National Health Reform

25 March 2013

The Commonwealth and all State and Territory Governments have agreed to national reform of Australia's health system over the next five years. The reforms aim to improve health outcomes and ensure the sustainability of the health system.

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Overview of National Health Reform

What's changing?

*New **funding arrangements** for public hospital. Hospitals funded for the services they provide (activity-based funding). An independent body to set the "efficient" price of services. Commonwealth to fund half of efficient growth costs.
***Local Health Networks** (LHNs) - new administrative structures for public hospital and some health services. In NSW, 15 Local Health Districts (LHDs) have replaced the former 8 Area Health Services.
***Medicare Locals** (MLs) - new independent regional organisations to coordinate access to local primary health care services. They will have similar geographic boundaries to LHNs.
***Aged Care** becomes the full responsibility of the Australian Government, including Home and Community Care (HACC) aged care, except in Victoria and Western Australia.
*New **performance and monitoring framework** for hospitals and health care services.

When will it happen?

*Reforms are being progressively implemented from 2009/10.
*NSW Local Health Districts introduced on 12 May 2011 replacing the Local Health Networks established on 1 January 2011.
*62 Medicare Locals are being established nationally in three phases. The first 19 Medicare Locals (4 in NSW) commenced July 2011. A further 18 (5 in NSW) commenced in January 2012, with the remainder (9 in NSW) starting in July 2012.
*HACC Triennial Plans cease 30 June 2011. Commonwealth progressively assumes funding and operational responsibility for HACC aged care by 1 July 2012.
*Activity-based funding for hospitals from 1 July 2012.

What does it mean for NGOs?

*Health NGO grants to be funded and administered by a central NGO Unit in NSW Health.
*Relationship and engagement opportunities with Medicare Locals
*Funding and policy for some primary health care services transferred to Commonwealth

*All aged care services funded by the Commonwealth, and basic community care services funded by the State. No substantive changes to service delivery until 2015.

Current Developments

National

Health reform (general)

*__1 August 2011__: *National Health Reform Agreement*. The Australian Government has signed a new agreement on national health reform with all states and territories finalising the revised in-principle agreement made in February.
*__June 2011__: *National Health Reform - Delivering Outcomes for Australians* - Commonwealth's assessment of progress towards key National Health Reform milestones as at 1 June 2011
*__13 February 2011__: The Commonwealth and all State and Territory Governments made a new Heads of Agreement outlining their in-principle commitment to health reform. A new, revised National Health Reform Agreement is due to be made by 1 July 2011.
*__19-20 April 2010__:The Council of Australian Governments (COAG), excluding Western Australia, signed the National Health and Hospital (NHHN) Agreement to reform Australia's health care system.

Medicare Locals

*__July 2012:__ A final total of 61 Medicare Locals now established nationally, with 17 in NSW.
*__4 November 2011:__38 new Medicare Locals to be established nationally in 2012. There are an additional 14 in NSW: 5 starting on 1 January, 7 on 1 July and 2 still to be determined.
*__1 July 2011:__ New boundaries announced for a total of 62 Medicare Locals nationally.
*__6 June 2011:__ AGPN announced the first 19 Medicare Locals to be operational across Australia by 1 July 2011, with 4 in NSW: Western Sydney, Hunter Urban, New England and Murrumbidgee.
*__22 February 2011:__ Tenders to establish Medicare Locals have opened. Applications for Medicare Locals to commence in July 2011 close on 5 April 2011. Applications for Medicare Locals to commence in 2012 close on 19 July 2011.
*__December 2010:__ The boundaries for 42 Medicare Locals and 46 LHNs have been agreed, except for Victoria and Western Australia.
*__October 2010:__ A discussion paper on the governance and functions of Medicare Locals has been released for comment.

Consumer and community engagement

*__February 2011:__Health Consumers NSW has been established as a new independent peak health consumer organisation to provide the voice of health consumers in shaping policy and service.
*__February 2011:__Our Health, Our Community Project. Consumers Health Forum has received funding over three years to train and support a network of 120 consumer representatives to contribute to the governance structures of the National Health and Hospitals Network.

NSW health reform

Governance review of NSW Health

*__August 2011__: Report on the future governance arrangements for NSW Health announced. A new smaller Ministry of Health focusing on systems-wide policy, funding and performance will replace the Department of Health. Functions will be devolved to the LHDs and 4 pillar agencies. The three mid-layer 'Clusters' will be abolished. An overview of the key changes is outlined in the Q&A - General.

Local Health Districts (formerly Local Health Networks)

*1 July 2011: New membership of NSW Local Health Boards announced.
*12 May 2011: Local Health Districts governed by Local Health Boards introduced to replace LHNs.
*April 2011: The new NSW Coalition Government will introduce legislation to replace the LHN's and Governing Councils with Local Health Districts governed by Local Health Boards in line with its policy, Making It Work by 1 July 2011.
*1 January 2011: Local Health Networks commenced replacing the 8 former Area Health Services. There are 15 geographic LHNs, 8 in the Sydney metropolitan region , and 7 cover rural and regional NSW. In addition, three functional LHNs are being established for Children's and Paediatric Services, Forensic Mental Health, and St Vincent's public health services.
*22 November 2010: Three Clinical Support Divisions, Northern, Southern and Western, will be established to each support a group of 5 Local Health Networks.
*5 November 2010: Chairs of the LHN Governing Councils were announced.

Resources

NCOSS

Publications

*NCOSS Interim report on not-for-profit community sector organisations' engagement with Medicare Locals: Summary of Roundtable discussions (March 2013)
*Briefing paper: Medicare Locals (January 2013)
*NCOSS Health Reform Forum Report (3 March 2011)
*Briefing Paper: Analysis of the Heads of Agreement on National Health Reform (February 2011)
*Factsheet: COAG Heads of Agreement on National Health Reform (February 2011)
*Factsheet: National Health Reform - what's changed? (February 2011)
*NCOSS News Article: Hello LHNs, Goodbye AHS (February 2011)
*Briefing Paper - Analysis of the National Health and Hospital Network Agreement (April 2010)
*Briefing Paper (Summary): Analysis of the National Health and Hospital Network Agreement (April 2010)
*Factsheet: National Health and Hospital Network Agreement (April 2010)

Presentations

GPNSW: Understanding and working with General Practice information sessions held 12 and 19 August 2011

*Presentaton by Carla Saunders, GPNSW

NCOSS Forum on National Health Reform in NSW, held 3 March 2011

*Combined Presentations by: Graeme Head (National Health Reform Transition Office), Dr Richard Matthews (NSW Health), Jan Newland (GP NSW), Solange Frost (NCOSS)
*DoHA (Graeme Head) presentation on National Health Forum
*NSW Health (Dr Richard Matthews) presentation on National Health Reform
*GPNSW (Jan Newland) presentation on National Health Reform

Submissions

*NCOSS Submission: Independent Hospital Pricing Authority's discussion paper on a draft pricing framework *Activity based funding for Australian public hospitals: Towards a Pricing Framework* (February 2012)
*Development of new flexible funds for Medicare Locals (January 2012)
*NCOSS Submission on the Personally Controlled Electronic Health Record (PCEHR): Legislative Issues Paper (August 2011)
*Joint COSS Submission on the governance and function of Medicare Locals (November 2010)
*NCOSS Submission on the governance and functions of Medicare Locals (November 2010)

*NCOSS Submission on Implementing the National Health Reform in NSW (September 2010)
*NCOSS Submission on A National Health and Hospitals Network for Australia's Future (April 2010)

Government

COAG Agreements

*National Health Reform Agreement (August 2011)
*Heads of Agreement on National Health Reform (February 2011)
*National Health and Hospital (NHHN) Agreement (April 2010)

Australian Government publications

*National Medicare Local map (July 2011)
*NSW regional Medicare Local map (July 2011)
*NSW metro Medicare Local map (July 2011)
*National Health Reform - Delivering Outcomes for Australians
*Improving Primary Health Care for All Australians (February 2011)
*Boundaries for Medicare Locals and LHNs in NSW (December 2010)
*Medicare Locals - Discussion Paper on Governance and Functions (October 2010)
*A National Health and Hospitals Network for Australia's Future - Delivering the Reforms

NSW Health publications

*Activity based funding in NSW (February 2012)
*Future Arrangements for Governance of NSW Health
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Full Report of the Director-General
*Q&A - General overview

*Map of Local Health Networks (Metropolitan)
*Map of Local Health Networks (Regional)
*Map of Clinical Support Divisions
*Role of Clinical Support Divisions and Local Health Networks
*Discussion Paper on Health Reform in NSW (August 2010)

Other Publications

*Understanding and Working with NSW Medicare Locals, October 2012 (GPNSW)
*PCEHR program: Components Operation and Implementation, February 2011 (NEHTA)
*List of corresponding NSW Local Health Districts to Medicare Locals, August 2011 (GPNSW)
*Factsheet: Primary Health Care Reform - bringing it all together, July 2011 (GPNSW)

Links

*E-Health information, including personally controlled e-health records (National E-Health Transition Authority)
ehealthinfo.gov.au
*YourHealth Australian Government website on health reforms
yourhealth.gov.au
*NSW Health website on health reform
health.nsw.gov.au/initiatives/healthreform/index.asp
*General Practice NSW - peak body for the NSW GP Divisions Network
gpnsw.com.au
*Our Health, Our Community Project (Consumers Health Forum)

ourhealth.org.au
*Consumers Health Forum - Our Health, Our Community Project
chf.org.au/our-health-our-community-project.php
*Croakey blog on health reform
blogs.crikey.com.au/croakey/category/health-reform

Contact us

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