



National Aboriginal Community Controlled Health Organisation

Budget Submission 2008/09

Overview

NACCHO calls on the Rudd Labor government to make a significant investment now in Aboriginal primary health care to close the gap in health outcomes compared to other Australians.

NACCHO is the national peak body representing over 140 Aboriginal Community Controlled Health Services (ACCHSs) that deliver comprehensive primary health care services across the country. The Health Equality Plan launched in 2007 is a comprehensive multi-sectoral plan to close the life expectancy gap. This submission focuses on necessary investment into Aboriginal primary health care which will make a substantial contribution to closing the gap. However, significant investment into other areas such as housing, education and economic development is also needed if we are to have a serious impact on the health inequalities experience by Aboriginal Peoples.

NACCHO calls upon the government to invest an additional \$460 million a year, in to Aboriginal primary health care, to address the shortfall in expenditure. This amounts to a commitment of \$1.84 billion in new money over the four years of the budget.

The investment is in three areas:

- **Increased Core Funding of Aboriginal Primary Health Care Services made up of:**
 - **Capital Investment:** \$550 million
 - **Recurrent funding:** \$772 million
- **Enhance the capacity and support services to increase MBS and PBS uptake:** \$512 million.

The \$460 million a year is based on the shortfall in primary health care spending calculated by the AMA for the 2006/07 budget. The actual shortfall may be greater than this. NACCHO would welcome a full analysis of health spending for Aboriginal and Torres Strait Islander Peoples updating the MBS and PBS utilisation rates which have not been calculated since 1998/99 (published 2003).

Total health expenditure in Australia was more than \$87 billion in 2005/06. Funding of this budget submission would only increase this by half a percent. Total health expenditure in Australia grew by over 7% between 2004-05 and 2005-06.

Brief details of the proposed measures are given below. For more information please contact: Dr Mick Adams (Chairperson) on 0409 646 952 or Ms Dea Thiele (CEO) on 0417 046 692.

Increased Core Funding Of Aboriginal Primary Health Care Services

The present funding formula for Aboriginal comprehensive primary health care services is based on historical spending and a very general aim to increase funding to the equivalent of three times the average Australian MBS per capita spend. This formula needs to be developed to reflect the **actual** cost of providing the agreed core services at particular locations. The actual utilisation of the core funds should be up to each Aboriginal Community Controlled Health Service (ACCHS) but they would be required to provide the agreed set of services.

Comprehensive primary health care (PHC) includes: primary clinical care; population health/preventive care; client support systems; clinical support systems; administration systems; staff 'life long leaning' and support; special programs based on locally relevant priorities and support for the community to promote health issues at the local, state and federal levels.

To deliver these services, funding is required for a joint capital works program and recurrent funding pool, for ACCHSs to manage, in order to meet the needs of their communities. Regional Plans will inform on the relative distribution of both sets of funds to ACCHSs across Australia. These funds should be combined in a global budget to each ACCHS.

A plan would be needed for each ACCHS to deliver the core set of services and, if possible, an agreed set of additional services for health services above a certain size.

Capital Investment

The capital expenditure component of an expanded core primary health care budget would develop the infrastructure which will then support the recurrent expenditure increase. There are likely to be lag times in capital spending because of the need for planning permission etc. However there are a significant number of services ready to undertake capital development immediately.

Capital investment is needed in the following areas:

- Existing clinic buildings to accommodate projected health service and training requirements;
- Health professional accommodation;
- Equipment ranging from medical equipment such as examination couches, dental chairs and sterilisation units through to computers, office requirements and kitchen equipment;
- Transport: vehicles and ambulances to allow workers to visit patients in their homes when necessary, bring patients to the clinic for appointments and transport sick clients either to the nearest hospital or airstrip for evacuation;
- New clinic development based on regional plans.

	2008/09	2009/10	2010/11	2011/12
Proposed pattern of spending:	\$125m	\$175m	\$150m	\$50m
TOTAL	\$550 million over four years¹			

¹ This figure also includes the amount already allocated to the NT for capital works.

Recurrent funding

Recurrent funding would need to cover the following:

- Competitive salary packages for all staff – doctors, nurses, Aboriginal health workers, dental, allied health, management, and support staff;
- Medical consumables including non-PBS medicines and consumables;
- IT needs;
- Utilities;
- On going training of staff; and
- Transport costs– for outreach, programs and patient transport.

This would include the Labor pledge of \$102.5m to provide national coverage of child and maternal health services to Indigenous Australians given that such service provision is a part of primary health care service delivery.

	2008/09	2009/10	2010/11	2011/12
Proposed pattern of spending:	\$60m	\$150m	\$200m	\$220m
TOTAL	\$772.2million over four years²			

Increased Use of MBS and PBS

To increase the utilisation of both MBS and PBS by Aboriginal individuals and families a relatively small investment is needed. Some of the increase will be achieved through the present QUMAX program, funded under the 4th Pharmacy Agreement, and through continuation of the Section 100 scheme operating in remote Australia.

Augmenting the capacity of services provided by AHSs, through expansions in capital and recurrent funding, will significantly increase both PBS and MBS utilisation. However it is unlikely that direct use of MBS and PBS will ever approach a level commensurate with the need of this population hence the need for the direct investment in AHSs.

It should be noted that for NACCHO's Member Services to be willing to increase their claiming of MBS it will be essential to provide a guarantee that this will not reduce their core funding.

NACCHO believes that a combination of strategies will be required to increase Aboriginal Peoples' access to MBS and PBS. Four interventions are outlined. A number of others should be developed to inform and encourage the clients and service providers to increase use:

- 1) Training and support to Aboriginal Community Controlled Health Services in claiming MBS and incentive payments to GPs working within ACCHSs (in recognition of the greater skills needed and attendance to more complex consultations). Proposed spending is \$5m 2008/09, \$3m 2009/10, \$2m 2010/1, \$2m 2011/12 = **\$10 m total**;
- 2) A scheme to enhance Aboriginal Health Workers (AHWs) claiming MBS rebates. This would allow all services employing AHWs to claim those MBS item numbers already

² This figure also includes the amount already allocated to the NT for PHC service expansion and the Mothers and Babies commitment.

approved for AHWs and not just in the NT. Such a scheme might include amendment to the MBS claiming rules to allow AHWs that have reached Cert III or IV level from an approved agency to claim MBS rebates under the system of delegated care (to a GP). A scoping of the feasibility of a national accreditation scheme for AHWs would also need to be considered: Proposed spending is \$1m 2008/09, \$0.5m 2009/10, \$0.5m 2010/11, \$0.5m 2011/12.= **\$2.5 m total;**

- 3) Development of further AHW specific MBS item numbers and amendments to Enhanced Primary Care items (such as expanding allied health visits from five to ten per annum for Aboriginal peoples). Proposed spending is \$1m 2008/09, \$0.5m 2009/10, \$0.5m 2010/11, \$0.5m 2011/12.= **\$2.5 m total;**
- 4) Increase QUMAX budget to allow services to facilitate more of their client's access to the PBS. Proposed spending is \$5m 2008/09, \$5m 2009/10, \$5m 2010/11, \$5m 2011/12 = **\$20 m total.**

	2008/09	2009/10	2010/11	2011/12
Cost of programs:	\$12m	\$9m	\$8m	\$8m
Expected increase in PBS use:	\$25m	\$50m	\$75m	\$80m
Expected increase in MBS use:	\$20m	\$50m	\$75m	\$100m
TOTAL	\$512 million over four years			