



# Australian Health Care Reform Alliance

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## **MEDIA RELEASE**

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### **Positive foundations but plenty of building bricks yet to come**

The Chair of the Australian Health Care Reform Alliance (AHCRA), Tony McBride, says yesterday's COAG meeting made real progress towards providing Australians with an improved health system even though there was "too much focus on the bottom of the cliff rather than mending the fences at the top".

"There were some significant improvements which will have long-term positive consequences but too many decisions – and dollars – were focussed on meeting the short-term demands of the States including funding for hospitals. This was at the cost of other far-reaching reforms which could have provided greater future pay-offs for consumers," Mr McBride said.

"However, it should be recognised that it was an act of considerable foresight and courage for Health Minister Nicola Roxon and the Prime Minister to take on this complex reform process in a highly contested environment, at the behest of many groups including AHCRA, in an election year. Despite some disappointments at the content, congratulations are in order for pushing so hard to reach this historic moment."

AHCRA welcomes a range of the agreed proposals with some qualifications:

- the shift in the centre of gravity of health system funding from the States towards the Commonwealth which is an essential precondition to enable a more consistent and equitable system to grow;
- increases to funding which will have a longer term impact, eg: the Commonwealth funding 60 per cent of hospital activity as well as capital and research costs; national funding of aged care and primary health care; and the flexible approach to rural hospitals;
- adopting the casemix model which will require extreme care in its implementation;
- new money for mental health – including greater emphasis on early intervention with young people which is crucial – with more detail on proposals and more funding needed;
- increased funding for aged care which is welcome although insufficient; and
- national monitoring on quality and performance.

However, AHCRA also sees significant flaws in the aid package, especially in relation to the agreed structures which Mr McBride fears will lead to limited reduction in bureaucracies.

“Although national funding of the entire primary health care system is significant, the actual steps towards a better system are modest. Crucially the proposal lacks a strong vision. Is it moving towards a system based on comprehensive team-based primary health care to keep people well and out of hospital, or is it a slight re-adjustment of the current fragmented system?” Mr McBride asks.

“Nor does it spell out how the current maldistribution of services will be addressed, or the inequitable costs to consumers. But it does bring general practice and community services under the same umbrella – an essential step – and modestly moves towards more integrated care for people with diabetes.”

Mr McBride also believes it will be difficult to judge whether Primary Health Care Organisations (PHCOs) will be able to lead necessary reform and coordination without knowing what funding and other levers they will have.

“Some of the promised high level of hospital funding is really just plugging short term gaps – not tackling basic problems. The really big gaps to date are the lack of focus on some absolutely crucial areas such as prevention, dental, the need to improve Indigenous health and involve consumers and communities in a much more significant way in how care is organised and delivered,” he said.

“How these changes are implemented will be crucial, especially how the size of the Local Hospital Networks and PHCOs will be determined (they need to be big enough to be effective), and how well they include professionals and consumers.”

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