

## gpns summary - 2010 Federal Budget

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### General overview

At first glance, the health funding announcements in the 2010 Federal Budget have a significant focus on general practice and primary health care.

The Budget provides funding appropriations of \$7.3 billion over five years to implement the commitments made by the Australian Government to the Council on Australian Governments (COAG) National Health and Hospitals Network (NHHN) Agreement and other recent health reform related announcements. Around \$2.2 billion over four years of this funding is earmarked for primary health care initiatives.

The Budget is the culmination of the Federal Government's first term health reform agenda and pulls together its response to the three major reviews commissioned into the Australian health system:

- the report of the National Health and Hospitals Reform Commission (NHHRC): *A Healthier Future for all Australians*
- A draft of Australia's First National Primary Health Care Strategy: *Building a 21st Century Primary Health Care System*
- A National Preventative Health Strategy: *Australia: The Healthiest Country by 2020*.

The summary policy document, *A National Health and Hospitals Network for Australia's Future: Delivering Better Health and Better Hospitals*, can be downloaded at:

<http://www.yourhealth.gov.au/internet/yourhealth/publishing.nsf/content/report-redbook>

It contains a description of each measure, an overview of delivery milestones, a summary of the funding appropriations for each measure and a response to the NHHRC final report.

The Department of Health and Ageing (DoHA) is establishing a Transition Office to implement the NHHN measures and is also commissioning an independent strategic review of its capability to ensure it has the skills and structure to fulfill its ongoing and new functions under the reform agenda.

### Primary Health Care Organisations

The Budget papers advise that in 2010-11, the Australian Government, through the National Health and Hospitals Network, will provide funding to establish primary health care organisations (PHCOs) – announced as a network of *'Medicare Locals'* in the Budget papers. PHCOs will be independent legal entities, with strong links to local communities, health professionals, service providers and non-government organisations. They will promote regional integration, one of the key building blocks in the National Primary Health Care Strategy.

According to the budget papers, PHCOs will make it easier for patients to navigate their way through the health system. They aim to improve the planning and coordination of services at the local level, support the delivery of a range of primary health care initiatives, including addressing service gaps and inequities, and improve collaboration between practitioners and service providers across the health system. PHCOs are also expected to improve patients' access to after-hours primary care services.

The first 15 PHCOs are expected to commence operation by 1 July 2011, with the remainder to be in place by 1 July 2012. The Government has given a commitment that PHCOs will be built on the existing Divisions of General Practice with the capacity to take on the roles and functions expected of PHCOs. At this stage we don't know how many PHCOs will be formed in SA.

The budget papers state that over the next few years PHCOs (*Medicare Locals*) will replace the current Divisions of General Practice Network. Commencing in 2010-11, transitional arrangements will be introduced to support the network during the health reforms, and to ensure a smooth transition for programs and services to be delivered through the new PHCOs.

### Key budget measures

Following is a summary (rather than an analysis) of the main headline measures in the Budget that are relevant to general practice and General Practice Network South (**gpns**).

**Relevant weblink(s)** [www.health.gov.au/budget2010](http://www.health.gov.au/budget2010)

**General Practice and Primary Care: Provision of total funding over four years of \$291 million to establish a network of independent primary health care organisations (PHCOs), called 'Medicare Locals' as part of the new National Health and Hospitals Network.**

This includes \$60 million one-off transition funding (with about \$10 million expected to be available in 2010-11) and \$230 million in recurrent funding over the four years – this recurrent funding is to be ongoing and in addition to the current funding to Divisions.

The budget initiative has been combined with the new *After Hours Program*, which includes funding of \$126 million over the next four years, to give a combined total of \$416.8 million. The following figures combine the two programs, although the exact breakdown is still to be clarified.

Funding provision for both the PHCO transition and the after hours program commences in 2010-2011 with \$14 million (some of the extra funding on top of the PHCO transition fund is expected to be directed to the National Call Centre Agency to expand its role). Funding provision in successive years is indicated to be \$66.6, \$156.5 and \$179.7 million respectively.

The PHCOs will have similar, but extended roles to current Divisions. They will play a strong role in promoting regional integration, one of the key building blocks in the National Primary Health Care Strategy. They will also improve the planning and coordination of services at the local level, improve collaboration between practitioners and service providers across the health system and support the delivery of a range of primary health care initiatives, especially addressing service gaps and inequities.

Like existing Divisions, PHCOs will be independent legal entities, with strong links to local communities, health professionals, service providers and non-government organisations.

The PHCOs will also be responsible for improving patients' access to after-hours services. This is being used as an example by government of the kinds of added value which PHCOs can bring to local communities.

**\$467 million over 2 years to fund an opt-in secure personally controlled electronic health record system.**

Funding will support infrastructure, governance and standards development with a focus on delivering early benefits for patients and health care providers. These are the foundation steps required to successfully deliver the electronic health record.

From 1 July 2012 electronic health records will be made available to Australians who choose to register for one. Implementation of the system will initially focus on people who have the most contact with the health and hospital system. These include complex and chronic patients, older Australians, Aboriginal and Torres Strait Islander peoples and mothers and their newborn children.

It is expected that primary health care systems, including those in general practice, will be among the first to be able to populate an electronic health record. General Practice and the broader primary health care sector will need support in order to adopt foundation infrastructure such as Healthcare Identifiers and prepare their clinical systems and IM processes for populating the electronic health record.

**Primary Care Infrastructure: \$355.2 million investment over three years for the construction of around 23 new GP Super Clinics and to upgrade and extend approximately 425 existing general practice and primary health care facilities to improve team-based care and extend the delivery of GP Super Clinic style services across Australia.**

Clinics may include capacity for services provided by visiting medical specialists, as well as capacity and opportunity for clinical training and education. GP Super Clinics will also be open for extended hours.

Funds will be available through infrastructure grants which will be offered through a mix of direct and competitive funding arrangements. Grants will particularly benefit communities with high levels of chronic disease, and subpopulations with significant health care needs, such as children and the elderly. The requirements for accessing these grants are unclear at this stage.

Commencing in 2010-11 DoHA will implement funding processes with health professionals or organisations, non-government and community organisations, and other eligible parties. The existing National Rural and Remote Infrastructure Program will continue.

**Relevant weblink(s):**

[http://www.health.gov.au/internet/budget/publishing.nsf/Content/2010-11\\_Health\\_PBS\\_sup1/\\$File/Outcome%20-%20Primary%20Care.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/2010-11_Health_PBS_sup1/$File/Outcome%20-%20Primary%20Care.pdf) (pages 214 – 215)

**Health Workforce: \$390.3 million over four years to support almost the equivalent of 4600 full time practice nurses in general practice under the Practice Nurse Incentive Program (PNIP).**

Under the new Practice Nurse Incentive Program, GPs in urban areas will be eligible for funding to help employ practice nurses for the first time. Annual incentive payments of \$25,000 per full time GP for a registered nurse and \$12,500 for an enrolled nurse will be made available to eligible accredited general practices from 2010-11.

This measure includes a weighting for rural and remote practices (up to 50% in very remote practices) and is capped at a maximum of five FTE GPs (i.e. \$125,000 for a metropolitan practice with five or more GPs).

However, current funding for practice nurses through the Practice Incentive Program 'practice nurse incentive' and the Medicare Benefits Schedule practice nurse items will be redirected to this funding stream from 1 January 2012. This means the **removal** of all existing MBS practice nurse items 'for and on behalf' of a GP (items 10993-10999 e.g. immunisation, wound care, Pap smears) after 31 December 2011.

All other MBS GP services, where a practice nurse assists a GP in delivering a service and the GP claims – such as assisting with health assessments or care planning – remain unchanged by the PNIP. In these circumstances, a GP can continue to use a practice nurse to assist in delivering care, within the relevant MBS guidelines and can claim the relevant MBS item.

**Relevant weblink(s):**

[http://www.budget.gov.au/2010-11/content/glossy/health/html/health\\_overview\\_01.htm](http://www.budget.gov.au/2010-11/content/glossy/health/html/health_overview_01.htm) or  
<http://www.health.gov.au/budget2010>

**Health workforce: \$103.1 million to better support nurses working in aged care settings.**

- \$59.9M to provide incentive payments to existing aged care workers to upgrade their qualifications
- \$21.0M to fund an additional 600 enrolled nurse training places and 300 registered nurse scholarships over four years – for aged care nurses to upgrade their skills
- \$18.7M to trial new models of care to expand and improve the role of nurse practitioners in aged care
- \$3.5M to explore regulation of personal care workers and assistants in nursing in aged care, through the National Registration and Accreditation scheme.

**Relevant weblink(s):**

[http://www.budget.gov.au/2010-11/content/glossy/health/html/health\\_overview\\_01.htm](http://www.budget.gov.au/2010-11/content/glossy/health/html/health_overview_01.htm) or  
<http://www.health.gov.au/budget2010>

**Health workforce: Support for nurses and allied health professionals to train and work in rural areas.**

- \$34.1M over 4 years for rural locum programs to support 3,000 nurses and 400 allied health professionals to take leave to attend CPD.
- \$6.5M to provide 400 additional clinical training scholarships over 4 years for allied health students in rural and regional areas.

**Health workforce: \$13.0 million over 2 years to employ 136 mental health nurses.**

**Relevant weblink(s):** <http://www.health.gov.au/budget2010>

**Health workforce: \$640 million to deliver an additional 5,500 training places for GPs, 680 medical specialists and 5,400 pre-vocational general practice program (PGPPP) training places over the coming decade.**

Funding is to:

- double the number of places for medical graduates to training to become a GP to 1,200 a year by 2014
- more than double the current number of places for medical graduates undertaking training to become specialist doctors in private, community and rural settings from 360 to 900 by 2014
- double the number of places available for junior doctors to experience a career in general practice before they become a fully fledged doctor to 975 places a year by 2014.

**Relevant weblink(s):** <http://www.health.gov.au/budget2010>

**General Practice and Primary Care: Total funding of \$449 million over 4 years to reduce the health impacts of chronic disease on patients and the broader community through commencement in 2010-11 of a nationally consistent chronic disease program for people diagnosed with diabetes.**

From July 2012, patients can voluntarily enrol with their general practice for proactive management of their diabetes and other primary health care needs. The \$1200 fixed annual payment will cover the cost of providing GP services and purchasing other allied health services (packages of care). The Government has stated that PHCOs are likely to hold \$250.00 of this payment to support practices to access allied health providers under this measure.

Incentives will be available for GPs to achieve targeted levels of health care and outcomes as part of this initiative. The Government's new funding will cover services required for patients, including the cost of routine GP visits for ongoing primary health care, and chronic disease care provided by the patient's GP and allied health professionals.

**Relevant weblink(s):**

[http://www.health.gov.au/internet/budget/publishing.nsf/Content/2010-11\\_Health\\_PBS\\_sup1/\\$File/Outcome%20-%20Primary%20Care.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/2010-11_Health_PBS_sup1/$File/Outcome%20-%20Primary%20Care.pdf) (Pages 216 – 217)

**Prevention: \$872 million investment previously appropriated from COAG's National Partnership Agreement on preventive health.**

The initiative will tackle lifestyle related risks that cause chronic disease, with a particular target on smoking and especially on the current high Indigenous smoking rates.

The overall target is to reduce adult daily smoking rates from 16.6% to 10% by 2018. Other measures to achieve this goal also include:

- An increase on tobacco excise by 25% above normal CPI adjustments
- Legislation to mandate plain packaging cigarettes
- Implementation of the largest yet national public education campaign on smoking

**Relevant weblink(s):**

[http://www.coag.gov.au/intergov\\_agreements/federal\\_financial\\_relations/docs/national\\_partnership/national\\_partnership\\_on\\_preventive\\_health.rtf](http://www.coag.gov.au/intergov_agreements/federal_financial_relations/docs/national_partnership/national_partnership_on_preventive_health.rtf)

**Sustainable access to medicines: Savings to taxpayers of \$2.5 billion over five years through negotiation of health agreements that will deliver better value for money and continue to provide Australians access to essential medicines.**

Savings will help fund the Government's \$7.3 billion investment in health and hospital systems as part of the National Health and Hospitals Network.

Key features of the Fifth Community Pharmacy Agreement are:

- Freeze on the pharmacy dispensing fee indexation in 2010-2011 and 2011-2012 (saving to taxpayers of \$1.0 billion over five years).
- Ensuring PBS medicines are available within 24 hours no matter where people live. (\$968.7 million allocated).
- Funding of improved services to consumers, including medication reviews, provision of dose administration aids, and to fund pharmacists to identify and resolve patients' medication related issues.
- Safer prescriptions, through \$82.6 million in e-prescription incentives.
- Patient charter that outlines the roles and responsibilities of the pharmacist and pharmacy, and the expected level of patient care.
- A total investment of \$15.4 billion, to ensure pharmacies will continue to dispense medicines to all Australians and provide a range of programs and services.

The Memorandum of Understanding (MoU) negotiated with Medicines Australia aims to ensure that taxpayers get a better deal on PBS medicines, and provide the pharmaceutical industry with certainty.

The MoU will save taxpayers about \$1.9 billion over five years, particularly by extending price disclosure to take advantage of discounting of off-patent medicines including generics. (i.e. this means that when the prices drop through competition, the price the Government pays for PBS medications will also drop).

The Government will also fund a \$10.0 million generic medicine awareness campaign to assure consumers that different brands of the same medicine have the same clinical effect.

## Sustainable access to medicines: Aboriginal and Torres Strait Islander Programs.

Section 100 Support allowances to remote Area Aboriginal Health Services\*

- \$14.4 million allocated. The allowance is paid to approved pharmacies and approved hospital authorities to improve the quality use of medicines by clients of remote Aboriginal Health Services that participate in the S100 supply arrangements.

*QUM framework to support rural and urban Aboriginal health Services\**

- \$11 million. The allowance will enable pharmacies to work with rural and urban Aboriginal health Services to improve the quality use of medicines by clients of those services that participate in the Council of Australian Government's PBS co-payment measure.

*Aboriginal and Torres Strait Islander Pharmacy Workforce\**

- \$3.5 million. The program focuses on strengthening and supporting the Aboriginal and Torres Strait islander pharmacy workforce which in turn will provide improved, culturally appropriate pharmacy services for the Aboriginal and Torres Strait Islander patients.

\* The design of the Program will be considered in the context of the findings of evaluation of the corresponding program under the Fourth Agreement.

**Relevant weblink(s):**

<http://www.health.gov.au/budget2010>

<http://www.guild.org.au/content.asp?id=2809>

## Mental Health: New headspace and youth friendly services.

\$79 million over four years to deliver up to 30 new **headspace** youth friendly services and provide extra funding for the existing 30 **headspace** sites. This will improve access to support early intervention services for young Australians aged 12-25 with, or at risk of mental illness. Around 20,000 more young people each year will get help once the 30 new sites are fully established.

The location of the 30 additional sites will be identified by the Commonwealth in consultation with state and territory governments and key stakeholders. Areas that headspace does not currently reach – particularly areas with high levels of mental illness or social disadvantage – will be prioritised. **headspace** sites will work with Primary Health Care Organisations (PHCOs) to ensure strong referral pathways and care coordination.

Telephone and web-based mental health services for young people will also be expanded. These modes of delivering services have proven to be effective in reaching and supporting young people. Approximately \$3 million per year will be provided to expand these services. They will complement the services that will be provided through the new and expanded **headspace** sites.

**Relevant weblink(s):** <http://www.health.gov.au/budget2010>

## Mental Health: \$26 million over four years, in partnership with interested states and territories, to establish the Early Psychosis Prevention and Intervention Centre (EPPIC) model on additional sites.

Developed by Orygen Youth Health in Victoria, EPPIC is a service that provides intensive clinical and non-clinical support for at-risk young people with emerging early psychosis.

Up to 3,500 young people aged between 16 and 25 years and their families will benefit from improved detection of, and earlier treatment and support for, early psychosis. This will reduce their risk of homelessness and will improve their employment and educational opportunities. Patients will get treatment sooner, and their families will be able to access support, education and expert advice.

The EPPIC model has shown great promise as an early intervention model in Victoria. Its expansion will help inform the management of early psychosis within mental health services and to help promote and demonstrate best practice models of care.

The specific new sites will be agreed with the relevant state governments and will be located in areas where there is a high incidence of youth mental health problems and sound infrastructure and capability, including inpatient beds, and backup services.

**Relevant weblink(s):** <http://www.health.gov.au/budget2010>

**Mental Health: \$58 million over four years to deliver care packages to better support up to 25,000 people with severe mental illness.**

People with severe mental illness who are currently being managed in primary care need coordinated care through which they are linked to the clinical and social support that is available. The Government will redirect funding from the *Better Access* initiative to care packages to better support up to 25,000 people with severe mental illness. These packages will be delivered through the current *Access to Allied Psychological Services* (ATAPS) arrangements which will receive an extra \$58 million over four years. Funding and packages will be broadly distributed to services on a per capita basis.

Under the new arrangements, people with severe mental illness referred to ATAPS by a GP or a psychiatrist will be able to access a package of care tailored to their individual needs. They will also be able to access a case manager who will closely work with the GP or psychiatrist and will help individuals navigate the clinical and social support they need. Stronger links will be put in place with other services for people with severe mental illness such as the Support for Day to Day Living Program and with the Mental Health Nurse Incentive Program to enable appropriate packages to be developed.

However, it was announced that MBS items for social workers and occupational therapists under *Better Access* would cease from 1 July 2010 for new clients. A subsequent meeting between the Australian Association of Social Workers and Health Minister Nicola Roxon, led to the Government announcing it would defer the introduction of the care packages and any associated changes to fee-for-service Medicare arrangements until 1 April 2011.

Social workers and occupational therapists are eligible providers under the existing ATAPS program, and are also expected to be among the key providers under the new care package arrangements, particularly in the provision of case management to people with severe mental illness.

**Relevant weblink(s):** <http://www.health.gov.au/budget2010>

**Mental Health: \$13 million over two years to increase the number of mental health nurses.**

Mental health nurses play a valuable role in providing more flexible mental health services in the community. They can work in a range of community based and health settings, such as general practice, private psychiatrist and other mental health services. They help provide coordinated clinical care to people with severe mental illnesses.

The Commonwealth's funding will increase support through the Mental Health Nurse Incentive Program (MHNiP) which provides payments to appropriate providers and organisations which engage mental health nurses.

This investment aims to increase the number of mental health nurses supported by the program from 652 up to 788, providing an estimated additional 11,700 services by the end of 2011-12.

**Relevant weblink(s):** <http://www.health.gov.au/budget2010>

**Mental Health: \$1.6 billion to support 1,316 additional sub-acute care beds.**

This measure will support more 'step up, step down' sub-acute services for people with mental health needs, easing their transition from acute care to the community.

Community-based residential mental health services will provide an alternative to hospitalisation. They will also provide support for transition to the community for recently discharged patients with severe mental illness whose conditions have stabilised but who still require a level of ongoing care. Care provided could include specialist clinical services and a range of rehabilitation and support services depending on the needs of the individual. They would link to other appropriate services, including hospitals and acute care, drug and alcohol services and community and social services.

The Government's \$1.6 billion investment in sub-acute care beds will also support the provision of additional 'step up' and 'step down' sub-acute services for people with mental health needs, easing their transition from acute care to the community.

**Relevant weblink(s):** <http://www.health.gov.au/budget2010>

**Mental Health: Support for Drought Affected Communities Initiative.**

\$ 5.3 million one year extension of the Drought Initiative to Divisions such as **gpns** currently funded under the Initiative.

**Relevant weblink(s):**

[http://www.health.gov.au/internet/budget/publishing.nsf/Content/2010-11\\_Health\\_PBS\\_sup1/\\$File/Outcome%20-%20Primary%20Care.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/2010-11_Health_PBS_sup1/$File/Outcome%20-%20Primary%20Care.pdf)

**DVA: Investment of \$152.7 million in expanding community-based health services aimed at Australian veterans and war widows with specified chronic conditions and complex care needs and at risk of hospitalisation.**

Local Medical Officers (LMOs) will receive new payments for preparing and implementing care plans, including coordinating care for participating veterans. A practice or community nurse will support the veteran, including by care and service coordination, chronic disease self management support and home visits.

**Relevant weblink(s):** [http://minister.dva.gov.au/media\\_releases/2010/may/VA024.pdf](http://minister.dva.gov.au/media_releases/2010/may/VA024.pdf)