



# *National health reforms – an overview*

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## ***Council of Social Service of NSW (NCOSS)***

*66 Albion Street*

*Surry Hills NSW 2010*

*Ph: 9211 2599*

*Fx: 9281 1968*

*Email: [info@ncoss.org.au](mailto:info@ncoss.org.au)*

*Website: [www.ncoss.org.au](http://www.ncoss.org.au)*

# Content:

- Overview of COAG NHHN Agreement
  - Context, key elements, & timeframes
- Implementation: Progress to date
- Issues with reform model
- Implications for Health NGOs
- NCOSS response and activities
- How you can have your say

# Context for health reform

- Australia's health system is unsustainable (↑ demand, ↓ workforce, ltd funding base)
- Service system is complex and fragmented
- Ongoing health inequities
- NHHRC recommendations, *A Healthy Future for All Australians*
- International reforms (UK, NZ, Canada)



# ***National Health & Hospital Network (NHHN) Agreement***

- April 2010 - COAG agreement (except WA) on health system reform
- Reform areas: public hospitals, primary health care, governance, performance, and funding.
- Outcomes
  - Helping patients receive more seamless care
  - Improving the quality of care
  - Providing a secure funding base into the future.
- Funding package of \$7.4 billion over five years

# Key elements of the NHHN

- **Local Hospital Networks (LHNs)** = operational management of small group of public hospitals.
- Commonwealth **majority funder of hospitals** based on efficient price of services or block funding in rural/remote
- **Medicare Locals (MLs)** to improve access to and coordination of primary health care services
- Commonwealth **full funding and policy responsibility** for some PHC and all aged care services
- New **Performance and Accountability Framework** including *Healthy Communities* and *Hospital* reports overseen by National Performance Authority
- Personally controlled **e-health** records

# Key elements of the NHHN – LHNs in NSW

- **18 Local Health Networks** in NSW
  - 15 geographic LHNs (8 metro and 7 rural /regional)
  - 3 functional LHNs (Children's and Paediatric Services, Forensic Mental Health and St Vincent's Health Services Network)
- LHN's will be run by a **Governing Council** and Chief Executive
- LHNs will be supported by **3 Clinical Support Clusters** Northern, Southern and Western
- **LHNs start on 1 January 2011** with 6 month transition to full operation by 1 July 2011.

# Key elements of the NHHN - Primary Health Care

- Commonwealth **full funding and policy responsibility** for *some* primary health care services.
- Full scope of services to be transferred is TBD
- **States will continue to deliver** primary health care services funded by the Commonwealth.
- **No immediate change** to services for 2–3 years.



# Key elements of the NHHN — Responsibility for PHC Services

Commonwealth*	States	Review Future Transfer
Community health centres primary care services, Primary mental health care for common mild to moderate disorders, Hospital avoidance programs for non-acute care; Prevention & EI programs for patients with chronic disease in the community, Immunisation Cancer screening programs	Ambulance services; Existing public dental services; Health care for prisoners; School and workplace primary care programs; Acute care hospital avoidance programs; Specialist sexually transmitted infection services and general sexual health services	<b>Community health</b> promotion and population health programs including preventive health; <b>Drug and alcohol</b> treatment services; <b>Child and maternal</b> health services; Community palliative care; <b>Specialist community</b> <b>mental health services</b> for people with severe mental illness

\* CW will “not substantially alter the delivery mechanisms for these services without agreement from the relevant state or territory for 5 years from 1 July 2010”



# Key elements of the NHHN – Medicare Locals

- Medicare Locals = independent, non-government primary health care organisations (PHCOs)
- Purpose: plan, coordinate and link PHC services
- Key roles
  - Initially: Fill gaps in after hours GP services.
  - Medium term: Deliver new programs in aged care, diabetes and mental health
  - Long-term: Broader role in PHC service delivery. Health promotion?



# Key elements of the NHHN – Medicare Locals

- Little detail about the **governance / operational structures**.
- Will **partner with LHNs** and have “strong links to local communities, health professionals, and service providers...”.
- Initially operated by **Divisions of General Practice**
- First round of Medicare Locals (15?) to start **1 July 2011**.
- Second round to be operational by 1 July 2012



# NHHN –

## Key deliverables & timeframes

### **30 June 2010**

- Final work plan for implementation of the Agreement (developed by Senior Officials)
- Treasurers to report to COAG on detailed costings and GST dedication

### **31 December 2010 (now February 2011?)**

- COAG to consider scope of PHC services to be transferred to CW
- Finalise number and boundaries of ML and LHN

### **1 January 2011 (NSW only)**

- AHS dissolved. LHNs and Clinical Support Clusters commence.

### **1 July 2011**

- Commonwealth commences 60% funding of public hospital services
- Transfer of funding and policy responsibility for agreed GP and PHC services to CW.
- First group of LHNs commence and first Medicare Locals operational
- Independent Hospital Pricing Authority & National Performance Authority established

### **1 July 2012**

- National activity based funding introduced
- All LHN and MLs operational
- Commonwealth takes on management responsibility for HACC
- E-health records made available

# NHHN – Where's it up to?

- **April** – COAG Agreement
- **June/July** – Stakeholder briefings and 'Listening Tours'
- **August** – Discussion Papers on LHNs in NSW and Consultation on boundaries for Medicare Locals
- **September** – Recruitment to LHN Governing Councils
- **October** – LHN boundaries and Chairs announced
- **November** – Discussion Paper on governance and functions of Medicare Locals.  
NSW Clinical Support Clusters announced.
- **December** – Draft boundaries for Medicare Locals.

# NHHN – Issues with reform model

improving long term health outcomes

doesn't address health inequities

scope and definition of Primary Health Care

Corporate Governance of LHNs and MLs

lack of mechanisms for coordinated and integrated service delivery and care

# NHHN – Implications for Health NGOs

- **Central NGO Unit** in NSW Health replace functions of AHS
- 1 January 2011 - notional transfer of NGO contracts from AHS to NSWH.
- **No substantive changes** for Health NGOs during the transition process (apart from those associated with normal performance monitoring processes)
- Third-quarter **grants payments brought forward** to early December to avoid transition period.
- Still unclear where some service streams will 'fit' in new reform model – LHN, Cluster or NSWH or DoHA.

# Key elements of the NHHN – NSW Coalition Government?



Barry O'Farrell has stated that:

- Will not sign up to the health reform deal in its current form
- Will not surrender GST to the federal government.
- NSW Liberals & Nationals will introduce Health Districts with local boards. These may modify or replace the new Local Health Networks?



# NHHN – NCOSS response

## Information for the sector

- Briefing Paper on NHHN and summary of COAG agreement on NCOSS website
- Facilitating a joint governmental briefing for the NGO sector post-COAG
- Updates through NCOSS News, Health e-bulletin and website

## Policy and Advocacy

- NCOSS letter to NSW Premier outlining concerns and requesting consultation with NGOs
- Submission to NSWH consultation on LHNs
- Submission to DoHA on MLs
- HPAG developing Policy Position Statement on reforms and Advocacy Strategy

## Partnerships and collaboration

- COSS Health Network: Share information and coordinate responses
- Developing alliances with other organisations, e.g. PHAA NSW



# How can you get involved in the reform process?

- *yourHealth* website updates and blog
- Letters to State and Federal Health Ministers
- NSW Health reforms email
- Form alliances or input into other health policy and advocacy groups, e.g. PHAA or APHA
- Raise issues through your peak body



# Contact us

- NCOSS website:

<http://www.ncoss.org.au>

- Contact details:

Solange Frost

Senior Policy Officer (Health)

66 Albion Street SURRY HILLS NSW 2010

Ph: 9211 2599 (ext 130) Fx: 9281 1968

email: [solange@ncoss.org.au](mailto:solange@ncoss.org.au)