

# Policy is easy, implementation is hard

John Menadue

*Vested interests are the main obstacles to reform,  
and the voice of the community is the main force for change*

Implementation of health care reform is difficult because serious redesign of health care runs immediately into the power of vested interests. I personally witnessed this at the birth of Medicare in the 1970s, when I was Head of the Department of the Prime Minister and Cabinet. Government archives, both federal and state, are full of health reform proposals that have never been effectively implemented because of the power of these vested interests (see the article by Leeder and Lewis in this series<sup>1</sup>).

The exercise of power in health is reflected in many ways:

- in the vested interests of bodies like the Australian Medical Association, Medicines Australia and the private health insurance companies, whose lobbying activities make union power look feeble in comparison;
- in the way the public debate is invariably between the health minister and vested interest groups, while the community is excluded;
- in the inertia of health bureaucracies that are inward-looking and very beholden to vested interests;
- in the way some ministers, particularly state ministers, are easily dominated by their departments because of the complexity of the health portfolio;
- in the way the system is always under pressure and in crisis mode because ministers will never publicly admit that we cannot have all that we want in health care, making planning for long-term change difficult;
- in the very hospital-centric nature of our health care, which has come about because many vested interests are congregated around hospitals; and
- in the way states' rights get in the way of the community's rights.

Lack of political will to contest vested interests is the major cause of failed reform. Australia is not unique — just ask Hillary Clinton, and witness the debacle in American health care today.

In light of the way power is exercised in the health sector, what can be done in implementation?

The federal Health Minister should stand back from day-to-day crisis management and focus on longer-term redesign of health services, including strategies for improving population health and developing a whole-of-government approach that embraces the social determinants of health. The main cause of poor health is poverty. The Minister should, wherever possible, be prepared to devolve and delegate greater responsibility and decision making to professional and independent organisations (eg, Medicare, the Pharmaceutical Benefits Advisory Committee) and people, and let them explain and defend what they are doing on behalf of the Minister. The Minister should avoid the media loop in which vested interests try to dominate with their own agendas.

The Minister should have a clear role in government in all decisions affecting health, such as housing, jobs, transport and education. She is the Minister for *Health*, and not only for health services.

## Key propositions

- Implementation of health care reform requires political skill and will to contest vested interests and to promote the values and interests of the community — it is a contest of power.
- The federal Health Minister must stand back from day-to-day crisis management and focus on the design problems that cause dysfunction.
- Primary care and disease prevention must be priorities.
- An independent Australian Health Commission is needed to advise the Minister and monitor the reform process. ♦

The Australian Government Department of Health and Ageing should be reshaped as a priority to enhance its economic expertise and ensure that it focuses on the community's interests. Programs should be output-focused rather than input-focused (as they are now, around inputs of hospitals, pharmaceuticals and medical services). The Department is not presently equipped to be the administrative driver of reform.

The government should elicit from the Australian community the principles that should drive health reform and thereby establish a constitution or covenant for health care (see my earlier article in this series on principles,<sup>2</sup> and another by Mooney on community consultation<sup>3</sup>).

A small, external, professional and independent Australian Health Commission should be established to monitor and advise the Minister on the implementation of its health principles and its health plan following decisions made in response to the National Health and Hospitals Reform Commission report and the national Preventative Health Taskforce. The Australian Health Commission should report to Parliament twice a year. An important role of this Commission would be public education to challenge the views of vested interests and, hopefully, to persuade the community about the case for reform. A supportive community will make political decisions easier, and the case for health reform must be won in the community.

A joint federal–state Health Commission should be established in any state where the federal and state governments can agree. The Commission would jointly fund and plan the delivery of health services in that state. Implementation would be relatively easy if there were the political will.<sup>4</sup>

The federal government should:

- wind back the \$6 billion per annum taxpayer subsidy to private health insurance companies and pay the money directly to public and private hospitals;
- expand the role of Treasury, Finance and the Prime Minister and Cabinet in the health reform process. They can bring greater rigour, an “outsider's view” and a whole-of-government approach;

## HEALTH CARE REFORM

- cease providing money without reform. For example, the increased funding of state hospitals should be conditional on significant governance and workforce reforms;
- make primary care the priority area for implementation and funding, with the rollout of 200 multidisciplinary primary health care clinics across Australia;<sup>5</sup>
- involve clinicians, but not organisations of clinicians, in the reform process; and
- urgently support the recruitment and training of good health managers.

The major issue in implementing health reform is political will to break the political paralysis that is cultivated by vested interests. Other issues are much easier to resolve. Good health policy and good health politics require the Australian Government to skilfully and resolutely reduce the power of vested interests in favour of community interests.

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