2016-2017 MYEFO Drives Health Reform

The 2016–17 Mid-Year Economic and Fiscal Outlook (MYEFO) further advances the Turnbull Government’s health reform agenda.

The MYEFO provides a solid platform for medium to long term reform to ease the pressures of strong growth in health costs, driven by an ageing population, increasing chronic disease, rising consumer demand, and emerging technology.

It builds on ongoing initiatives, including the signature reform Health Care Homes, the pivotal role of Primary Health Networks in delivering primary and mental health care, and improvements to Medicare.

Mental health care is strengthened. Medicare is further modernised to reflect contemporary practice. Reform continues in aged care and private health insurance. New high cost drugs are listed on the Pharmaceutical Benefits Scheme (PBS), dental funding is secured and the unrelenting fight against cancer is continued.

With health and ageing amounting to about 20 per cent of total Government spending, MYEFO 2016–17 reaffirms the Government’s commitment to fiscal discipline. The Government continues to focus on underlying cost and demand pressures, identifying system efficiencies, while also improving the health and wellbeing of Australians.

Consultation will continue to be a feature of health and aged care reform, with the Government foreshadowing extensive engagement with stakeholders on a range of proposals, including primary care, mental health care, diagnostic imaging and pathology services, the new health and aged care claims and payments IT system, private health insurance, and aged care.

Strengthening mental health care

The $194.5 million reform package ‘Strengthening mental health care in Australia’ will give individuals and families living with mental health issues unprecedented support. This bold package of Turnbull Government 2016 election commitment reforms provides more help for young people with mental illness, steps towards a national approach to suicide prevention, and new investment in digital mental health technologies.
Headspace – mild to moderate youth mental health. Young people aged 12–25 years, including in regional and remote areas, will have increased access to headspace services, with the network increasing from 100 headspace centres to 110 by 2019. Cost $28.9 million.

Youth mental health – Early Psychosis Youth Services Program. Funding is restored to six Early Psychosis Youth Services (EPYS) for three years, giving young people with, or at risk of, severe mental illness access to six specialised headspace centre services across the country – South East Melbourne, Western Sydney, South East Queensland, North Perth, Northern Territory and Adelaide. Cost $115.6 million.

Suicide prevention trial sites. Suicide prevention trial sites, 12 in total, will be located in regional areas across Australia, targeting high risk groups such as Aboriginal and Torres Strait Islander communities, veterans, youth, men, people experiencing economic hardship and people who have attempted, or are considered at risk of attempting, suicide. This additional funding to conduct suicide prevention trials and evaluation is being provided to four PHN lead sites and a further eight sites in identified priority areas, including at least two remote Indigenous regions, Tasmania and regional South Australia. Cost $34 million.

Suicide Prevention Research Fund. This new fund will support targeted research to increase knowledge about the prevention of suicide. For the first time, there will be a coordinated approach to commissioning research. Cost $12 million.

New investment in digital technologies for mental health. Funding will enable Project Synergy, which has been trialled as an online system of care, to continue as a research and capacity building project. Synergy will trial customised IT-based solutions, and develop the next generation of digital mental health services and apps. Funding will also enable Lifeline Australia to trial a new text service for crisis support and suicide prevention. Cost $32.4 million.

Promoting a sustainable and flexible mental health care nursing workforce. Funding to the Australian College of Mental Health Nurses will enable people living with mental illness to directly benefit from an appropriately skilled mental health care nurse workforce able to move readily between acute, community and primary care. Cost $1.5 million.

Strengthening the independence of the National Mental Health Commission. The Commission’s role in independently advising the Government and monitoring the implementation of mental health reforms, including the 5th National Health Plan and the National Disability Insurance Scheme, will be strengthened.

Digital Mental Health Gateway. First steps are being taken to enhance the new digital gateway. The gateway will seek to maximise the use of digital technologies and provide a multi-channel platform – web, social media and telephone – to enable people to access information, advice and treatment options that meet appropriate quality and safety standards. The digital gateway will be an essential part of the Government’s stepped care approach to mental health. Cost $2.5 million.
Delivering a better health system

The clinician-led Medicare Benefits Schedule (MBS) Review Taskforce is reviewing line by line the more than 5,700 items on the MBS to ensure they are up-to-date and reflect clinically appropriate practice. Further recommendations are expected in the 2017–18 Budget. The Taskforce’s work complements the work of the Medical Services Advisory Committee, which is responsible for the ongoing maintenance of the MBS, adding new and amended listings as appropriate.

New and amended MBS listings funded in MYEFO 2016–17 include items relating to ophthalmology to prevent inappropriate claiming, middle ear implants, skin cancer treatment, blood tests for tuberculosis, and genetic tests for breast and/or ovarian cancer.

The IT system to deliver health, aged care and related veterans’ payments will be updated – in line with Government moves to make better use of technology to drive efficiencies. The new digital payments system will support the Government continuing to own, operate and deliver Medicare, the Pharmaceutical Benefits Scheme (PBS), aged care and related veterans’ payments into the future. MYEFO allocates $29.8 million for the first phase of the transformation, which will involve extensive stakeholder engagement and a request for proposals process.

Private health insurance reform continues. The Government is overhauling the Prostheses Benefit List to ensure that benefits paid reflect best value for money and that savings are passed on to consumers through lower annual premium increases.

Two new listings on the PBS, will enable affordable treatment for cancer patients and patients with severe uncontrolled asthma. From 1 February 2017, lenalidomide (Revlimid®) will be listed as a first line treatment for patients with newly diagnosed multiple myeloma, a cancer of blood plasma cells, who are ineligible for stem cell transplantation.

From 1 February 2017, tiotropium bromide (Spiriva® Respimat®) will be listed for the treatment of patients with severe uncontrolled asthma. Without subsidy, patients would pay more than $155,000 per course of treatment with lenalidomide, and more than $700 per year for treatment with tiotropium bromide.

There are new funding arrangements for dental services from 1 January 2017 that will ensure continued Federal Government support for child and adult dental services.

Funding election commitments

MYEFO also funds a number of other commitments in the portfolio made by the Government during the 2016 election campaign.

The Government is building Australia’s research capacity pipeline from discovery to commercialisation. It is allocating $7 million over five years to encourage more clinical trials by removing red tape and redesigning local arrangements to position Australia as a preferred location for trials.

The Government is investing $54 million to subsidise continuous glucose monitoring (CGM) technology for children and young adults under 21 years old facing extra challenges
managing their Type 1 diabetes. This investment will see as many as 4000 children and young adults accessing CGMs and will see the average family save up to $4000 per year from early 2017.

$2.8 million has been allocated to the Cure4MND Foundation, to go towards vital research into Motor Neurone Disease. Motor Neurone Disease (MND) affects more than 2000 people in Australia with the average survival rate of just over two years.

Costing $4.4 million over four years, Australia’s first ever National Rural Health Commissioner will improve rural health policies and champion the cause of rural practice. The Commissioner will lead the development of the first ever National Rural Generalist Pathway, which will address rural health’s biggest issue – not enough health professionals in rural, regional and remote Australia.

The Government is allocating $11 million over two years to fund delivery of Royal Flying Doctor Service dental services to rural and remote Australia, giving people access to mobile outreach dental services in areas where permanent dental services are not viable.

Continuing funding of $59.6 million for the Sporting Schools Program for 18 months from 1 July 2017, will enable the program to reach up to 1.1 million children (up from 860,000). The extended program, managed by the Australian Sports Commission, will give priority to girls aged 12–14, and to schools where there is evidence of disadvantage or large groups of inactive students.

Funding of $10 million over four years will enable Surf Life Saving Australia to help develop the skills of volunteers and keep its trainers up-to-date with the latest teaching methods.

**Fighting cancer**

Measures in the MYEFO continue the Government’s unrelenting fight against cancer.

Breast cancer is the most common cancer for Australian women. This year it is estimated that more than 16,000 people will be diagnosed with breast cancer, including more than 150 men. Funding of $20.5 million over four years for McGrath Breast Care Nurses will ensure ongoing support for people being treated for breast cancer.

The Government is investing $20 million over two years in the Zero Childhood Cancer Collaboration Network. The network will mean a new level of collaboration in childhood cancer research, and support quicker diagnoses, speedier treatment decisions and improved health outcomes.

Improving administration of funding under the Radiation Oncology Health Program Grants Scheme will save $18.7 million over four years, while ensuring the Government continues to fund high-cost radiation therapy equipment. The outdated linear accelerator at the Australian Radiation Protection and Nuclear Safety Agency will be replaced.
Supporting older Australians

Aged care reform continues. MYEFO 2016–17 outlines changes to previously announced measures relating to funding for the Aged Care Funding Instrument (ACFI), which determines the level of funding the Government pays to providers. The changes balance the need to fund the nation’s continually growing aged care bill, while taking into account provider concerns around the impact of the initial changes on the subsidies they claim for residents needing the highest level of care. This will ensure impact of the initial measure is more evenly spread.

In place of its changes, the Government is pausing indexation to all ACFI care domains in 2017–18, and implementing a 50 per cent indexation pause to the highest level of care – the Complex Health Care domain – in 2018–19. The combined impact of the changes to the Budget ACFI measures and indexation pause is a saving of $21.6 million over four years.

The Government is allocating $2.4 million in 2016–17 for a small pilot in 2017 to test alternative funding models for residential aged care funding. This will inform changes to the ACFI, including possibly replacing ACFI, and taking assessment of residents’ needs out of providers’ hands, and having the assessment done externally.

The Government will invest $19.3 million over four years to increase the viability supplement which will support eligible rural, remote and homeless providers who may otherwise be more affected by the impacts of ACFI changes, building on the increase to the viability supplement already announced in the Budget.

Extended funding of $10.8 million for the Australian Aged Care Quality Agency will enable it to continue unannounced site visits to aged care homes in 2017–18. A levy to be paid by providers will be introduced from 1 July 2018.

Another measure – a 2016 election commitment – will establish specialist dementia care units to care for people with very severe behavioural and psychological symptoms of dementia. This measure is cost neutral over five years.

Supporting communities

Across Australia, in cities, towns and our most remote areas, the Government is supporting a diverse range of communities to get the health and medical care they need, when they need it.

The Government is determined to eliminate trachoma by 2020 in indigenous communities. Trachoma is a contagious bacterial infection of the eye and a major cause of preventable blindness. The Government is allocating $15.5 million for the trachoma elimination program by extending agreements with affected states and territories, ensuring ongoing screening and treatment of children in Indigenous communities. Australia is the only high income country in the world where trachoma remains a public health problem.

Reflecting the Government’s commitment to Tasmania, one-off funding of $800,000 will be provided to the Missiondale rehabilitation centre in Northern Tasmania. This will enable
Tasmania’s only long-term residential rehabilitation centre providing care and treatment for people with substance misuse issues to keep operating, including adding more beds.

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