BUDGET 2015 – 16: NACCHO’S ANALYSIS

Aboriginal Community Controlled Health Sector

Core Funding
The Australia Government has made a re-commitment to the Sector:

- $1.4bn over 3 years or $448m / per year. This will include a 1.5% CPI increase over a 3 year period.
- The Government has confirmed NACCHO and Affiliate funding for 18 months in the amount of $18m, with the Department of Health commencing a review of role and function.

In 2015-16, the Government will implement a National Continuous Quality Improvement Framework for Aboriginal and Torres Strait Islander primary health care, through the expansion of the Healthy for Life activity.

Funding methodology
From 1 July 2015, the Government will progressively implement a new funding approach for the Indigenous Australian’s Health Programme.

The new approach will support the targeted use of funds in regions whose populations experience high health need and population growth.

The Budget papers explicitly mention NACCHO and Affiliates as being engaged as the nominated community stakeholders along with States/Territories in the development of this mechanism.

Indigenous Chronic Disease Package
The Budget has not provided any clear answers regarding the future of the Indigenous Chronic Disease package, outside of a stated commitment to “focus on improving the prevention, detection and management of chronic disease to improve health outcomes”.

Tackling Indigenous Smoking Program – a redesigned program will be implemented arising from the review undertaken in 2014-15. No detailed announcements were made in the Budget as the Minister is yet to sign off on the outcomes of the review.

Australian Nurse Family Partnership Program and New Directions: Mothers and Babies Services – the Australian Nurse Family Partnership Program will grow from three to five sites and New Directions: Mothers and Babies Services will reach an additional 25 services in 2015-16, bringing the total to 110 service, with an enhanced capacity to identify and manage Fetal Alcohol Spectrum Disorder in affected communities.

Close the Gap PBS Co-payment – expected to be an ongoing measure worth $85m, however there were no announcements in the Budget. NACCHO will look to identify this funding in a more detailed analysis.

MBS Practice Incentive Payments – expected to be ongoing funding and will form part of the MBS Review, with an intention to enhancing the program.

Indigenous Australians’ Health Programme
Initiatives funded under the Indigenous Australians’ Health Programme include primary health care services (including eye and ear health), maternal and child health activities, medical outreach to rural and remote areas, and targeted initiatives to improve prevention and primary health care management of chronic diseases.
The Budget papers outline the Department of Health’s commitment to a joint approach to the development of the Indigenous Australians’ Health Programme.

This provides an opportunity for ACCHSs to discuss the development of the Programme and funding methodology with local MPs.

National Aboriginal and Torres Strait Islander Health Plan Implementation Plan

In 2015, the Government will release the National Aboriginal and Torres Strait Islander Health Plan (2013-2023) Implementation Plan which is being developed in partnership with the National Health Leadership Forum (NHLF).

In 2015-16, the Government will commence the actions outlined in the Implementation Plan and will continue working with the NHLF to monitor and review progress.

Workforce

Focus on rural and remote shortages. A new geographical classification system will ensure incentive payments are targeted to doctors and dentists who choose to practice in areas of greatest need.

A range of medical, nursing and allied health scholarships will be consolidated.

Expansion of GP training places to 1,500 commencing places every year under the Australian General Practice Training Program.

The Remote Vocational Training Scheme supports doctors practicing in some of Australia’s most remote locations to undertake vocational general practice training.

The Scheme supports 22 new training places each year. In 2015, a new cohort of 10 registrars training in Aboriginal Community Controlled Health Services commenced training under this scheme.

Health Budget Announcements

MBS

The Government has announced a review of Medicare. This will include a comprehensive review of all 5500 MBS items.

This process will also oversee the establishment of a Primary Health Care Advisory Group to focus on innovative ways to deliver primary care, especially chronic disease.

The Government has committed $34.3m over two years to undertake this process. The Taskforce is expected to report back with key priority areas for action late in 2015.

NACCHO has already initiated discussions with the Department of Health to influence the consultation process and ensure the Sector has a seat at the table in these processes.

In addition, NACCHO has secured confirmation of an extension of the Section 19.2 ACT which expires on 30th June 2015, which enables ACCHSs to receive financial benefit from Medicare rebates in addition to Government funding. Confirmation letters will be sent to member services confirming an extension of the exemption until 30th June 2018.

The Government remains committed to the freeze on MBS rebate indexation. This will cost the Sector critical funding to support services outside of grant funding. NACCHO will work with the Department to address gaps in MBS revenue.
Healthy Kids Check

The Budget cut Medicare funding for the "Healthy Kids Check", a consultation with a nurse or GP to assess a child's health and development before they start school.

Funding for the program will stop in November. This measure is considered a duplication with existing state and territory based programs.

This change does not impact ACCHS or Aboriginal and Torres Strait Islander children to the same degree. ACCHSs can continue to bill health assessments through a separate item (715) which is eligible to be billed at any age.

PBS

The Budget provides additional spending of $1.6b over five years, with a further $2.5b in recommendations which are in the final stage of negotiations.

Listings include:

- Breast cancer
- Melanoma
- Eye disease
- Shingles vaccine for people 70-79.

The benefits for some of the measures, such as the cancer drugs, are undermined by others such as the fee reduction for the shingles vaccine. This covers an age cohort which largely excludes Aboriginal and Torres Strait Islander people, who have lower life expectancy. NACCHO is working with the Department to address this.

Sixth Pharmacy Agreement

The 6th Community Pharmacy Agreement (CPA) has reached the final stages of negotiation. NACCHO and the Pharmacy Guild of Australia have been negotiating 1 year transition funding of QUMAX to enable development of an Implementation Plan under the 6th CPA.

NACCHO will seek to expand QUMAX from 76 services to 134 services who currently receive funding from the Department rather than directly.

This Agreement introduces pilot trials for pharmacists to undertake basic functions usually undertaken by Doctors and Nurses, for example vaccinations, wound care and chronic disease management. This could be seen as money being taken out of the primary care sector and re-directed to pharmacists.

PHN Funding

Current funding allocated to Medicare Locals will transfer to the PHNs. The 2015-16 Health Budget papers indicate that "identified primary mental health care services will [also] be transitioned to Primary Health Networks". Additionally, the Minister for Health has advised in writing to NACCHO that funding for Complementary Care and Supplementary Services will transition from Medicare Locals to the PHNs.

This decision was based on notion that this would ensure greater access for Aboriginal and Torres Strait Islander people, regardless of where they access their primary health care. This position implies that Medicare Locals were providing universal care to Aboriginal and Torres Strait Islander people, despite a lack of evidence to support this.
NACCHO will continue to lobby the Minister and the Department to re-allocate Aboriginal Medicare Local funding to the Sector, rather than to PHNs.

Flexible Funding
Last year’s Budget foreshadowed $197.1m in cuts to the ‘Health Flexible Funds’ over three years.

This year, that figure has increased to $500m worth of cuts over four years, according to the Secretary of the Department of Health. There is still no clarity in relation to how these savings are to be achieved.

Among the 16 Flexible Funds which could be affected are those supporting the provision of essential services in rural, regional and remote Australia; working to Close the Gap in health outcomes for Indigenous Australians; managing vital responses to communicable diseases; and delivering substance use treatment services around the country.

NACCHO is currently working with the Public Health Association of Australia on a public campaign opposing these cuts.

Mental Health
There were no measures announced in response to the Mental Health Commission’s recent review of programs and services.

Instead, the Government has committed to develop and implement options for policy and program changes. This process will be driven through an expert reference group, which will develop short, medium and long-term implementation strategies based on reviews findings:

- Suicide prevention
- promotion, prevention and early intervention of mental health and illness;
- the role of primary care in treatment of mental health, including better targeting of services; and
- national leadership, including regional service integration.

NACCHO will monitor announcements for Mental Health in relation to the Federal Budget and the commencement of the Expert Reference Group. It is expected these announcements will be linked to the development of the Federation White Paper.

Medical Research Future Fund (MRFF)
The MRFF has been revived in this year’s budget. Funding for the MRFF will be derived from savings found in the Health budget. The MRFF will receive $400m over the next four years, starting with $10m in this financial year.

Last year NACCHO lobbied for the reinvestment of $121m in savings from the Aboriginal health budget, rather than its inclusion in the MRFF funding bucket. NACCHO will closely monitor which money is allocated to the fund and how it is used to promote research that benefits Aboriginal people.
Ice Campaign
This Budget commits $20 million over two years for a new stage of the National Drugs Campaign primarily aimed at the use of ice. No consultation has been undertaken in the lead up to the announcement of this health promotion campaign. It almost certainly will not achieve tangible outcomes for Aboriginal people.

In addition, it is unclear how this complements the recent development of a National Ice Taskforce, under the leadership of the Prime Minister, which is currently undertaking public consultations around the country. It is expected that reporting for this process will not commence until mid-year.

NACCHO is currently developing a response to the National Ice Taskforce and considering alternate strategies to progress development of a Sector-led response to Ice in Aboriginal and Torres Strait islander communities.

General Budget Announcements

Income Management — two year extension
The Government will provide $146.7 million over two years to extend existing income management arrangements in all current locations until 30 June 2017, despite evidence to the contrary that this approach is effective.

Income management will continue in: Perth Metropolitan, Peel and Kimberley regions, Laverton, Kiwirrkurra and Ngaanyatjarra Lands in Western Australia; Anangu Pitjantjatjara Yankunytjatjara Lands, Ceduna and Playford in South Australia; Cape York, Rockhampton, Livingstone and Logan in Queensland; Bankstown in New South Wales; Greater Shepparton in Victoria; and in the Northern Territory.

Youth Employment Strategy
The Government will provide over $330 million to implement a Youth Employment Strategy. This provides targeted support for groups of young people who are more susceptible to long term unemployment or are at risk of welfare dependence.

The Government will reverse the 2014-15 Budget measure Stronger Participation Incentives for Job Seekers under 30 and instead require young people under 25 years of age to actively seek work for a four week waiting period before receiving income support payments.

NACCHO will continue to lobby for an exemption for Aboriginal and Torres Strait Islander youth, who are disproportionately affected by unemployment.

Small Business Package
The Government has introduced a raft of tax measures and incentives that may be applicable to some ACCHSs.

The Government is reducing the tax rate for the more than 90 per cent of incorporated businesses with annual turnover under $2 million. The tax cut will apply from 1 July 2015.

The Government will also provide a 5 per cent tax discount to unincorporated businesses with annual turnover less than $2 million from 1 July 2015.

All small businesses will get an immediate tax deduction for any individual assets they buy costing less than $20,000. (Currently, the threshold sits at $1,000).
This $20,000 limit applies to each individual item. Small businesses can apply this $20,000 rule to as many individual items as they wish. These arrangements start Budget night and continue until the end of June 2017.

NACCHO will develop a paper which outlines entitlements for the sector through these measures.

**Indigenous Advancement Strategy (IAS)**

Although not a budget announcement, the recent announcements of the Indigenous Advancement Strategy funding have implications for the Sector’s business model.

NACCHO recently prepared a submission to the Senate Inquiry into Commonwealth Indigenous Advancement Strategy tendering processes. This submission was developed based on surveys with Member Services and the outcomes made available on the Department of Prime Minister and Cabinet website.

NACCHO surveyed (94) Member Services throughout April, following the announcement of the IAS funding outcomes.

NACCHO has found that:

- Funding for ACCHSs has been reduced by approximately $112,884 through the IAS funding from the (4000) grants received in the 2014-15 financial year.
- Most of the program categories were retained overall, but re-allocated between ACCHSs. The absence of funding for Men's Health and Prevention programs is notable.
- Many services did not apply due to the confusing templates and miscommunications from the Department with the ACCHSs.
- Fifty percent of the 94 Services NACCHO surveyed did not apply for funding.
Based on the data provided by the Department, NACCHO found that the largest percentage of funding was provided to the Business sector ($53,842,646) equating to 67 per cent of the total funding committed. The Other Health organisations, church, charity and non for profit, Business for Profit, Government Departments and Sporting group categories that are not Aboriginal specific organisations were awarded 73 per cent of the total expenditure under the IAS.

NACCHO has calculated a reduction of IAS funding allocations of $1,202,919,558 overall to essential frontline services including for services for Social Emotional Wellbeing, Alcohol and Drugs, Bringing Them Home, Men's Health, Youth and Early Years.

The reduction of total funds available in this 2014-15 year of $3,818,923,735 means an overall reduction of 51.4 percent in the Indigenous Affairs portfolio.

NACCHO will lobby for SEWB, AOD and Men's health programs in the Department of Prime Minister and Cabinet to return to the Department of Health as result of these outcomes.