

Outcome 13

## Acute Care

**Australians have access to public hospitals, related hospital care and medical services underpinned by appropriate medical indemnity arrangements**

### OUTCOME SUMMARY – THE YEAR AHEAD

Under this outcome, the Government aims to provide all Australians with access to cost-effective and high quality health care services by contributing to public hospital care provided by the States and Territories. The Government's work under this outcome also provides funding for blood and blood-related products through the National Blood Authority<sup>1</sup> and supports doctors providing private medical services through its medical indemnity programs. In addition, the Government provides financial support for policy advice relating to a range of issues, including organ and tissue donation, the national blood arrangements and gene technology regulation.

#### Key Strategic Directions for 2006-07

During 2006-07, the Australian Government will:

- continue to work with States and Territories to support the provision of free public hospital services to public patients through the Australian Health Care Agreements;
- work with States and Territories to ensure the safe supply of blood and blood-related products under the national blood arrangements and provide policy advice on blood issues;
- develop and implement strategies to improve the rate of organ and tissue donation; and
- complete and/or consider the recommendations of a number of reviews, specifically:
  - complete the review of Australia's plasma fractionation arrangements - as required under the Free Trade Agreement with the United States;
  - consider the recommendations of the 2005-06 Medical Indemnity Policy Review Panel; and
  - consider the recommendations of the review of the *Gene Technology Act 2000* and implement any decisions arising from such considerations through the Ministerial Council.

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<sup>1</sup> This funding is part of a special account. The National Blood Authority also receives directly appropriated funding under its own outcome for operating expenses.

## Major Activities

### Australian Health Care Agreements

Under the 2003-08 Australian Health Care Agreements (the Agreements), the Australian Government will provide up to \$42 billion to State and Territory governments to help provide free public hospital services for public patients. This includes \$253 million for projects under the Pathways Home Program to assist older people to return home following a hospital stay.

In 2006-07, the Australian Government will focus on ensuring States and Territories continue to meet their obligations under the Agreements, in particular providing free and clinically appropriate public hospital services to all eligible Australians.

Other important objectives in 2006-07 are:

- ensuring patients are aware of their right to elect to be treated as a public or private patient in a public hospital and that they fully understand the implications of that choice;
- improving data on non-admitted public hospital services including emergency department, outpatients, rehabilitation and geriatric evaluation management;
- progressing implementation of a new system for reporting recurrent annual expenditure on public hospitals by States and Territories; and
- further develop a comprehensive framework of performance indicators to measure the effectiveness, efficiency, quality, safety, accessibility and equity of public hospital services.

Performance information gathered under the Agreements for 2005-06 will be published in June 2007 in the Australian Government's *'The state of our public hospitals report'*.

### Blood

The Australian Government will continue to ensure that the blood supply is maintained for the Australian community by contributing 63 per cent of funding under the National Blood Agreement. Under this outcome, the Department chairs the Jurisdictional Blood Committee and provides policy advice to the Minister on blood issues.

In 2006-07, the Australian Government will complete the review of Australia's plasma fractionation arrangements as required under the Free Trade Agreement with the United States, following an extensive consultation processes. The review report will be finalised by 1 January 2007.

### Organ and Tissue Donation

In 2006-07, the Australian Government will make a significant new investment to improve Australia's rate of organ and tissue donation. The Government will:

- increase community awareness of organ and tissue donation through ongoing campaigns;
- expand the ways people can register on the Australian Organ Donor Register (AODR);
- enhance clinical data on organ and tissue donation and transplantation;
- seek to achieve national consistency in transplantation waiting lists;
- increase the quality and safety of organs and tissues for transplantation;
- provide support for the Australian Transplant Games and World Transplant Games when hosted in Australia; and

- establish an expert taskforce of clinicians and specialists to assist with implementing these and other reform initiatives in the organ and tissue sector.

As part of a cooperative reform agenda, the Australian Government will seek to work with State and Territory governments on options for introducing medical donor coordinators in Australia's public hospitals to better identify organ donors and coordinate the donation process.

The Department will continue to support existing programs which includes working with Medicare Australia to administer the AODR, providing financial assistance to Australians under the Bone Marrow Transplant Program, and through cost-share arrangements with States and Territories, funding the national peak body for organ and tissue donation, Australians Donate, and the National Cord Blood Collection Network.

### **Hospital Information and Performance Information Program**

The Department will continue to work with State and Territory governments on improving the quality of the National Minimum Data Sets for admitted patients, emergency departments, outpatients and rehabilitation/step-down care.

Other key activities include working towards the development of improved service weights, disseminating benchmarking/analysis software and reports and maintaining ongoing services to the private hospital and the private health insurance industries.

In November 2006, the Department will host the biennial Casemix Conference 'A Measure of Hospital Health'. The focus of the conference will be on acute care financing and reform, hospital performance information and private hospitals.

### **Outcome 13 Resourcing**

Table 3.1.13 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome13, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

**Table 3.1.13: Total resources for Outcome 13**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
<b>Administered appropriations</b>		
<b>Program 13.1: Blood and Organ Donation Services</b>		
Appropriation Bill 1	9,698	15,491
Appropriation Bill 2 <i>National Blood Authority Act 2003</i> to National Blood Authority	5,478	6,984
	361,314	360,978
Total Special Appropriations	361,314	360,978
	<b>376,490</b>	<b>383,453</b>
<b>Program 13.2: Medical Indemnity</b> <i>Medical Indemnity Act 2002</i>	116,669	128,278
Total Special Appropriations	116,669	128,278
	<b>116,669</b>	<b>128,278</b>
<b>Program 13.3: Public Hospitals and Information</b>		
Appropriation Bill 2	-	37,500
<i>Health Care (Appropriation) Act 1998</i> - Australian Health Care Agreements - Provision of Designated Health (p)	8,333,066	8,781,247
Total Special Appropriations	8,333,066	8,781,247
	<b>8,333,066</b>	<b>8,818,747</b>
<b>Total Administered Appropriations</b>	<b>8,826,225</b>	<b>9,330,478</b>
<b>Departmental appropriations</b> <b>Health and Ageing</b>		
Output Group 1 - Policy Advice	9,379	8,559
Output Group 2 - Program Management	11,938	10,893
<b>Total price of departmental outputs</b> <i>(Total revenue from government and from other sources)</i>	21,317	19,452
Total revenue from government (appropriations) contributing to price of departmental outputs	21,317	19,452
Total revenue from other sources	-	-
<b>Total price of departmental outputs</b> <i>(Total revenue from government and from other sources)</i>	21,317	19,452
<b>Total Price of Outputs for Outcome 13</b> <i>(Total Revenue from Government and from other sources)</i>	21,317	19,452
<b>Total estimated resourcing for Outcome 13</b> <i>(Total price of outputs and administered appropriations)</i>	<b>8,847,542</b>	<b>9,349,930</b>
	2005-06	2006-07
<b>Average staffing level (number)</b>		
Department	147	151

### Measures Affecting Outcome 13

A summary of measures affecting this outcome is provided at Table 2.2, Section 2. Measure descriptions are published in full in Budget Paper No. 2, *Budget Measures 2006-07*, available on the Australian Government website at <<http://www.budget.gov.au>>.

## **Contribution of Administered Programs to Outcome 13**

### **Program 13.1: Blood and Organ Donation Services**

Under this program the Australian Government contributes funds to maintain a safe, secure and affordable blood supply for Australians and funds initiatives to increase community awareness, and the rate of organ and tissue donation. The key recipients of funds are the National Blood Authority under the National Blood Arrangement, State and Territory governments under the Hepatitis C Litigation Settlement Scheme, Australian patients under the Bone Marrow Transplant Program and key community and non-government organisations in the organ donation sector.

The contribution to this outcome is measured by the performance of the National Blood Authority in managing a number of blood and blood product supply contracts on behalf of all Australian governments and the annual organ donation rate per million population.

### **Program 13.2: Medical Indemnity**

The Australian Government's range of medical indemnity schemes, including the Incurred-But-Not-Reported (IBNR) Scheme, the United Medical Protection (UMP) support payment arrangements, the Run-off Cover Scheme (ROCS), the High Cost Claims Scheme (HCCS), the Exceptional Claims Scheme (ECS) and the Premium Support Scheme (PSS) ensure doctors have access to fair, affordable and secure medical indemnity insurance and are designed to put downward pressure on premiums. The contribution of these measures can be gauged by the number of doctors participating in the PSS – a reduction in participating doctors is broadly indicative of premiums becoming more affordable. In addition, the Australian Competition and Consumer Commission undertakes periodic reviews of medical indemnity insurance premiums.

### **Program 13.3: Public Hospitals and Information**

The Australian Health Care Agreements 2003-08 provide funding to State and Territory governments to support the provision of free public hospital services to public patients. The contribution to this outcome is measured by the level of services for admitted and non-admitted patients, as well as the timeliness of service provision across all States and Territories.

As part of the Agreements, the Australian Government provides funds to the State and Territory governments, organisations and universities under the Hospital Information and Performance Information Program to develop national classification systems for patients, their treatment and associated costs which provide a basis for measuring and paying for hospital services.

The contribution to this outcome is measured by collecting, analysing and benchmarking the admitted and non admitted patient care data sets and the National Hospital Cost Data Collection. Annual revision of the Australian Refined Diagnosis Related Groups classification and additions to national data collections for emergency departments and outpatient services are also undertaken.

## **Contribution of Departmental Outputs to Outcome 13**

The Department describes its core activities in terms of three output groups: policy advice, program management and agency-specific service delivery. Outcome 13 reports on policy advice and program management. Refer to Section 3.1 for more information on output groups.

**Performance Information for Outcome 13**

Performance information for administered programs, individual outputs and output groups relating to Outcome 13 are summarised in Table 3.2.13.

**Table 3.2.13: Key Performance Information for Outcome 13**

**Performance Information for Administered Programs**

<b>Indicator</b>	<b>Measured by</b>	<b>Reference Point or Target</b>
<b>Administered Funding – Acute Care Programs</b>		
Access to free public hospital emergency services.	Number of public emergency department patients per 1,000 weighted population.	The same or increase on previous year.
Timely treatment of public emergency department patients.	Proportion of public emergency department patients seen within the recommended timeframe.	Increased performance across each State and Territory.
Timely public admission of people for elective surgery.	Proportion of public people admitted for elective surgery within the clinically appropriate timeframe.	Increased performance across each State and Territory.
Reduction in the number of doctors requiring support under the Premium Support Scheme because this indicates that medical indemnity premiums are becoming more affordable relative to gross private medical income.	Number of doctors participating in the Premium Support Scheme (PSS).	Reduction in number of participating doctors.
Increased rate of organ donations.	Rate of organ donations.	Increase on previous year.
Accurate costing and reporting of hospital activity.	Maintenance of the Australian Refined Diagnosis Related Groups (AR-DRG) classification and National Hospital Cost and benchmarking data.	National hospital cost data collection round 9 reported by August 2006.  New version of AR-DRG software to be available by October 2006.
<b>Cost: \$9,330.478m</b>		

**Performance Information for Departmental Outputs**

<b>Indicator</b>	<b>Measured by</b>	<b>Reference Point or Target</b>
<b>Output Group 1 – Policy Advice</b>		
Quality, relevant and timely advice for Australian Government decision-making.	Ministerial satisfaction.	Maintain or increase from previous year.
Relevant and timely evidence-based policy research.	Production of relevant and timely evidence-based policy research.	Relevant evidence-based policy research produced in a timely manner.
<b>Price: \$8.559m</b>		

<b>Indicator</b>	<b>Measured by</b>	<b>Reference Point or Target</b>
<b>Output Group 2 – Program Management</b>		
Administered budget predictions are met and actual expenses vary less than 0.5% from budgeted expenses.	Percentage that actual expenses vary from budgeted expenses.	0.5% variance from budgeted expenses.
Stakeholders to participate in program development.	Opportunities for stakeholder participation through a range of avenues, such as surveys, conferences and meetings.	Stakeholders participated in program development through (eg. surveys, conferences and meetings).
<b>Price: \$10.893m</b>		

**Evaluations**

There are no evaluations planned to be undertaken in 2006-07.

**Major Reviews**

**Plasma Fractionation Review**

The Australian Government has appointed an independent review committee to review arrangements for the supply of plasma fractionation services for plasma collected in Australia, as required under the Australia-United States Free Trade Agreement. The review will be completed by 1 January 2007. The review committee will consult widely with interested groups. The review will inform discussions between the Australian Government, State and Territory governments, in line with the National Blood Agreement, on future plasma

fractionation arrangements to ensure the continued supply of high quality blood plasma products for Australia.

### **Medical Indemnity Arrangements**

The Australian Government will continue to monitor and refine its medical indemnity insurance measures to ensure a fair, sustainable and affordable medical indemnity insurance system. Further refinement of medical indemnity insurance measures may emerge from recommendations made by the review of medical indemnity held from late-2005 to mid-2006. The broad nature of this review, together with the pivotal role of medical indemnity insurance cover for doctors, will mean that medical indemnity will continue to be a policy focus for the Department in 2006-07.

### **Review of the Gene Technology Act 2000**

The Australian Government will work to implement any decisions taken in response to the recommendations of the review of the *Gene Technology Act 2000* (the Act), which may include amendment of the Act. In making and implementing its decisions, the Australian Government will maintain the aim of the Act, which, together with corresponding State and Territory legislation, is to provide a nationally consistent regulatory system to protect the health and safety of people and protect the environment by identifying and managing the risks posed by genetically modified organisms.

### **Performance Improvement Initiatives**

#### **Australian Health Care Agreements**

Within the 2003-08 Australian Health Care Agreements, the Australian Government is working with all States and Territories to better measure services for non-admitted patients, including emergency department, outpatient and rehabilitation services. Performance information regarding admitted patient services has been available since the 1998-2003 Agreements. Additional work has also commenced to develop performance indicators that can more fully measure the safety, quality and efficiency of key hospital services.

The Council of Australian Governments agreed that Commonwealth-State Specific Purpose Payments (SPPs) that significantly affect the health system should be reviewed prior to their renegotiation. The reviews are intended to identify any elements of SPPs that, if changed, could contribute to better health outcomes. The 2003-08 Agreements will be an important component of this review process.