Building a 21st Century Primary Health Care System

Australia's First National Primary Health Care Strategy

Australian Government
Department of Health and Ageing

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Foreword

As Health Minister, I am pleased to release Australia's first ever National Primary Health Care Strategy.

The Australian Government's vision for a National Health and Hospitals Network to meet Australia's needs in the 21st century includes a strong primary health care sector, providing effective health care services locally to the community.

The Government recognises that a strong primary health care system is critical to the future success and sustainability of our entire health care system.

Under the National Health and Hospitals Network, the Australian Government will take full funding and policy responsibility for primary health care and will become the majority funder of the public hospital system, by taking on 60 per cent of the efficient cost of providing services, training, research and capital. This removes perverse incentives to shunt patients between hospital and non-hospital services and importantly, will provide the Australian Government with the ability to ensure that the health system is designed to meet the needs of Australians and to address the fragmentation between different parts of the system.

The National Primary Health Care Strategy is a first for Australia, providing a national road map to guide future primary health care policy and planning in Australia. It sets out key priority areas and essential building blocks that need to be in place to provide the foundation for an integrated high performing primary health care system fit for the future.

Reforms under the National Health and Hospitals Network include a number of significant initiatives that are building blocks of the system. These include: the establishment of a network of Primary Health Care Organisations (Medicare Locals); a significant boost to the primary care health workforce; a national eHealth records system; and an investment in primary health care infrastructure.

There are also initiatives in the key priority areas that help to address inequities and gaps as well as meet future challenges such as rising chronic disease rates. These include managing the health care needs of people with diabetes through a voluntary enrolment program; improving access to health care services for older Australians; better access to after hours care; and increasing the focus on prevention.

I would like to acknowledge the considerable contributions that many Australians have made to aid the Government's considerations of primary health care reform. Numerous individuals and organisations have participated generously in the consultative processes and have made valuable written submissions.

I would particularly like to thank Dr Tony Hobbs and the other members of the External Reference Group who did much of the groundwork in developing the basis for this final Strategy.

I urge everyone – all levels of government, the private sector, non-government organisations, health professionals and the community – to work with us to build a strong primary health care system that will deliver better health for Australians in the decades to come.

The Hon Nicola Roxon MP
Minister for Health and Ageing

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Introduction

This National Primary Health Care Strategy represents the first comprehensive national policy statement for primary health care in Australia and provides the platform on which to build a strong and efficient primary health care system into the future.

It comes at a time when the Australian Government is building a National Health and Hospitals Network (NHHN), which includes taking full funding and policy responsibility for primary health care services in Australia.

It provides a roadmap to guide current and future policy, planning and practice in the Australian primary health care sector.

The development of the Strategy has been informed by the extensive health reform consultations undertaken by the Australian Government. It has taken into account the advice and expertise provided by the External Reference Group chaired by Dr Tony Hobbs, and has drawn upon the detailed information provided in 265 written submissions that were received in response to the Discussion Paper: *Towards a National Primary Health Care Strategy.*

National Health and Hospitals Network

From 1 July 2011, the Australian Government will assume full funding and policy responsibility for GP and primary health care, as defined in the NHHN Agreement (2010)[1]. This covers services currently provided by states and territories, including community health centre primary health care services, primary mental health care, immunisation and cancer screening programs, as well as any further services to be agreed with the states and territories for recommendation to the Council of Australian Governments (COAG) by December 2010.

Having one level of government responsible for all primary health care will create strong incentives to support a healthier community and reduce pressure on hospitals. Transferring funding and policy responsibility for primary health care to the Australian Government aims to improve services in the community, address gaps in access and drive diversity and innovation in service delivery.

The Australian Government will work with states and territories on system-wide primary health care policy, including where coordination is required to improve system integration or service planning.

Scope of the Strategy

The Strategy takes a broad view of comprehensive primary health care, extending beyond the 'general practice' focus of traditional Australian Government responsibility. It includes consideration of services which until now have been predominantly the responsibility of the states and territories, and those services entirely delivered through private providers, including those supported by private health insurance.

Future work under the Strategy will encompass those services identified for transfer to the Australian Government under the NHHN Agreement, including any further services to be transferred by agreement with the states and territories.

Recognising the growing importance and complexity of community-based care, the Strategy also acknowledges the important role of medical specialists, and the need for integration of primary health care with ambulatory specialist care, as well as with other health sectors, including acute care, aged care and Indigenous health services.

[1] Funding for this measure includes the full amount of funding allocated to Western Australia. This funding is dependent on the Western Australian government becoming a signatory to the *National Health and Hospitals Network Agreement*.

The Case for Change

Australia's health care system faces significant challenges due to the growing burden of chronic disease, an ageing population, workforce pressures, and unacceptable inequities in health outcomes and access to services. Chronic diseases place an enormous demand on the health system, with more than 50 per cent of consultations with GPs attributed to people with a chronic condition such as heart disease, cancer or diabetes.

Compounding these challenges, primary health care in Australia has tended to operate as a disparate set of services, rather than an integrated service system. It has been difficult for primary health care to respond effectively to changing pressures (such as demographic change, changes in the burden of disease, emerging technologies and changing clinical practice), and to coordinate within and across the various elements of the broader health system to meet the needs of an individual patient.

For many individuals, the primary health care services they access and the quality of care that results, has depended on where they live, their specific condition, and the service providers involved, as much as their clinical needs and circumstances. Many patients, particularly those with complex needs, have either been left to navigate a complex system on their own or, even when supported by their GP, have been affected by gaps in information flows, and a limited ability to influence care decisions in other services.

The Future

A strong, responsive and cost-effective primary health care system is central to equipping the Australian health system to meet future challenges.

Key to this future are funding and service delivery arrangements which, within a national framework, can better respond to the needs and priorities of local communities.

Taking full funding and policy responsibility for general practice and primary health care, the Australian Government will have the ability to drive efficiencies across the system and reduce the pressure on public hospitals.

To build such a modern primary health care system, there are **5 key building blocks:**

1. Regional integration
2. Information and technology, including eHealth
3. Skilled workforce
4. Infrastructure
5. Financing and system performance

These building blocks are essential system-wide underpinnings for a responsive and integrated primary health care system for the 21st century.

Drawing from these are **4 key priority areas for change:**

1. Improving access and reducing inequity
2. Better management of chronic conditions
3. Increasing the focus on prevention
4. Improving quality, safety, performance and accountability

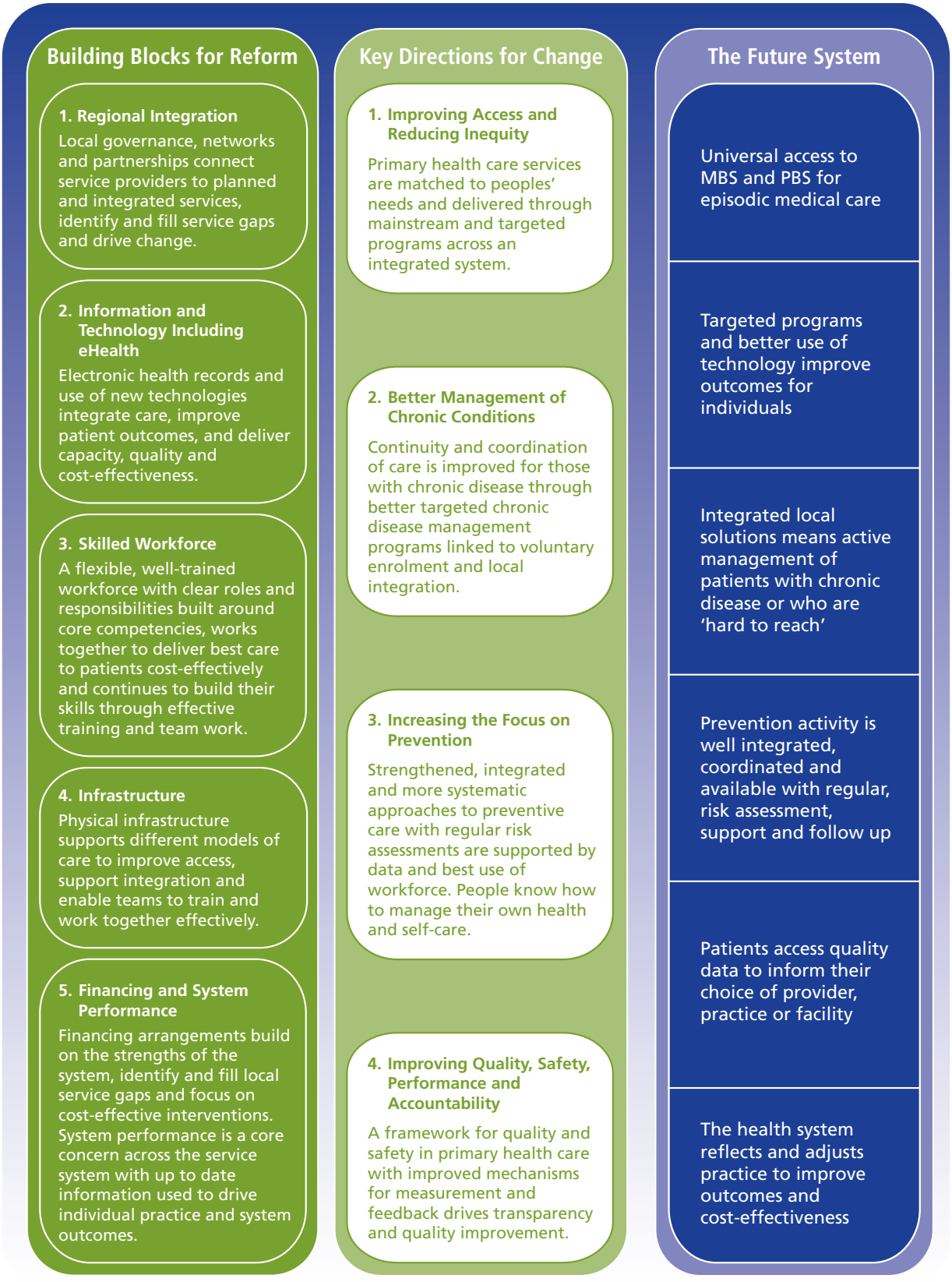
These key priority areas have been identified through consultations as the areas where change is most needed to set up the system of the future.

They address the shortcomings of current arrangements, which most directly impact on the community and the health professionals who work in it.

Actions in all four key priority areas are underpinned by the five key building blocks. The five key building blocks and four key priority areas are summarised in the table on the following page.

For each building block and priority area, key reform initiatives being implemented under the Australian Government's health reform agenda are identified.

Towards a 21st Century Primary Health Care System - A Snapshot



Building Blocks for a 21st Century Primary Health Care System

Building Block 1: Regional integration

A key challenge for primary health care reform is to better integrate and coordinate the range of organisations and service providers operating within primary health care, and to better link primary health care and other sectors.

To improve integration of services at the regional level, the Australian Government will build on its funding and policy responsibility for general practice and primary health care, by committing $290.5 million over four years for the establishment of a network of primary health care organisations (Medicare Locals) across Australia.

Medicare Locals will be created as independent legal entities (not government bodies) with strong links to local communities, health professionals and service providers, including GPs, allied health professionals and Aboriginal Medical Services. Strong clinical leadership will be a key feature.

They will work closely with local GPs and Local Hospital Networks to identify and address local needs, improve patient care and the quality and safety of health services. Medicare Locals will be an integral component of the National Health and Hospitals Network. Medicare Locals will have some common governance membership with the Local Hospital Networks in their region.

Medicare Locals will be responsible for a range of functions aimed at making it easier for patients to navigate the local health care system and to provide more integrated care. They will:

a. work with local health care professionals to ensure services cooperate and collaborate with each other;

b. facilitate allied health care and other support for people with chronic conditions, starting with diabetes, as identified in personalised care plans prepared by GPs;

c. identify groups of people missing out on GP and primary health care, or services that a local area needs, and better target services to respond to these gaps;

d. work with Local Hospital Networks to identify the best pathways between services, and to assist with patients' transitions out of hospital and, where relevant, into aged care;

e. work with aged care services to ensure that the primary health care needs of older Australians are being met at the local level;

f. deliver health promotion and preventive health programs targeted at risk factors in communities, in cooperation with the Australian National Preventive Health Agency, once it is established; and

g. as needed in the execution of other functions, undertake population level planning and potential fund-holding roles in areas of market failure.

Actions – how the Government will implement this reform

The Australian Government will work with primary health care stakeholders (including the Aboriginal Community Controlled Health sector) and states and territories to establish Medicare Locals across Australia, with the first Medicare Local to be operational by mid 2011, and the remainder by mid 2012.

Where possible, Medicare Locals will be drawn from those Divisions of General Practice that have the capacity to take on the roles and functions expected under the new arrangements.

Medicare Locals and Local Hospital Networks will be established to have common geographic boundaries wherever practicable.

The local governance of these organisations will include people with clinical expertise that reflect the broad health professions that work within the primary health care system.

The Australian Government will work together with states and territories to create linkages and coordination mechanisms between Medicare Locals and other state and territory services that interact with the health system, for example, children at risk, people with serious mental illness and homeless Australians.

There will also be linkages developed between aged care providers, the private hospital sector and Aboriginal Health Services to ensure that the system is joined up at a local level.

This will be particularly important in rural and remote Australia where service provision is limited and dispersed.

Medicare Locals will work within the strong national performance and accountability framework that is being established as part of the National Health and Hospitals Network. This will include the development of a Healthy Communities Report for each Medicare Local's catchment area. At the local level this will increase accountability and drive improved patient outcomes.

By establishing a network of Medicare Locals across the country, a key building block to establishing a stronger primary health care system in Australia is being put in place.

What this means for patients

Over time, Medicare Locals will improve the delivery of, and access to, primary health care services at the local level. There will be fewer gaps in services, particularly for patients with chronic conditions and special needs. Patients will find it easier to navigate the local health system to find the services they need. There will be smoother transitions between service providers and greater coordination of services.

To improve integration of services at the regional level, the Australian Government will establish a network of Medicare Locals. The first Medicare Locals will commence operation by mid 2011 and the remainder by mid 2012.

Building Block 2: Information and technology, including eHealth

Electronic health records and new technologies support care integration, improve health outcomes, and deliver capacity, quality and cost-effectiveness across the health system.

eHealth and other technologies are key enablers of a sustainable health system and important building blocks for primary health care reform. eHealth can change the way health professionals interact with each other and with their patients, and support a more patient-centred health care system.

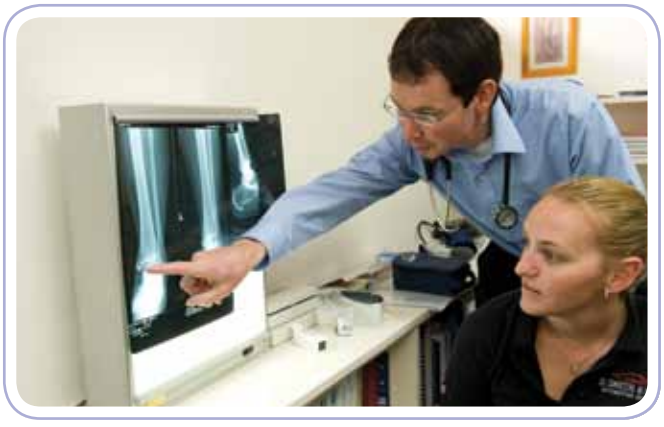
The National E-Health Strategy, released in December 2008 and approved by all Australian Health Ministers, provides a strategic framework to guide national coordination and collaboration in eHealth. The Australian Government will continue to work closely with state and territory governments, professional groups and consumers, to support the development and implementation of eHealth capabilities across care sectors. This will include providing funding for the establishment of a personally controlled electronic health record system.

The personally controlled electronic health record system supports the National Health and Hospitals Network's objective of delivering an integrated high quality health system for all Australians.

The introduction of a personally controlled electronic health record system will help to integrate care across health providers, reduce the potential for medication errors and duplication of services, support the delivery of high quality primary health care services and improve patient outcomes.

Health care providers, including those providing multidisciplinary care, who have been authorised by their patients, will be able to see their patients' summarised health information across different locations and settings. This information will include key clinical data such as conditions, treatments, medications, test results, allergies and alerts.

Information will be attached to patients, rather than the places where they receive health care, reducing frustration. This will allow a more comprehensive picture of a patient's medical history, enabling improvements in care.



Actions – how the Government will implement this reform

Personally Controlled Electronic Health Record System

The Australian Government is investing $466.7 million over four years in the introduction of a personally controlled electronic health record system. From July 2010, the Australian Government will fund the delivery of core national infrastructure, governance, standards and tools to enable the personally controlled electronic health record system to be progressively available.

The personally controlled electronic health record system will be underpinned by national eHealth standards that support the safe and secure electronic exchange of patient information, and enable compatibility between information systems in various health care sectors. The Australian Government, in partnership with state and territory governments, supports the National E-Health Transition Authority (NEHTA) which has a key role in working with major stakeholders to develop national eHealth standards.

To ensure individuals and providers have confidence that health information is linked with the correct person at the point of care, the personally controlled electronic health record system will be supported by the use of Healthcare Identifiers, which will provide a unique identification system.

Healthcare Identifiers

The Australian Government intends to promote the use of Healthcare Identifiers, and has developed a legislative framework to support their use in health services delivery. The legislative framework, to take effect from July 2010, subject to passage through the Parliament, includes governance arrangements, permitted uses and privacy safeguards. The Australian Government, through NEHTA, has contracted Medicare Australia to manage the Healthcare Identifiers service and assign identifiers to all Australian residents, health care providers and health care organisations.

National E-Health Transition Authority

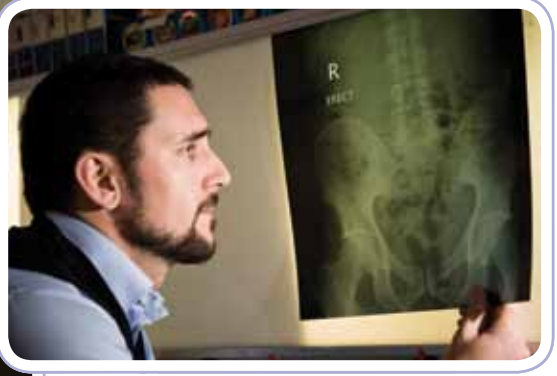
The Australian Government will continue to support NEHTA in developing national eHealth foundations and standards through COAG funding of $218 million to June 2012. In 2010-11 NEHTA will develop national eHealth standards to support the electronic transfer of prescriptions.

What this means for patients

A personally controlled electronic health record system will support consumers to be more active in the management of their health and health care. Individuals who choose to participate will be able to see their important health information when and where it is needed for their care. A patient will be able to choose what information can be viewed and by whom. Information will be attached to patients, rather than the places where they receive health care.

The Australian Government will work closely with state and territory governments and key stakeholders to support the development and implementation of key eHealth building blocks. Major priorities in 2010-11 include:

- funding for core national infrastructure, governance standards and tools to enable the personally controlled electronic health record system to be progressively available; and
- promoting the use of Healthcare Identifiers and standards adoption.



Building Block 3: Skilled workforce

A flexible, well trained workforce with clear roles and responsibilities built around core competencies, working together to deliver best care to patients cost-effectively, and continuing to build skills through effective training and team work.

A key building block for primary health care reform is a skilled, well trained, competent and professional primary health care workforce.

Currently, large parts of Australia experience workforce shortages across many primary health care sectors.

The problem is particularly acute outside Australia's major cities. The number of GPs per 100,000 head of population varies from under 60 in very remote Australia to almost 200 GPs per 100,000 people in major cities. The majority of allied health practitioners work in metropolitan locations.

The shortage and uneven distribution of GPs and other primary health care professionals contribute to Australia having a higher hospitalisation rate than other advanced countries. These challenges also put extra pressure on the existing primary health care professionals who are working hard to deliver services.

Actions – how the Government will implement this reform

The Australian Government moved quickly on coming to office to begin addressing the shortage of GPs and other primary health care professionals, particularly in rural and remote Australia, to ensure an appropriately skilled workforce to meet the demands of the 21st century. Actions to build the primary health care workforce to deliver better health include:

Australian Government investment of $1.1 billion as part of the November 2008 Council of Australian Governments' agreement to train more doctors, nurses and allied health professionals

This investment has included:

- $497 million to expand undergraduate clinical training places;
- $28 million to help train approximately 18,000 nurse supervisors, 5,000 allied health and Vocational Education and Training (VET) supervisors and 7,000 medical supervisors;
- providing 212 additional ongoing GP training places; and
- establishment of Health Workforce Australia.

Establishing Health Workforce Australia

The Government has established Health Workforce Australia to ensure a system wide approach to planning for our future health workforce needs. For the first time, a single national body will be responsible for planning the long term workforce requirements of our health and hospital system.

Implementing a National Registration and Accreditation Scheme, in partnership with states and territories

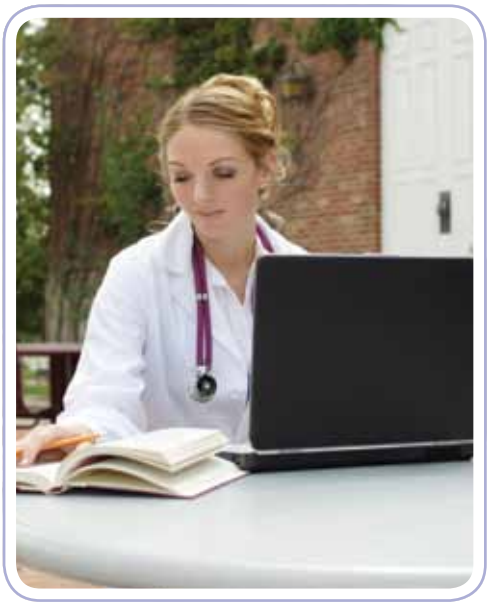
A single National Registration and Accreditation Scheme will replace the current state and territory systems from 1 July 2010, making it easier for practitioners to work anywhere in the country without red tape, as well as maintaining and improving the safety and quality of care.

Providing access to MBS and PBS benefits for nurse practitioners and midwives

By providing access to the MBS and PBS, nurse practitioners and midwives are being supported to utilise their skills and expertise for the benefit of the community. This reform will enable smarter and more flexible use of our health workforce.

Reforms to higher education as a result of the Bradley Review

These reforms will reduce the constraints on universities' provision of courses in health disciplines like nursing, physiotherapy and occupational therapy.



Further investment in Australia's health workforce under the National Health and Hospitals Network

The Government will build on the reforms it is already delivering with further investment in new health workforce training and support measures, including:

- $390.3 million to expand and enhance the role of practice nurses in the community;
- $28.8 million for a rural locum scheme to help support and retain the nursing workforce;
- $103.1 million to support the aged care nursing workforce;
- $344.9 million which together with previous investments will double the number of annual GP training places available when the Government came to office in 2007;
- $144.5 million to train more specialist doctors where the community needs them;
- $149.6 million to provide more postgraduate training placements in general practice for junior doctors;
- $5.3 million for a rural locum scheme for allied health professionals; and
- $6.5 million to expand clinical training scholarships for allied health students in rural and regional areas.

These reforms build on the Government's commitment to fund 60 percent of the costs of training undertaken in public hospitals, which will, from 1 July 2011, make the Australian Government the majority funder of training for future doctors, nurses and allied health professionals.

What this means for patients

The Australian Government's investments will develop a skilled, well trained, competent and professional primary health care workforce to meet the needs of Australians today, as well as the growing demands of the future.

The Australian Government is introducing a number of reforms to meet Australia's current and future need for a skilled primary health care workforce equipped to meet the challenges of the 21st century. These include measures to:

- streamline workforce planning;
- train more doctors, nurses and allied health professionals;
- enable smarter and more flexible use of the primary health care workforce; and
- better support GPs and other primary health care professionals working in rural and remote Australia.

Building Block 4: Infrastructure

The right physical facilities and equipment are important catalysts for new models of primary health care delivery. Physical infrastructure facilitates integration, enables teams to train and work together, and supports different models of care to improve access.

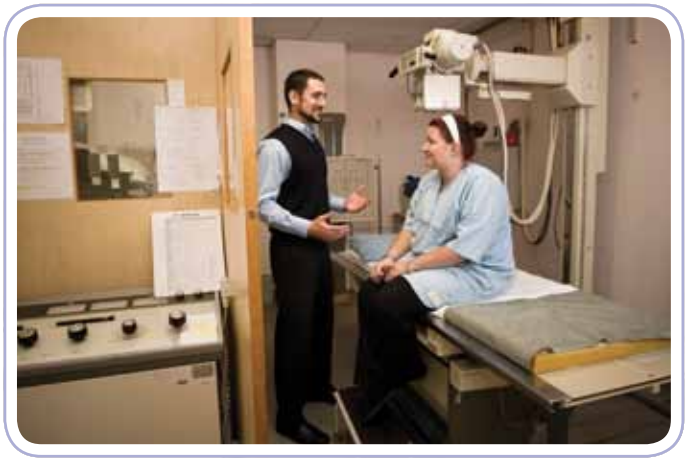
Improved primary health care infrastructure will help address the pressures on the Australian health system and improve the quality and accessibility of primary health care services and the capacity to train the future health workforce.

Infrastructure is a key building block for primary health care reform in Australia. It is an important catalyst for new models of primary health care delivery that provide a more extensive array of services in a single location. Appropriate infrastructure enables and supports integrated services delivered by teams of health professionals and improved training opportunities for GPs, nurses and allied health care professionals.

The Australian Government has recognised the importance of supporting the infrastructure needs in primary health care by already committing to 36 GP Super Clinics around Australia, enhancing the National Rural and Remote Infrastructure Program, and investing significantly in teaching and training facilities around the country.

As part of its commitment to improved primary health care infrastructure, the Australian Government will build on its initial investment by providing further funding of $355.2 million over four years. This funding will provide for new GP Super Clinic construction, and for general practices, primary health care and community health services, and Aboriginal Medical Services across the country, to enhance the capacity of those services to deliver GP Super Clinic style services.

GP Super Clinics will provide a broad range of services that target the health needs of local communities. They will also support clinical training placements to train the next generation of primary health care professionals – GPs, nurses and allied health professionals – to ensure a robust future health workforce.



Clinics will be built and expanded in areas of high unmet health needs, including communities with:

- poor access to health services;
- poor health infrastructure and/or coordination of services;
- demand pressures on a local emergency departments;
- high population levels of chronic disease, or large numbers of children or the elderly; or
- high population growth or anticipated high population growth.

The Government will support existing general practices, primary health care, community health services and Aboriginal Medical Services to expand services and provide accommodation for extra doctors, nurses or allied health professionals. This will facilitate the delivery of new services, potentially provide clinical training facilities, and offer GP Super Clinic style services.

A transfer of funding and policy responsibility for GP and primary health care services to the Australian Government provides potential opportunities to bring state funded community health services and Australian Government funded services together in the one setting for integrated primary health care.

Future infrastructure planning will take account of the transfer including, for example, services provided through community health.

Actions – how the Government will implement this reform

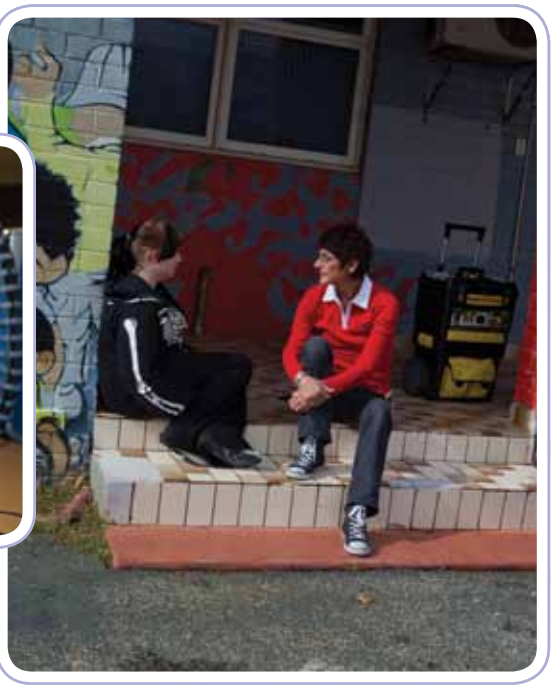
Funding processes will commence in 2010-11 with health professionals, non-government and community organisations, and other eligible parties, for the construction of around 23 new GP Super Clinics.

In addition, infrastructure grants will be provided to expand and enhance around 425 existing general practices, primary health care and community health services, and Aboriginal Medical Services to deliver team based care and GP Super Clinic style services.

What this means for patients

GP Super Clinics will provide a broad range of services that target the health needs of local communities. Patients will be able to access the range of services they need, such as allied health services, group education (e.g. for diabetes management), counselling, preventive health services, and specialist outreach in a single, convenient location. Clinics will be open for extended hours, helping to take the pressure off public hospital emergency departments.

To strengthen the physical infrastructure basis of the primary health care system, the Australian Government will make additional investments in GP Super Clinic construction and provide infrastructure funding to enhance the capacity of existing services. Funding processes for these infrastructure investments will commence in 2010-11.



Building Block 5: Financing and system performance

Financing arrangements build on the strengths of the system, identify and fill local service gaps and focus on cost-effective interventions. System performance is a core concern across the service system, with up-to-date information used to drive individual practice and system outcomes.

Providing sustainable financing and system performance arrangements, including incentives for providing care in the most appropriate and efficient setting, is a key building block for primary health care reform.

To improve financial accountability and provide a strong foundation for the reform of primary health care services, the Australian Government will:

- become the majority funder of Australian public hospitals, by funding 60 per cent of the efficient price for all public hospital services provided to public patients;
- take full funding and policy responsibility for GP and primary health care services, including over time moving to fund up to 100 per cent of those hospital outpatient services that are better characterised as primary health care; and
- require new, higher national standards and transparent reporting that will provide Australians with more information than ever before about national, state and local performance of the health system.

Having one level of government responsible for the majority of hospital funding and all of primary health care and aged care will create strong incentives to support a healthier community and reduce pressure on hospitals.

This important structural change means that the Australian Government will be responsible and accountable for the strategic direction, planning and public funding of all primary health care. This change will:

- improve the efficiency of the system;
- reduce cost shifting and blame shifting, as the Australian Government will be clearly accountable for GP and primary health care services;

- provide a platform for making services better coordinated and more responsive to the needs of patients; and
- make it easier for patients to receive the services they need, improving patient outcomes.

These new arrangements will help underwrite the sustainability of the health system, better balance fiscal responsibilities across the federation and lead to economy-wide efficiencies.

As a key part of Australia's health financing arrangements, Medicare - with its underpinning principle of universal access to a patient rebate for certain health services - remains a fundamental tenet. In the future Medicare rebates will continue to support those things they were designed to support - rebates linked to fee-for-service arrangements for access to specific episodes of care for treatment of illness and ill-health.

For other aspects of care, however, the Medicare Benefits Schedule (MBS) is not always the most appropriate financing tool. Fee-for-service arrangements under Medicare are less effective in providing care and producing better health outcomes for hard-to-reach, at-risk and high needs groups, such as Indigenous Australians, and people with chronic conditions, mental health needs, or those who live in rural and remote areas. In these instances funding and service delivery arrangements are required which can better respond to the needs and priorities of local communities, but which remain well-integrated with a 'Medicare core'.

Performance information – including information on the Australian Government's performance in primary health care – will be publicly released to provide Australians with more information than ever before about the performance of their health system. Over time, the Australian Government will seek to strengthen the link between performance and funding.

Actions – how the Government will implement this reform

From 1 July 2011 the Australian Government will take full funding and policy responsibility for the GP and primary health care services detailed in the National Health and Hospitals Network Agreement.

In addition, the Australian Government will move over time to increase its funding contribution to 100 per cent of the national efficient price for primary health care-equivalent outpatient services provided to public patients.

Achieving the right mix of financial incentives and funding arrangements to deliver effective and flexible service delivery models at the local level is a key focus for Australian Government primary health care initiatives.

The Australian Government has committed $449.2 million over four years for a voluntary program for people with diabetes. This includes a new way of paying for services, by providing a mixture of flexible funding to manage the condition, and rewarding practices for achieving health outcomes.

The Australian Government also commits to further work with the states and territories on consideration of community health promotion and population health programs, including preventive health, drug and alcohol treatment services, child and maternal health services, community palliative care and specialist community mental health services for people with severe mental illness.

The Australian Government and the state and territory governments will work together on system-wide GP and primary health care policies to improve integration and coordination across Australian Government and state and territory funded health care services, including hospital services.

As part of the NHHN reforms, the Australian Government will introduce a new performance and accountability framework, which will include national performance indicators, national clinical quality and safety standards and new Hospital Performance Reports and Healthy Communities Reports (for more information see *Key Priority Area 4: Improving quality, safety, performance and accountability*).

What this means for patients

The right mix of financial incentives and funding arrangements will help deliver effective and flexible services at the local level. This includes the role of Medicare Locals, new arrangements to support flexible use of practice nurses across the range of primary health activities, and funding of new arrangements for after hours care that support local needs.

To create strong incentives to support a healthier community and reduce pressure on hospitals, the Australian Government will from 1 July 2011 assume full funding and policy responsibility for GP and primary health care, as defined in the National Health and Hospitals Network Agreement.

Key Priority Areas

Key Priority Area 1: Improving access and reducing inequity

Key Direction for Change

Primary health care is delivered through an integrated service system which provides more uniform quality care across the country, actively addressing service gaps and the needs of specific population subgroups.

Ensuring that all Australians can access health care that is suitable for their particular needs and circumstances at the time they need it, is one of the major challenges facing our primary health care system in the 21st century.

While many Australians experience good access to primary health care services, there are a range of areas and populations facing significant service gaps. These include people in rural and remote Australia, people with mental illness and Indigenous Australians. In addition, currently there is a significant disparity in the level of access to after hours primary health care across Australia.

The Australian Government will take full funding responsibility for all primary health care services, enabling the Government to draw services together so that they are better integrated, better coordinated and more responsive to the needs of all Australians. Changes in funding arrangements will further strengthen the delivery of care in the community, making it easier for Australians to access the services they need in the most appropriate care setting.

The Australian Government will also invest in a number of reform initiatives aimed at reducing inequity and delivering substantial and sustainable improvements in the availability of primary health care services, including access to GP care and support when required.

These will complement initiatives already introduced by the Government, such as the response to the *Report on the Audit of Health Workforce in Rural and Regional Australia*, announced as part of the 2009-10 Budget. This included a $134.4 million package to improve rural and remote workforce shortages and better target existing incentives, through the provision of additional financial and non-financial support for rural doctors.

Actions – how the Government will implement this reform

The Australian Government will invest in the following reforms that are aimed at delivering substantial and sustainable improvements in the availability of primary health care services and reducing inequity:

Improving access to after hours primary health care

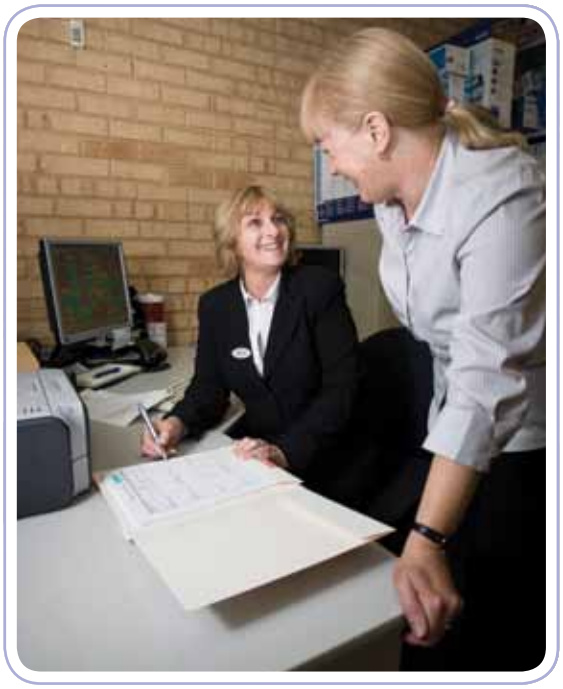
The Australian Government will improve access to after hours care across Australia. An additional $126.3 million investment over four years will be made in establishing a national after hours telephone-based General Practice medical advice and diagnostic service, and providing funding to each of the newly established Medicare Locals to ensure the availability of local face-to-face after hours GP services across their region from 2013-14.

Anyone needing to see a GP at night or on the weekend, when their usual practice is closed, will be able to contact their local GP practice and have their call automatically put through to the National Health Call Centre Network, staffed by qualified health professionals. A nurse in the first instance, and then a GP if required, will assess the patient's needs and provide appropriate advice and options. If needed, the GP will arrange for the patient to be seen by a local GP.

Medicare Locals will work with local GPs and other health professionals to ensure face-to-face after hours services are available in their region. These could include, for example, after hours clinics and GP on-call services.

Improving access to primary health care services for older Australians

The Australian Government will invest $98.6 million over five years to improve older Australians' access to GPs and primary health care services through the provision of increased incentives and flexible funding arrangements. Increased financial incentives will support GPs to provide more services in aged care residential facilities. Medicare Locals will be provided with flexible funding to address gaps in primary health care service provision to better support older Australians, whether living independently or in an aged care home.



Improving access to primary health care for people with a mental illness

The Australian Government has committed to taking responsibility for primary mental health services for people with mild to moderate common disorders, such as anxiety and depression, including those currently provided by the states. The Government has also signalled its intention to provide greater policy and funding leadership for specialist community mental health services for people with severe mental illness over time.

As a first step, the Australian Government will provide $58.5 million over four years for more flexible individual care packages supporting clinical and non-clinical care for up to 25,000 people with severe mental illness living in the community. The Government will also invest new funding of $13 million for more mental health nurses to provide services in the community and support clinical care for people with severe mental illness. Better primary mental health care will also be available to young people with, or at risk of, mental illness through new investment of $78.8 million over four years in up to 30 new youth-friendly mental services, and to provide extra funding for the existing 30 headspace sites.

Improving Aboriginal and Torres Strait Islander peoples' access to primary health care

The following initiatives under the 'Closing the Gap' initiative will deliver health improvements, define core services, implement quality improvement initiatives and develop a sustainable model of service delivery for Indigenous Australians.

- *Indigenous Chronic Disease Package ($805.5 million over four years)*

  This Package is part of the National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes. This Package provides targeted prevention activities to reduce the burden of chronic disease in Aboriginal and Torres Strait Islander peoples. It will also improve access to primary health care focussed on the detection and ongoing management of chronic disease, as well as essential follow-up care by specialists and allied health professionals.

- *Closing the Gap in the Northern Territory ($131.1 million over three years)*

  The Australian Government's continued efforts and substantial funding for the expansion of primary health care services in the Northern Territory will contribute to closing the gap in this jurisdiction in partnership with the Northern Territory Aboriginal Forum.

- *National Partnership Agreement on Indigenous Early Childhood Development ($564 million over six years)*

  The National Partnership Agreement commits $564 million over six years from 2008-09 to support Indigenous early childhood development. Under this agreement the Department of Health and Ageing contributes $107 million under Element 2 to increase access to antenatal care, pre-pregnancy and teenage sexual and reproductive health services, and $90.3 million under Element 3 for New Directions Mothers and Babies Services, whilst state and territory Governments contribute $75 million over the life of this national partnership.

What this means for patients

Primary health care reforms are aimed at improving the availability of services and reducing inequities, including for people needing after hours care, older Australians, people in rural and remote areas and Aboriginal and Torres Strait Islander people.

To reduce health inequities, the Australian Government will invest in a number of reform initiatives aimed at delivering substantial and sustainable improvements in the availability of primary health care services.

Key Priority Area 2: Better management of chronic conditions

Key Direction for Change

Improved continuity and coordination of care, particularly for those with chronic disease, including through a comprehensive national approach to chronic disease management, tailored and delivered locally.

Chronic disease is estimated to be responsible for more than 80 per cent of the burden of disease and injury suffered by Australians.

More than half of all GP consultations are with people with a chronic condition.

Of the estimated 731,000 potentially preventable hospital admissions in 2007-08, around 32 per cent of these were related to complications from diabetes.

Better management of chronic disease is essential to reduce the burden on hospital care.

To respond to the rapidly rising incidence of chronic disease, the Australian Government will transform the way patients with chronic disease are treated, beginning with Australians with diabetes. As part of delivering the National Health and Hospitals Network, the Australian Government will invest $449.2 million over four years to transform the way Australians with diabetes are treated.

This initiative is a key element of the Australian Government's health reform agenda and a direct response to the priority areas identified in the Draft National Primary Health Care Strategy and the work of the National Health and Hospitals Reform Commission.

Actions – how the Government will implement this reform

Under these new arrangements, patients diagnosed with diabetes will have the option of enrolling with a GP practice of their choice to receive high quality coordinated care and help them access a range of additional services (such as a dietician or podiatrist). Enrolled patients will be assisted to maintain and improve their health, with GP practices for the first time being rewarded for meeting performance benchmarks.

The patients' GP practice will:

- become responsible for managing their care, including by developing personalised care plans;
- help organise access to the additional services they need, such as care from a dietician or podiatrist as set out in their personalised care plan; and
- be paid, in part, on the basis of their performance in keeping their patients healthy and out of hospital.

This means a single practice will be responsible for ensuring that patients who choose to enrol are able to access services from a wide range of health professionals. Practices will be able to use the new arrangements and government funding flexibly to coordinate the full range of services that patients need. Importantly, patients will continue to be able to see a GP of their choosing, for example, if they are on holiday in a different city.

The diabetes initiative will include a performance framework under which practices will be rewarded if their patients' health improves. GPs will be paid to help patients manage their condition over time, and ensure they can access the kind of care they need.

The new arrangements for coordinated care for patients with diabetes will reduce the costs associated with managing the complications of diabetes and of unnecessary hospital admissions.

The Australian Government recognises this is a new direction in primary health care and will work closely with the professions and consumers on the development of the implementation details.

The Government may move over time to include other chronic diseases in these arrangements, where this is clinically appropriate, and as early evidence from this initiative becomes available.

What this means for patients

A new approach to management of chronic disease, starting with diabetes, will benefit patients by ensuring that:

- their GP is supported to manage their condition and keep them healthy over time, rather than just treating the presenting symptoms;
- they have access to the services they need to manage their condition; and
- their care, which will often involve multiple health professionals, is coordinated to meet their needs.

Under the coordinated care for patients with diabetes initiative, it is expected that:

- more than 4,300 General Practices, covering around 60 per cent of all general practices, will sign-on to the program by 2012-13, its first year of operation; and
- approximately 260,000 patients with diabetes will be voluntarily enrolled in a personalised care program by 2013-14.

Key Priority Area 3: Increasing the focus on prevention

Key Direction for Change

Strengthen the existing framework for promotion, prevention and early intervention in primary health care, to encourage more systematic approaches, with regular recall and follow-up, coordinated and integrated with other preventive activities, including a focus on improving health literacy, within local communities.

General practice and other primary health care are the frontline of Australia's health system. More than 85 per cent of Australians see a GP at least once a year. Medicare subsidises more than 110 million visits to GPs each year. This makes the primary health care setting a key environment for delivering primary and secondary prevention measures.

Actions – how the Government will implement this reform

There are a number of key initiatives and building blocks that will increase the focus on prevention and strengthen the capacity of primary health care to undertake preventive care. These include:

Establishing a National Partnership on Preventive Health with the states and territories

Under the National Partnership Agreement, the Australian Government is making available $872.1 million over six years for a range of initiatives targeting the lifestyle risk factors of chronic disease. This is the largest single commitment to health promotion by an Australian government.

A key element of the National Partnership Agreement on Preventive Health is the establishment of the Australian National Preventive Health Agency. The Australian National Preventive Health Agency, once established, will support the Australian

Government and Australian Health Ministers with evidence-based policy, manage social marketing activities targeting obesity and tobacco consumption, and provide national leadership in research and surveillance.

Taking full policy and funding responsibility for primary health care, including primary and secondary prevention programs

As part of the National Health and Hospitals Network Agreement, the Australian Government will take full funding and policy responsibility for primary and secondary prevention programs for early intervention and care coordination that focus on the management of patients with chronic disease in the community.

By December 2010 the Australian Government will undertake further work with states and territories to determine their respective responsibilities in regard to health promotion and population health programs, including preventive health.

Establishing primary health care organisations (Medicare Locals)

The Australian Government is funding the establishment of a network of primary health care organisations (Medicare Locals) across Australia ($290.5 million over four years). It is envisaged that Medicare Locals will play a key role in delivering health promotion and preventive health programs targeted at risk factors in communities. They will be supported in this role by the Australian National Preventive Health Agency, once established, which will develop and disseminate national guidelines and standards.

Medicare Locals provide the platform that will allow better planning and delivery of prevention programs to the community.

Building the capacity of the primary health care workforce

To build greater capacity to undertake preventive health in the primary health care setting, the Australian Government is making major investments to boost the primary health care workforce, including reforming support for, and funding of, nurse positions in general practice.

From 2011-12 the Government will introduce a new Practice Nurse Incentives program to expand and enhance the role of practice nurses ($390.3 million over four years). This initiative will support nurses to undertake a broad range of prevention activities, such as health assessments, health promotion and advice, educating patients on lifestyle issues, and managing recall and reminder systems.

Developing Healthy Communities Reports

A Healthy Communities Report will be developed for each Medicare Local's local area, as part of the performance and accountability arrangements built into the new National Health and Hospitals Network. This Report will cover:

- preventive health risk factors and other measures of community health and wellbeing;
- access to GP services and out of hours GP care; and
- the extent to which the health system is working in a coordinated way.

Enhancing tobacco control

Recognising that smoking is a major cause of poor health in Australia, particularly among disadvantaged groups, including Indigenous people, the Australian Government is taking specific action to reduce tobacco consumption.

The Government will legislate to restrict or prohibit the use of tobacco industry logos, colours, brand imagery or promotional text on tobacco product packaging, other than brand names and product names, in a standard colour, font style and position.

In addition, the Government will invest $27.8 million over four years (2010-11 to 2013-14), in an anti-smoking campaign that will target and aim to reduce the high smoking rates among people in high-need and highly disadvantaged groups who are hard to reach through mainstream advertising.

To reduce smoking rates and discourage young people from taking up smoking, the Government has implemented a 25 per cent increase in tobacco excise, above normal CPI adjustments, with the proceeds to be spent on health and hospitals ($5 billion over four years).

High rates of Indigenous smoking are being addressed under the Indigenous Health National Partnership, with $161 million over four years available to tackle chronic disease risk factors, including smoking.

A complementary Indigenous Tobacco Control Initiative, with commitment of $14.5 million over four years from 2008-09, is researching effective anti-tobacco strategies in Indigenous communities, trialing and evaluating innovative community projects and offering smoking cessation training to staff working in Indigenous health.

Australian Health Survey

In a partnership arrangement with the Department of Health and Ageing and the National Heart Foundation of Australia, the Australian Bureau of Statistics will undertake the Australian Health Survey, which will be the most comprehensive study of the health of Australians ever undertaken.

Collectively the measures outlined above will put in place the framework to build preventive care into the system at the primary health care level.

What this means for patients

General practice and primary health care professionals will be supported to implement approaches to health risk reduction and management across local communities. A greater focus on prevention and a more systematic approach to preventive care will help to ensure that Australians are supported to maintain optimum health.

The Australian Government will support and strengthen the capacity of primary health care to undertake preventive care, through:

- establishing the Australian National Preventive Health Agency;
- funding primary and secondary prevention programs for chronic disease;
- improved coordination and targeting of prevention activities through Medicare Locals;
- primary health care workforce initiatives;
- improved accountability through Healthy Communities Reports; and
- measures to reduce tobacco consumption through changes to packaging and campaign activity.

Key Priority Area 4: Improving quality, safety, performance and accountability

Key Direction for Change

Establish a strong framework for quality and safety in primary health care, based on improved information and quality assurance systems to support measurement, feedback and quality improvement for providers, and greater transparency for consumers and funders.

The Australian Government will use its position as the majority funder of health and hospital services in Australia to impose strong national standards for primary health care performance. These national standards will clearly reflect the high expectations that all Australians have of their health and hospital services. As part of its national leadership role, the Australian Government will insist on higher national performance standards, more consistently applied across the country, with new targets backed up by explicit financial rewards and penalties.

Underpinning quality and safety, and primary health care policy more broadly, the Australian Government will maintain its commitment to primary health care research, both through funding for research capacity, and through the use of research-based evidence to inform policy and practice.

Actions – how the Government will implement this reform

The Australian Government, in conjunction with states and territories, will establish a strong framework for safety and quality in health care, including:

Developing a new performance and accountability framework for the National Health and Hospitals Network

The Network will have a new performance and accountability framework, which will include:

- national performance indicators already agreed through COAG in the 2008 National Healthcare Agreement (NHA) to report on national trends and the performance of all jurisdictions; and
- national clinical quality and safety standards developed by the Australian Commission on Safety and Quality in Health Care.

Creating new national governance functions for the health care system, including the establishment of a new National Performance Authority (NPA)

The NPA will be established from 1 July 2011 as an independent Commonwealth statutory authority, covered by a legislative charter which sets out the functions for the NPA and arrangements to secure its continued independence.

The NPA will monitor the performance of primary health care organisations (Medicare Locals) against agreed performance measures and standards to identify high performing organisations and to facilitate sharing of innovative and effective practices. The NPA's reports will allow comparative analysis across jurisdictions to identify best practice.

Reporting to the public through Healthy Communities Reports

The Government will develop a Healthy Communities Report for each Medicare Local's catchment area. This report will include, on a nationally consistent basis, local and regional area information covering:

- preventive health risk factors and other measures of community health and wellbeing;
- access to GP services and out of hours GP care; and
- the extent to which the health system is working in a coordinated way, for example, through the number of avoidable hospital admissions, and trends in this information over time.

The Government will work with GP and other primary health care stakeholder groups and the National Preventive Health Agency to develop the Report structure.

At the local level these changes will involve a move to a more performance based focus, with a greater emphasis on improved patient outcomes. Continuing investment in quality improvement through peer-based learning and support will assist general practices to better utilise their data to improve their patients' outcomes.

Overall, nationally consistent and independent performance monitoring at the local level will:

- identify high performing general practice and other primary health care services;
- facilitate sharing of effective and innovative practices; and
- incorporate strong national service standards and financial performance standards to increase accountability and drive improved patient outcomes.

Continuing the role of the COAG Reform Council (CRC)

The role of the independent CRC will be continued, with the following functions:

- providing clear, transparent and regular public reporting on all jurisdictions' performance;
- providing an independent assessment of whether predetermined performance benchmarks have been achieved prior to reward payments being made; and
- advising COAG on changes that might be made to improve performance reporting against the NHA performance indicators.

Expanding the role of the Australian Commission on Safety and Quality in Health Care (ACSQHC)

The existing governance and funding arrangements of the ACSQHC will continue. It is intended that the role of the ACSQHC will expand, subject to detailed agreement on the scope and financial implications by Health Ministers.

The ACSQHC will develop new national clinical standards and strengthened clinical governance that will support clinicians to lead the drive towards continuous improvement in quality and safeguarding high standards of care.

What this means for patients

Based on national standards for primary health care performance and Healthy Communities Reports at the Medicare Local level, Australians will be able to access transparent and nationally comparable performance data and information on health services.

As majority funder of health and hospital services, the Australian Government will require strong national standards and transparent reporting.

A combination of enhanced data collection and reporting and local initiatives will provide clinicians with rich information to reflect on their own practice and drive continuous quality improvement.

Moving to our 21st Century Primary Health Care System

The reforms being introduced by the Australian Government will transform what is currently a disparate collection of interdependent primary health care services into a more cohesive system, providing the opportunity to improve cost-effectiveness and drive evidence-based clinical practice.

Underpinning the Strategy are new governance arrangements for the health system under the National Health and Hospitals Network, which will drive improved health outcomes for the community. Taking full policy and funding responsibility for primary health care means that the Australian Government will be able to draw services together so that they are better integrated, better coordinated and more responsive to consumer's needs. Patients will find it easier to navigate the system.

Producing this level of change is significant and will require support and engagement across all levels of government, the private sector, the community and health professionals.

The Strategy recognises that these changes will take time - that new systems and infrastructure take time to implement and inevitably evolve over time - and that health professionals need support to develop new skills and new ways of working together. A key principle is to ensure that the quality and safety of our services is maintained throughout.

The implementation of the Strategy will include challenges: for health professionals and health care organisations to adopt new ways of working; for governments to develop new approaches, including to service delivery and aspects of funding; and for consumers to influence and engage with change.

The Strategy provides a sound basis for more detailed planning as the Australian Government takes on full responsibility for primary health care funding and policy. The key initiatives outlined will collectively drive major change across the system. Together, these changes will ensure a strong and effective primary health care system, underpinning a National Health and Hospitals Network for Australia's future.