The Royal Australasian College of Physicians

The RACP Federal Budget submission is a significant piece of work produced by the RACP, representing the policy priorities of the Fellows and trainees of all Divisions, Faculties and Chapters.

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College of Physicians

RACP Submission:
Federal Budget 2015-2016

February 2015

Executive Summary

Australia's healthcare system faces many challenges; demographic change, the burden of chronic disease, the rising costs of healthcare, and the need for greater involvement of patients and their carers in their health decisions. Whilst Australia is internationally recognised as delivering high quality care within an affordable system, both these aspects are increasingly coming under pressure.

Australia needs a system that not only supports, but drives and enables high quality care. We need a system that has a workforce that matches patients' needs, is efficient and integrated, and that makes better use of technologies. We also need to ensure that healthcare is accessible to all. Health inequities continue to persist for Aboriginal and Torres Strait Islander peoples, rural and remote communities, older people, and people from lower socio-economic backgrounds.

The Royal Australasian College of Physicians (RACP) supports policies that put patient outcomes, patient care and patient safety at the heart of the system, whilst driving efficiencies and smarter ways of working.

To this end, and to ensure the future viability of Australia's world class healthcare system, the RACP makes the following recommendations:

Recommendations

The Specialist Training Program (STP)

1. The government continues funding the Specialist Training Program (STP), and include funding allocation out to 2019 in the upcoming Federal Budget.
2. Contractual arrangements for STP for 2016 onwards are progressed immediately.

Indigenous Health

3. The government continues to support access to specialist services via the MBS, Rural Health Outreach Fund (RHOF) and MOICDP and within its agreements with the states and territories.
4. The government commits to the necessary funding for the Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan (NATSIHP), and the inclusion of the specialist access framework within the plan.
5. That long-term secure funding be provided to the Aboriginal Community Controlled Health sector to enable their ability to deliver effective, timely and culturally appropriate services, and to build their capacity and capabilities.

Integrated Care

6. The government funds and supports a strategic approach to improving the better integration of care across the health sector.
7. That government charges an appropriate organisation or collaboration of organisations, to undertake work to develop and trial new models of care and associated funding mechanisms.
8. The government commits to an effective, long-term strategy to increase the utility, uptake and use of electronic health records and communication technologies.

End of Life care

9. The government works with key stakeholders on a national campaign to raise awareness of end of life issues and drive an increased uptake of Advance Care Planning.
10. The government develops strategies to improve access to palliative care services, and the services to support patients who wish to die at home (including those residing in Aged Care facilities).

Preventive Health, including alcohol

11. A clear, funded strategy for preventive health is implemented, with a nationally, coordinated and long-term approach and encouraging local implementation and innovation at a local level.

12. The government leads nationally consistent alcohol tax reform, particularly addressing the Wine Equalisation Tax loophole, moving to a volumetric tax system.

13. That a proportion of the increased tax raised be used to fund improved access to alcohol treatment services, necessary to break the deteriorating cycle inherent with addiction and substance abuse issues.

14. Continuing recognition within Australia's competition policy of the need to constrain alcohol price competition, and continuing exclusion of the sale of alcohol within supermarkets.

15. The government leads a national strategy to encourage public debate about Australia's drinking culture

1. Key priority areas for the Budget

2.1 Commitment to the Specialist Training Program to ensure a highly-trained future physician workforce and improved access to patient care

The Specialist Training Program (STP) is highly effective in increasing the capacity of the health system to deliver highly-trained medical specialists to meet Australia's future health needs. It is also delivering significant benefit in improving the availability of patient services, particularly in rural and remote regions and in Aboriginal and Torres Strait Islander communities.

The program supports training positions outside the traditional large, urban, public hospital sector. This enables doctors undergoing advanced specialist training a wider breadth of experience and exposure to patients and conditions not always seen in urban hospital settings. This approach to training provides a valuable learning experience and is clearly aligned with the increasing move to delivering specialist care as part of an integrated multidisciplinary team in community-based healthcare settings.

Importantly, the STP improves access to healthcare in the community as well as in regional, remote and Aboriginal communities. Given the gap in health outcomes for Australia's first peoples, and the evidence that those living in regional and remote areas experience poorer health outcomes[i], improving access to healthcare services in these areas must be a priority. The STP is a very effective way through which this can be done. Nearly a quarter of the STP positions administered by the RACP (24 per cent) directly target Aboriginal and Torres Strait Islander communities, and 55 percent of RACP STP positions rotate through rural and remote areas.

In addition to the benefits STP is delivering today, its design also means it is able to help shape the health workforce of tomorrow. It is able, for example, to support an increase in the number of training positions for general medicine specialists; an area where there is a widely acknowledged need. This is vital to ensuring Australia has the right blend of general and sub-specialists required to meet future patient needs.

Given the importance of the STP to improving access to specialist care for people living in rural, regional and Aboriginal and Torres Strait Islander communities and the crucial role it plays in training highly qualified physicians, early confirmation of the Government's plans for the program after 2015 is vital.

Recommendations

1. **The government continues funding the Specialist Training Program (STP), and include funding allocation out to 2019 in the upcoming Federal Budget.**
2. **Contractual arrangements for STP for 2016 onwards are progressed immediately.**

2.2 Aboriginal and Torres Strait Islander health

Many of Australia's first peoples continue to experience poorer health outcomes than non-Indigenous Australians, with the latest 'Closing the Gap' reporting the life expectancy gap remains close to ten years. Sustained effort and commitment is required to improve health outcomes for Australia's first peoples, and it is vital that the Federal Budget commit long-term, secure funding to the Implementation Plan currently being developed for the National Aboriginal and Torres Strait Islander Health Plan.

One aspect that must be included in the Implementation Plan is a strategy to improve access to specialist care for Aboriginal and Torres Strait Islander people. Despite the increased burden of disease within this population, MBS data shows that Aboriginal and Torres Strait Islander people access Medicare-subsidised specialist services at a lower rate than non-Indigenous Australians. In 2010-11, Aboriginal and Torres Strait Islander peoples were seeing specialists 178 times less for every 1000 people compared to the non-Indigenous community.[ii]

The government has made a long-standing commitment to supporting access to specialist care for Aboriginal and Torres Strait Islander peoples through a number of programs, including the Rural Health Outreach Fund (RHOF) and the Medical Outreach Indigenous Chronic Disease Program (MOICDP). These two programs have made significant advances in improving access to care, however as evidenced by the data and as supported by feedback from those working in this area, there remains significant gaps.

There are many regions and communities where access to specialist care is well-organised and timely; however there are also many areas where this is not the case. The current system allows the approach and coverage to be inconsistent and inequitable, and isn't conducive to these gaps in care being identified and rectified.

In August 2014, the RACP hosted a roundtable of over 30 leading Indigenous health experts and organisations, and a consensus was reached that this issue would be addressed through the development and implementation of a national framework. This framework would inform and support the implementation of a nationally coordinated and networked system for specialist care access, with complete geographical coverage across Australia. The framework is a principles-based guide, and intended to support community-led models of care designed to meet the community's needs, and ensure the inclusion of core components of best practice care for Aboriginal and Torres Strait Islander people.

It is important that the government continue to support access to care for Australia's first peoples in the form of systems such as RHOF, MOICD and access to MBS items, and also that support be given to working with key stakeholders on continually improving these systems to ensure their aims are met. We invite the government to work with the RACP and its partners to this end, and support and contribute to the development of the framework.

For the framework to be effective, it must be developed and implemented in line with other strategic initiatives in Indigenous health. The government must therefore support its inclusion within the NATSIHP Implementation Plan, currently being developed.

The involvement of Aboriginal and Torres Strait Islander communities and Indigenous health leadership is crucial to improving access to care, as is the integration of specialist care with primary health. It is vital therefore that the government recognise and support the role of the Aboriginal Community Controlled Health sector in delivering effective, timely and culturally appropriate care to Australia's first peoples. The 2015-16 Federal Budget must include a commitment to long-term, secure funding to enable the sector to continue to build their capabilities and capacity.

Recommendations

3. **The government continues to support access to specialist services via the MBS, Rural Health Outreach Fund (RHOF) and MOICDP and within its agreements with the states and territories.**

4. **The government commits to the necessary funding for the Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan, and the inclusion of the specialist access framework within the plan.**
5. **That long-term secure funding be provided to the Aboriginal Community Controlled Health sector to enable their ability to deliver effective, timely and culturally appropriate services, and to build their capacity and capabilities.**

2.3 Integrated care

Improving integration of care, both within and across sectors, is fundamental to ensuring Australia's effective and sustainable healthcare system. It is important that the Federal Budget ensures a strategic and appropriately funded approach to its key drivers, namely:

- the development of new models of care to drive and support integration and coordination of services across the different providers of care and the different care settings;
- the development of appropriate funding mechanisms to support these models of care; and
- increasing uptake and use of effective electronic health records and communications technologies.

There is increasing focus globally on integrated care as a means of driving both quality of care and improved efficiencies. In regards to **care quality**, studies have demonstrated the importance of better coordinated care for patients and its relationship to health outcomes. For instance, in terms of quality of care, one review of studies found that integrated care for chronically ill patients led to improvements in several outcomes for patients with Type 2 diabetes, chronic obstructive pulmonary disease and stroke, heart failure, depression and other mental illnesses.[iii] [iv]

In regards to **improved efficiencies**, in 2011-12, it was estimated that there were 635,000 Australian hospital admissions which were considered to be potentially avoidable. This accounted for 7 per cent of all hospital admissions.[v] Better Integrated care has the potential to substantially reduce the duplication of tests and diagnostic imaging. The expanded and improved use of electronic health records and electronic communications in particular has significant potential to substantially impact on this area.

Further improvements could be achieved by supporting increased provision of specialist services in community-based settings, rather than the highly expensive hospital setting. There are many times when it would be more appropriate, as well as more amenable, for patients to be seen in community settings, including primary healthcare centres, residential aged care facilities, and people's homes. However, at the present, the funding models do not support this. It is worth reiterating here the value of the Specialist Training Program (STP) both in appropriate training for physicians and in providing services in this way.

There are numerous benefits to enabling specialists to work more in community-based settings; including fostering and developing stronger multidisciplinary healthcare teamwork, upskilling of GPs and other primary healthcare professionals, increasing the shared development of management plans, and increased likelihood of appropriate post-discharge follow-up and care.

Recommended enablers

There are four policy 'enablers' which could help Australia achieve better integrated care.

2.3.1 New models of care

It is widely acknowledged that our current system is fragmented and not setup to offer an efficient, coordinated delivery of care to patients. This is particular impactful and costly for patients with complex and/or multiple chronic disease; a growing proportion of Australia's population.

New models of care delivery are needed that are able to transition across the multiple instances of care provided by different healthcare professionals in multiple settings. These models must aim to promote patient-centred care, encourage a multidisciplinary health team approach, and allow care to be provided at the most appropriate location in the most appropriate way by the most appropriate health professional, including increased provision of specialist care in community-based settings and increased use of technologies such as videoconferencing.

2.3.2 New funding systems

To facilitate and support these new models of care, work must be undertaken to develop and trial new funding mechanisms. In particular, consideration should be given to models that blend the current fee for service model (whether at the practitioner or hospital level) with alternative approaches such as capitation payments and bundled payments.

Funding systems are needed that encourage and reward healthcare professionals and service providers for working together. Whilst the fee for service (FFS) model is a very effective model to deal with acute instances of care, additional approaches are also needed that better address the complex and ongoing needs of many patients.

These must move away from focusing solely on the direct patient consultation time and consider and appropriately value the time and work to promote the effective and efficient delivery of care; for example the time needed to support effective hospital discharge or complex care planning. This is necessary to gain the benefits of reduced avoidable hospitalisations and duplicated, wasted services.

2.3.3 Increased use of eHealth records and electronic communications

Improving the timely flow of information between health providers, and to the patient and their carers, through better uptake and use of information systems has the potential to significantly improve both the quality and efficiency of care, and reduce duplication and wastage.

These information systems would ensure clinicians have the right information at the right time, reduce the incidence of repeated tests and diagnostics, enable the better coordination of services, reduce the potential for unsafe interactions or interventions, and support the involvement of patients, carers and families in the decision making process.

The upcoming Federal Budget must make provision for long-term, effective strategies to drive the effective use of electronic health record systems, and communications between these systems, as a priority.

Recommendations

6. **The government funds and supports a strategic approach to improving the better integration of care across the health sector.**
7. **The government charges an appropriate organisation or collaboration of organisations, to undertake work to develop and trial new models of care and associated funding mechanisms.**
8. **The government commits to an effective, long-term strategy to increase the utility, uptake and use of electronic health records and communication technologies.**

2.4 End of Life care

Whilst 70 per cent of Australians would like to die at home, only 14 per cent do so.[vi] A recent editorial in the Medical Journal of Australia described this trend of dying in hospital as "both bad care and a waste of money"[vii] and the RACP is seeking a commitment from all governments to improve the quality of care for all patients in the last 12 months of life.

2.4.2 National awareness and information campaign

A national public awareness raising campaign is required to encourage people to have conversations, both with their families and their doctors, about end of life issues and their preferences for end of life care, and to increase the uptake of Advance Care Planning.

Because talking about death and dying can be emotive and difficult, many people may avoid discussing their wishes about End of Life care in advance. This lack of planning is problematic because, when the time comes to seek a patient's preference about their End of Life treatment, they may already be too unwell to express their wishes clearly. It is vital that this situation changes and that people are encouraged to have these conversations earlier. Physician involvement and input is crucial to any campaign in this area, and the RACP would value the opportunity to contribute to its development and implementation.

2.4.3 Increased support for palliative care services

We also call on the government to dedicate resources within the Federal Budget to fund improved palliative care services for patients wishing to die at home and address the current shortage of palliative care physicians. Palliative services are associated with lower costs for end of life services than hospital-based care[viii]

Recommendations

9. **The government works with key stakeholders on a national campaign to raise awareness of end of life issues and drive an increased uptake of Advance Care Planning.**
10. **The government develops strategies to improve access to palliative care services, and the services to support patients who wish to die at home (including those residing in Aged Care facilities).**

2.5 Preventive Health

A clear, funded strategy for preventive health needs to be included in the Federal Budget. This needs to encourage a nationally, coordinated and long-term approach, while encouraging local implementation and innovation at a local level. National priorities need to be identified and targets set.

Among OECD countries, Australia ranked in the lowest third in its share of health expenditure going to preventive health in 2011, with the highest spending country being New Zealand at 7 per cent. To be effective, preventive health requires long term planning and investment.

Preventive health measures can have some of the biggest impacts on the health of a society; particularly in addressing lifestyle related chronic illnesses that are rising in incidence in Australia. There is clear, incontrovertible evidence that long-term, sustained and targeted preventive health measures can be highly effective, with many common chronic diseases amenable to measures to bring about behaviour

change. According to one estimate, over the lifetime of the 2008 Australian adult population, the opportunity cost savings of disease prevention programs to date have been approximately $2.3 billion.[ix]

One particular area of preventive health where significant improvement could be made – both in terms of health outcomes and reduced expenditure – is alcohol.

2.4.1 Reducing the harms from alcohol

Evidence demonstrates the very clear link between the amount of alcohol consumed, either in the short or long term, and the level of harm that results both for individuals and society.[x]

More attention must be given to the clear and incontrovertible evidence of alcohol-related harms and its associated costs. National, long-term and sustained policies are needed to reduce this harm, especially to our young people. These must be developed and implemented in collaboration with all levels of government – Federal, state/territory, and local government – and relevant experts and stakeholders.

Nationally consistent approach to alcohol taxation

Nationally consistent changes to the way alcohol is taxed are urgently required. Not only would these deliver much needed revenue to improve the Budget bottom line, evidence shows their success in reducing alcohol related harms and associated costs.

For example, even a minimalist change to the alcohol taxation system – to replace the misnamed Wine Equalisation Tax (which effectively taxes wine less than other alcohol products) with a volumetric excise rate equal to that for low-strength beer sold offsite – has been estimated to raise an additional $1.3 billion, in addition to reducing alcohol-related harms. It is estimated that it would also lead to net savings of $820 million in lifetime healthcare costs for the population.[xi]

Considering that the taxation revenue from sales of alcohol (approx. $8.6 billion per year)[1] is far less than the costs of alcohol-related harms ($15 billion in social costs)[2], Australia is in a position where tax-payers are subsidising drinkers.

A proportion of the additional tax raised should be used to fund improved access to treatment services, necessary to break the deteriorating cycle inherent with addiction and substance abuse issues.

Constraining easy availability and low price of alcohol

There is substantial evidence – both Australian and international – demonstrating that increased availability of alcohol leads to higher levels of both consumption and alcohol-related harm.[xii] This increased availability can result from both increased *financial* availability (that is, affordability through lower prices) and increased *physical* availability (namely, easier access to alcohol through a greater number of outlets selling alcoholic drinks).

If anything, all levels of government in Australia should be striving to introduce measures to **further restrict** the availability of alcohol and reduce its affordability. Maintaining restrictions on the availability

[1] The exact figure is around $8.6 billion a year based on 2010 data as estimated by Doran, C. et al 2013, 'Estimated impacts of alternative Australian alcohol taxation structures on consumption, public health and government revenues', Medical Journal of Australia 199(9).
[2] This estimate from Collins, D. and H. Lapsley 2008, 'The avoidable costs of alcohol abuse in Australia and the potential benefits of effective policies to reduce the social costs of alcohol', DoHA Monograph Series No. 70 is based on 2008 data and therefore the cost adjusted to 2010 figures may well be higher.

and affordability of alcohol is likely to lead to net savings in the long-term, through reductions in healthcare expenditure, not to mention expenditure by the policing and criminal justice system.

Conversation on Australia's drinking culture

We need to change Australia's drinking culture. Whilst it is recognised that alcohol confers some benefit on the community – for example, it can support social engagement and conviviality – we must recognise and reduce the damage it is doing within our community, and address the high level of expenditure it is draining from our economy.

Leadership from the Federal government is needed to drive a national conversation about alcohol and its place in our society.

Recommendations

11. **A clear, funded strategy for preventive health is implemented, with a nationally, coordinated and long-term approach and encouraging local implementation and innovation at a local level.**
12. **The government leads nationally consistent alcohol tax reform, particularly addressing the Wine Equalisation Tax loophole, moving to a volumetric alcohol tax system.**
13. **That a proportion of the increased tax raised be used to fund improved access to alcohol treatment services, necessary to break the deteriorating cycle inherent with addiction and substance abuse issues.**
14. **Continuing recognition within Australia's competition policy of the need to constrain alcohol price competition, and continuing exclusion of the sale of alcohol within supermarkets.**
15. **The government leads a national strategy to encourage public debate about Australia's drinking culture.**

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