South Australian country health reform – a change worth the wait ...

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INTRODUCTION

This paper addresses the aim of the country health reform, which is focused on delivering improved health outcomes for country residents by improving the quality and safety of services; providing greater opportunities for inclusion and community participation; strengthening and re-orienting services towards prevention and primary health care; developing service integration and co-operation; and adopting whole-of government approaches to advance and improve health status.

Two major projects are discussed that have been undertaken concurrently to facilitate the reform process:

- the establishment of seven reform working groups, that looked at strategies and initiatives across a range of topics; and
- the development of a strategic plan specifically for country health services.

SETTING THE SCENE

Many Australians living in rural areas enjoy good health and quality of life. However, it is now widely recognised that overall health outcomes for those who live in rural areas is not as good as city residents.

We know that – generally speaking – those who live outside the major cities tend to have higher levels of health risk factors and higher mortality rates than those who live in metropolitan areas[1] and experience levels of injury, disease and overall health that is poorer than city residents.

A main reason for this difference is the lack of convenient and timely access to appropriate health care in rural areas. The highest level of health disadvantage exists in remote areas and overall death rates are higher in country areas than in metropolitan areas. For instance, the death rates for people younger than 65 years of age was 10 per cent higher in regional and remote areas, and 20 per cent higher in very remote areas. Research studies have demonstrated that life expectancy declines with increasing remoteness.[2] This reduction is due mainly to the higher proportion of Aboriginal people in the country areas, who have a significantly higher burden of disease and illness than the rest of the population.

Life expectancy of Aboriginal people is currently 20 years less than other Australians[3] and death rates for the Aboriginal population in South Australia (SA) are 3.1 times higher than for other people in the State.

The rapidly **ageing** population and its predicted health needs, as well as the continuing poor health outcomes of many Aboriginal people, require us to consider innovative solutions to

improve overall health status. The **special needs** of the disabled, children and young people, families on low incomes and people with mental health problems also require particular attention. A continuing high priority is to ensure that we provide timely access to health services for **all** country residents and in ways that respect cultural diversity.

Population factors

In South Australia, 28 per cent of people (approximately 422 000) live in the seven country health regions. Twelve per cent live in 'inner regional areas', twelve per cent live in 'outer regional areas', 3 per cent in remote and 1 per cent in 'very remote areas'.[4] Of the 28 per cent of SA residents who live in the country, approximately 14 per cent are over 65 years of age and 29 per cent are 18 years or younger.[5]

For the past 15 years, SA has averaged only 0.5% annual population growth, which is less than half of the rest of Australia (1.2%). Since 1998, the population in SA has increased by just 120 000 compared with Queensland, which increased by over 1 million and Western Australia with over 400 000.[6]

The Australian Bureau of Statistics projects that the South Australian population will peak at 1.6 million in 2027 and decline after that, so in just over 40 years there could be fewer South Australians than there are today.[7] Further more, SA now has the oldest population of all States and Territories. Population issues present significant challenges and need to be factored into health planning.

Key issues

Key issues contributing to health inequalities and inequities faced by health consumers living in country SA include:

- geographic isolation and the impact of distance;
- reduced access to health services in comparison to metropolitan residents;
- reduced access to health expertise
- small clusters of the population centred in towns that can not support the recruitment and retention of a skilled health workforce;
- limited access to primary health care services — for instance, general practitioners (GPs), pharmacy, dental, mental health services — which inhibits the capacity to intervene early and prevent or ameliorate the effects of chronic health conditions; and[8]
- financial, capital and asset management issues.

The Department Health has embarked upon a long-term reform process to ensure the future sustainability of the health system in country SA.

HEALTH SYSTEM REFORM

Multiple strategies and initiatives are in place to drive the health reform agenda.

At the highest level, the *South Australian Strategic Plan — Creating Opportunity* (March 2004), sets a number of inter-related objectives to build strengths and create new abilities for all

people in the State.[9] Many of the objectives are aimed at improving the quality of life and well-being of the community and individuals, with a particular focus on preventative measures.[10] The State Plan sets targets for measuring performance against which we will report.

At the health system level, the State Government commissioned a wide-ranging examination – the *Generational Health Review* – in May 2002. The review found that the health system was no longer sustainable in its current form because of a number of critical factors:

- projected changes to the State's population;
- increasing evidence of the impact of 'social determinants' on health outcomes;
- changes in the 'disease burden' and increasing chronic disease in the community;
- poor distribution and mix of health services;
- fragmentation or duplication of health services; and
- health inequalities for particular 'population' groups – Aboriginal, children and young people, and people with mental health issues.[11]

The review delivered a blueprint for reform to the Minister for Health and the Government. In response, the Government released *First Steps Forward – South Australian Health Reform* which provides a strategy for starting health reform that focuses on three main themes:

- building better governance;
- building better services; and
- building a better system of support.[12]

Country health reform

Country Health was identified by the Department of Health as a **major project** for reform in recognition that people living in rural and remote areas of South Australia have unique needs, similar but separate from those living in metropolitan areas.

The aim of the Country health reform is to focus on delivering improved health outcomes for country residents by:

- enhancing the quality and safety of services;
- providing greater opportunities for inclusion and community participation;
- strengthening and re-orienting services towards prevention and primary health care;
- developing service integration and co-operation; and
- adopting whole-of-government approaches to advance and improve health status.

Two major projects were undertaken concurrently to begin the reform process:

- seven reform working groups were established with broad representation from across the health sector to undertake detailed examination of core areas of concern, and

- a strategic plan was developed specifically for country health to provide key directions for the next five years.

Country health reform working groups

The seven reform working groups were established to look in detail at the following:

- clinical networks;
- population health funding;
- mental health;
- Aboriginal health;
- primary health care;
- workforce and
- community participation.

The seven groups called on the expertise of key stakeholders, researchers, health administrators and community representatives to examine ways to improve services in country regions and recommend solutions for advancing country health services.

The **Clinical Network** group looked at ways to improve co-ordinating clinical services in country areas. The process identified **networked health care** as a way to improve the population's health and simultaneously reaffirm the client as the central focus for health services.

Clinical Networks focus on developing sustainable, efficient and effective clinical services through improved co-ordination, integration and partnerships between health care providers, key enabling stakeholders and the community.

Current models are priority-driven and focus primarily on clinical specialities (for example, emergency, anaesthetic, cancer and cardiology services) with the aim of maximising continuity of care, reducing duplication and improving access through enhanced service planning, workforce and operational management. Clinical Networks use a model of professional inter-relationships, referral and support structures between health services. They can be developed to address particular issues such as a:

- clinical speciality;
- disease;
- client group, or
- health issue relevant to a geographical area or community.

One example of a Clinical Network that has been developed in SA is in relation to **Cardiac Services**. Country clients often experienced limited options for treatment, poor transfer back to the country after surgery/treatment and inconsistent follow-up care. There were diverse referral patterns, inadequate budgets to accommodate all the models of care and no organised professional network. A Cardiac Clinical Network was developed consisting of the country-based GPs, country community hospitals, health services and community services, key metropolitan hospitals and two teaching universities.

Benefits of the Cardiac Services Network include:

- immediate access to current treatment protocols such as 'point-of-care testing' through a twenty-four hour, seven-day a week advice hotline for medical staff in the country regions;
- opportunities for standardised clinical practices;
- accessible professional networks and education;
- increase primary health care planning;
- reinforcement of referral pathways; and
- an opportunity to increase client well-being with a state-wide rehabilitation program.

The **Population Health Funding** group was established to ensure country issues were accounted for in the broader Department's development of a population health approach. The group's task was to identify rural factors for consideration within the Department of Health's Population Based Resource Allocation Model.

Further work is continuing to refine the country model by:

- building greater knowledge of the health status of regional populations;
- improving understanding of the impact of remoteness on health need and the cost of meeting those needs;
- building knowledge of the Aboriginal community, in particular the impact of mobility on the provision of health care services and developing mechanisms to ensure accurate identification and counting within data collections of Aboriginal people; and
- determining the most appropriate way to fund smaller hospitals to maintain essential minimum services.

The **Mental Health** working group analysed ways to improve the mental health and well-being of country residents by increasing the focus on the promotion of mental health, preventing mental illness and improving the treatment consumers receive. Work continues to:

- implement service delivery frameworks/models that support continuity of care between adult, child and adolescent, and older people's mental health services; including communication and collaboration mechanisms;
- improve integrated service models between country mental health services and the city; and
- develop non-clinical community support services.

The **Aboriginal Health** working group considered mechanisms to improve the health and well-being of Aboriginal people in country SA, with an emphasis on improving access to mainstream health services.

Work is now under way to:

- develop a 'Tool Kit' for health services, health planners and Aboriginal Health Advisory Committees to make more effective the way that mainstream services provide health services to Aboriginal communities;

- implement the National *Cultural Respect Framework for Aboriginal and Torres Strait Islander Health;*

- develop an Aboriginal community participation framework based on the Department of Health's *Consumer and Community Participation Principles and Framework for Action;*

- strengthen community participation and consultation with Aboriginal communities, leaders and individuals; and

- develop and implement consultative processes that identify the diverse needs of Aboriginal communities, and acknowledge elders and traditional practices.

The **Primary Health Care** working group developed an action plan to establish a sustainable country primary health care framework. Work is under way to:

- implement the Department of Health's, Primary Health Care policy to provide a focus to prevent and intervene early in health problems;

- support the continued development of Primary Health Care Networks across country South Australia;

- further develop Primary Health Care information systems; and

- develop an integrated approach to chronic disease management.

The **Workforce** group considered how to build on the existing recruitment and retention initiatives already in place within country health services; in particular, focusing on evidence-based workforce planning , workforce and workplace redesign.

Country health services face particular challenges of workforce sustainability. It is becoming increasingly difficult to attract and retain health professionals, for instance, GPs and medical specialists, dentists and nurses, and allied health staff such as physiotherapists, speech pathologists and occupational therapists.

There also continue to be significant problems in recruiting and retaining competent health management professionals. These problems remain even with an increased focus — both nationally and at the state level — on developing and implementing innovative incentive schemes and programs to recruit, retain and support the country health workforce; for example, scholarships, clinical placement grants, VET in Schools.

Some of the initiatives being explored and implemented include:

- implementing the *National Health Workforce Strategic Framework and participating in developing the National Workforce Action Plan;*

- participating in developing a Health Workforce Plan for SA to establish future workforce requirements in the long term;

- building positive relationships with tertiary, education and training sectors to develop career pathways for rural students across the full range of health disciplines; and

- developing and implementing a *Country Health Workforce Marketing Strategy* to meet workforce requirements and begin discussions with key partners and stakeholders on the issue of accessible and regular childcare for the health workforce in country South Australia.

The **Community Participation** working group developed a set of principles and a model for community participation in health services. The group recommended a multi-layered approach of informal and formal strategies to become an intrinsic part of the health service culture. Accountability is monitored through health service agreements to ensure that services develop community participation processes, while still allowing for grass-roots innovation.

One of the highlights of the development process that provided direction for the working group was a full-day workshop involving community representatives and Aboriginal Health Advisory Committee members, looking at the principles of community participation and developing practical ways for implementation. A rich comprehensive set of guiding statements and values evolved from that day, to drive the business of health delivery, create genuine partnerships and share ownership for priority setting, planning and evaluating services with community.

Some of the strategies in train to improve community participation include:

- implementing and monitoring the Department of Health's *Consumer and Community Participation Principles and Framework for Action* which includes mechanisms for engaging the community to participate in service planning, service development and evaluation; and
- getting active involvement and partnership with key Aboriginal communities and organisations by supporting existing and emerging structures and committees.

In addition to initiating a range of specific projects and strategies, the findings and outcomes of the working groups informed the development of the strategic plan for country health.

The final reports from the seven working groups are available from the country health web site at www.countryhealthsa.sa.gov.au.

A Strategic Plan for Country Health

A wide ranging consultative process was undertaken by the Department of Health to develop *Strategic Directions for Country Health 2005–2010* – a strategic plan – that provides a framework to improve country health outcomes. Three broad areas have been identified to conceptualise the plan; they are:

- health status and health outcomes;
- determinants of health; and
- health system performance.

These areas align with the National Health Performance Framework[13] developed by *National Health Performance Committee* set up by the Australian Health Ministers in 1999, to create a measurement framework and appropriate indicators as a basis for reporting.

The plan provides nine key objectives and forty-five strategic directions to focus effort into the future. The plan suggests initiatives most likely to improve health outcomes of country residents and sets goals for improvement. The initiatives act as a guide to assist regions and country health services to determine priorities for action, in ways that allows flexibility to build on local initiatives and develop local priorities for implementation.

A copy of the plan can be obtained through the country health web site at www.countryhealthsa.sa.gov.au.

SUSTAINABILITY FOR THE FUTURE

Funding

The health care funding environment is complex and constantly changing. There is considerable financial pressure on health systems generally and, in particular, there are concerns regarding the financially viability of some country hospitals. Financial management in an era of resource restraint creates significant dilemmas for public health administrators, governments and rural communities.

In South Australia, the current operational and funding arrangements are based around separately incorporated health units. This system results in a tendency to focus on individual organisational priorities, rather than addressing issues which relate to the maintaining and improving the health of the population.[14]

Hospital services currently are funded on an 'output' basis using casemix methodology as the primary allocation tool. Casemix budgets are calculated at the unit level but are allocated to the seven country health regions. It then is up to the seven Regional Boards to determine the method of funding and allocations that will be provided to the individual health units. Community and allied health services are funded predominately on a historic basis. Regions also receive funds for medical costs, 'Fee For Service' and the Rural Health Enhancement Package, as well as site- specific funding for patient transport, radiology and 'acknowledged' regionally specific activity. The recurrent funding of SA country health services is approximately $297 million per annum.

Significant funding issues for country health services include:

- relatively high fixed costs;
- low economies of scale;
- higher per unit cost structures than metropolitan services; and
- old buildings and infrastructure.

Population health approach and population based funding

Funding allocation in health care increasingly is being used as a tool or mechanism to achieve an equitable distribution of health care resources.[15] The progressive implementation of population-based funding models as the basis for determining the allocation of health care expenditure is gaining in popularity and is seen as an effective means to obtain better health outcomes across population groups.

Funding health services can be based on relative need, through a weighted formula calculated by using measures such as socio-economic disadvantage, remoteness, Aboriginality, disease burden. The move towards using a population-based funding method is a means to an end: a population health approach premised on a belief that improvements in health outcomes will result. The funding model acts as an incentive and allows flexibility to plan services according to population health need rather than historical service structures.

Moving to a population health approach has significant benefits. The key elements to a population health approach require:

- focusing on the health of populations;

- addressing the determinants of health and their interactions;
- basing decisions on evidence;
- increasing early intervention and prevention investment;
- applying multiple strategies;
- collaborating across sectors and levels;
- employing mechanisms for public involvement; and
- demonstrating accountability for health outcomes.[16]

Improving population health outcomes has a positive effect on the wider social, and economic environment. A healthier population is more productive to society and "requires less support in the form of health care and social benefits, and is better able to support and sustain itself over the long term".[17]

Country hospitals — a community icon

For country locations, the distribution of health services and the viability of hospital services needs to be analysed from a perspective other than that which might apply in metropolitan areas. Increasingly, we are of the view that country health services in particular hospitals, are a community icon with more far-reaching benefits than just providing health care services to the population.

To view country hospitals in narrow financial terms misses the vital role that country health services play within communities. They often are the major employer within a region or town and provide valuable expertise not only within the health service but also more generally in the community. Staff often are the leaders and key volunteers in a range of regional activities. The generation of social capital needs to be taken into account when considering viability of future health services. We have seen in recent years the consequences of closing schools, banks and other essential services, with many country towns never recovering from the withdrawal of vital community services.

Other commentators share similar views; for instance, in 2004, five Australian rural health advocacy groups jointly released a collaborative policy document, aimed at providing strategies to improve health outcomes in rural communities.[18] Their plan is based on the belief that small rural hospitals should be viewed as centres of quality health care, providing a focus on health outcomes and community sustainability, rather than being considered as financial burdens. Downgrading or closing local hospitals exacerbates rural decline, depletes community morale, and deters young families and others from staying or coming into a small town. Small rural hospitals therefore should be viewed as an essential component of the socio-economic well-being of the whole community.[19]

CONCLUSION

In conclusion, it is clear that the health system in country South Australia has a number of challenges — pressing demographic issues, poorer health outcomes for particular population groups, infrastructure and financial concerns — that demands a widespread system change. The South Australian Government has indicated the need to work together with country health units and the community to reform health services collaboratively, so that bureaucracies are

streamlined, systems of care are improved, easier links with city-based specialists are enacted, and primary health care improved.

The reform processes outlined provide some examples of how this State has begun to change. Achieving health reform objectives requires a significant paradigm shift — one in which health system priorities and processes are geared towards establishing a co-ordinated population health approach.

The reforms are essential for ensuring future sustainability of country health services and improved health outcomes for rural populations generally, and Aboriginal communities most particularly. It is essential that we continue to apply a broad view of health and health services, recognise health services as having a unique place within rural communities and advocate strongly for their continued survival.

Change has started. We believe the results of the changes will bring benefits to country communities for which the wait will have been worthwhile.

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PRESENTER

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