

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 is committed to improving access to, and the efficiency of, public hospitals and acute and subacute care services. Through Outcome 13, the Government will deliver the major reforms agreed by the Council of Australian Governments (COAG) in the National Health Reform Agreement, and the associated National Partnership Agreements on Hospital and Health Workforce Reform, Improving Public Hospital Services, Elective Surgery Waiting List Reduction and Health Infrastructure.

The National Health Reform Agreement includes a commitment by the Commonwealth to meet 45% of efficient growth in public hospital costs from 2014-15, increasing to 50% in 2017-18, at an estimated cost of \$16.4 billion over the period ending in 2019-20. All governments have agreed to move to activity based funding (ABF) for public hospital services where practicable, starting from 1 July 2012, with payments made through a National Health Funding Pool. This will make public hospital funding more transparent and, by linking Commonwealth funding to a national efficient price determined by the Independent Hospital Pricing Authority (IHPA)¹, will help to drive efficiency in the delivery of public hospital services. The National Health Performance Authority (Performance Authority)² has been established to monitor and report on the performance of hospitals, Local Hospital Networks and primary health care services at the local level.

Under the National Partnership Agreement on Improving Public Hospital Services (NPA-IPHS), governments also agreed to deliver faster access to emergency department and elective surgery procedures, through the establishment of:

- a 4-hour target for emergency waiting times, with the aim that 90% of patients across all triage categories are admitted, referred or discharged within four hours; and
- a 100% elective surgery target to ensure all patients waiting for elective surgery are treated within clinically recommended times.

The Australian Government recognises the expense and long waiting lists that prevent many Australians from accessing the dental care they need. The Senate has

¹ More information on the Independent Hospital Pricing Authority is available in its chapter in these Portfolio Budget Statements.

² More information on the National Health Performance Authority is available in its chapter in these Portfolio Budget Statements.

not agreed to close the Medicare Chronic Disease Dental Scheme, and therefore the Commonwealth Government Dental Health Program has not been implemented. The Government will now redirect the funding set aside to establish the program to deliver a \$515.3 million package of dental reforms targeting disadvantaged Australians. The package includes measures to help address public dental waiting lists, enhance the dental services workforce particularly outside metropolitan areas, promote oral health and support *pro bono* dental services. In addition, the Government is continuing to fund the provision of mobile dental facilities for Indigenous communities in rural and regional areas.

The Australian Government aims to provide Australians with access to an adequate, safe, secure and affordable blood supply and access to life saving and life transforming organ and tissue transplants.

Outcome 13 is the responsibility of Acute Care Division, Medical Benefits Division, and Regulatory Policy and Governance Division.

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

	2011-12 Estimated actual \$'000	2012-13 Estimated expenses \$'000
Program 13.1: Blood and organ donation services¹		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	9,979	12,100
Special appropriations		
<i>National Health Act 1953</i> - blood fractionation, products and blood related products - to National Blood Authority	646,003	681,848
Departmental expenses		
Departmental appropriation ²	3,758	3,764
Expenses not requiring appropriation in the budget year ³	179	125
Total for Program 13.1	659,919	697,837
Program 13.2: Medical indemnity		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	163	175
Special appropriations		
<i>Medical Indemnity Act 2002</i>	105,800	112,300
<i>Midwife Professional Indemnity</i> (<i>Commonwealth Contribution</i>) <i>Scheme Act 2010</i>	240	1,302
Departmental expenses		
Departmental appropriation ²	789	744
Expenses not requiring appropriation in the budget year ³	37	26
Total for Program 13.2	107,029	114,547
Program 13.3: Public hospitals and information¹		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	106,017	117,848
Departmental expenses		
Departmental appropriation ²	54,177	48,051
Expenses not requiring appropriation in the budget year ³	1,983	13,041
Total for Program 13.3	162,177	178,940

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

	2011-12	2012-13
	Estimated actual	Estimated expenses
	\$'000	\$'000
Outcome 13 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	116,159	130,123
Special appropriations	752,043	795,450
Departmental expenses		
Departmental appropriation ²	58,724	52,559
Expenses not requiring appropriation in the budget year ³	2,199	13,192
Total expenses for Outcome 13	929,125	991,324
Average staffing level (number)	290	239

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 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".

³ "Expenses not requiring appropriation in the budget year" is made up of depreciation expense, amortisation expense, makegood expense and audit fees. This estimate also includes approved operating losses - please refer to the departmental financial statements in section 3 for further information.

Program 13.1: Blood and organ donation services

Program Objectives

Improve Australians' access to organ and tissue transplants

Improving Australians' access to life-saving and life-transforming organ and tissue transplants is a priority of the Australian Government. In order to improve patient access to transplantations and increase the number of available organs and tissues, the Department will continue to support the Australian Organ and Tissue Donation and Transplantation Authority (AOTDTA)³ in implementing, coordinating and monitoring a nationally coordinated approach to organ and tissue donation 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. The Department will continue to support patients through the Australian Bone Marrow Donor Register and Bone Marrow Transplant Program, and the National Cord Blood Collection Network. Under the Bone Marrow Transplant Program, the Government provides financial assistance to bring an overseas donor or stem cells to Australia for transplantation, and meets the costs not covered under the Medicare Benefits Schedule. The Department will also continue to monitor the performance of the National Cord Blood Collection Network in implementing the agreed Clinical Services Plan 2011-12 to 2014, which sets out new cord blood collection and banking strategies to increase the likelihood of a compatible unit being available for Australian patients requiring a transplant.

Support access to blood and blood products

The Australian Government is committed to ensuring that the blood products funded by governments are used in a way that represents best clinical practice and provides value for money. The Medical Services Advisory Committee will provide expert and objective advice on the cost-effectiveness of potential new products. Under the National Blood Agreement, the Australian Government will continue to provide funding for 63% of blood and blood products through the National Blood Supply Plan and Budget to which all Australian governments contribute.

The Australian Government will work with states and territories and the National Blood Authority (NBA) to develop evidence-based policies that support ongoing access to an adequate, safe, secure and affordable blood supply. The Government will work with the states and territories and the NBA to develop waste reduction strategies and options to improve supply chain efficiencies, and to introduce new guidelines that govern access to funded intravenous immunoglobulin (IVIg).⁴

³ For further information on the work of AOTDTA, refer to the AOTDTA chapter in these Portfolio Budget Statements.

⁴ For further information on the work of the NBA, refer to the NBA chapter in these Portfolio Budget Statements.

Program 13.1 is linked as follows:

- This Program includes National Partnership Payments for:
 - *Hepatitis C settlement fund.*

These Partnership 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's Portfolio Budget Statements.

Program 13.1 Expenses

Table 13.2: Program Expenses

	2011-12	2012-13	2013-14	2014-15	2015-16
	Estimated	Budget	Forward	Forward	Forward
	actual		year 1	year 2	year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Annual administered expenses					
Ordinary annual services	9,979	12,100	12,274	12,330	12,332
Special appropriations					
<i>National Health Act 1953 -</i>					
Blood fractionation, products					
and blood related products -					
to National Blood Authority	646,003	681,848	733,689	794,955	860,155
Program support	3,937	3,889	3,983	3,900	3,931
Total Program 13.1 expenses	659,919	697,837	749,946	811,185	876,418

Program 13.1: Deliverables⁵**Table 13.3: Qualitative Deliverables for Program 13.1**

Qualitative Deliverables	2012-13 Reference Point or Target
Improve Australians' access to organ and tissue transplants	
Support the Australian Bone Marrow Donor Register and the National Cord Blood Collection Network to identify matched donors and stem cells for transplant	Increase diversity of tissue types of donors and cord blood units available for transplant
Support access to blood and blood products	
Effective planning of the annual blood supply through the National Supply Plan and Budget	The 2013-14 National Supply Plan and Budget agreed by all Health Ministers in 2012-13

Table 13.4: Quantitative Deliverables for Program 13.1

Quantitative Deliverables	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
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%

⁵ In 2012-13, all deliverables and key performance indicators have been reviewed and updated to ensure targeted performance reporting.

Program 13.1: Key Performance Indicators

Table 13.5: Qualitative Key Performance Indicators for Program 13.1

Qualitative Indicator	2012-13 Reference Point or Target
Improve Australians' access to organ and tissue transplants	
Targeted collection strategies to increase the diversity of tissue type and cord blood units	Reporting demonstrates ongoing implementation of agreed targeted collection strategies
Support access to blood and blood products	
Improved evidence based policy on funded blood products and services	Number of applications for assessment of new blood products submitted to MSAC

Table 13.6: Quantitative Key Performance Indicators for Program 13.1

Quantitative Indicators	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 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%
Support access to blood and blood products					
Percentage of applications for funding of new blood products that have undergone a cycle one assessment, with those requiring a detailed assessment submitted to MSAC	N/A ⁶	90%	100%	100%	100%

⁶ This is a new Key Performance Indicator.

Program 13.2: Medical indemnity

Program Objectives

Ensure the stability of the medical indemnity insurance industry

The Australian Government funds a range of activities to support the medical indemnity industry, to ensure that the industry is viable and provides affordable cover for doctors.

Medical indemnity insurance provides surety to medical practitioners and their patients in the event of an adverse incident resulting from negligence. Affordable and stable medical indemnity insurance allows the medical workforce to focus on the delivery of high quality medical services.

By subsidising high cost claims and providing a guarantee to cover exceptional claims, the Government ensures that the medical indemnity insurance industry continues to remain stable and secure.

Ensure that insurance products are affordable for doctors

A stable and competitive medical indemnity industry assists in keeping medical indemnity premiums affordable for doctors. Through the Premium Support Scheme (PSS), the Government provides subsidies to assist eligible specialists whose medical indemnity premiums are relatively high in proportion to their income because of high levels of clinical and actuarial risk. The subsidies available through the PSS reduce the need for these high risk specialties to pass on the cost of their higher premiums to their patients.

After consulting with the medical indemnity industry and stakeholders, the Government will be gradually reducing the PSS subsidy rate over a two year period starting 1 July 2012. This change recognises that in a stable and robust market, the Government can reduce its level of contribution while continuing to maintain an appropriate level of support.

Other medical indemnity activities administered by the Department and supported by Government funding, such as those covering high cost claims and run-off cover, contribute to meeting the cost of eligible claims when they are lodged by medical indemnity insurers.

Ensure availability of professional indemnity insurance for eligible midwives

Women and their families now 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, all health professionals needed to have professional indemnity insurance to meet the requirements of the National Registration and Accreditation Scheme for health practitioners. The Australian Government has contracted an insurer, Medical Insurance Group Australia, to provide professional indemnity insurance to eligible midwives.

Program 13.2 is linked as follows:

- The Department of Human Services (Medicare Australia – Program 1.1) to administer medical indemnity activities including indemnity for eligible midwives.

Program 13.2 Expenses

Table 13.7: Program Expenses

	2011-12 Estimated actual \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses					
Ordinary annual services	163	175	150	150	150
Special appropriations					
<i>Medical Indemnity Act 2002</i>	105,800	112,300	119,000	125,800	126,995
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	240	1,302	4,100	7,303	9,051
Program support	826	770	774	771	777
Total Program 13.2 expenses	107,029	114,547	124,024	134,024	136,973

Program 13.2: Deliverables⁷**Table 13.8: Qualitative Deliverables for Program 13.2**

Qualitative Deliverables	2012-13 Reference Point or Target
Ensure the stability of the medical indemnity insurance industry	
Continued participation in the Medical Indemnity National Collection through the Medical Indemnity National Collection coordinating committee and the Medical Indemnity data working group	Reports published by the Australian Institute of Health and Welfare

Table 13.9: Quantitative Deliverables for Program 13.2

Quantitative Deliverables	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Ensure availability of professional indemnity insurance for eligible midwives					
Percentage of eligible applicants receiving a premium subsidy through the Premium Support Scheme	100%	100%	100%	100%	100%
Percentage of eligible midwife applicants covered by the Midwife Professional Indemnity Scheme	100%	100%	100%	100%	100%

⁷ In 2012-13, all deliverables and key performance indicators have been reviewed and updated to ensure targeted performance reporting.

Program 13.2: Key Performance Indicators

Table 13.10: Qualitative Key Performance Indicators for Program 13.2

Qualitative Indicator	2012-13 Reference Point or Target
Ensure availability of professional indemnity insurance for eligible midwives	
The continued availability of professional indemnity insurance for eligible midwives	Maintain contract with Medical Insurance Group Australia to provide professional indemnity insurance to eligible midwives

Table 13.11 Quantitative Key Performance Indicators for Program 13.2

Quantitative Indicators	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Ensure the stability of the medical indemnity insurance industry					
Percentage of medical indemnity insurers who have a Premium Support Scheme contract with the Commonwealth that meet the Australian Prudential Regulation Authority's Minimum Capital Requirement	100%	100%	100%	100%	100%
Ensure that insurance products are affordable for doctors					
Number of doctors that receive a premium subsidy support through the Premium Support Scheme ⁸	2,400	2,300	2,200	2,100	2,000

⁸ Premium support is demand driven, with subsidies paid in response to applications from eligible doctors. Therefore, actual funding may vary from estimates over the forward years. However, a decrease in the number of doctors requiring premium support would indicate that medical indemnity premiums are becoming more affordable.

Program 13.3: Public hospitals and information

Program Objectives

Implement National Health Reform

In 2012-13, the Department will continue to engage with the Independent Hospital Pricing Authority (IHPA) to further refine improvements to the funding of public hospital services under the National Health Reform Agreement, including the development of the national classifications necessary to support the introduction of activity based funding.⁹

The Department will also provide advice to the Minister for Health regarding reports produced by the National Health Performance Authority (Performance Authority) detailing the performance of Local Hospital Networks against measures defined in the Performance and Accountability Framework.¹⁰

Increase efficiency and capacity in public hospitals

Through the National Partnership Agreement on Improving Public Hospital Services, the Australian Government has committed up to \$3.4 billion to states and territories over seven years between 2010 and 2017. This will help to reduce the length of elective surgery waiting lists, improve emergency department treatment times and increase subacute care services.

From 1 January 2012, new elective surgery and emergency department targets were introduced, and the Department will monitor state and territory progress towards achievement of the targets, with reward payments linked to performance.

The provision of over 1,300 new sub-acute care beds and bed equivalent services nationally in hospitals and in the community will ensure patients are cared for in the most appropriate setting with access to the services they need.

Improve access to public dental services

The Australian Government is committed to improving Australians' access to dental services. Commencing from 2012-13, the Government will deliver a \$515.3 million dental reform package targeted at disadvantaged Australians and those in regional, rural and remote areas. The package includes \$345.9 million over three years for states and territories to provide public dental services to around 400,000 adults on public dental waiting lists, and a range of dental workforce measures, including rural and remote infrastructure and relocation grants, that will encourage and support dental professionals to work in the public sector and rural and remote areas.¹¹

⁹ More information on the Independent Hospital Pricing Authority is available in its chapter in these Portfolio Budget Statements.

¹⁰ More information on the National Health Performance Authority is available in its chapter in these Portfolio Budget Statements.

¹¹ For further information on these measures, please refer to Program 12.2 – Workforce development and innovation, in these Portfolio Budget Statements.

In addition, the Government will also fund oral health promotion activities and support the provision of *pro bono* dental services to Australians who are unable to access services because of severe disadvantage.

The Department will also continue to provide funding for mobile Indigenous dental pilot projects that use transportable equipment and mobile staff in rural and regional areas.

Increase support for health services for the Torres Strait

The Australian Government will continue to work to improve health outcomes in the Torres Strait. It will provide a targeted additional contribution to Queensland in 2012-13 and 2013-14 to enable completion of the ethical and staged hand over of Papua New Guinea tuberculosis patients to their own health system in partnership with Queensland Health and Papua New Guinea tuberculosis clinicians.

Program 13.3 is linked as follows:

- This Program includes National Partnership Payments for:
 - *Health Care Grants for the Torres Strait – Contribution to Queensland for the treatment of Papua New Guinea nationals in the Torres Strait;*
 - *Hospital and Health Workforce Reform - Activity based funding and subacute care services;*
 - *Improving Public Hospital Services - New subacute beds guarantee funding; Flexible funding pool for emergency departments, elective surgery and subacute care; National emergency access target for emergency departments – capital funding, and facilitation and reward funding; National elective surgery target-capital funding and facilitation and reward funding;*
 - *Funding for Grafton Base Hospital; and*
 - *Public dental waiting list program.*

These Partnership 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's Portfolio Budget Statements.

- This Program also includes the Department working with relevant Commonwealth agencies to identify and address cross border health issues in the Torres Strait Treaty zone.

Program 13.3 Expenses**Table 13.12: Program Expenses**

	2011-12 Estimated actual \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
Annual administered expenses					
Ordinary annual services	106,017	117,848	122,873	114,886	110,544
Program support	56,160	61,092	59,160	57,630	57,604
Total Program 13.3 expenses	162,177	178,940	182,033	172,516	168,148

Program 13.3: Deliverables¹²**Table 13.13: Qualitative Deliverables for Program 13.3**

Qualitative Deliverables	2012-13 Reference Point or Target
Increase efficiency and capacity in public hospitals	
Provide financial contribution to states and territories to support the delivery of initiatives	Payments to states and territories are made in a timely manner
Improve access to public dental services	
Implement the Mobile Indigenous Dental Pilot projects	Mobile Indigenous Dental Pilot projects commence and program evaluation completed in a timely manner

¹² In 2012-13, all deliverables and key performance indicators have been reviewed and updated to ensure targeted performance reporting.

Program 13.3: Key Performance Indicators**Table 13.14: Qualitative Key Performance Indicators for Program 13.3**

Qualitative Indicators	2012-13 Reference Point or Target
Increase efficiency and capacity in public hospitals	
Enhanced provision and improved mix of subacute care services in hospital and community settings	States and territories reporting consistently demonstrates enhanced provision and improved mix of services
Improve access to public dental services	
Improve access to dental services for Aboriginal and Torres Strait Islander communities in rural and regional Australia	Overall evaluation of the pilot program will identify the most effective models for future service delivery

Table 13.15: Quantitative Key Performance Indicators for Program 13.3

Quantitative Indicators	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
Increase efficiency and capacity in public hospitals					
Percentage of elective surgery patients seen within the clinically recommended times	80%	85%	90%	95%	100%
Percentage of emergency department patients admitted, referred or discharged within 4 hours	64%	70%	76%	83%	90%
Improve access to public dental services					
Number of additional public dental patients treated by the states and territories above agreed baseline ¹³	N/A	80,000	180,000	140,000	N/A

¹³ These figures are indicative as negotiations with states and territories have not commenced.