Outcome 13

ACUTE CARE

Improved access to public hospitals, acute care services and public dental services, including through targeted strategies, and payments to state and territory governments

Outcome Strategy

The Australian Government, through Outcome 13, aims to improve the efficiency of, and access to, public hospitals, acute care services, and public dental services. This will be achieved by delivering major reforms through the *National Health and Hospitals Network*[1], the National Healthcare Agreement, the National Partnership Agreement on Hospital and Health Workforce Reform, implementing the Commonwealth Dental Health Program, and piloting the provision of mobile dental facilities for rural and regional communities.

These far-reaching structural reforms will deliver, through the *National Health and Hospitals Network*, real improvements to patient care, by providing timely access to quality health services based on their needs, not ability to pay, regardless of where they live in the country. The Government will work with the states and territories to ensure that the health system meets the needs of individual patients, their families and carers. The *National Health and Hospitals Network* will be a nationally unified and locally run health system that establishes the Australian Government as the majority funder of public hospital services[1].

The Australian Government will immediately address the key pressure points in the public hospital system to improve hospital efficiency and increase the overall effectiveness of clinical care planning and management within hospitals. A four hour National Access Target will be progressively implemented to deliver quicker access to emergency department treatment. A target to provide elective surgery within clinically recommended times, along with guarantees to free rapid treatment if patients wait longer than clinically recommended will be introduced to ensure shorter elective surgery waiting times.[2] Additional subacute beds will be provided to allow patients access to the right type of hospital or community care they need. All of these initiatives will be supported by a strengthening of the link between health and hospital performance, reporting and funding.

Local Hospital Networks will be responsible for operational management of public hospitals and accountable for local delivery and performance. These Networks will be accountable for meeting the specific performance targets, including those relating to emergency department presentations and elective surgery waiting times.

The Australian Government will ensure access to an adequate, safe, secure and affordable supply, and to life saving and life transforming organ and tissue transplants. To increase the number of organ and tissue donations and access to transplants, the Australian Organ and

[1] At the time of publication, Western Australia had not agreed to be a party to the reforms under the *National Health and Hospitals Network*. The Government is continuing to actively negotiate with Western Australia.

Tissue Donation and Transplantation Authority (AOTDTA) [2] has been established to implement, coordinate and monitor a best practice national reform package on donation.

Outcome 13 is the responsibility of the Acute Care Division, the Regulatory Policy and Governance Division, and the Office of Health Protection.

Programs Contributing to Outcome 13

Program 13.1: Blood and organ donation services

Program 13.2: Medical indemnity

Program 13.3: Public hospitals and information

Outcome 13 Budgeted Expenses and Resources

Table 13.1 provides an overview of the total expenses for Outcome 13 by Program.

Table 13.1: Budgeted Expenses and Resources for Outcome 13

	2009-10 Estimated actual $'000	2010-11 Estimated expenses $'000
Program 13.1: Blood and organ donation services[1]		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	9,784	13,554
Special appropriations		
National Health Act 1953 - Blood fractionation, products and blood related products - to National Blood Authority	548,056	613,409
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	5,926	8,729
Revenues from other sources (s31)	315	320
Unfunded depreciation expense	-	129
Total for Program 13.1	**564,081**	**636,141**

[2] For further information on the work of AOTDTA, refer to the AOTDTA chapter in these Portfolio Budget Statements.

Table 13.1: Budgeted Expenses and Resources for Outcome 13 (cont.)

	2009-10 Estimated actual $'000	2010-11 Estimated expenses $'000
Program 13.2: Medical indemnity		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	250	157
Special appropriations		
Medical Indemnity Act 2002	100,900	115,409
Unfunded expenses[2]	2,200	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,959	4,358
Revenues from other sources (s31)	157	160
Unfunded depreciation expense	-	65
Total for Program 13.2	**106,466**	**120,149**
Program 13.3: Public hospitals and information[1]		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	82,027	121,779
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	17,018	25,732
Revenues from other sources (s31)	919	932
Unfunded depreciation expense	-	377
Total for Program 13.3	**99,964**	**148,820**
Outcome 13 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	92,061	135,490
Special appropriations	648,956	728,818
Unfunded expenses[2]	2,200	-
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	25,903	38,819
Revenues from other sources (s31)	1,391	1,412
Unfunded depreciation expense	-	571
Total expenses for Outcome 13	**770,511**	**905,110**

	2009-10	2010-11
Average staffing level (number)	172	221

[1] This Program includes National Partnerships paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each Program. For budget estimates relating to the National Partnership component of the Program, please refer to Budget Paper 3 or Program 1.10 of the Treasury Portfolio Budget Statements.

[2] Unfunded expenses reflect actuarial revaluations of prior year liabilities.

Contributions to Outcome 13

Program 13.1: Blood and organ donation services

Program Objective

The Australian Government, through this Program, aims to:

- support a nationally coordinated approach to organ and tissue donation for transplantation; and
- support access to an adequate, safe, secure and affordable supply of blood and blood products, through policy advice and funding contribution to the National Supply Plan and Budget as set out in the National Blood Agreement.

Major Activities

Improve Australians' access to organ and tissue transplants

The Government aims to establish Australia as a leader in organ and tissue donation for transplantation. Led by AOTDTA, the national organ and tissue reform package is introducing nationally consistent initiatives to achieve a significant increase in the number of life saving and life transforming transplants. Improved access to organ and tissue transplants will save or significantly improve the quality of life of patients who are waiting for a transplant. In 2010-11, the Department will support AOTDTA as it implements this reform package and work with state and territory governments, clinical and professional bodies, and community sector organisations to provide evidence-based policy and advice to the Government on donation and transplantation.

The Australian Government will fund the design and construction of a state-of-the-art tissue banking facility for the Donor Tissue Bank of Victoria, through the Health and Hospitals Fund.[3] The Donor Tissue Bank of Victoria currently supplies more than 170 hospitals throughout Australia with heart valves, and musculoskeletal and skin tissues. Construction of a new facility will improve access to high quality tissue grafts for transplantation.

The Australian Government is committed to providing patients in need of life saving stem cell transplants with the best possible chance of finding a suitable stem cell match. In 2010-11, the Department will support patients under the Bone Marrow Transplant program and the National Cord Blood Collection Network. Under the Bone Marrow Transplant program, the Australian Government provides financial assistance that covers either the cost of bringing an overseas donor or stem cells to Australia for transplantation, and meets the costs not covered under the Medicare Benefits Schedule.

In 2010-11, the Australian Government will fund the National Cord Blood Collection Network with the states and territories. The network will supply matched cord blood stem cell units for the treatment of patients with life-threatening haematological and immune system conditions. The network will also facilitate access to international cord blood for patients, when a match cannot be found in Australia. Collection strategies for the network encompass a focus on Indigenous cord blood collection as a means to increase the genetic diversity of the inventory.

[3] For further information on the Health and Hospitals Fund, refer to Program 10.7: Health Infrastructure in these Portfolio Budget Statements.

Support access to blood and blood products

The Australian Government will support access to cost-effective, quality blood components, products and services. Through its chairing and membership of the Jurisdictional Blood Committee, the Department works with states and territories to define policy principles and provide financial oversight of the national blood sector. The National Blood Authority[4] (acting on behalf of all governments) will continue to manage funding of the national blood service and plasma product sector in accordance with these principles.

In 2010-11, the Department will develop and implement an application assessment process for access to new blood products and services, which will ensure that the Government receives independent advice on proposals in a timely manner, and that publicly funded products and services reflect best clinical practice.

Consistent with the Australian Government's commitment to support major health infrastructure programs, a grant from the Health and Hospitals Fund will be provided to the Australian Red Cross Blood Service (through the Australian Red Cross Society) to build a new blood processing site in Melbourne, serving Victoria and Tasmania.[5]

In 2010-11, the Australian Government will continue to support the work of the Haemophilia Foundation of Australia, to support a range of activities such as advocacy, education, and best practice advice on the treatment of these disorders.

The Australian Government will also continue to contribute to the Hepatitis C Litigation Settlement Scheme.

Program 13.1 is linked as follows:

- This program includes National Partnerships payments for:
  - *Hepatitis C settlement fund;*
  - *Organ transplantation services;* and
  - *Organ transplantation service - capital.*

  These Partnerships payments are paid to state and territory governments by The Treasury as part of the Federal Financial Relations (FFR) Framework. For budget estimates relating to the National Partnership component of the program, please refer to Budget Paper 3 or Program 1.10 of the Treasury Portfolio Budget Statements.

[4] For further information on the work of the National Blood Authority, refer to the NBA chapter in these Portfolio Budget Statements.

[5] For further information on the Health and Hospitals Fund, refer to Program 10.7: Health Infrastructure in these Portfolio Budget Statements.

Program 13.1: Expenses

Table 13.2: Program expenses

	2009-10 Estimated actual $'000	2010-11 Budget $'000	2011-12 Forward year 1 $'000	2012-13 Forward year 2 $'000	2013-14 Forward year 3 $'000
Annual administered expenses					
Ordinary annual services	9,784	13,554	11,161	11,344	11,509
Special appropriations					
National Health Act 1953 - Blood fractionation, products and blood related products - to National Blood Authority	548,056	613,409	673,619	742,896	816,755
Program support	6,241	9,178	8,096	11,268	10,920
Total Program expenses	**564,081**	**636,141**	**692,876**	**765,508**	**839,184**

Program 13.1: Deliverables

The Department will produce the following 'Deliverables' to achieve the Program Objective.

Table 13.3: Qualitative Deliverables for Program 13.1

Qualitative Deliverables	2010-11 Reference Point or Target
Produce relevant and timely evidence-based policy research	Relevant evidence-based policy research produced in a timely manner
Stakeholders participate in program development through a range of avenues	Stakeholders participated in program development through avenues such as regular consultative committees, conferences, stakeholder engagement forums, surveys, submissions on departmental discussion papers and meetings
Support access to blood and blood products	
Process established to assess funding proposals for new blood products or services	An agreed framework is established in 2010-11

Table 13.4: Quantitative Deliverables for Program 13.1

Quantitative Deliverables	2009-10 Revised Budget	2010-11 Budget	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Percentage of variance between actual and budgeted expenses	≤0.5%	≤0.5%	≤0.5%	≤0.5%	≤0.5%
Improve Australians' access to organ and tissue transplants					
Number of banked cord blood units					
• total	2,379	2,379	2,379	2,379	2,379
• Indigenous	129	129	129	129	129
Support access to blood and blood products					
Percentage of the total contribution, made by the Australian Government, to the approved National Supply Plan and Budget	63%	63%	63%	63%	63%

Program 13.1: Key Performance Indicators

The following 'Key Performance Indicators' measure the impact of the Program.

Table 13.5: Quantitative Key Performance Indicators for Program 13.1

Quantitative Indicators	2009-10 Revised Budget	2010-11 Budget Target	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Improve Australians' access to organ and tissue transplants					
Percentage of eligible Australians in need of a bone marrow, cord blood or peripheral stem cell transplant who are able to access appropriate treatment	100%	100%	100%	100%	100%

Quantitative Indicators	2009-10 Revised Budget	2010-11 Budget Target	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Support access to blood and blood products					
Number of applications for funding of new blood products assessed within target timeframe[6]	N/A	80%	90%	100%	100%

Program 13.2: Medical indemnity

Program Objective

The Australian Government, through this Program, aims to ensure that:

- the medical indemnity insurance industry is stable;
- insurance products are affordable for doctors; and
- insurance products are accessible and affordable for midwives.

Major Activities

Ensure stability of the medical indemnity insurance industry

To ensure the ongoing stability of the medical indemnity insurance industry, the Department will continue to regulate and monitor the operations and activities of medical indemnity insurers. Medical indemnity insurance is a specialised form of cover that provides surety to medical practitioners and their patients in the event of an adverse incident. Affordable and stable medical indemnity insurance translates to stable fees for patients, and a medical workforce that can focus on the delivery of high quality medical services.

This is achieved through minimising the impact that large and exceptional claims have on the ability of insurers to continue to provide affordable medical indemnity cover for doctors. The Australian Government has a suite of programs that provide stability to the industry (the High Cost Claims Scheme, the Exceptional Claims Scheme, and the Incurred-But-Not-Reported Claims Scheme) and maintain affordability for medical practitioners (the Premium Support Scheme and the Run-off Cover Scheme).

In 2010-11, the Department will continue to administer these programs with the assistance of Medicare Australia and contracted medical indemnity insurers. Using the data provided through the Medical Indemnity National Collection and published in reports by the Australian Institute of Health and Welfare, the Department will continue to monitor the effectiveness of the program and provide evidence-based policy advice to the Government.

[6] Funding for this activity commences in 2010-11.

Keep premiums affordable for doctors

Doctors with high indemnity costs relative to their income are eligible to apply for a premium subsidy through their medical indemnity insurer. A decrease in the number of doctors requiring premium support would indicate that medical indemnity premiums are becoming more affordable.

A stable and competitive medical indemnity industry assists in keeping medical indemnity premiums affordable for doctors. The Premium Support Scheme assists specialists whose medical indemnity premiums are relatively high in proportion to their level of clinical and actuarial risk. The subsidies available through the Premium Support Scheme reduce the need for these high risk specialties to pass on the cost of their higher premiums to their patients. The Premium Support Scheme is a demand driven program, with subsidies paid in response to applications from eligible doctors. Therefore, actual funding may vary from estimates over the forward years.

Other medical indemnity programs, such as the High Cost Claims Scheme and Run-off Cover Scheme, contribute to the cost of eligible claims when they are lodged by medical indemnity insurers. Payments made under the High Cost Claims Scheme are monitored by the Australian Government Actuary.

The impact of the global financial crisis will continue to have an effect on international insurance markets, and this may continue to impact on the cost structures of Australian medical indemnity insurers. In 2010-11, the Department will regularly monitor premiums, and liaise with medical indemnity insurers about their cost structures.

Ensure availability of professional indemnity insurance for eligible midwives

Women and their families will have greater choice in maternity care through access to midwifery services subsidised by the Government through the Medicare Benefits Schedule and Pharmaceutical Benefits Scheme.

From 1 July 2010, privately practising midwives will be able to access adequate and affordable professional indemnity insurance. This will allow midwives to meet the requirements of the Council of Australian Governments' (COAG) National Registration and Accreditation Scheme for health practitioners. All health professionals must have professional indemnity insurance as a condition of their professional registration.
No insurer currently offers a professional indemnity insurance product for privately practising midwives due to the very small potential premium pool (which tends to make it an unviable commercial proposition) and the lack of accurate and up-to-date data on claims in Australia.

The Australian Government will contract an insurer to provide professional indemnity insurance to midwives. The Midwife Professional Indemnity Commonwealth Contribution Schemes will be demand driven programs that respond to claims when they are lodged by the insurer. For claims over $100,000, the Government will pay 80 per cent of the amount exceeding $100,000, and pay 100 per cent of the amount exceeding $2 million. Through a run-off cover scheme, the Government will pay the same level of subsidy for each claim after the midwife leaves the workforce or retires.

In 2010-11, the Department will work with Medicare Australia, contracted medical indemnity insurers, and the insurer (Medical Insurance Group Australia), to administer the medical indemnity programs and the midwife professional indemnity insurance program.

The Department will also regularly liaise with peak industry groups, the Australian Medical Association and professional medical, nursing and midwifery colleges.

Program 13.2 is linked as follows:

- Medicare Australia (Department of Human Services) to administer Professional Indemnity for Eligible Midwives, under its Delivery of Medical Benefits and Services (Program 3.1).

Program 13.2: Expenses

Table 13.6: Program expenses

	2009-10 Estimated actual $'000	2010-11 Budget $'000	2011-12 Forward year 1 $'000	2012-13 Forward year 2 $'000	2013-14 Forward year 3 $'000
Annual administered expenses					
Ordinary annual services	250	157	163	175	150
Special appropriations					
Medical Indemnity Act 2002	100,900	115,409	120,444	133,327	143,752
Unfunded expenses[1]	2,200	-	-	-	-
Program support	3,116	4,583	4,042	5,626	5,452
Total Program expenses	**106,466**	**120,149**	**124,649**	**139,128**	**149,354**

[1] Unfunded expenses reflect actuarial revaluations of prior year liabilities.

Program 13.2: Deliverables

The Department will produce the following 'Deliverables' to achieve the Program Objective.

Table 13.7: Qualitative Deliverables for Program 13.2

Qualitative Deliverables	2010-11 Reference Point or Target
Produce relevant and timely evidence-based policy research	Relevant evidence-based policy research produced in a timely manner
Stakeholders participate in program development through a range of avenues	Stakeholders participated in program development through avenues such as regular consultative meetings, conferences and stakeholder engagement
Ensure stability of the medical indemnity insurance industry	
Publish reports by the Australian Institute of Health and Welfare on medical indemnity	Timely provision and analysis of data

Qualitative Deliverables	2010-11 Reference Point or Target
Ensure availability of professional indemnity insurance for eligible midwives	
An appropriate professional indemnity insurance product is available	Product is available to eligible midwives from 1 July 2010

Table 13.8: Quantitative Deliverables for Program 13.2

Quantitative Deliverables	2009-10 Revised Budget	2010-11 Budget	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Percentage of variance between actual and budgeted expenses	≤0.5%	≤0.5%	≤0.5%	≤0.5%	≤0.5%
Keep premiums affordable for doctors					
Percentage of eligible applicants receiving a premium subsidy	100%	100%	100%	100%	100%
Ensure availability of professional indemnity insurance for eligible midwives					
Percentage of eligible midwife applicants covered under the Midwife Professional Indemnity Scheme[7]	N/A	100%	100%	100%	100%

[7] This scheme begins operations in 2010-11.

Program 13.2: Key Performance Indicators

The following 'Key Performance Indicators' measure the impact of the Program.

Table 13.9: Quantitative Key Performance Indicators for Program 13.2

Quantitative Indicators	2009-10 Revised Budget	2010-11 Budget Target	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Keep premiums affordable for doctors					
Number of doctors that receive a premium subsidy support under the Premium Support Scheme[8]	3,468	2,500	2,400	2,300	2,200
Percentage of eligible applicants receiving a premium subsidy	100%	100%	100%	100%	100%
Ensure availability of professional indemnity insurance for eligible midwives					
Percentage of eligible midwife applicants covered under the Midwife Professional Indemnity Scheme[9]	N/A	100%	100%	100%	100%

Program 13.3: Public hospitals and information

Program Objective

The Australian Government, through this Program, aims to:

- design and implement far-reaching reforms, including implementation of the National Healthcare Agreement, National Partnership Agreement on Hospital and Health Workforce Reform and relevant components of the *National Health and Hospitals Network Agreement*;[10]
- improve hospital performance reporting and accountability;
- improve public access to dental services; and
- improve health care services in north-west Tasmania, and support other services.

[8] Budget and Forward Year targets have been reduced from 2009-10 to reflect recent trends in participation.

[9] This scheme begins operations in 2010-11.

[10] At the time of publication, Western Australia had not agreed to be a party to the reforms under the *National Health and Hospitals Network*. The Government is continuing to actively negotiate with Western Australia..

Major Activities

Health reform

Over the past two years, the Australian Government has set about reforming the health and hospital system to meet the needs of patients today and the growing demand for hospital services into the future. These reforms commenced with the National Healthcare Agreement, which replaced the Australian Health Care Agreements, and which will see the Treasury transfer $12 billion to states and territories in 2010-11. This agreement maintains the Medicare principles for provision of health and emergency services through the public hospital system at no cost to the patient. The agreement was accompanied by the National Partnership Agreement on Hospital and Health Workforce Reform which will provide an extra $2.5 billion over five years from 2008-09 to hospital and health reform.

The *National Health and Hospitals Network Agreement* (the Agreement)[11], agreed by COAG on 20 April 2010, is the culmination of these initiatives. In this Agreement, the Australian Government will take its place as the majority funder of Australian public hospitals. This will be achieved by funding 60 per cent of the efficient price of all public hospital services delivered to public patients, securing a sound basis for funding public hospitals into the future. The establishment of new governance arrangements will provide increased local autonomy and flexibility so that services are more innovative and responsive to local needs through Local Hospital Networks.

Bringing health and hospital services together under a single *National Health and Hospitals Network*, with strong transparent national reporting, will provide timely access to quality and affordable hospital services, regardless of geographical location.

The Agreement was in response to the National Health and Hospital Reform Commission's recommendations delivered in 2009 and will:

- help patients receive more seamless care across sectors of the health system;
- improve the quality of care patients receive through high performance standards and improved engagement of local clinicians; and
- provide a secure funding base for health and hospitals into the future.

The Department will contribute to the design and delivery of these reforms through a shift from block funding to activity based funding, with the Australian Government committing to pay 60 per cent of the efficient price of public hospital patient services and services not directly relating to patient treatment (teaching, training and research). The Government will also fund 60 per cent of capital, research and training in public hospitals, and over time move to fund 100 per cent of the national efficient price of 'primary care equivalent' outpatient services.

The Department is working with the states and territories to introduce a nationally consistent activity based funding approach to resource allocation for public hospitals. Activity based funding is based on information on the volume and type of patients treated in a hospital (casemix).[12] This approach also enables comparison of differences in the cost of delivering similar services across hospitals, across states and territories; and eventually

[11] Funding to Western Australia from 2011-12 would be dependent upon the Western Australian Government's agreement to the *National Health and Hospitals Network.*

[12] Accessible at: www.yourhealth.gov.au

across the public and private sectors. Over 2010-11, the key timeframes in the transition to nationally consistent activity based funding by 1 July 2012 will be:

- calibration of financial transfers required to meet 60 per cent of recurrent expenditure;
- commencement of assessment and classification of outpatient services;
- costing methodologies for block funding; and
- funding methodologies for training and research activities.

The Department will contribute to work on a new Performance and Accountability Framework. This will involve building on the work of the national performance indicators on hospitals, developing clear and transparent hospital performance reports and incorporating national clinical quality and safety standards. From 1 July 2010, states and territories have agreed that hospital level data on performance can be made publicly available through a website to be developed by the Australian Institute of Health and Welfare. New governance arrangements for the hospital system will be developed, including the establishment of independent authorities to oversee pricing (Independent Hospital Pricing Authority) and hospital performance (National Performance Authority).

Under the Agreement, Local Hospital Networks will be established to ensure local responsiveness, increased transparency and accountability in the delivery of hospital services. The Department will engage with states and territories to discuss implementation, with a focus on the number and boundaries of Networks. States and territories are to establish the Networks.

Additional investments through the *National Health and Hospitals Network* will ensure that patients receive the care they need on time. For example, patients will not have to wait too long for elective surgery and a national four hour target will be established for hospital emergency departments. Under the Network, the Australian Government will invest a total of $7.3 billion in reforms. Of this total, $3.5 billion[13] has been allocated to reduce the pressure on public hospitals, including:

- capital investment to deliver critical emergency department capacity improvements and to build new dedicated elective surgery facilities in areas of need;
- a National Access Target so that Emergency Department patients are either admitted to hospital, referred or discharged within four hours, where it is clinically appropriate;
- a National Access Guarantee to ensure patients receive elective surgery within reasonable timeframes and targets to improve access to more timely elective surgery;
- funding for capital and recurrent costs of 1,316 new subacute care beds; and
- a flexible funding pool to building hospital capacity.

Improve performance reporting and accountability

In addition to the work on performance and accountability for the *National Health and Hospitals Network*, the Department, through the Hospital Accountability and Performance program, will continue to implement the recommendations from the 2009 review of the Australian Refined Diagnosis Related Groups (AR-DRGs) system. In 2010-11, the Department will oversee the refinement of this system and commence collection of national hospital cost data using revised standards.

[13] Funding for this measure includes the full amount of funding allocated to Western Australia. This funding is dependent on the Western Australian Government becoming a signatory to the *National Health and Hospitals Network Agreement*.

The Department will also host the biennial Casemix Conference, which provides key stakeholders with an opportunity to explore and debate the application of the casemix system in Australia, incorporating technical discussion on the relationship between activity based funding and casemix. It will also improve understanding of the systems' development priorities, consider international perspectives, provide a forum to discuss the development of casemix and activity based funding tools, and provide a means for public and private health sector staff to gain training and understanding in the application of casemix tools and products in hospitals.

Improve access to public dental services

The Australian Government has committed to reforming dental care services, including the introduction of the Commonwealth Dental Health program, the Medicare Teen Dental Plan and piloting the provision of new mobile dental facilities for Aboriginal and Torres Strait Islander peoples.

Under the Commonwealth Dental Health program, the Australian Government will fund state and territory governments for one million additional public dental services over three years, and to provide nationally comparable health data for future improvements to public dental services. These additional services will reduce public dental waiting lists and provide priority treatment for people who have chronic conditions relating to their oral health, Indigenous Australians and preschool children.

The Australian Government intends to close the Medicare Chronic Disease Dental Scheme and make funding available for the introduction of the Commonwealth Dental Health Program and the Medicare Teen Dental Plan. However, without the support of the Senate, the Government has been unable to make the necessary subordinate legislation to close the Scheme.[14]

In the 2009-10 Budget, the Australian Government provided funding for mobile Indigenous dental pilot projects. The Department is developing a series of projects to implement and test models of dental service delivery to Indigenous populations in rural and regional areas of Australia. It is expected that these projects will use transportable equipment and mobile staff. In 2010-11, the Australian Government will provide funding for pilot projects identified as suitable through a consultancy in 2009-10.

Improve health care services in north-west Tasmania, and support other services

The Australian Government aims to improve health care services for people in the north-west region of Tasmania by funding the Tasmanian Government to operate the Mersey Community Hospital at Latrobe. This will be achieved through an Agreement, from 1 September 2008 to 30 June 2011. The Agreement ensures that people in the north-west region of Tasmania continue to have access to safe, appropriate and sustainable health care services, including a high dependency unit, a 24 hour emergency service, medical and surgical services, and low risk obstetric and paediatric services.

The Australian and the Tasmanian Governments will discuss future arrangements for the management of the Hospital in 2010, with arrangements to be finalised before the current agreement expires on 30 June 2011.

[14] For further discussion on the Medicare Teen Dental Plan and Medicare Chronic Disease Dental Scheme, refer to Outcome 3 located within these Portfolio Budget Statements.

The Australian Government will also continue to support Queensland Health to provide health care services to Papua New Guinea nationals in the Torres Strait Islands and Queensland.

Program 13.3 is linked as follows:

- This Program includes National Partnerships payments for:
  - *Cairns base hospital chemotherapy cancer initiative;*
  - *Commonwealth dental health program;*
  - *Elective surgery waiting list reduction;*
  - *Health care grants for the Torres Strait;*
  - *Helping public patients in public hospitals waiting for nursing homes;*
  - *Hospital and health workforce reform - Activity based funding;*
  - *National Health and Hospitals Network – new sub-acute hospital beds;*
  - *National Health and Hospitals Network – flexible funding for emergency departments, elective surgery and sub-acute care;*
  - *National health and Hospitals Network – four hour national access target for emergency departments – capital funding;*
  - *National Health and Hospitals Network – four hour national access target for emergency departments – facilitation and reward funding;*
  - *National Health and Hospitals Network – improving access to elective surgery – capital funding;*
  - *National Health and Hospitals Network – improving access to elective surgery – facilitation and reward funding;*
  - *Tasmanian health package – patient transport and accommodation services; and*
  - *Upgrading chemotherapy and cancer facilities in North West Tasmania.*

  These Partnerships payments are paid to state and territory governments by The Treasury as part of the Federal Financial Relations (FFR) Framework. For budget estimates relating to the National Partnership component of the program, please refer to Budget Paper 3 or Program 1.10 of the Treasury Portfolio Budget Statements.

Program 13.3: Expenses

Table 13.10: Program expenses

	2009-10 Estimated actual	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
	$'000	$'000	$'000	$'000	$'000
Annual administered expenses					
Ordinary annual services	82,027	121,779	144,406	146,116	146,093
Program support	17,937	27,041	23,618	32,870	31,855
Total Program expenses	**99,964**	**148,820**	**168,024**	**178,986**	**177,948**

Program 13.3: Deliverables

The Department will produce the following 'Deliverables' to achieve the Program Objective.

Table 13.11: Qualitative Deliverables for Program 13.3

Qualitative Deliverables	2010-11 Reference Point or Target
Produce relevant and timely evidence-based policy research	Relevant evidence-based policy research produced in a timely manner
Stakeholders participate in program development through a range of avenues	Stakeholders participated in program development through such avenues as regular consultative committees, conferences, stakeholder engagement forums, surveys, submissions on departmental discussion papers and meetings
Health reform	
Meet the Commonwealth obligations under the National Partnership Agreement on Hospital and Health Workforce Reform implementation requirements	Requirements are finalised as agreed in the National Partnership Agreement
Data development work, including creation of a new non-admitted outpatient care national minimum data set, to enable national reporting of performance	Non-admitted outpatient care national minimum data set implemented by 30 June 2011
Elective surgery data reported on state and territory departments of health websites	Elective surgery data publicly available in a timely manner
Release of average cost of procedures in public and private hospital activity	National Hospital Cost Data Collection 2010 released by June 2011
Improve access to public dental services	
Implement pilot projects for the delivery of mobile dental services to Indigenous populations in rural and regional areas	Consultation to identify pilot sites completed, and delivery of dental services commenced in a timely manner
Improve health care services in north-west Tasmania, and support other services	
Enhanced, safe and sustainable health care services for the people in the north-west region of Tasmania	Effective oversight of funding agreement for the management and operation of Mersey Community Hospital

Table 13.12: Quantitative Deliverables for Program 13.3

Quantitative Deliverables	2009-10 Revised Budget	2010-11 Budget	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Percentage of variance between actual and budgeted expenses	≤0.5%	≤0.5%	≤0.5%	≤0.5%	≤0.5%
Health reform					
Percentage increase in volume of subacute care services provided in community settings and public hospitals by the states and territories[15]	5%	5%	5%	5%	N/A
Improve access to public dental services					
Number of additional public dental visits delivered by the states and territories above agreed baseline. Measured by a reduction in state and territory public dental waiting list for priority groups assisted (Commencement date subject to Senate decision)[16]	N/A	333,000	333,000	333,000	N/A

[15] It is expected that the increase of services in each state and territory will be 20% over the 4 years of the National Partnership Agreement which is from 2009-10 to 2012-13. In reaching the 4 year growth target, annual growth targets may vary from 5%.

[16] The Key Performance Indicator for this measure has changed to reflect a new start date in 2010-11.

Program 13.3: Key Performance Indicators

The following 'Key Performance Indicators' measure the impact of the Program.

Table 13.13: Qualitative Key Performance Indicators for Program 13.3

Qualitative Indicator	2010-11 Reference Point or Target
Health reform	
Enhanced provision and improved mix of subacute care services for hospital and out-of-hospital care	States and territories reporting demonstrates enhanced provision and improved mix of services
Improve health care services in north-west Tasmania, and support other services	
Core clinical services that are specified in the Heads of Agreement for the management, operation and funding of the Mersey Community Hospital continue to be provided by the hospital	Analysis of data provided under the Heads of Agreement concludes that the agreed services are being provided

Table 13.14: Quantitative Key Performance Indicators for Program 13.3[17]

Quantitative Indicators	2009-10 Revised Budget	2010-11 Budget Target	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Health Reform					
Percentage of public hospital elective surgery patients seen within clinically recommended times	N/A	N/A	90.7%	92.8%	95%
Number of elective surgery procedures undertaken[18]	607,529	311,860	N/A	N/A	N/A

[17] The KPI 'Number of additional public dental visits delivered by the states and territories above the agreed baseline' from the 2009-10 Portfolio Budget Statements has been deleted, as it is not clear when the program will commence.

[18] Between 1 July 2010 and 31 December 2010. Funding terminates in 2010-11 and the National Partnership Agreement on the Elective Surgery Waiting List Reduction Plan expires on 31 December 2011.

Quantitative Indicators	2009-10 Revised Budget	2010-11 Budget Target	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Percentage increase in the volume of elective surgery performed across Australia[19]	4.3%	3.4%	N/A	N/A	N/A
Ninety-five per cent of patients presenting to a public hospital emergency department admitted, referred for treatment, or discharged within four hours, where clinically appropriate	N/A	Triage category 1 from 1 January 2011	Triage category 2 from 1 January 2012	Triage category 3 from 1 January 2013	N/A

[19] Funding terminates in 2010-11 and the National Partnership Agreement on the Elective Surgery Waiting List Reduction Plan expires on 31 December 2011.