

Commonwealth Legislation: National Health Reform Agreement

Recognises that:

- i. the States are the system managers of the public hospital system; and
- ii. the Commonwealth has full funding and program responsibility for aged care (except where otherwise agreed) and has lead responsibility for GP & primary health care.

Australian Government

State/Territory Governments

Implementation monitoring via National Standing Council on Health and COAG processes.

National Bodies

**General Practice/
Primary Health Care**

Aged Care & Disability

Public Hospital Systems

- Independent Hospital Pricing Authority
- National Health Performance Authority
- Australian Commission on Safety and Quality in Health Care
- National Preventive Health Agency
- Mental Health Commission
- Medicare Local Australia

- Establishment of Medicare Locals (a national network of primary health care organisations to promote coordinated GP and primary health care service delivery) replacing the national network of General Practice Divisions
- Other related reforms including changes in PHC performance monitoring/reporting.

- The Commonwealth will take full funding, policy, management and delivery responsibility for the aged care system covering basic home care through to residential care.
- Among the changes will be operational responsibility for basic community care services for people aged 65+ (50+ for Indigenous Australians).

- Establishment of Local Hospital Networks (termed Local Health Districts in NSW).
- Sole management of the relationship with Local Hospital Networks to ensure a single point of accountability in each State for public hospital performance, performance management and planning.

Key elements

- The use of activity based funding (to be based on an agreed national efficient price) is to be used to improve public hospital efficiency.
- National standards of clinical care will be developed through *the Australian Commission on Safety and Quality in Health Care*.
- The aim of the *National Health Performance Authority* is to improve health care performance reporting. It will report quarterly on the performance of every Local Hospital Network, the hospitals within it and every Medicare Local, through new Hospital Performance and Healthy Communities Reports which will be available on the Internet.
- Medicare Locals will, among other functions, have responsibility for assessing the health needs of the population in their region, for identifying gaps in GP and primary health care services and putting in place strategies to address these gaps.
- Medicare Locals will engage with the following stakeholders to enable their views to be considered when making decisions on service delivery at the local level, or service and capital planning at the State level:
 - a. other Medicare Locals to collaborate on matters of mutual interest;
 - b. Local Hospital Networks; and
 - c. the local community and local clinicians, particularly in the area of safety and quality of patient care.
- The Commonwealth will develop by December 2012 a national strategic framework to set out agreed future policy directions and priority areas for GP and primary health care, informed by bilateral work on state-specific plans for GP and primary health care, with state-specific plans to be completed by July 2013.
- The Commonwealth has released a range of other initiatives to support improvements in the primary health care system including GP Super Clinics, e-health initiatives such as the personally controlled electronic health record and telehealth, the practice nurse incentive and the after-hours medical care programs.
- The commonwealth and states will share program responsibility for community care and residential care services for Indigenous Australian clients aged 50 to 64 years, who will be eligible to receive services from an appropriate provider under programs of either level of government.

Comment:
Details on how the national governance agencies will work together or with relevant external groups to deliver improvements in the Australian health system are yet to be released.

Comment:
Significant collaborations and resource sharing are needed if Medicare Locals are to meet their strategic objectives and community identified primary health care needs.

Comment:
The agreement states that commonwealth and states will share responsibility for providing continuity of care across health services, aged care and disability services to ensure smooth transitions.

Comment:
The Commonwealth is responsible for working with each State/T on state-wide GP and primary health care planning; however the risk that the primary and secondary health systems will operate separately still exists.