



## Australian Government

### Department of Health and Aged Care

## Terms of Reference

### Working Better for Medicare Review

*(Distribution Levers – Review)*

#### Context

The Government uses distribution mechanisms to better target health workforce programs and direct health professionals to areas of greatest need.

As part of the Strengthening Medicare - Support for Health, Care and Support Services in Thin Markets Budget measure, a review of the following distribution levers will be undertaken at program level, to support the consideration of future approaches and tools:

- Sections 19AA and 19AB of the *Health Insurance Act 1973* (the Act).
- Distribution Priority Area (DPA) classification.
- District of Workforce Shortage (DWS) classification.
- Monash Modified Model (MMM) classification.

The review will be completed via several parallel work streams to support a final review report to be considered by the Government.

There will be two parts to the review:

- **Part 1** will examine the operations and effectiveness of the distribution levers.
- **Part 2** will examine ways to support consideration of future approaches and tools to address market sustainability issues.

#### Objectives

The review will consider all aspects of the distribution levers and their interplay with each other, including:

- Confirming the original objectives of the distribution levers.
- Evaluating the appropriateness and robustness of the assumptions underpinning the distribution levers.
- Considering and reporting on the value of retaining the distribution levers.
- Assessing the alignment of distribution levers with current health workforce policies and priorities.
- Identifying key factors and barriers impacting appropriateness and effectiveness.
- If appropriate, identifying opportunities to improve the operation of the distribution levers in achieving current health workforce policy objectives.
- Considering and where appropriate make recommendations on alternative approaches to the Department for achieving the intent of the distribution levers.
- Identifying the future role for distribution levers.

## Approach

The Review will:

- **Analyse** challenges to the effectiveness of the distribution levers and identify opportunities for improvements to help achieve equitable distribution of the health workforce in Australia. This includes analysis of barriers (but not limited) to health professions who currently work in primary care and communities in need of assistance to meet their primary care needs.
- **Consult** widely with key stakeholders including Government agencies, health professionals, regulators, education and training providers, peak bodies to ensure consideration of a broad range of perspectives.
- **Examine** barriers that have affected the operation of the distribution levers and assess the impact of major policy changes, regulation and interaction with other systems.
- **Provide recommendations** on potential reforms to improve the responsiveness and capability of the levers to ensure delivery on desired health workforce outcomes.

## Governance

Consistent with other Strengthening Medicare reform measures, the Working better for Medicare Review will fall under the auspices of the Strengthening Medicare Implementation Oversight Committee – which includes a range of primary care stakeholders across nursing, medical, allied health, First Nations, states and territories, consumers, and academics.

Two independent reviewers have also been appointed to lead and coordinate the work streams, deliver the final report, and undertake scoping of options for future government interventions into thin markets.

- Professor Sabina Knight, Director, James Cook University Central Queensland, Centre for Rural and Remote Health.
- Adjunct Professor, Mick Reid, Principal, Michael Reid and Associates.

The Reviewers Leads may also seek independent advice and analysis on any matter within the review scope and may consider convening an advisory panel of experts and/or holding public consultations for this purpose.

## Timeframe

An Interim Report is to be completed in early 2024 with the final report to be provided by the Independent Reviewers to Government by June 2024. The Interim Report may identify immediate opportunities for reform with the Final Report to address all elements in the objectives including where appropriate, to make recommendations on innovative options to sustain health services in communities.