

General practice and the Australian Government's National Health Reform Plan

Michael R Kidd

How are the government's reforms progressing, and what impact will they have on general practice?

On 24 November 2007, the people of Australia elected a new Labor government, which promised to reform Australia's health system, with a strong commitment to primary health care and general practice.^{1,2} Following the election, the National Health and Hospitals Reform Commission was established,³ along with taskforces to develop a National Preventative Health Strategy⁴ and a National Primary Health Care Strategy.⁵

Two and a half years later, the recommendations of each of these taskforces have now been delivered. The final report of the National Health and Hospitals Reform Commission, released on 27 July 2009, focused on building on "the vital role of general practice" to strengthen primary health care as the "cornerstone of a future person-centred health system".^{6,7} Following the report's release, the Prime Minister and the Minister for Health and Ageing conducted extensive consultations with health care providers and consumers across the country. The initial focus was on hospitals, but this was rapidly followed by community-based consultations, including visits to general practices.

National Health Reform Plan — stage one

On 3 March 2010, Prime Minister Rudd announced the first components of the Australian Government's National Health Reform Plan⁸ and advised the nation that the changes represented the "most significant reform of Australia's health and hospital system since the introduction of Medicare".⁹ In his speech, which outlined reforms to be achieved largely through funding, structural changes and national standards,¹⁰ the Prime Minister advised that the Australian Government would become the majority funder of public hospitals and take over responsibility for general practitioner and primary health care services.^{8,9}

As the Prime Minister entered into negotiations with the states and territories and debated concerns about the continuing federal-state sharing of responsibility for public hospital funding, the attention of the media and many commentators was firmly focused on public hospitals and the establishment of local hospital networks. However, the Plan also advised that

Currently, the Commonwealth subsidises privately provided GP and some nursing and allied health services. States provide a range of services including community health centres, subsidised GP clinics, allied health services, child and maternal health clinics, drug and alcohol services, and community mental health services... This important structural change... means that one level of government — the Commonwealth — will be responsible and accountable for the strategic direction, planning and public funding of primary health care.⁸

There was little explanation provided at the time on how this would be achieved, although the Plan advised that

The Commonwealth will take funding and policy responsibility, but services will continue to be provided by a wide range of

providers including the private sector, community organisations, local councils and state governments. MBS [Medicare Benefits Schedule] arrangements that underpin privately practising GPs will remain in place.⁸

The Plan outlined that the move to federal funding of primary health care programs currently funded and provided by states would occur from the 2011–12 financial year.⁸

National Health Reform Plan — stage two

On 12 April 2010, stage two of the government's National Health Reform Plan was released.¹¹ The Prime Minister and Minister for Health and Ageing announced the establishment of a

nationwide network of primary health care organisations [that] will support GPs and other health professionals to improve the delivery of primary care services at the local level [by] working with Local Hospital Networks to assist with patients' transition out of hospital, and where relevant into aged care; and delivering health promotion and preventative health programs targeted to risk factors in communities... Primary health care organisations will be built from the existing network of Divisions of GPs so that they don't create additional bureaucracy. The first primary health care organisations will be established by mid 2011.¹²

This was followed by the federal Budget announcement on 11 May 2010 of a "\$1.2 billion boost to GP and primary health care to deliver real improvements in frontline health services for patients across Australia" through the establishment of the network of primary health care organisations (PHCOs), investment in general practice infrastructure, a program to improve care for people with diabetes, and additional support for nurses working in general practice.¹³

Primary health care organisations

The federal Budget announcement outlined that PHCOs would be known as Medicare Locals.

The first priority of Medicare Locals will be to coordinate the expansion of access to after hours GP services, which will be linked to a new 24 hour national telephone-based service... Over time, Medicare Locals will also support community health promotion and prevention programs, and take a greater role in community-based mental health service provision...¹³

PHCOs provide a much anticipated opportunity to strengthen primary health care and deliver improvements in the health of communities and the coordination of care, especially for people with chronic health conditions. This announcement ended the uncertainty hanging over the future of the nation's network of Divisions of General Practice, but provided scant detail on how transition to PHCOs will occur and how the talents and commit-

ment of the thousands of people working in Divisions will be retained. It remains unclear how PHCOs will link with each of the new local hospital networks and how these two separate regional entities will complement each other instead of simply expanding the “blame game”. These changes in regional governance of health care will require skilled chairs, board members and chief executive officers, along with strong and meaningful engagement with and responsiveness to local communities and to local clinicians who are committed to providing high-quality care to the people of their region. The PHCOs will also face the challenge of diminished GP ownership, while bringing together the diverse cultures of the many facets of community-based health care delivery, including tens of thousands of health care professionals funded by states and territories.

A Council of Australian Governments (COAG) announcement on 20 April 2010 advised that a National Performance Authority for local hospital networks is to be established,¹⁴ but it is unclear what oversight it will have over PHCOs and individual general practices. The Authority will implement “Healthy Community Reports” on primary health care performance.¹⁴ It is hoped that the key performance measure will be whether or not all the people of this nation are receiving the best possible care with the best possible outcomes.

Investment in general practice infrastructure

Although the roll-out of some of the 36 already planned GP Super Clinics has been delayed,¹⁵ the 2010 federal Budget provides \$355.2 million to build yet another 23 GP Super Clinics and to allow more than 400 general practices and other primary care clinics to build expanded facilities to provide space for teaching and expanded clinical services.¹³ There is growing enthusiasm for the opportunities Super Clinics may offer for research into new models of care, as well as innovations in interprofessional learning in community-based settings.

Improved care for people with diabetes

Stage two of the National Health Reform Plan included the announcement of a new \$436 million program to support coordinated care of people with diabetes.

For the first time, patients diagnosed with diabetes will have the option to enrol with a general practice of their choice to receive high quality coordinated care ...¹¹

The government announced an annual payment to general practices for every enrolled patient “to cover the costs of the patient’s day to day GP primary health care and additional services”.¹¹ The program generated immediate concern and confusion, with one poll revealing that most GPs were not convinced of the program’s worth or feasibility.¹⁶ The program risks encouraging perverse incentives to enrol people with mild diabetes and to avoid enrolling those with complex care needs. It remains unclear how the program will support improvements in the care of all people with chronic disease and the implications for the many people with diabetes who have comorbid chronic health problems. It also puts the focus of general practice reform firmly on chronic disease management, which, while important, is only one facet of the responsibilities of general practice.

Additional support for nurses working in general practice

In a significant change to primary care workforce funding, on 24 June 2009 the Minister for Health and Ageing announced the introduction of legislation to provide nurse practitioners with access to the MBS and Pharmaceutical Benefits Scheme for the first time.¹⁷ This has now been followed in 2010 by a federal Budget announcement of

\$390.3 million ... to better support practice nurses and, for the first time, provide funding for GPs in urban areas to help employ practice nurses. Annual incentive payments of \$25,000 per full time GP for a registered nurse and \$12,500 per full time GP for an enrolled nurse will be made available to eligible accredited general practices.¹³

While general practice organisations have been calling for an increase in support for practice nurses since practice incentive payments were introduced for nurses in rural practices in 2001, introduction of these new payments, if accompanied by removal of existing incentives, could see a reduction in federal funding for nurses in many general practices. The announcement does not provide details on how the reforms will boost the engagement of allied health professionals based in general practice, a core feature of the government’s own primary health care strategy.¹⁸

Increasing GP training places

On 15 March 2010, prior to the federal Budget announcement, the Prime Minister and Minister for Health and Ageing announced that the Australian Government would

[double] the number of places available for medical graduates to train to become a General Practitioner from 600 when the government took office to 1,200 a year by 2014 ... [and 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 2013.¹⁹

General practice organisations have been calling for an increase in training places since numbers were capped at 400 places a year in 1995. While increased training numbers are necessary to retain and build the capacity of the nation’s GP workforce, Australian governments need to do much more to ensure that general practice once again becomes a highly sought-after career option for a majority of recent medical graduates.

Where is further reform still needed?

Stage two revealed a modest investment of “\$96 million over the next four years to increase financial incentives to GPs to provide more services to Australians receiving aged care”.¹¹ Additional investment in aged care is welcome, but this falls far short of meeting the rising long-term care needs of ageing Australians.

The stage two report advised that the government would be making further announcements on reforms in mental health, dental health, preventive health and e-health “over the coming weeks and months”.¹¹ The federal Budget saw the announcement of a “\$466.7 million investment over the next two years... to establish a secure system of personally controlled electronic health records”,²⁰ but made no mention of the e-health investment needed in primary care to support the wider reforms. Only minimal further investment was announced for mental health.

Further significant reforms to support the health of Aboriginal and Torres Strait Islander peoples and the health of people living in

rural and remote locations were missing, as was a specific focus on the social determinants of health, which may mean that many of the people who are currently disadvantaged in terms of health care access and outcomes will remain so. None of the announcements addressed the impact of climate change on human health, despite the World Health Organization Director-General stating that this is “one of the greatest challenges of our time”.²¹

Integration and implementation of reforms

The National Health Reform Plan is accompanied by other government reforms. In November 2008, COAG announced that the federal government would invest \$1.1 billion in training more doctors, nurses and other health professionals.²² As a result, we now have Health Workforce Australia,²³ with its mandate to ensure the nation has the health workforce to meet the current and future needs of our population, and with responsibility for overseeing the financial support for pre-professional clinical training, facilitating the clinical placement of students, and establishing health workforce registers to assist longer-term planning initiatives. The Health Workforce Australia program is expected to result in the training of an additional 18 000 nurse supervisors, 5000 allied health supervisors and 7000 medical supervisors,²² but there is little acknowledgement of the challenge of identifying and retaining supervisors. There is also no mooted increase in the practice incentive payment for training medical students in general practice, which has stagnated at \$100 per session since 2004.

These challenges are compounded by the reforms arising from a review of Australian higher education,²⁴ which will remove caps on university enrolments for many health professions at a time when training capacity in hospitals and the community is already stretched. This may be balanced by growing capacity for clinical training in non-traditional settings, such as private hospitals, private clinics and other community-based health care settings. Integration of these government reforms is essential; otherwise the reform process risks being hampered by mixed messages and clashes in implementation.

Some key aspects of reform have not yet been rolled out, such as the aforementioned delay of some GP Super Clinics. Additionally, although COAG announced an \$872 million investment in preventive health programs and the establishment of a National Preventive Health Agency in November 2008,²⁵ at the time of writing, the Bill to establish the agency was still under consideration by the Senate.

Is this all real reform or a series of loosely connected new programs and initiatives that aim to produce improvements in discrete aspects of our complex health care system, but which risk a continuation of the problems of cost shifting and blame shifting? There is a risk that the announced initiatives, while providing significant increases in funding for some aspects of primary care, may not result in a fundamental shift from a system focused on hospitals and disease to a system that focuses on community-based care, health promotion and the prevention of illness.

The recognition of and support for the central role of general practice, expressed by the government throughout the reform process, remains strong but needs to be matched by appropriate targeted investment that builds capacity in every general practice in the country. General practice is a proven, cost-efficient and effective model of care that centres on the needs of individuals and communities,²⁶ and public confidence in general practice in Australia remains very high.²⁷ The rush to reform must not put

this at risk. We need to ensure that we do not sacrifice the personal responsibility of a single clinician, or team of clinicians, for an individual patient. Care delivery by multiple providers can provide benefits, but each patient still needs a trusted advocate who shares responsibility for the coordination of his or her care.

The commitment of our health workforce underpins the success of Australia's health care system. The scale of the proposed change is daunting, and the nation's health care providers will need to be supported during the coming months of uncertainty. Any reforms need to respect the commitment of each health care professional, while at the same time engaging each of us in achieving the changes our community would like to see.

Competing interests

I chair the Australian Government's Ministerial Advisory Committee on Blood Borne Viruses and Sexually Transmissible Infections and am a member of the Australian Government's Medical Training Review Panel, for both of which I receive a sitting fee and payment of my travel expenses for meetings. I am a board member of Northern Territory General Practice Education, which receives Australian Government funding. I have served as chair or member of past Australian Government committees, councils and boards. I am a past president of the Royal Australian College of General Practitioners, current chair of Doctors for the Environment Australia and president-elect of the World Organization of Family Doctors.

Due to publication deadlines, this article was finalised shortly after the announcement of the 2010 federal Budget in May. Further announcements of components of the Australian Government's National Health Reform Plan can be expected between this time and publication of this article.

Author details

Michael R Kidd, AM, MD, FRACGP, Executive Dean
Faculty of Health Sciences, Flinders University, Adelaide, SA.
Correspondence: michael.kidd@flinders.edu.au

References

- Kidd MR. What impact will the change of federal government have on Australian general practice? *Med J Aust* 2008; 189: 62-65.
- Kidd MR. What impact will the Australian Government's proposed national health care reforms have on Australian general practice? *Med J Aust* 2009; 191: 55-57.
- The Hon Kevin Rudd MP, Prime Minister, and the Hon Nicola Roxon MP, Minister for Health and Ageing. National Health and Hospitals Reform Commission [media release]. 25 Feb 2008. <http://www.health.gov.au/internet/ministers/publishing.nsf/Content/mr-yr08-nr-nr024.htm?OpenDocument&yr=2008&mth=2> (accessed May 2010).
- The Hon Nicola Roxon MP, Minister for Health and Ageing. New health taskforce on prevention — tobacco, alcohol and obesity priorities [media release]. 9 Apr 2008. <http://www.health.gov.au/internet/ministers/publishing.nsf/Content/mr-yr08-nr-nr046.htm?OpenDocument&yr=2008&mth=4> (accessed May 2010).
- The Hon Nicola Roxon MP, Minister for Health and Ageing. National Primary Health Care Strategy [media release]. 11 Jun 2008. <http://www.health.gov.au/internet/ministers/publishing.nsf/Content/mr-yr08-nr-nr096.htm?OpenDocument&yr=2008&mth=6> (accessed May 2010).
- National Health and Hospitals Reform Commission. A healthier future for all Australians: final report June 2009. Canberra: Australian Government, 2009.
- The Hon Kevin Rudd MP, Prime Minister. Reforming health care: address at the John Curtin School of Medical Research, ANU [transcript]. 27 Jul 2009. <http://www.pm.gov.au/node/6069> (accessed May 2010).
- Australian Government Department of Health and Ageing. A national health and hospitals network for Australia's future. Canberra: Commonwealth of Australia, 2010. [http://www.yourhealth.gov.au/internet/your-health/publishing.nsf/Content/nhnn-report-toc/\\$FILE/NHNN%20-%20Full%20report.pdf](http://www.yourhealth.gov.au/internet/your-health/publishing.nsf/Content/nhnn-report-toc/$FILE/NHNN%20-%20Full%20report.pdf) (accessed May 2010).

- 9 The Hon Kevin Rudd MP, Prime Minister. Better health, better hospitals: the national health and hospitals network. Speech to the National Press Club [transcript]. 3 Mar 2010. <http://www.pm.gov.au/node/6534> (accessed May 2010).
- 10 Van Der Weyden MB. The Rudd government's health reform 2010. *Med J Aust* 2010; 192: 507.
- 11 Australian Government Department of Health and Ageing. A national health and hospitals network: further investments in Australia's health. Canberra: Commonwealth of Australia, 2010. <http://www.health.gov.au/internet/main/publishing.nsf/Content/nhnh-report-2> (accessed May 2010).
- 12 The Hon Kevin Rudd MP, Prime Minister, and the Hon Nicola Roxon MP, Minister for Health and Ageing. Strengthening primary care in local communities [media release]. 12 Apr 2010. <http://www.pm.gov.au/node/6659> (accessed May 2010).
- 13 The Hon Nicola Roxon MP, Minister for Health and Ageing. More comprehensive and convenient GP and primary care [media release]. 11 May 2010. <http://www.health.gov.au/internet/ministers/publishing.nsf/Content/mr-yr10-nr-nr090.htm> (accessed Jun 2010).
- 14 Council of Australian Governments Meeting. Communiqué. 19–20 Apr 2010. http://www.coag.gov.au/coag_meeting_outcomes/2010-04-19/docs/Communique_20_April_2010.pdf (accessed May 2010).
- 15 Australian Government Department of Health and Ageing. GP Super Clinics. <http://www.health.gov.au/internet/main/publishing.nsf/Content/pacd-gpsuperclinics> (accessed May 2010).
- 16 Bracey A. Poll: most GPs will snub diabetes scheme. *Medical Observer* 2010; 30 Apr. <http://www.medicalobserver.com.au/news/poll-most-gps-will-snob-diabetes-scheme> (accessed May 2010).
- 17 The Hon Nicola Roxon MP, Minister for Health and Ageing. Historic step forward for midwives and nurse practitioners [media release]. 24 Jun 2009. <http://www.health.gov.au/internet/ministers/publishing.nsf/Content/mr-yr09-nr-nr087.htm> (accessed May 2010).
- 18 Australian Government Department of Health and Ageing. Building a 21st century primary health care system: Australia's first National Primary Health Care Strategy. Canberra: Commonwealth of Australia, 2010. <http://www.yourhealth.gov.au/internet/yourhealth/publishing.nsf/Content/report-primaryhealth> (accessed May 2010).
- 19 The Hon Kevin Rudd MP, Prime Minister, and the Hon Nicola Roxon MP, Minister for Health and Ageing. Training a record number of doctors [media release]. 15 Mar 2010. <http://www.pm.gov.au/node/6568> (accessed May 2010).
- 20 The Hon Nicola Roxon MP, Minister for Health and Ageing. Personally controlled electronic health records for all Australians [media release]. 11 May 2010. <http://www.health.gov.au/internet/budget/publishing.nsf/Content/budget2010-hmedia09.htm> (accessed May 2010).
- 21 Chan M. Message from WHO Director-General. 7 Apr 2008. http://www.who.int/world-health-day/dg_message/en/index.html (accessed May 2010).
- 22 Council of Australian Governments Meeting. Communiqué. 29 Nov 2008. http://www.coag.gov.au/coag_meeting_outcomes/2008-11-29 (accessed May 2010).
- 23 Health Workforce Australia [website]. <http://www.hwa.gov.au> (accessed May 2010).
- 24 Bradley D, Noonan P, Nugent H, Scales B. Review of Australian higher education: final report December 2008. Canberra: Australian Government Department of Education, Employment and Workplace Relations, 2008. <http://www.deewr.gov.au/highereducation/review/Pages/default.aspx> (accessed May 2010).
- 25 Australian Government Department of Health and Ageing. Australian National Preventive Health Agency. <http://www.health.gov.au/internet/main/publishing.nsf/Content/phd-anpha> (accessed May 2010).
- 26 Starfield B, Shi L, Macinko J. Contribution of primary care to health systems and health. *Milbank Q* 2005; 83: 457-502.
- 27 Essential Research. National public poll: experience with GPs. Public report for AMA National. Canberra: Australian Medical Association, 2010. <http://www.ama.com.au/system/files/node/5514/Survey+GP+patients.pdf> (accessed Jun 2010).