

The Rudd government's health reform 2010

Martin B Van Der Weyden

"Funded nationally, run locally"

The Rudd Labor government came to power in November 2007 promising to enact "the single biggest health reform in a quarter of a century".¹ The political rhetoric became reality in March 2010 with the release of the reform plan, *A national health and hospitals network for Australia's future*,² and the essence of the reform is evident from its catchcry, "funded nationally, run locally".

The plan outlines a scheme for funding the new order that supposedly will banish the blame game that has debilitated health care delivery in this country for far too long. The kernel of the reform is an ill-defined national health and hospitals network, but, overall, the reform package consists of three areas for reform: funding, structural changes and national standards.

As to the first of this triumvirate of reforms, the federal government will fund 60% of the efficient price of services provided to public hospital patients. The states will inherit the remaining 40% of the cost. This financial support will be funded through reallocation of revenue raised by the prevailing Goods and Services Tax. In addition, there is also a commitment to provide funding support for research and teaching.

Details of the structural proposal of local hospital networks are vague, but will consist of networks of public hospitals and other health services aggregated according to geographic or functional links. A board made up of local professionals, including doctors, nurses and other health professionals, will govern this cluster. As a major driver of quality and performance, the federal government will introduce a code of standards, which will have both negative and positive rewards for compliance.

Since its release, the proposal for national health and hospital reform has been extensively dissected and debated in the mainstream media, including in a debate at the National Press Club between the Prime Minister Kevin Rudd and the Leader of the Opposition Tony Abbott, which screened live on 23 March 2010, and was adjudicated by the notorious "worm" (which uses audi-

ence opinions to indicate which leader's argument is the most appealing). To join in this community-wide debate, the Journal has sought the views of six prominent medical and health leaders, which were published as rapid-online articles in March in the *eMJA*, but are now also published in this issue of the Journal. All commentators raised issues and uncertainties with the reform package. Overall, the verdict was that the plan lacked comprehensive details, but it is time to seek the opinions of the profession at large — the vox populi of doctors!

In a lecture to Harvard medical students in the 1920s, Francis Peabody, the famed Bostonian physician, coined a phrase that captured the essence of health care: "the secret of the care of the patient is in caring for the patient".³ The Rudd reform package is more about the structural processes and mechanisms of health care delivery than caring for the patient. We await the verdicts of our readers.

Author details

Martin B Van Der Weyden, MD, FRACP, FRCPA, Editor
The Medical Journal of Australia, Sydney, NSW.
 Correspondence: medjaust@ampco.com.au

References

- 1 Rudd K, Roxon N. New directions for Australian health. Taking responsibility: Labor's plan for ending the blame game on health and hospital care. Canberra: Australian Labor Party, Aug 2007. http://parlinfo.aph.gov.au/parlInfo/download/library/partypol/GT1O6/upload_binary/gt1o62.pdf;fileType=application%2Fpdf#search=%2283K%20library%20rudd,%20kevin,%20mp%22 (accessed Mar 2010).
- 2 Australian Government. A national health and hospitals network for Australia's future. Canberra: Australian Government, 2010. [http://www.health.gov.au/internet/main/publishing.nsf/Content/nhhn-report/\\$FILE/NHHN%20-%20Full%20report.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/nhhn-report/$FILE/NHHN%20-%20Full%20report.pdf) (accessed Mar 2010).
- 3 Peabody FW. The care of the patient. *JAMA* 1927; 88: 877-882. □