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MINISTER FOR HEALTH AND AGEING

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*****CHECK AGAINST DELIVERY*****

The Rudd Government's Health Reform Agenda

Australian Health Care Reform Alliance

Fourth Biennial National Health Reform Summit

Acknowledgments

Traditonal Owners - Wurrunjeri

Fiona Armstrong, Chair of AHCRA Summit

John Dwyer, Founding Chairman AHCRA

Thank you for the welcome and for inviting me to open this Fourth Biennial National Health Reform Summit.

This is a great time for a summit like this as I can't recall a time when so much reformist thinking has been supported and encouraged by a Government. We want your ideas and input, and so I wish you well in your deliberations.

Conferences like this, and organisations like the Australian Health Care Reform Alliance, have an important role in pressing for improvements to our health care system.

Usually that means giving some stick to politicians and before the last election you didn't fail in that duty.

Out of 12 possible points, the Alliance gave the then Coalition Government's health policies 3 points and the Labor Opposition 6 points.

I'll go as far as to say you got the rankings right, and I hope to persuade you that Labor's ranking was well underdone.

All that is history of course.

It is still no doubt your job to critique and urge change but in the relatively short time we have been in office, I believe the Government has done a lot to meet your concerns.

We came to office with the Australian health system under severe strain and in serious need of refurbishment. Twelve years of abject neglect leaves us with a huge job.

We moved rapidly to plug obvious holes – like the counterproductive blame game between the States and the Commonwealth and under-resourcing of public hospitals.

And to address Indigenous disadvantage, starting with the very important apology to the Stolen Generations – and following with mums and bubs programs, alcohol abuse reduction programs and most recently funding to deal with the problem of trachoma.

For twelve months we gradually invested more in many areas – bowel cancer screening, subsidised insulin pumps for kids, breast care nurses - turning around programs that were failing, increasing GP numbers and getting more money into rural health infrastructure. And implementing some big reforms like the new national organ donation and transplantation plan and the Health and Hospitals Infrastructure Fund.

All pretty good stuff! Projects that many of us have been only able to talk about until we got into Government. It's great to be able to turn these ideas into concrete action.

But perhaps the most dramatic step forward came at last November's meeting of the Council of Australian Governments, where a new National Healthcare Agreement was signed.

The new Agreement delivers $64.4 billion into health - an extra $22.4 billion over the last Australian Health Care Agreements and a higher rate of annual indexation – 7.3 per cent into the future.

That goes some way towards meeting one of the major objections levelled – rightly – at the last Government: chronic underfunding for public hospitals. This is a 50% increase on what the Howard Government had previously delivered.

And the fact that it was all done in a genuine spirit of co-operation and goodwill between the Australian Government and each state and territory. There was none of that old childish blame game of "the system's broken, and somebody else broke it and somebody else needs to fix it" rubbish.

This was perhaps the first time in living memory that the old State/ Commonwealth script was ditched.

At the end of the day it's all of our responsibility to do whatever we can within our grasp, be it governments, health professionals, and of course, consumers of health care.

But this COAG health funding boost, as significant as it is, is not our whole reform story. It is what went with the dollars. Investment is vitally necessary – but alone it is not enough. And that is why we tied the funding to specific reforms.

First and foremost, the States and Territories will be required to report on key problem areas in hospitals - like avoidable deaths and infection rates. Activity based mechanisms will be implemented – in some states for the first time. These are important foundation tools that allow future reforms.

One of the most common critiques of our health system is that it fails both to correct its inadequacies, and to repeat its successes. Stringent performance reporting encourages, and makes possible, both of these.

I should note here that for this to work at its optimum, it will ideally extend across all hospitals – and so I am keen to include private hospitals in this reporting.

The Alliance has been a long standing advocate of consumer involvement in the health system – and this sort of information helps empower consumers and governments alike, so we can really see how the system is running.

Much of the funding is tied to specific purposes, as well. For example:

· A one off immediate injection of $750 million will help support the operations of our emergency departments - essential, given the pressure they are now under;

· Over $800 million for antenatal care, maternal and child health and chronic disease to close the life expectancy gap between Indigenous and non-Indigenous Australians, and halve the gap in mortality rates for Indigenous children under 5 years;

· $1.1 billion to train more nurses, doctors and other health professionals – the lifeblood of our health system;

· $500 million as a one off contribution in 2008-09 to support more sub acute care, which will help many older people leave hospital and help free up hospital beds; and

· an $872 million commitment to prevention – obvious to the Alliance which has advocated for prevention as a high priority, but quite revolutionary from a governmental standpoint in that massive funding is now a reality.

Importantly, the new National Healthcare Agreement is about improving health systems. It will result in better integration of health services across the

federal-state divide and across the spectrum from preventative care to primary care and acute care.

This is the first time one of these agreements recognises that health does not start or end at the hospital door – it is a continuum, from birth to death, across jurisdictions and across care levels.

These are important reforms – and a taste of what is to come.

For while these were immediate, and will start to deliver dividends, we have also moved quickly to start the process of lasting long-term reform.

National Health and Hospitals Reform Commission

This is why we set up the National Health and Hospitals Reform Commission, which released its Interim Report a couple of weeks ago (Feb 16).

The report has certainly turned up the heat in the health reform debate.

I would remind you that this is not the Government's report. The Commission is comprised of ten talented professionals, who are very independent, and have different opinions. The report includes some quite ambitious options as well as some ideas which are in line with directions the Government is already heading in.

The report, as you will all know, outlines three governance options for the health care system, but does not yet come down behind any particular one – they are calling for comment and feedback.

The Commission is still seeking input and I'm sure the Alliance and also many of you in the audience will be putting forward your views.

The Report builds upon our existing work on activity-based funding for hospitals, going much further and suggesting this must be a crucial aspect of further reform. I couldn't agree more with this broad sentiment – without a clear focus on outcomes and outputs, rather than inputs and process, our health system stands little chance of advancing from the state it is currently in.

The report also makes clear that the Commission feels a Commonwealth takeover of all elements of primary care is crucial.

Under that heading, it then floats other potential reforms.

Establishing Denticare funded by a new tax is one.

Another is a national rollout of Comprehensive Primary Care Centres, which build upon our investments in our GP Super Clinics policy. We believe superclinics will play an important role in expanding team-based, multidisciplinary care across Australia – but the Commission's ideas take our concept much further.

Yet another option is voluntary enrolment at clinics for patients who particularly require continuity of care, like the chronically ill, an interesting proposal.

In among these suggested directions for reform, the Commission makes one thing clear: we must focus more on primary care if we are to get better health outcomes and deliver and sustain the reforms the system needs.

I'm excited that our early investments, the evidence and now the Reform Commission are all pointing in this direction – as an area where a huge amount can be achieved in terms of health outcomes.

A key tenet I have in my mind for any changes we might make is that if we can invest effectively in primary care, in the front line, and reshape it to meet the community's needs, then this will benefit individuals, and it will relieve our hospitals of some of the pressure they are currently under.

Other reform processes

This conclusion – that some of the most important changes that we can make to improve health outcomes will be outside hospitals – is reflected in much of the Government's agenda such as:

· implementing the national registration and accreditation process for 9 medical and health professions across the country

· COAG reforms through new National Partnership Agreements on preventative health, health workforce, Indigenous health and Indigenous early childhood development, Indigenous economic participation, remote Indigenous housing and service delivery;

· the development of Australia's first ever National Primary Health Care Strategy;

· a National Preventative Health Strategy – to be released in the middle of this year, focussing initially on obesity, tobacco and alcohol – and ranging far outside the traditional health system to encompass schools and workplaces;

· a review of the Medical Benefits Schedule - to reduce red tape for doctors and give more support to preventative health care;

· a review of maternity services released in the last couple of weeks, with the aim of providing women with more choice, and supporting an expanded role for midwives; and

· the development of a national e-health strategy to underpin all reforms and help consumers become more active participants in their healthcare.

Consultation processes are also under way on other new areas like developing a Men's Health Strategy, as well as revisiting and sharpening key areas like the Fourth National Mental Health Plan.

You might say this is a reform-rich environment!

These reform processes have already had a positive impact in raising awareness about the need to change our attitude to medicine and make prevention a part of mainstream health care.

The public debate is shifting, and with it, the way everyone will approach health policy – consumers, health professionals, stakeholders.

So we have already made progress.

It is refreshing to see the media begin to focus on prevention, and on big picture health reform – because it realises that it has a government that is serious about it for the first time.

Of course, my desire to shift this debate more onto frontline care and prevention is not to ignore hospitals. But we can't fix what goes on inside a hospital without setting up the right structures and access to the right mix of services outside of its walls.

Indigenous Health

A good example of this is in our priority area of Indigenous health. Here, the Rudd Government is determined to make a difference – and most of it needs to be focussed on care in our community, as early as we can in the health care continuum – not waiting till patients with advanced stage kidney disease present at our hospitals.

This Government has set high level targets to close the gap on Indigenous disadvantage. These targets are backed by annual reporting which commenced last Thursday when the Prime Minister addressed the Parliament.

The thing that is most clear is that there is a big job ahead of us.

But it is our responsibility, our duty, to do what we can to end what the Prime Minister described as "the obscenity of the 17-year gap in life expectancy."

Most notably in health, in November last year, the Commonwealth announced $805.5 million (over four years) from 2009-10 as its contribution to the COAG $1.6 billion Indigenous Health National Partnership.

This major investment will help prevent and better manage chronic disease, which accounts for some two thirds of the premature deaths among Indigenous Australians by: tackling chronic disease risk factors; improving chronic disease management in primary care; improving chronic disease

follow up care; and increasing the capacity of the primary care workforce to deliver effective health care to Indigenous Australians. Similarly our early investments in early childhood development.

The fundamental ingredient in all of this is not money but determination. Don't misunderstand me – significant, effective investment is crucial – as are programs that work. But ultimately, whether we succeed will be dictated by our own will, and by the courage of many thousands of Australians, as we work together to remove what has for too long been a blight on our national landscape.

Conclusion

So I hope I have convinced you that the Alliance's pre-election 6 out of 12 is a little low – and that the Rudd Government is doing a great deal to improve our health system.

It's fair to say that the Government is examining and analysing all aspects of the health system, from primary care through to tertiary acute hospital care, with determination, to find out what must happen to make things better.

On this basis alone we must certainly rate a 12 for effort!

It might be too early for a final report card, and I'm well aware that when you open the reform box, there are many strong and contrary opinions about what should be done.

Many of you here will agree with me on some things and think we ought to go further in some areas, or perhaps change direction in others.

There are a few who will oppose almost anything we try. This is all very healthy debate and I would expect nothing less.

We want to build on what the evidence tells us works best, and then deliver it through strong partnerships.

For my part, it's a privilege to be able to initiate reform and to play a part in such energetic debate.

Thank *you* all for being such a big part of it.

And thank you again for having me here today.

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