.<sup>11</sup>

### *Acute Care*<sup>12</sup>

4.7 This outcome commenced with a discussion about leave for living organ donors. The department explained that money had only been committed to the program for two years because it is a trial which will be evaluated after this period. The committee also discussed eligibility for the trial, and the rationale around providing the payment to the employer, rather than the donor.<sup>13</sup> Senator Smith was also interested in the incidence of Australians travelling overseas to receive organ transplants. Neither the department nor the Australian Organ and Tissue Donation and Transplantation Authority were aware of substantive data on this issue, or the number hospital admissions as a result.<sup>14</sup>

4.8 There was then an extended discussion around payments directed to Victorian local hospital networks.<sup>15</sup> The department outlined the process by which the government decided to reinstate money that had been withdrawn from the local hospital networks as a result of the Victorian government passing on parameter variations contained in the Mid-Year Economic and Fiscal Outlook.<sup>16</sup> The department clarified that this had been an unusual occurrence in one particular jurisdiction, and that the payments were also outside the national health reform agreement funding flows. Senator Di Natale was interested to find out why Victoria had been considered a special case, and the department explained that while all states had been subject to a parameter variation in their funding from the Commonwealth, it was only Victoria that immediately passed that on as cuts to local hospital networks.<sup>17</sup> Professor Halton also noted that there were unexpended Commonwealth funds directed to Victoria that were able to be reallocated to the local hospital networks.

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9 *Proof Estimates Hansard*, 5 June 2013, p. 22.

10 *Proof Estimates Hansard*, 5 June 2013, p. 23.

11 *Proof Estimates Hansard*, 5 June 2013, p. 24.

12 *Proof Estimates Hansard*, 5 June 2013, pp 25–44.

13 *Proof Estimates Hansard*, 5 June 2013, p. 26.

14 *Proof Estimates Hansard*, 5 June 2013, p. 28.

15 *Proof Estimates Hansard*, 5 June 2013, p. 31.

16 *Proof Estimates Hansard*, 5 June 2013, p. 32.

17 *Proof Estimates Hansard*, 5 June 2013, p. 34.

4.9 The committee also discussed the National Health Reform Amendment (Definitions) Bill,<sup>18</sup> and budget measures directed to dental care,<sup>19</sup> including National Partnership Agreements for dental care,<sup>20</sup> and the Grow up Smiling Initiative.<sup>21</sup>

### ***National Health Performance Authority (NHPA)***<sup>22</sup>

4.10 Discussion with the NHPA centred on the Performance and Accountability Framework for Medicare Locals. The committee was interested in the Authority's timeline for publishing reports covering assessment of Medicare Locals, and in how the Authority determines the order in which they create reports.<sup>23</sup>

### ***Mental Health***<sup>24</sup>

4.11 Discussion of mental health commenced with a number of questions about Early Psychosis Prevention and Intervention Centres (EPPICs). The committee sought clarification around funding for EPPICs in the forward estimates,<sup>25</sup> the locations of the centres,<sup>26</sup> and governance of EPPIC sites being delivered by headspace.<sup>27</sup> The department outlined how the EPPIC services will be rolled out through the headspace model.<sup>28</sup>

4.12 The committee then moved to questions on the Partners in Recovery Program,<sup>29</sup> including around evaluation of the program and any overlap with DisabilityCare Australia. Senator Fierravanti-Wells was interested in the number of Medicare Locals that had been selected as lead partners for the program. The committee also discussed the interaction of the Partners in Recovery program with the PHaMs program, confirming the description given by FaHCSIA officers earlier in the week.<sup>30</sup>

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18 *Proof Estimates Hansard*, 5 June 2013, p. 39.

19 *Proof Estimates Hansard*, 5 June 2013, p. 35.

20 *Proof Estimates Hansard*, 5 June 2013, p. 36.

21 *Proof Estimates Hansard*, 5 June 2013, p. 37.

22 *Proof Estimates Hansard*, 5 June 2013, pp 41–44.

23 *Proof Estimates Hansard*, 5 June 2013, p. 41.

24 *Proof Estimates Hansard*, 5 June 2013, pp 44–64.

25 *Proof Estimates Hansard*, 5 June 2013, p. 44.

26 *Proof Estimates Hansard*, 5 June 2013, p. 46.

27 *Proof Estimates Hansard*, 5 June 2013, p. 48.

28 *Proof Estimates Hansard*, 5 June 2013, p. 49.

29 *Proof Estimates Hansard*, 5 June 2013, p. 53.

30 *Proof Estimates Hansard*, 5 June 2013, p. 62.

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### ***Aged Care and Population Ageing***<sup>31</sup>

4.13 After responding to an inquiry into funding provided to seniors organisations,<sup>32</sup> the department provided an update on the National LGBTI Aged Care Strategy, noting that it intends to report on the Strategy in October.<sup>33</sup>

4.14 Discussion on aged care and population ageing then moved through the various elements of the aged care reform package. The committee discussed Home Support and Home Care,<sup>34</sup> and the department provided an update on Home and Community Care (HACC) funding.<sup>35</sup> There was then a discussion around the Aged Care Approval Round (ACAR) being delayed pending passage of the Living Longer. Living Better Bills.<sup>36</sup> The committee also discussed the My Aged Care website,<sup>37</sup> and general issues around the potential for any increase in the regulatory burden for residential care providers as a result of the reforms.<sup>38</sup>

4.15 There was also a broad discussion on the Aged Care Funding Instrument (ACFI), and the department explained the circumstances leading to the revision of the instrument.<sup>39</sup> The committee also discussed dementia care,<sup>40</sup> hospital admissions for older people,<sup>41</sup> and transition care.<sup>42</sup>

### ***Health System Capacity and Quality***<sup>43</sup>

4.16 Officers of the department confirmed that funding for the Personally Controlled Electronic Health Record (PCEHR) will expire on 30 June 2014,<sup>44</sup> and explained that the department is now working on a business case in respect of future e-health funding with the states and territories. The department provided an update on hospitals in Tasmania and Canberra coming onto the PCEHR system.<sup>45</sup> The

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31 *Proof Estimates Hansard*, 5 June 2013, pp 64–94.

32 *Proof Estimates Hansard*, 5 June 2013, p. 64.

33 *Proof Estimates Hansard*, 5 June 2013, p. 65.

34 *Proof Estimates Hansard*, 5 June 2013, p. 66.

35 *Proof Estimates Hansard*, 5 June 2013, p. 69.

36 *Proof Estimates Hansard*, 5 June 2013, p. 71.

37 *Proof Estimates Hansard*, 5 June 2013, p. 75.

38 *Proof Estimates Hansard*, 5 June 2013, p. 76.

39 *Proof Estimates Hansard*, 5 June 2013, p. 78.

40 *Proof Estimates Hansard*, 5 June 2013, p. 82.

41 *Proof Estimates Hansard*, 5 June 2013, p. 85.

42 *Proof Estimates Hansard*, 5 June 2013, p. 86.

43 *Proof Estimates Hansard*, 5 June 2013, pp 95–110.

44 *Proof Estimates Hansard*, 5 June 2013, p. 95.

45 *Proof Estimates Hansard*, 5 June 2013, p. 101.

committee also discussed e-health funding and the PCEHR in general and the continued funding of NeHTA, e-health in the ageing space,<sup>46</sup> assisted registration,<sup>47</sup> and promotional materials for the PCEHR.<sup>48</sup>

### ***Access to Medical Services***<sup>49</sup>

4.17 There was a brief return to the earlier discussion around abortion data,<sup>50</sup> before the committee moved to questions around the Extended Medicare Safety Net,<sup>51</sup> including on expenditure over the forward estimates and the expected reduction in the number of people who will qualify after changes on 1 January 2015. In relation to Medicare, the committee also had questions about efforts to remove double billing,<sup>52</sup> indexation,<sup>53</sup> and its effect on bulk billing.<sup>54</sup>

### ***Health Workforce Capacity***<sup>55</sup>

4.18 Questions under this outcome initially focused on the Mason Review of Australian Government Health Workforce Programs (Mason Review). The committee inquired into the cost of the review, and its recommendation that the Australian Standard Geographical Classification - Remoteness Area (ASGC-RA) be reformed. Senator Fawcett was interested in whether the committee's own report into this area was being considered in the government's response. In addressing a question about the timeline for the government's response, the department initially indicated that there was no definite deadline in place. Officers later agreed, however, that a timeframe for action had been published on the department's website.<sup>56</sup>

4.19 The committee also discussed the makeup of rural classification technical working group,<sup>57</sup> bonded scholarships,<sup>58</sup> dental graduate programs,<sup>59</sup> the Nursing and

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46 *Proof Estimates Hansard*, 5 June 2013, p. 98.

47 *Proof Estimates Hansard*, 5 June 2013, p. 99.

48 *Proof Estimates Hansard*, 5 June 2013, p. 100.

49 *Proof Estimates Hansard*, 5 June 2013, pp 110–115.

50 *Proof Estimates Hansard*, 5 June 2013, p. 110.

51 *Proof Estimates Hansard*, 5 June 2013, p. 111.

52 *Proof Estimates Hansard*, 5 June 2013, p. 112.

53 *Proof Estimates Hansard*, 5 June 2013, p. 113.

54 *Proof Estimates Hansard*, 5 June 2013, p. 114.

55 *Proof Estimates Hansard*, 5 June 2013, pp 115–129.

56 *Proof Estimates Hansard*, 5 June 2013, p. 118.

57 *Proof Estimates Hansard*, 5 June 2013, p. 117.

58 *Proof Estimates Hansard*, 5 June 2013, p. 119.

59 *Proof Estimates Hansard*, 5 June 2013, p. 121.

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Allied Health Rural Locum Scheme,<sup>60</sup> and the General Practice Rural Incentives Program.<sup>61</sup>

***Health Workforce Australia (HWA)***<sup>62</sup>

4.20 The committee discussed staff increases in the agency, and the clinical training funding program, before asking general questions around reports produced by the agency, the Rural Health Professionals Program, and workforce issues in remote and rural aged care.<sup>63</sup>

***Primary Care***<sup>64</sup>

4.21 Thursday morning began with a discussion of General Practitioner standards, including the role of the Australian Commission on Safety and Quality in Health Care in developing these standards. The committee then briefly discussed the Tasmanian Health Assistance Package and Primary Care Infrastructure grants, before moving to a more extended discussion around Medicare Locals. Topics covered included the use of the term "Medicare",<sup>65</sup> current and future funding arrangements,<sup>66</sup> money earned independently by the organisations,<sup>67</sup> administration costs,<sup>68</sup> and activities engaged in by Medicare Locals.<sup>69</sup>

4.22 The remainder of questions under this outcome were around GP Super Clinics. The department gave the committee an update on the remaining sites to be developed.<sup>70</sup> There were also questions about milestones for the Super Clinics,<sup>71</sup> variations in funding agreements, performance and outcomes for the Super Clinics and the evaluation of the Super Clinic program.<sup>72</sup>

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60 *Proof Estimates Hansard*, 5 June 2013, p. 122.

61 *Proof Estimates Hansard*, 5 June 2013, p. 123.

62 *Proof Estimates Hansard*, 5 June 2013, pp 126–129.

63 *Proof Estimates Hansard*, 5 June 2013, p. 128.

64 *Proof Estimates Hansard*, 6 June 2013, pp 5–30, 38–42.

65 *Proof Estimates Hansard*, 6 June 2013, p. 9.

66 *Proof Estimates Hansard*, 6 June 2013, p. 13.

67 *Proof Estimates Hansard*, 6 June 2013, p. 16.

68 *Proof Estimates Hansard*, 6 June 2013, p. 17.

69 *Proof Estimates Hansard*, 6 June 2013, p. 20.

70 *Proof Estimates Hansard*, 6 June 2013, p. 22.

71 *Proof Estimates Hansard*, 6 June 2013, p. 25.

72 *Proof Estimates Hansard*, 6 June 2013, p. 40.

***National Health and Medical Research Council (NHMRC)***<sup>73</sup>

4.23 The committee had general questions for the NHMRC in relation to approval processes for guidelines,<sup>74</sup> and around funding for various areas of research.<sup>75</sup> Senator Di Natale was interested in the Council's review into wind farms and health, especially public participation in the review.<sup>76</sup> There were also questions about potential conflicts of interest in observers to the NHMRC's reviews,<sup>77</sup> and processes for addressing unapproved research.<sup>78</sup>

***Population Health***<sup>79</sup>

4.24 The committee was provided with an update on the bowel screening program,<sup>80</sup> before asking some questions about breast screening, specifically in relation to the decentralisation of breast screening centres in Queensland.<sup>81</sup> The budget measure addressed to reaching older women for breast screening was also discussed.<sup>82</sup>

4.25 The committee then discussed drug policy, with the department providing an update on responses to the plain packaging legislation.<sup>83</sup> Here the committee had specific questions around compliance and enforcement for the legislation.<sup>84</sup> Discussion then moved to alcohol policy, with questions in relation to Fetal Alcohol Syndrome Disorder,<sup>85</sup> especially in relation to pregnancy warning labels, and the National alcohol strategy.<sup>86</sup> The committee also discussed potential legislative measures and regulatory approaches to synthetic drugs,<sup>87</sup> and the misuse of legal pharmaceuticals.<sup>88</sup>

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73 *Proof Estimates Hansard*, 6 June 2013, pp 30–37.

74 *Proof Estimates Hansard*, 6 June 2013, p. 30.

75 *Proof Estimates Hansard*, 6 June 2013, p. 31.

76 *Proof Estimates Hansard*, 6 June 2013, p. 33.

77 *Proof Estimates Hansard*, 6 June 2013, p. 35.

78 *Proof Estimates Hansard*, 6 June 2013, p. 37.

79 *Proof Estimates Hansard*, 6 June 2013, pp 42–93.

80 *Proof Estimates Hansard*, 6 June 2013, p. 42.

81 *Proof Estimates Hansard*, 6 June 2013, p. 42.

82 *Proof Estimates Hansard*, 6 June 2013, p. 45.

83 *Proof Estimates Hansard*, 6 June 2013, p. 43.

84 *Proof Estimates Hansard*, 6 June 2013, p. 44.

85 *Proof Estimates Hansard*, 6 June 2013, p. 46.

86 *Proof Estimates Hansard*, 6 June 2013, p. 47.

87 *Proof Estimates Hansard*, 6 June 2013, p. 53.

88 *Proof Estimates Hansard*, 6 June 2013, p. 55.



4.26 After a discussion of regulatory policy for medical devices, including funding for medical device registries in the 2013-14 budget,<sup>89</sup> the committee discussed immunisation.<sup>90</sup> There were questions in relation to the Human Papilloma Virus vaccination program and a discussion around vaccine refusal.<sup>91</sup>

***Food Standards Australia New Zealand (FSANZ) and the Office of the Gene Technology Regulator (OGTR)***<sup>92</sup>

4.27 Senator Siewert asked FSANZ and then OGTR about issues around double stranded RNA in terms of genetically modified organisms (GMOs), and genetically modified wheat.<sup>93</sup> There were also questions for FSANZ around levels of certain chemicals in imported foods,<sup>94</sup> and on testing and analysis of imported foods, although FSANZ clarified that their responsibility is to provide advice to the Department of Agriculture, Fisheries and Forestry, who are responsible for the actual testing of these products.<sup>95</sup>

***Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)***<sup>96</sup>

4.28 There was a discussion with ARPANSA around safety culture in facilities, and around whistle-blowing and the avenues and protections for people who wish to report problems. Senator Ludlam put a question to the minister in relation to non-nuclear production of radioactive isotopes, and there was also a discussion of the government's response to the UN-System wide study of international nuclear safety, security and safeguards.<sup>97</sup>

***Australian Commission on Safety and Quality in Health Care (ACSQHC)***<sup>98</sup>

4.29 There were general corporate questions for the Commission,<sup>99</sup> before the committee moved to a discussion around anti-microbial resistance.<sup>100</sup> The ACSQHC gave an update on the work of the Antimicrobial Resistance Standing Committee, and other activities in this area.

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89 *Proof Estimates Hansard*, 6 June 2013, p. 60.

90 *Proof Estimates Hansard*, 6 June 2013, p. 68.

91 *Proof Estimates Hansard*, 6 June 2013, p. 71.

92 *Proof Estimates Hansard*, 6 June 2013, pp 62–68.

93 *Proof Estimates Hansard*, 6 June 2013, p. 63, and p. 66.

94 *Proof Estimates Hansard*, 6 June 2013, p. 64.

95 *Proof Estimates Hansard*, 6 June 2013, p. 65.

96 *Proof Estimates Hansard*, 6 June 2013, pp 76–80.

97 *Proof Estimates Hansard*, 6 June 2013, p. 79.

98 *Proof Estimates Hansard*, 6 June 2013, pp 82–87.

99 *Proof Estimates Hansard*, 6 June 2013, p. 83.

100 *Proof Estimates Hansard*, 6 June 2013, p. 85.

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***Australian National Preventive Health Agency (ANPHA)***<sup>101</sup>

4.30 The committee had questions for the ANPHA around its recent branding exercise, and also asked the agency to outline its current programs and projects. The committee was also interested in the work that ANPHA has done with Medicare Locals, and the status of the final report into *Exploring the public interest base for a minimum (floor) price for alcohol*.<sup>102</sup>

***Biosecurity and Emergency Response***<sup>103</sup>

4.31 The committee asked questions in relation to the replenishment of the National Medical Stockpile, including around the extension of dates for some of the medicines, disposal of the expired medicines, emerging biosecurity threats, and how the stockpile is configured to account for these. While the department noted that it is unable to comment on security threats, officers outlined some of the health threats that are being considered, particularly the H7N9 virus, which Professor Baggoley detailed for the committee.<sup>104</sup>

***Private Health***<sup>105</sup>

4.32 The committee discussed the Operations of Private Health Insurers annual report 2011-12, before a question was raised in relation to the Private Health Insurance Base Premium Bill. The Chair noted however that the bill was before the Senate and also being considered by the committee discussion should be reserved to that inquiry. The committee then moved to general questions in relation to pre-paid policy holders and the private health insurance rebates.

***Access to Pharmaceutical Services***<sup>106</sup>

4.33 Senator Fierravanti-Wells had questions for the department in relation to extra funding in the 2013-14 budget for the supply of chemotherapy drugs.<sup>107</sup> The committee then moved to a discussion around measures taken by the department in response to the issue of patent evergreening. Senator Heffernan was particularly interested in this area, and the department undertook to supply the committee with the department's watch list of cases before the courts that are concerned with this issue.<sup>108</sup>

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101 *Proof Estimates Hansard*, 6 June 2013, pp 87–93.

102 *Proof Estimates Hansard*, 6 June 2013, p. 92.

103 *Proof Estimates Hansard*, 6 June 2013, pp 94–97.

104 *Proof Estimates Hansard*, 6 June 2013, p. 95.

105 *Proof Estimates Hansard*, 6 June 2013, pp 97–100.

106 *Proof Estimates Hansard*, 6 June 2013, pp 101–122.

107 *Proof Estimates Hansard*, 6 June 2013, p. 102.

108 *Proof Estimates Hansard*, 6 June 2013, p. 104.

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4.34 There was an extended discussion around the Pharmaceutical Benefits Scheme, particularly in relation to the processes involving the Pharmaceutical Benefits Advisory Council (PBAC), price disclosure, and post market reviews. The committee also discussed the Alzheimer's Review,<sup>109</sup> the Diabetes Review, and the Life Saving Drugs Program.<sup>110</sup>

### *Hearing Services*<sup>111</sup>

4.35 In the final session for the evening the Office for Hearing Services provided the committee with an update on the response to recommendations contained in the *Hear Us Inquiry into Hearing Services in Australia* report. Questions on notice were taken in relation to services for young people, neonatal screening, and data collection. The committee also discussed a regulatory review that is being undertaken in relation to the legislative framework of one of the components of the program,<sup>112</sup> the Office's work with DisabilityCare Australia,<sup>113</sup> and work to raise awareness among young people about hearing loss.<sup>114</sup>

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109 *Proof Estimates Hansard*, 6 June 2013, p. 116.

110 *Proof Estimates Hansard*, 6 June 2013, p. 119.

111 *Proof Estimates Hansard*, 6 June 2013, pp 122–128.

112 *Proof Estimates Hansard*, 6 June 2013, p. 124.

113 *Proof Estimates Hansard*, 6 June 2013, p. 125.

114 *Proof Estimates Hansard*, 6 June 2013, p. 127.

