

Brief

Briefing to the Finance and Public Administration Legislation Committee
21 February 2014
Dialysis in Central Australia

Background

At the November 2013 hearing of the Finance and Public Administration Legislation Committee, Senators Rachel Siewert and Claire Moore requested a briefing to the Committee regarding renal dialysis in Central Australia.

Key Points:

1. Dialysis is a state and territory government responsibility.
2. The Department has consistently attempted to work with the NT, SA and WA Governments through both tri-state and bi-lateral discussions to improve access to services for dialysis patients in Central Australia.

The Central Australia Renal Study

- The Central Australia Renal Study (the CARS) by the George Institute for Global Health was funded by the Australian Government in 2010 to investigate the issues in coordinated renal health services being delivered in the Central Australia region.
- The CARS was developed in consultation with the NT, SA and WA Governments and was released in June 2011.

The CARS was undertaken against the following background:

- Increasing numbers of Aboriginal people in the Central Australia region requiring renal replacement therapy, predominantly in Alice Springs.
- Recognition of the lack of culturally appropriate service options, and, in particular, service options allowing treatment as close to home as possible.
- Recognition that treatment may require relocation, and where it does, support needs to be provided for patients and families.
- Concerns about the negative impact of a lack of culturally appropriate service options on treatment uptake¹.

The aim of the CARS was to inform the governments in the cross-jurisdictional region to make evidence based policy decisions, in order to better meet the health and service needs of Aboriginal dialysis patients in the region, in affordable and sustainable ways. The primary recommendation was that renal services for people in the cross-border Central Australia region should be provided by a regional hub service, associated satellite services and with strong linkages to community based primary health services².

In response to the finding of CARS the Australian Government repurposed \$13 million in Indigenous Primary Health Care Base funding to the NT Government. The funding was to assist the jurisdiction to address a key finding of the CARS, that access to accommodation for patients and family was a priority to support Aboriginal and Torres Strait Islander patients from remote communities accessing renal dialysis treatment away from home.

1 Central Australia Renal Study – Final Report, p.2.

2 Central Australia Renal Study – Final Report, p.5.

Some of the key findings of the Study were:

- 585 people from Central Australia currently have stages 3-5 chronic kidney disease.
- 312 to 497 people in Central Australia annually will need renal treatment up until 2020.
- Small numbers of people commence dialysis in individual communities at any point in time.

The CARS listed seven key areas for action:

Action Area	Action Required
1. Prevention effort must be part of the suite of activities. (<i>CARS Final Report p.6</i>)	<ul style="list-style-type: none"> • An integrated approach to chronic kidney disease (CKD) agreed • Preventative efforts include interventions across the life course, including: <ul style="list-style-type: none"> ○ primary prevention, ○ early intervention and ○ evidence-based management of risk factors for CKD.
2. Services recognise social and cultural determinants of treatment uptake, adherence and outcome. (<i>CARS Final Report p.6</i>)	<ul style="list-style-type: none"> • Priority given to accommodation and social support for patients and their families. • Alternative service-delivery models such as respite dialysis and return to country for integrated, coordinated, regional service.
3. Jurisdictional drivers must be accommodated within a Tri-State service model. (<i>CARS Final Report pp.6-7</i>)	<ul style="list-style-type: none"> • Implementation plans developed to reflect a united and collaborative response from NT, WA and SA. • Mechanism for governing and coordinating services across the region agreed.
4. Protocols for dialysis treatment closer to home in the particular circumstances of Central Australia must be agreed and formalised. (<i>CARS Final Report p.7</i>)	<ul style="list-style-type: none"> • Protocols outlining minimum requirements for delivering renal services in remote communities formalised and ratified. • Protocols provide guidance around environmental factors, and include (but not be limited to) location, services, design, construction, water, electricity, drainage and management of bio-hazardous waste, access to safe and secure housing for patients returning to remote communities for ongoing dialysis.
5. The full suite of safety and quality requirements must be built in, although they will require customisation. (<i>CARS Final Report p.7</i>)	<ul style="list-style-type: none"> • The National Service Guidelines for the Management of Dialysis and Kidney Transplantation in Remote Australia used to formulate an agreed, evidence-based set of standards. • Clinicians, governments and communities engaged to arrive at a workable cross-jurisdictional service model.
6. Addressing workforce requirements of the service delivery model must be a priority. (<i>CARS Final Report pp.7-8</i>)	<ul style="list-style-type: none"> • Strategies to address recruitment, retention and high turnover of remote area health workforce in order to build and maintain the appropriately-skilled, multidisciplinary workforce required.
7. Strategic monitoring and evaluation should be a core component of implementation. (<i>CARS Final Report pp.8-9</i>)	<ul style="list-style-type: none"> • Ongoing monitoring and evaluation to ensure that implementation is sustainable, and that transitions in service options are appropriate.

Funding and service provision responsibility for dialysis

Provision of dialysis services is a state and territory government responsibility as these services are traditionally provided in a public hospital setting. The Commonwealth provides a funding contribution to public hospital services through the National Health Reform Agreement. This funding is provided through one of two funding mechanisms (dependent on type of hospital delivering the service):

1. Activity Based Funding (ABF)

The majority of renal dialysis services occur in large, mainly metropolitan hospitals, which are funded on the basis of activity (ABF). ABF hospitals receive a Commonwealth payment for each service provided, based on the National Efficient Price (NEP) determined by the Independent Hospital Pricing Authority (IHPA). Commonwealth ABF funding is provided on the basis of the Commonwealth paying a share of the NEP. On average, the Commonwealth contributes approximately 35 per cent of the NEP, although this percentage differs between states.

The IHPA has determined a number of adjustments (price loadings) to funding for ABF services which reflect legitimate and unavoidable variations in the costs of delivering care to particular types of patients. In 2013-14, the IHPA has determined the following ABF adjustments will apply to admitted patient services:

- Indigenous Adjustment – 4 per cent
- Outer Regional Patient Adjustment (RA3) – 8 per cent
- Remote Area Patient Adjustment (RA4) – 15 per cent
- Very Remote Area Patient Adjustment (RA5) – 24 per cent

2. Block funding

Some renal dialysis services are provided by small hospitals located in rural areas, which receive Commonwealth funding through block funding arrangements (ie instead of ABF). In these instances, Commonwealth funding is based on the IHPA's determination of the National Efficient Cost (NEC) of maintaining a block funded hospital. Similar to the NEP, the Commonwealth pays a share of the NEC.

In 2012-13 and 2013-14, Australian Government funding for public hospital services is capped, equivalent to the amount that would otherwise have been payable through the National Healthcare SPP. From 2014-15, Commonwealth public hospital funding will be uncapped, and funding will vary in response to changes in activity and the cost of public hospital services. From 2014-15, the Commonwealth will fund 45 per cent of efficient growth in public hospital services, increasing to 50 per cent from 2017-18. That is, state governments will receive increased Commonwealth funding due to price increases in existing services, and/or increases in the volume of services provided (eg. by establishing new public hospital renal dialysis services).

This means that State and Territory Governments who establish new renal services will be eligible for increased funding from the Commonwealth.

Further detail can be found at **Attachment A**.

Additional Commonwealth investment in Aboriginal and Torres Strait Islander Chronic Kidney Disease Services

INFRASTRUCTURE – Australian Government investment in Renal Dialysis Infrastructure

Program/Activity	Purpose/Status
Northern Territory Renal Access Program	since 2006/07 <ul style="list-style-type: none"> Renal ready rooms at Lake Nash, Barunga and Maningrida Mobile dialysis bus, Central Australia Drop-in self-care renal facilities at Darwin and Alice Springs Multi-media renal educational resources.
Community Based Haemodialysis Program	since 2006/07 <ul style="list-style-type: none"> Relocatable haemodialysis units at Ti Tree, Ali Curung, Millingimbi, Ngukurr, Amoonguna and Ntaria.
OATSIH Capital Works renal project	in 2010/2011 <ul style="list-style-type: none"> Purchase of accommodation for renal dialysis staff in Broome, Derby and Kununurra.
Aboriginal Hostels Limited (Not DoH funding)	<ul style="list-style-type: none"> 40 bed hostel to accommodate patients needing renal dialysis in Port Hedland, officially opened in May 2012.
Western Desert Nganampa Walytja Payantjaku Tjutaku Aboriginal Corporation (WDNWPT)	<ul style="list-style-type: none"> WDNWPT has received funding for a number of one-off projects since 2005-06 including vehicles, equipment, minor capital works and accreditation assistance which support dialysis delivery.
Post Central Australia Renal Study	<ul style="list-style-type: none"> Funding of up to \$13 million was made available to the Northern Territory Government for family based accommodation for Aboriginal and Torres Strait Islander patients receiving dialysis treatment away from their home communities in Alice Springs and Tennant Creek. This infrastructure did not proceed - \$10 million still unspent.

Health and Hospitals Fund Infrastructure

<u>Regional Priority Round:</u> Renal Dialysis Unit Expansion, Bunbury WA	in 2009/10 <ul style="list-style-type: none"> Expansion of the Satellite Renal Dialysis Unit at St John of God Hospital, Bunbury from 6 to 12 chairs. Includes infrastructure investment to support the expansion. <p>Progressing – Forecast completion June 2014.</p>
<u>Round 1:</u> Kimberley Renal Services Project	in 2009/2010 <ul style="list-style-type: none"> Expansion of renal dialysis services in the Kimberley region (Derby and Kununurra, including satellite, community and home dialysis). <p>Completed – Derby and Kununurra Clinics opened in May 2013.</p>
<u>Round 1:</u> Western Desert Kidney Health Program (WA)	in 2009/2010 <ul style="list-style-type: none"> A mobile medical team established in the region to provide early detection and treatment services for people with kidney disease and diabetes. <p>Partial Completion – Capital works completed June 2010. Currently requires transfer to another service provider.</p>

SERVICE DELIVERY – Australian Government investment in Renal Dialysis Service Delivery

Program/Activity	Purpose/Status
Renal Nurse Case Managers	<p>since 2006/2007</p> <ul style="list-style-type: none"> Renal Nurse Case Manager positions in Darwin, Katherine, Tennant Creek and Alice Springs Aboriginal Medical Services.
Western Desert Nganampa Walytja Payantjaku Tjutaku Aboriginal Corporation (WDNWPT)	<p>since 2005/2006</p> <ul style="list-style-type: none"> In 2008-09 funding was provided for renal services (\$350,000) under a Shared Responsibility Agreement. Supports renal services in Alice Springs – Purple House and nurse assisted dialysis in Ntaria, Kintore and Yuendumu. Return to Country programme. The Department currently has a Project Agreement with the NT Department of Health to provide \$5 million over the three financial years from 2012-13 to 2014-15 (including the \$1.6 million mentioned above) to support delivery of renal services to Aboriginal and Torres Strait Islander people in the central region of the Northern Territory.
WDNWPT Aboriginal Benefits Account (ABA) funding	<p>2012/2015</p> <ul style="list-style-type: none"> Extends the WDNWPT Return to Country Dialysis Programme to Kalkarindji and Lajamanu. <p>Lajamanu/Kalkarindji dialysis unit commenced in May 2013.</p>

Timeline of Tri-state Discussions

Time Period	Discussion
Early 2009	<ul style="list-style-type: none"> NT Department of Health announced that no new clients from outside of the Northern Territory would be able to access any of its renal dialysis treatment centres.
April 2010	<ul style="list-style-type: none"> Tri-State Agreement on renal service delivery signed by NT, SA & WA allowing patients from the cross border region to access dialysis in Alice Springs³.
May 2010	<ul style="list-style-type: none"> CARS commissioned by the Australian Government to investigate the issues in coordinated renal health services being delivered in central Australia.
June 2011	<ul style="list-style-type: none"> CARS final report released.
November 2011	<ul style="list-style-type: none"> Tri-state health ministers meeting convened by Minister Snowdon to progress the recommendations of the CARS.
14 June 2012	<ul style="list-style-type: none"> Tri-state health ministers meeting convened by Minister Snowdon. It was agreed that a discussion paper be developed in order to progress discussions on renal services in Central Australia.
12 October 2012	<ul style="list-style-type: none"> Departmental Tri-state teleconference is hosted by OATSIH. NT sent apologies and provided a discussion paper. SA and WA indicated that until issues surrounding ongoing costs for accommodation and patient travel are resolved, progressing a formal agreement with regard to the recommendations of the CARS will be difficult.

³ Northern Territory Government Department of Health and Families, *Tristate Agreement – Confidential*, March 2010.

Timeline since release of Central Australia Renal Study

Northern Territory

Time Period	Action
June 2011	<ul style="list-style-type: none">Minister Snowdon announced \$13 million for family-centric renal accommodation projects in Alice Springs and Tennant Creek (the NT Renal Accommodation Project) at the same time as the release of the CARS.
January 2012	<ul style="list-style-type: none">The Department formally offered a Project Agreement to NTG for \$13 million for infrastructure. NTG did not accept the Agreement due to ongoing operating costs.
February to December 2012	<ul style="list-style-type: none">The Department continued negotiations with NTG.
27 December 2012	<ul style="list-style-type: none">The NT Minister for Health, Minister Tollner, wrote advising the Department that NTG was unwilling to proceed with the project. Minister Tollner advised that NTG is unable to provide ongoing operational funding for the facilities and that it considered the scope of the project was not achievable within the allocated budget.
3 April 2013	<ul style="list-style-type: none">Minister Snowdon approved six primary care and renal specific infrastructure projects in a first tranche and an additional 11 projects to be progressed at a later stage as a second tranche.
May 2013	<ul style="list-style-type: none">Western Desert Nganampa Walytja Palyantjaku Tjatau (WDNWPT) was provided funding for equipment for second chair in mobile renal unit in Central Australia region Purchase of equipment and plumbing for second renal dialysis chair on the 'purple-bus'.
August 2013	<ul style="list-style-type: none">Indigenous Business Australia (for Anyinginyi Health Aboriginal Corporation) was funded for staff accommodation in the Tennant Creek region to purchase housing for health practitioners . Two properties were settled in July & August 2013. IBA have been unable to source a 3rd property.

South Australia

April 2013	<ul style="list-style-type: none">• Informal discussions with SA Health officials indicated that patients from the APY Lands are willing to receive treatment in Alice Springs and therefore SA will not commit to renal infrastructure projects on the APY Lands.
3 June 2013	<ul style="list-style-type: none">• Minister Snowdon wrote to SA Minister for Health and Ageing, the Hon. Jack Snelling MP, requesting commitment to working with the Department to facilitate a workshop with key stakeholders to discuss renal dialysis infrastructure and service delivery for patients in the APY Lands. Australian Government funding was available to provide renal nurse and visitor accommodation in Ernabella, however, SA Health advised that it was unwilling to commit to ongoing operational funding for the proposed project.
27 June 2013	<ul style="list-style-type: none">• SA Minister Snelling suggested a meeting be held between SA and Australian Government representatives.
22 July 2013	<ul style="list-style-type: none">• Departmental officers met with SA Health officers to discuss dialysis infrastructure and service delivery on the APY Lands. SA Health expressed a preference to continue with the existing mobile bus respite services rather than setting up a permanent dialysis unit.
26 July 2013	<ul style="list-style-type: none">• SA Health submitted a \$9 million proposal for works in various locations in the APY Lands to support the mobile dialysis bus.

Western Australia

3 June 2013	<ul style="list-style-type: none">• Minister Snowdon wrote to WA Health Minister, the Hon. Kim Hames requesting support for three renal infrastructure projects in WA, being the conversion of an old clinic building in Kiwirrkurra to become accommodation for renal nurses; accommodation and equipment in Wanarn; and a respite bus in Warburton. Australian Government funding was available for these projects, however, WA Country Health Service advised it was unwilling to commit to any ongoing operational funding.
8 August 2013	<ul style="list-style-type: none">• Minister Hames responded to Minister Snowdon's letter from June noting that under the Tristate Agreement that was signed in 2010 by the WA, SA and NT Governments, the NT geographical catchment includes patients living in the region east and north of Warburton. All three of the projects proposed by the Australian Government (Warburton, Warnarn and Kiwirrkurra) fall into the NT catchment area under this Agreement.