

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.

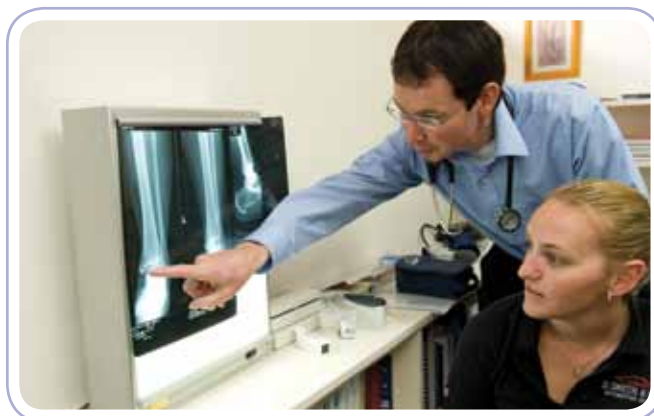
The personally controlled electronic health record system supports the National Health and Hospitals Network's objective of delivering

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

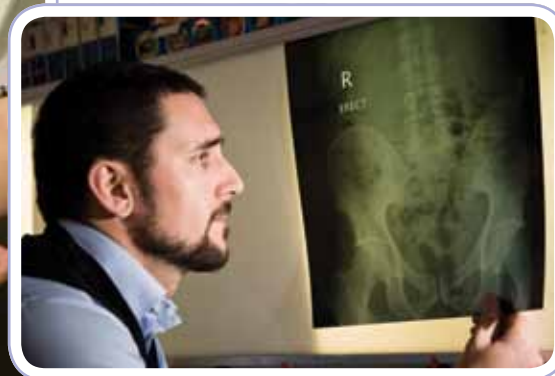
The Australian Government will continue to support NEHTA in developing national eHealth foundations and standards through COAG funding of \$218 million to June 2012. In 2010-11 NEHTA will develop national eHealth standards to support the electronic transfer of prescriptions.

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.

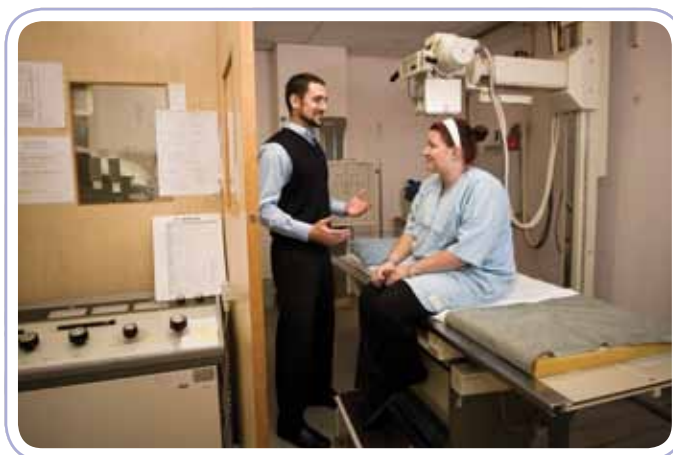
Infrastructure is a key building block for primary health care reform in Australia. It is an important catalyst for new models of primary health care delivery that provide a more extensive array of services in a single location. Appropriate infrastructure enables and supports integrated services delivered 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

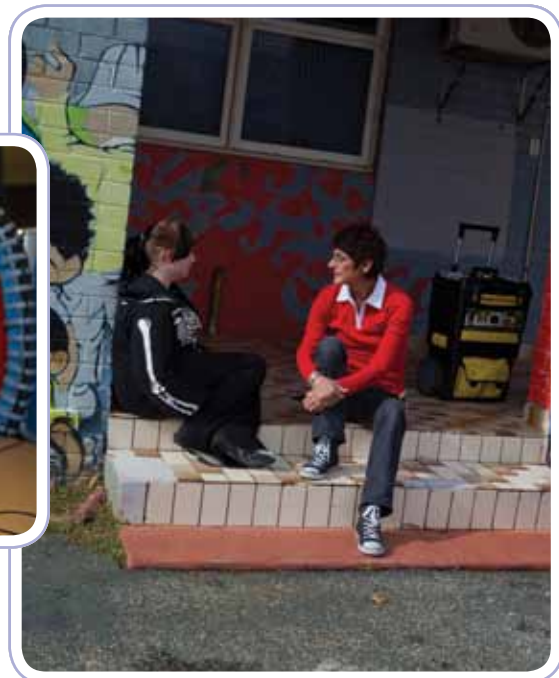
Funding processes will commence in 2010-11 with health professionals, non-government and community organisations, and other eligible parties, for the construction of around 23 new GP Super Clinics.

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.