Government Senators' Dissenting Report

The need for reform

1.1 The Australian Health System is undergoing a major reform process after more than a decade of lost opportunities under the Howard government.

1.2 As the Department of Health and Ageing website reports:

> Health reform is designed to significantly improve and modernise Australia's health system. This will mean the largest change to our health, hospitals and aged care system since the introduction of Medicare.

1.3 The comprehensive package totalling $7.3 billion over five years to reform Australia's health and hospitals system, includes:

- Improving our hospitals;
- Better access to GP and primary health care services;
- Training more doctors, nurses and allied health professionals;
- Supporting aged care;
- Investing in prevention;
- Helping those with mental illness; and
- Modernising our health system.

1.4 The Australian Government is delivering fundamental health reform and significant additional investments which are fully funded over the forward estimates, wholly consistent with the fiscal strategy, and not adding to the budget deficit.

1.5 The National Health and Hospitals Network will ensure future generations of Australians enjoy affordable and universally accessible health care.

1.6 The Australian Government will become the dominant funder of hospital services and have full policy and funding responsibility for GP, primary health care and aged care.

1.7 The Australian Government will leverage its funding responsibility to deliver more coordination, control and accountability at a local level. This includes a new national performance framework to make the system more transparent and drive improvements to ensure all Australians can access high-quality, safe and efficiently run health care.

1.8 These reforms will deliver better health and hospital services by:

- Helping patients receive more seamless care across sectors of the health system;
- Improving the quality of care patients receive through performance standards and improved engagement of local clinicians; and
- Providing a secure funding base for health and hospitals into the future.

1.9 In total, the Government will provide $7.3 billion over five years to fund the new health reform initiatives. The initiatives will be introduced progressively from 1 July 2010.

1.10 There was a consensus that the Australian health system has been struggling to meet increasing demand for services with inadequate funding and outdated structures. Dr Andrew Pesce, President of the AMA, stated that 'there is no doubt that Australia needs health reform and it needs significant reform of its health care system'.[1] Ms Carol Bennett, Consumers Health Forum (CHF), also commented on the problems facing health care in Australia and noted that the system is 'under pressure and unresponsive to the needs of some people, particularly those with chronic health conditions'. The CHF stated 'substantial reform is what is needed if the system is to be responsive and sustainable into the future'.[2]

1.11 The problems facing the health care system are not something that has emerged in the last two years. Under the former Federal Coalition government's last health care agreement, state expenditure on health grew at a faster rate than the Commonwealth's – the Commonwealth was not meeting its responsibility and paying its fair share. In the 2003–04 Federal Budget the then Government, and Health Minister Tony Abbott, significantly reduced the budgeted funding across the forward estimates for the Australian Health Care Agreement. These actions perpetuated the 'blame game' leading to poor outcomes, inadequate funding, and less than optimal outcomes.

1.12 As a consequence of inheriting these systemic problems within the health care system, the Rudd Government established the National Health and Hospitals Reform Commission (NHHRC) to provide a long-term health reform plan for Australia. The Commission provided three reports to the Government following extensive and detailed consultations with stakeholders and users of the health care system from across Australia, and the examination of submissions received. The Commission provided the Government with 123 recommendations directed at restructuring and improving the health care system.

The National Health and Hospitals Network reforms

1.13 On 20 April 2010, the Prime Minister, Premiers and Chief Ministers of States and Territories, with the exception of Western Australia, reached an historic agreement at the Council of Australian Governments (COAG), on health and hospitals reform – the establishment of a National Health and Hospitals Network (NHHN).

1.14 This represents the most significant reform to Australia's health and hospitals system since the introduction of Medicare, and one of the largest reforms to service delivery in the history of the Federation. The full details of the Government's reform package are available on the internet at www.yourhealth.gov.au.

1.15 The Government states that the reforms will have three primary objectives:

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1 Dr A Pesce, Australian Medical Association, *Committee Hansard*, 7.6.10, p. 106.

2 Ms C Bennett, Consumers Health Forum, *Committee Hansard*, 8.6.10, p. 1.

- Reforming the fundamentals of our health and hospital system, including funding and governance, to provide a sustainable foundation for providing better services now and in the future.
- Changing the way health services are delivered, through better access to high quality integrated care designed around the needs of patients, and a greater focus on prevention, early intervention and the provision of care outside of hospitals.
- Providing better care and better access to services for patients right now, through increased investments to provide better hospitals, better infrastructure, and more doctors and nurses.[3]

1.16 The Government has included 94 of those recommendations of the NHHRC in the NHHN reform package. There are also further recommendations still under consideration including those pending the outcome of the Productivity Commission report on ageing. As the Chair of the NHHRC told the Committee, the Commissioners were supportive of the reform package:

> …it would be fair to say that we are all quite delighted that the vast majority of what we put forward—which represented, as I said, the thinking of thousands of people around Australia—was being acted upon. I think the investment that has been envisaged is a very significant investment and similar to what we hoped for.[4]

1.17 The AMA noted that structural reform of our health system is very difficult and 'one that governments have found easier to avoid rather than engage with'.[5] This Government has not avoided this difficult task; and the outcome will be that the health care system that is provided by this Government will be better prepared, with an increased capacity to treat patients safely, and to meet the demand of an ageing population and improving the capacity of all Australians to access the best care and best medical technology in a timely and appropriate way.

1.18 NHHN reforms are a very significant investment by this Government to improve an ailing health care system to the benefit of all Australians. Combined they represent an investment of $7.3 billion over five years. Ms Leanne Wells of the National Primary Health Care Partnership noted:

> …the $1.7 billion of new money for primary health care in the federal budget for initiatives in after hours and aged care, some small investments in mental health and in coordinated diabetes care, is a really good and fairly unprecedented investment in primary health care.[6]

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3 Dr A Pesce, Australian Medical Association, *Committee Hansard*, 7.6.10, p. 106.

4 Dr Christine Bennett, *Committee Hansard*, 8.6.10, p. 29.

5 Dr A Pesce, Australian Medical Association, *Committee Hansard*, 7.6.10, p. 108.

6 Ms L Wells, National Primary Health Care Partnership, *Committee Hansard*, 8.6.10, p. 61.

1.19 The NHHN reforms establish new funding arrangements that will see the Commonwealth as the dominant funder with the means and the motive to connect and integrate health and aged care service across every person's life span. The reforms strengthen primary health care and care in the community which will decrease the level of hospitalisations and embed prevention and early intervention into the health care system. As Dr Pesce of the AMA noted in his support for proposals which he saw as 'really significant steps forward', these 'would never have happened unless the Commonwealth had taken responsibility to adopt a national approach to health reform'.[7]

1.20 The NHHN reforms will provide a secure base for funding of vital health services – something that the former Coalition Government and the then Minister for Health Tony Abbott failed to provide. There will be much greater transparency on how health services perform, not only the public sector but also the private sector. For the first time, there will be a capacity to compare across the sectors. As Ms Halton, Secretary, Department of Health and Ageing, commented:

> This transparency, together with greater clinical engagement, will drive continuous improvement and create what the National Health and Hospitals Reform Commission called 'an agile and self-improving health system'.[8]

1.21 The AMA supported the changes to funding arrangements and the improvement to transparency and accountability so that where and how health dollars are spent can be identified, so that 'most funding will no longer pass through State governments in a way that will allow it to be "reduced" before it actually reaches hospitals'.[9]

1.22 Mr Bo Li of the Australian Health Care Reform Alliance also supported the shift in funding arrangements and stated that it 'is a good outcome for the health of Australians'.[10]

1.23 The reforms were welcomed by other organisations: the Australian General Practice Network (AGPN) for example, stated:

> We support the overarching principles of the National Health and Hospital Network Agreement, in particular the principles of a nationally unified and funded system that is locally controlled, delivered and accountable through hospital performance agreements and healthy communities' reports.[11]

1.24 The Consumers Health Forum welcomed the greater policy setting and performance measurement at the national level with Ms Carol Bennett commenting:

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7 Dr A Pesce, Australian Medical Association, *Committee Hansard*, 7.6.10, p. 112.

8 Ms J Halton, Department of Health and Ageing, *Committee Hansard*, 7.6.10, p. 2.

9 Australian Medical Association, *Submission 10*, p. 2.

10 Mr Bo Li, Australian Health Care Reform Alliance, *Committee Hansard*, 8.6.10, p. 46.

11 Mr L Wells, Australian General Practice Network, *Committee Hansard*, 7.6.10, p. 87.

> It offers us an opportunity to get some national consistency in the way our health system operates, which is a bit different to the way it has been operating to date. We believe that it can work and that it can work for the benefit of the people who use the system, but we need to make sure that that happens and that this is not a lost opportunity.[12]

Funding and governance

1.25 The NHHN reforms will implement a health system that is funded federally and run locally. For the first time the Commonwealth Government will take the majority funding responsibility for the entire health system. As Ms Halton explained to the committee:

> This is a very significant structural change. It means that there will be one dominant funder with the means and motive—and I believe this is important—to connect and integrate health and aged care services for people right across the life span, to strengthen primary care and care in the community so that Australians do not have to find themselves unnecessarily in hospitals and, importantly, to embed prevention and early intervention into our health system.[13]

1.26 The Commonwealth will fund 60 per cent of the efficient price for all public hospital services, and 60 per cent of capital, research and training in our public hospitals. The Commonwealth will also take full funding and policy responsibility for GP and primary health care services, and for aged care services.

1.27 Importantly the Government will move to fund hospital services on the basis of activity based funding which the NHHRC recommended would create strong efficiencies in the health system. However the NHHN reforms include commitments to ensure the future of small rural hospitals – including using block funding where appropriate. The Commonwealth has also committed to moving over time to fund 100 per cent of the efficient price of primary health care equivalent outpatient services.

1.28 The management and governance of health services will be devolved more to a local level. The NHHN will introduce Local Hospital Networks to be responsible for the management of hospitals which will increase the flexibility for the hospitals to meet the needs of local communities. The reforms will also introduce primary health organisations called Medicare Locals to drive integration across local GP and primary health providers and increase the availability of services – particularly after hours. One stop shops will also be established across the country for aged care services.

1.29 In addition new, higher national standards and transparent reporting will provide Australians with more information than ever before about the national, state and local performance of the health system.

1.30 Coalition criticism of the Government's decision not to introduce the National Funding Authority, ignores the fact that the arrangements involving a joint State-Federal funding authority in each State and Territory will actually lead to greater

12 Ms C Bennett, Consumers Health Forum, *Committee Hansard,* 8.6.10, p. 5.

13 Ms J Halton, Department of Health and Ageing, *Committee Hansard*, 7.6.10, p. 2.

transparency over funding arrangements as state hospital spending will be subject to the same transparent conditions.

1.31 In addition the Opposition Senators also wrongly and mischievously claim that there will not be local governance and management of hospitals. As the NHHN agreement makes clear, the day-to-day management of the system will clearly be a responsibility of the Local Hospital Network – and the Government has made very clear in its evidence that its preference is for the people on the Governing Councils to be the best people for the job, which will no doubt involve local clinicians, in many instances, serving on these councils.

Hospital investments

1.32 In addition to the above financial and governance reforms to the hospital system, the NHHN reforms also include specific investments in hospitals. These are:

- $1.62 billion for sub-acute care. From 2010-11, the number of sub-acute beds will ramp up to reach 1,316 additional beds in the public hospitals system by 2013-14. The funding for these beds could be directed to rehabilitation, step down, mental health and palliative care beds.
- $800 million for elective surgery. This includes $650 million in upfront and reward funding and $150 million in capital funding, to help ensure patients are seen within the clinically recommended time (fully implemented by December 2015), and to provide a guarantee that patients who are overdue for surgery will be able to receive the surgery in another public or private hospital rapidly.
- $750 million for emergency departments. $500 million will provide for the equivalent to an estimated 805,000 emergency department attendances in 2013-14 – these patients will be admitted, referred or discharged within the new four-hour target. This also includes $250 million in capital funding.
- $200 million in flexible funding which states can invest in emergency departments, elective surgery and/or sub-acute beds.

1.33 Committee witnesses such as Catholic Health Australia described the extra investments in hospitals as a "terrific outcome" given the social benefits:

> Why would we think that providing public elective surgery to patients within clinically recommended times is terrific? It is because we are seeking to ensure that all Australians, regardless of income level and regardless of their socioeconomic status, have equitable access to health care when they need it.[14]

Primary Health Care

1.34 The NHHN reforms deliver on landmark reforms to primary health care, drawing upon the work of the NHHRC and the Draft National Primary Health Care Strategy – both aiming to treat more people outside of hospital, ensuring a better

14 Mr M Laverty, Catholic Health Australia, *Committee Hansard,* 7.6.10, p. 55.

management of conditions such as chronic diseases. Evidence before the committee saw this as a key positive of the Government's reforms:

> …my overriding comment would be that the reforms are welcome. The Australian Health Care Reform Alliance has been a long-term advocate for change in the healthcare system and particularly very keen to see a focus shifting away from a very hospital centric system to a system that actually stops people needing to go to hospital at the rate that we go.[15]

1.35 The reforms include major investments in primary health care including:

- $449 million for coordinated services for people with diabetes;
- $355 million for 425 GP Practice upgrades and 23 new GP Super Clinics; and
- $417 million to establish a national GP after hours service and Medicare Locals.

1.36 The AGPN recognised the benefit in the package for primary health care as the reforms will build on the services that the divisions of general practices provide to general practice as well as the initiatives for e-health, practice nurses and support of GP access to allied health services. In particular they have recognised the benefit of voluntary enrolment as a method for providing more coordinated service for diabetes patients and would like to see the concept extended further:

> We welcome enrolment, because we have advocated for voluntary enrolment for some time. We think it is a really useful means of getting proactive care for people with chronic disease. So there is definitely benefit, and it is a good first step.[16]

1.37 The AGPN are also supportive of the Government's initiatives in regard to its GP Super Clinic and GP practice infrastructure grants:

> The fact that it has an infrastructure component for existing practices to support existing practices to expand and extend, so that they can house workforce like nurses and allied health professionals, is very, very welcome and something that we advocated for very strongly with the other GP groups through United General Practice Australia.[17]

1.38 Unfortunately the Opposition does not support this policy and would cancel the grants for GP practices and for additional GP Super Clinics.[18]

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15 Mr R Wilson, Member, Australian Health Care Reform Alliance, *Committee Hansard,* 8.6.10, p.46.

16 Mr L Wells, Australian General Practice Network, *Committee Hansard*, 7.6.10, p. 89.

17 Mr L Wells, Australian General Practice Network, *Committee Hansard*, 7.6.10, p. 91.

18 Andrew Robb, Media Release, *Coalition's Plan to rein in Rudd's reckless spending,* 19 May 2010.

Mental Health

1.39 A $176 million package is a part of the NHHN reforms is devoted to specific mental health programs – in addition to the sub-acute bed package referred to in hospital investments. This includes:

- Doubling the number of headspace services from 30 to 60 ($78.3 million) which will provide early intervention and mental health support for an additional 20,000 young people each year.
- Expanding the Early Psychosis Prevention and Intervention Centre model ($24.8 million) with additional state contributions, up to 3,500 young people and their families will benefit from improved detection and earlier treatment and support.
- Supporting additional mental health nurse services ($13 million) over two years for at least 11,700 extra sessions.
- Providing more flexible care under the existing Access to Allied Psychological Services Program ($57.4 million) to provide care to up to 25,000 people with severe mental illness.

1.40 COAG also agreed to undertake further work on the scope for additional mental health service reform for report back in 2011, including the potential for further improvements to the allocation of roles and responsibilities.

Aged Care

1.41 The reforms include landmark investments in aged care:

- the Commonwealth taking full policy and funding responsibility to support the development of a nationally consistent aged care system covering basic home care through to nursing home level care (except in Western Australia and Victoria);
- $96 million over four years to improve access to primary care services for people in aged care;
- improving the viability of community care providers ($10 million);
- 1,200 Consumer Directed Care packages, through which care recipients have a greater say in how services are provided to them; and
- strengthening consumer protections in aged care and toughen prudential requirements to protect residents' savings ($25 million).

Workforce

1.42 As part of the Commonwealth's investment in the health system, there will be delivered a $643 million investment in Australia's health workforce. This investment will train more doctors and support allied health professionals working in rural Australia:

- 1,375 more general practitioners (GPs) practising or in training by 2013, and 5,500 new GPs or GPs undergoing training over the next decade ($339 million);

- 975 places each year for junior doctors to experience a career in general practice during their postgraduate training period ($148 million);
- 680 more specialist doctors over the next decade ($145 million);
- 1,000 extra clinical training scholarships for allied health students over the next decade ($6 million);
- support for up to 1,000 allied health professionals over the next decade to take leave, including to access professional development courses to keep their skills up to date ($5 million).

E-health

1.43 The Government considers the establishment of a secure national electronic personal health record system or 'e-health' to be one of the most substantial reforms to improve the health care system. The e-health reforms are fundamental to the reform package – the Government's investment in e-health will improve patient care, system effectiveness, patient safety and quality of care.

1.44 The e-health reforms are grounded in the recommendations of the National Health and Hospitals Reform Commission which noted in its final report that e-health provides an opportunity to 'improve the safety and quality of health care, reduce waste and inefficiency, and improve continuity and health outcomes for patients'.[19]

1.45 The e-health reforms have been welcomed by stakeholders:

- Ms Carol Bennett of the CHF stated that e-health is an 'absolutely critical plank of this whole health reform process';[20]
- Professor David Penington supported e-health as an 'essential part of making health care more accessible and more reliable so that information is available when people require urgent care';[21]
- Mr Steve Sant of the Rural Doctors Association of Australia (RDAA) argued that e-health has the potential to 'provide some significant supports for rural doctors';[22]
- Mr Vern Hughes of the Australian Health Care Reform Alliance (AHCRC) stated that the introduction of e-health is 'fundamentally important to any kind of health reform';[23] and
- Ms Anne Wise of the CHF argued that e-health was essential to an improved health system and to 'the safety and quality of the health system as it is experienced by consumers'.[24]

19 National Health and Hospitals Reform Commission, *A Healthier Future for All Australians, Final Report*, June 2009, p. 129.

20 Ms C Bennett, Consumers Health Forum of Australia, *Committee Hansard*, 8.6.10, p. 6.

21 Professor D Penington, *Committee Hansard*, 8.6.10, p. 22.

22 Mr S Sant, Rural Doctors Association of Australia, *Committee Hansard*, 8.6.10, p. 67.

23 Mr V Hughes, Australian Health Care Reform Alliance, *Committee Hansard*, 8.6.10, p. 47.

1.46 Dr Christine Bennett, former Chair of the NHHRC, argued that e-health was a 'very important if not vital part of the reform'. In recalling her experience in travelling around the country with the NHHRC, Dr Bennett highlighted that the community couldn't understand why there was no e-health record given so much was done in the e-world. She noted that the NHHRC described the person-controlled electronic health record 'as the single most important enabler of truly person-centred health care' and that:

> The reason for that is that you are giving an individual access to their own health information. That is the most important information they can have when making decisions about their health.[25]

The current situation in relation to health record keeping

1.47 This Government has recognised that the current situation is inefficient and has the potential to undermine good patient care. Indeed, Ms Carol Bennett of the CHF stated that:

> We constantly hear stories from consumers about the chaos that they experience, particularly those with chronic conditions, when they are being referred from practitioner to practitioner. Their records are not kept in any kind of system. They have to continuously keep on top of what tests they have had. In some instances they themselves virtually have to become practitioners to keep on top of the information that they need to provide to their practitioners. It is absolutely fundamental that we get some kind of electronic health records system in place to support this range of measures, because if we do not we risk continuing the disjointed arrangements that we have in place that at the end of the day risk patients' safety and make their experiences in navigating the system really difficult.[26]

1.48 Mr Hughes of the AHCRA went further, and argued that the current system is primitive:

> We have no consolidated information system that is applicable across all of the providers and practitioners in the health system. A person with a chronic or complex condition will typically have 20 or 30 practitioners. They will have a filing cabinet somewhere in their office with a few notes in it. Sometimes it will be a bit more elaborate than a few notes. Those things scattered around in the filing cabinets of a city somehow constitute an information system. It is primitive—it is Neanderthal—and it is essential to remove it.[27]

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24 Ms A Wise, Consumers Health Forum of Australia, *Committee Hansard*, 8.6.10, p. 7.

25 Dr C Bennett, Private capacity, *Committee Hansard*, 8.6.10, p. 32.

26 Ms C Bennett, Consumers Health Forum of Australia, *Committee Hansard*, 8.6.10, pp. 6–7.

27 Mr V Hughes, Australian Health Care Reform Alliance, *Committee Hansard*, 8.6.10, p. 51.

1.49 Mr Hughes drew a comparison with the banking system in arguing of the importance of e-health to the health reform package:

> If you imagined a banking system trying to do banking operations without an electronic system, it would be laughable; yet we have exactly that in health. So in my book—and certainly from the point of view of parents, families and carers of people with complex conditions, whom I represent—it is the most fundamental requirement of reform.[28]

1.50 Mr Sant of the Rural Doctors Association of Australia highlighted the difficulties faced by doctors in rural communities without e-health and argued that:

> Things like sharing of medical records, particularly with things like grey nomads, certainly have a potential to improve the health outcomes and remove costs. The number of times where I have been told that a practice has an electronic copy of the records of a patient, they have an electronic copy of their imaging, their x-rays or the pathology results, but they cannot send that to the hospital in the city because the hospital cannot receive it. So having those e-health initiatives in place will help improve that; it will help improve the costs, and it will help improve the outcomes.[29]

1.51 More than 97 per cent of doctors are using software and, as Ms Jane Halton, Secretary, Department of Health and Ageing noted, the e-health reforms will provide the means to 'connect up what actually happens on an individual doctor's desk with what is happening on other doctors' desks'.[30] Ms Halton pointed to the current situation and the consequences of having electronic records in sections of the health sector but not across it entirely:

> Increasingly people are starting to move things like pathology reports around electronically. If I go to see my general practitioner here in Canberra now, if I have been to have pathology tests, she will actually receive those reports electronically. However, what we do not do is make that information available if, for example, heaven forbid, I get knocked over in the basement of Parliament House as I take the shortcut to the basement. If I run in front of one of those little trolleys and have to be carted off to the Canberra Hospital Accident and Emergency department, they cannot easily access my record. They cannot tell whether I am diabetic—I am not, for the record. They cannot tell whether I am on any particular medication. They do not know what my blood group is. They do not know all the things that might be germane to whatever it might be that they decide when I am there. They need to know a whole series of things about me which,

28 Mr V Hughes, Australian Health Care Reform Alliance, *Committee Hansard*, 8.6.10, p. 47.

29 Mr S Sant, Rural Doctors Association of Australia, *Committee Hansard*, 8.6.10, p. 67.

30 Ms J Halton, Department of Health and Ageing, *Committee Hansard*, 7.6.10, p. 43.

> without access to an electronic health record, they are going to have start from ground zero to work out. Not only will it save time; it will also be a significant improvement in safety.[31]

The benefits of e-health to consumers and the medical profession

1.52 Under the previous Government, Australia was been very slow to develop e-health. For example, Professor Penington noted that in Finland, 'they have e-health covering all of their prescriptions and patient records over 30 years in full operation this coming year'.[32]

1.53 This Government has recognised the significant benefits of e-health to consumers. As Dr Christine Bennett has noted, e-health means that any health professional that a patient sees will have access to core information from other health professionals:

> Rather than basically carrying around a cardboard box or a folder with whatever scraps of information they can glean from their various health service visits, a person would now have full access to a summary of all of their health professional visits which they can then share, if they choose, with the health professionals they are seeing. This will both empower the patient and make them more involved in their health care and the healthcare decisions. It will also reduce waste and duplication of tests, protect against adverse drug events when prescribing doctors do not realise that someone is on a different drug and they have not got it quite right, and make things more efficient when people go into hospital.[33]

1.54 Mr Hughes of the AHCRA also highlighted the importance of placing the consumer at the centre of e-health in terms of control over their own information:

> What is laudable in the government's intention is that this will be person controlled. I think it is very important that the government hold to that commitment so that a consumer is able to authorise who may access that information. It must not be a prerogative of a provider or practitioner to assume that they can access it. Placing the prerogative with the consumer is an empowerment and a very important shift, but the government will face pressures from hospitals and other practitioners to drop the person controlled dimension. It may drop it. It will depend on the extent to which consumers fight for it.[34]

1.55 In the aged care sector, the benefits of e-health will also be significant. Professor Penington commented:

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31 Ms J Halton, Department of Health and Ageing, *Committee Hansard*, 7.6.10, p. 44.

32 Professor D Penington, *Committee Hansard*, 8.6.10, p. 22.

33 Dr C Bennett, Personal capacity, *Committee Hansard*, 8.6.10, p. 32.

34 Mr V Hughes, Australian Health Care Reform Alliance, *Committee Hansard*, 8.6.10, pp 51–52.

> E-health can provide telemedicine with the provision of processes to monitor performance, to monitor falls and new technology even IT can make it simple for people to keep in contact with their families and their friends rather than having them isolated in the home. Those things are necessary and rehabilitation hospitals, the so-called sub acute hospitals, ought to be part of supporting those people with physiotherapy and nursing care most of the time rather than them being dropped into the acute hospitals, sitting there unable to move back to their homes, and blocking beds that are necessary for support of emergency care and the like. There needs to be a more rational approach to aged care and it is primarily a matter of improving quality of life for elderly people who are going to continue to grow in number at a very steady rate over the next 20 or 30 years.[35]

1.56 Ms Jane Halton, Secretary, Department of Health and Ageing, highlighted that an electronic health record system mean will change the way people do their work – patients will not have to repeat their details every time they see a new practitioner, and practitioners will be confident that the details for a patient are accurate. In addition, e-health will enable people to take a more active role in their own health and allow them much more control over how they manage their health issues. Ms Halton concluded:

> The electronic health record is fundamental to all of that. We are very careful and mindful about the issues in respect of privacy. One of the things that we are always reminded of is that people regard privacy as being the most fundamental consideration, so we are building a system that will very carefully protect people's privacy. The ability to actually have health join the information technology revolution is absolutely fundamental to making the whole package succeed.[36]

1.57 The Government's aim to implement the e-health measures now will ensure that there is a consistent approach across Australia. The Government does not want to see different proprietary systems in different jurisdictions that do not communicate with each other. Such an occurrence would fail to deliver the maximum possible benefits to health consumers. As Ms Halton noted:

> It is about everything from ensuring that the email gets through to that what is in the email is understandable and is then loaded into the one record that can be read and understood by anybody you enable access to it. That actually underpins why it is important to do this now.[37]

1.58 Unfortunately this measure does not have bipartisan support and in their budget reply the Liberal and National Parties have decided that they would not

35 Professor D Penington, *Committee Hansard*, 8.6.10, pp 21–22.

36 Ms J Halton, Department of Health and Ageing, *Committee Hansard*, 7.6.10, p. 43.

37 Ms J Halton, Department of Health and Ageing, *Committee Hansard*, 7.6.10, p. 44.

support the funding for e-health investments.[38] Such a nearsighted decision misses this important opportunity for reform of the health system and improving the safety and quality of the outcomes for patients.

Conclusion

1.59 The National Health and Hospitals Network represents the most significant change to the health system since the introduction of Medicare. Sadly reform has stalled over the past decade as hospital budgets were tightened as a result of the Howard Government not playing its part in the funding of Australia's hospitals and the blame-game became the norm in health.

1.60 These reforms provide a circuit breaker for the system, which otherwise would be unable to face the coming challenges of the ageing population and the increase in chronic disease.

1.61 The Opposition Senators on this committee claim, for political purposes, that little is changing, yet the clear evidence to the committee from a wide range of witnesses is that there are very strong reforms being implemented that will have a very positive effect on the health of Australians. This is in comparison with the position of the Opposition which is to cut vital investments in e-health and GP practices and Super Clinics which would deprive Australians of much needed health infrastructure.

1.62 We wholeheartedly support the Government's reforms reached at the COAG meeting as driving important structural change, transparency, additional funding, resources and local governance.

1.63 The structural change, transparency, additional funding resources, and local governance will lead to improvements for all who use the Australian Health System.

Senator Helen Polley
Senator for Tasmania

Senator Doug Cameron
Senator for New South Wales

38 Andrew Robb, Media Release, *Coalition's Plan to rein in Rudd's reckless spending,* 19 May 2010.