



# Australian Health Care Reform Alliance

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## **Health Alliance welcomes new chronic diseases care plan but proof will be in the pudding**

The Australian Health Care Reform Alliance (AHCRA) today welcomed the Federal Government's proposed new approach to care for people with chronic disease.

"This plan is a radical break with current practice with potentially major benefits for consumers " said Tony McBride, Chair AHCRA. "However enabling the proposed pilot scheme will require a sophisticated, sufficiently resourced implementation approach. And the involvement of private health insurance carries the danger of moving Australia further towards a two-tier primary health care system."

AHCRA welcomed two key elements of the proposal as particularly significant. The first is the break with fee-for-service payment for practitioners in favour of block grants and bundle payments. This should free GPs and others to offer much more flexible and appropriate care to people with chronic diseases. It should enable GP practices and other professionals to use a multidisciplinary team approach much more: something the research has shown offers high quality care in a more effective and efficient way.

The other element is the principle of seeing consumers as partners in care, rather than merely as recipients of care. This is an important recognition that practitioners and consumers need to work together as equals in order to address illness and improve health. While not new to some practitioners, it is far from routine in our current system.

AHCRA does have concerns about the involvement of private health insurance companies in this trial. Apart from the real risk of complicating what will already be a complex implementation, it also risks being a foot in the door to funding GP services and eventually a two tier primary health care system – better quicker care for those who can afford private health insurance, subsidised by those who do not have PHI and self-insure.

AHCRA also has concerns regarding the funding of the pilot as the advisory group charged with design, implementation, and evaluation has not even been formed yet. As to long term funding it is suggested it will be cost neutral. Theoretically this should be possible but there is also extra work required in a trial - more data collection, more communication etc – but GPs' incomes are also being reduced through frozen Medicare rebates at the same time. More short term funding may be required, especially as the approach has not been specifically costed by the Advisory Group..

Lastly the trial needs time to be established and bed down before it is evaluated. The Coordinated Care Trials of the 1990s showed some of the potential of this approach but they were evaluated far too early, as if expected to pass Year 12 exams when only in Year 8. AHCRA hopes the Government has learnt this lesson.

"Overall, this is a very important move forward for primary health care as long sufficient support and smart implementation and evaluation are part of the grand design," Mr McBride concluded.

### **Contacts**

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*\*AHCRA is a coalition of over 20 national and state organisations, including those representing the medical profession, nursing, allied health, rural and remote health, health services and consumer groups*