



## **ROYAL COLLEGE OF NURSING, AUSTRALIA**

### ***Submission to Commonwealth Parliamentary Inquiry into Health Funding***

#### **1. Introduction**

Royal College of Nursing, Australia (RCNA) welcomes the opportunity to provide a submission to the Commonwealth Parliamentary Inquiry into Health Funding regarding the role and responsibilities of the Australian Government, in order to develop “efficient and effective delivery of highest-quality health care to all Australians”.

#### **2. RCNA – Background**

RCNA is the peak national professional organisation for nurses in Australia. Established in 1949, RCNA was until the early 1990s a provider of formal education for nurses to gain higher qualifications and take leadership roles within nursing. Following the completion of the transfer of nursing education to the higher education sector in 1993, RCNA refocused its functions to encompass continuing professional development and policy analysis and development.

In 1997, RCNA became the Australian representative to the International Council of Nurses (ICN), a federation of 125 national nurses’ associations representing over 12 million nurses worldwide. Operated by nurses for nurses since 1899, ICN is the international voice of nursing and works to ensure quality care for all and sound health policies globally. RCNA is also affiliated with several other international organisations and numerous national organisations/associations, including a memorandum of collaboration with the Australian Nursing Federation.

With members in all States and Territories, RCNA represents nursing across all areas of practice throughout Australia. RCNA is a not-for-profit organisation, providing a voice for nursing by speaking out on health issues and policies that affect nurses and the community. Through representation on government committees and health advisory bodies, RCNA is recognised as a key centre of influence in the health policy arena in

Australia. When health policy decisions are made, RCNA presents a professional nursing perspective, independent of political allegiance.

### **3. RCNA Response**

RCNA believes that there should be equity of health funding to facilitate universal access to services, irrespective of socio-economic status, cultural background, age, gender or region.

The Terms of Reference of the Commonwealth Parliamentary Inquiry into Health Funding are as follows:

The Committee shall inquire into and report on how the Commonwealth government can take a leading role in improving the efficient and effective delivery of highest-quality health care to all Australians.

The Committee shall have reference to the unique characteristics of the Australian health system, particularly its strong mix of public and private funding and service delivery.

The Committee shall give particular consideration to:

- a) examining the roles and responsibilities of the different levels of government (including local government) for health and related services;
- b) simplifying funding arrangements, and better defining roles and responsibilities, between the different levels of government, with a particular emphasis on hospitals;
- c) considering how and whether accountability to the Australian community for the quality and delivery of public hospitals and medical services can be improved;
- d) how best to ensure that a strong private health sector can be sustained into the future, based on positive relationships between private health funds, private and public hospitals, medical practitioners, other health professionals and agencies in various levels of government; and
- e) while accepting the continuation of the Commonwealth commitment to the 30 per cent and Senior's Private Health Insurance Rebates, and Lifetime Health Cover, identify innovative ways to make private health insurance a still more attractive option to Australians who can afford to take some responsibility for their own health cover.

RCNA's response will address the Terms of Reference a, b, c, and d as shown above.

### 3.1 Specific Comments

- a) *examining the roles and responsibilities of the different levels of government (including local government) for health and related services;*

It is RCNA's view that legislative and juridical structures of Federal and State governments associated with health funding result in convoluted, non-integrated, and overlapping health policies and services. These complex funding structures mean that there are different responsibilities in regard to quality and cost effectiveness in health care, resulting in a lack of overall accountability and ongoing evaluation of health services. Therefore, initially the inefficiencies, duplications and gaps in our health care system need to be addressed before further deliberation regarding funding for service delivery occurs.

The complexity of responsibility for service delivery, separate from funding responsibility, is the key to the need for further examination of the nexus between the various levels of government, including Federal, State/Territory and Local with regard to health services. This is echoed in the statement below:

The complexity of the arrangements set down in the HCAs [Health Care Agreements] may be attributed, in part, to the complexity of the health sector functions per se with which the HCAs are concerned. However, the primary reason such agreements are required at all may be understood by considering the "vertical fiscal imbalance" that characterizes the Australian public sector.

*(Medicare, fee-for-service subsidies, and market outcomes: A partial description of Australia's health care financing labyrinth, L. B. Connelly, D.P. Doessel, Journal of Health Care Finance, New York: Winter 2000, Vol. 27, Issue 2, p.66).*

- b) *simplifying funding arrangements, and better defining roles and responsibilities, between the different levels of government, with a particular emphasis on hospitals;*

Coordination between the Australian Government and State/Territory governments in regard to funding strategies will result in equitable health outcomes for primary and community health services and alleviate inefficiencies and cost shifting. This is particularly the case for areas such as health services for Indigenous people, mental health services, health services for people living in rural and remote areas of Australia, and health services for people with chronic illness and the frail aged.

Funding arrangements need to address the establishment of linkages between the community and public and private hospitals. An investment into the development of casemix and activity measurement mechanisms appropriate to community care services will support those already in place in the public and private hospital acute care sector.

RCNA considers that the lack of seamless service provision and resource allocation has negative consequences for the health workforce, particularly nurses. Also, that as nurses have an intrinsic part to play in delivering a comprehensive health service, areas of funding relating to education, training and continuing professional development are vital components of health funding.

- c) *considering how and whether accountability to the Australian community for the quality and delivery of public hospitals and medical services can be improved;*

In order to improve accountability to the Australian community regarding the delivery of services in public hospitals, there needs to be transparency in analysis and reporting on the waiting times for services and availability of access to public hospitals. This should occur on a quarterly basis at the State/Territory level with an information break-down by location and socio-economic status, and an aggregated report to the national level. Gathering of this data will enable the identification of per capita utilisation and causal factors affecting the efficiency of the use of the public hospitals, which in turn could facilitate greater equity of access on the basis of clinical needs regardless of geographical location or socio-economic status.

Accountability regarding quality and delivery of mental health and aged care services also needs review. The structure of the Australian Health Care Agreements is such that they do not pay attention to service delivery at the interface between aged palliative and acute care, and hospital based and non-hospital based mental health services. This structure therefore reduces the capacity for the reporting framework to register demand pressures occurring elsewhere in the system that impact upon public hospitals.

The \$1.3 million funding for the Hospital Safety Initiatives Program, included in the Federal Budget 2005-2006, is viewed as an important commitment on the part of the Australian Government to improving safety and quality of health care. It is hoped that this funding will be subject to annual performance reporting by all stakeholders, including consumers of services.

- d) *how best to ensure that a strong private health sector can be sustained into the future, based on positive relationships between private health funds, private and public hospitals, medical practitioners, other health professionals and agencies in the various levels of government;*

RCNA considers that nurses are an integral link in the provision of private health sector services, particularly with regard to general practice nurses functioning as primary care providers as part of the general practice team.

It is RCNA's view too that extending the role of general practice nurses to include care for domestic violence victims (as announced in the Federal Budget 2005-2006),

will facilitate strong correlation of both health and welfare services to these people. Victims of domestic violence will then be able to be seen in a non-threatening environment and the general practice team will be able to ensure follow up of necessary services.

In this regard, the new *Round the Clock Medicare* initiatives announced in the Federal Budget 2005-2006 will also assist the sustainability of positive relationships between the private health sector and public hospitals. After-hours general practice services will clearly alleviate pressure on public hospital emergency services and again, general practice nurses will be able to play an important role in after-hours services as they are able to independently perform services such as wound care and immunisation under the Medicare rebate system within the general practice environment.

#### **4. Conclusion**

RCNA acknowledges that the Australian health system is complex, pluralist and diverse in both service delivery and consumer expectations, and therefore believes that it is essential that all funding decisions in regard to health services be made on a national basis in conjunction with all State/Territory and local governments. Further, that meaningful performance indicators be applied to service outcomes.

It is RCNA's view that funding arrangements for all health services must ensure equity of access for all people and be based on clinical need regardless of socio-economic status, ethnicity or geographical location. Also, it is essential that funding for health services be on a seamless basis, taking into account community care delivery settings and enhanced service coordination. In this regard, the increasing use of nurses in both primary and community health care delivery is an important factor in ensuring that integration, continuity and equity of health services occur.

#### **5. References**

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