
This paper is intended for the information of Victorian Divisions – in particular, Chairs and CEOs.

GPV's activities on health reform in 08-09

- Submissions to National Health & Hospitals Reform Commission, External Reference Group on Primary Health Care Strategy, Preventative Health Strategy, AGPN's policy positions. Submissions at www.gpv.org.au/resources.asp?cat=23&subcat=38
- Provided opportunities for divisions to discuss health reform and give input through forums (June 2008, May 2009, Sept 2009) and consultation papers (see www.gpv.org.au/resources.asp?cat=23&subcat=35), provided information about developments and invited input through e-bulletin and a dedicated 'health reform' section of our website. www.gpv.org.au/content.asp?cid=34&wid=1477&t=Health%20Reform%202009-10
- Convened a working group to discuss implications of health reform for divisions and inform board's deliberations in formulating a Victorian response.
- Liaison with Dept of Premier & Cabinet, senior Dept of Health officers, other SBOs and AGPN, other primary care players in Victoria including VHA, MAV and PCPs.

Summary re PHCOs

The **NHHRC report** (2009) recommended that primary health care organisations (PHCOs) should be established "evolving from or replacing divisions of general practice" but provided very little detail about the purpose, function and scope of the proposed organisations.

The recommendation suggested that there be between 42 and 84 PHCOs across the country (based on a population of 250,000-5000,000) – no evidence was cited as to how this figure was reached – and the PHCOs were to focus on:

- Population health planning and
- Service coordination

and detailed criteria and goals for their funding would be developed.

The **Primary Health Care Strategy** gave a fuller picture, but still little indication of the relative priorities or the main aim. Prof Libby Kalucy summarised possible functions of a PHCO at a GPV forum last September:

- Support collection and monitoring of local population health data
- Plan and coordinate services
- Support prevention activities
- Allocate resources for health service delivery
- Reflect on system effectiveness and relative cost-effectiveness
- Inform decisions on allocative efficiency across the broader health system.

While divisions have some experience with some of these roles, in other areas they have limited experience and in some areas, none so far.

The **AGPN Blueprint** argues that all funding for primary health care (except MBS and PBS) should come to PHCOs. Divisions could become PHCOs (either alone or in collaboration with others), or contract with the PHCO in the area to deliver some of the services that the PHCO is responsible for. Direct service delivery is a major emphasis. GPV argued that:

- There will still be a need to continue the general practice engagement, and improvement of capacity and quality of care delivered at the practice level, which has been a strength of the Divisions Program.

- Purchasing and /commissioning services is a different role from providing or delivering those services – the same organisation should not do both (purchaser/provider split).
- We had concerns about the suggestion that a main priority for PHCOs be to deliver services. Victorian divisions have supported the practice of divisions providing services that fill gaps and link with, and do not compete with, existing general practice services. But there are concerns about seeking to create another primary care service delivery infrastructure. In Victoria other services already exist to do this; creating another service delivery infrastructure may hinder rather than help, increase fragmentation and divert attention from other PHCO tasks, like planning, coordination, commissioning and improvement.
- There should be more emphasis on coordinating care, including with hospitals and specialists, to improve patient experience, reduce fragmentation and improve outcomes.

Current status

Discussion at state forums and other events suggest that Victorian divisions are willing to change, consider amalgamations, consider adopting new roles and widening their membership, etc, but that they do not want to devote substantial time and resources without a more definite policy direction – particularly given that some of the ‘positioning’ and claims to territory can put at risk good existing relationships with other stakeholders.

AGPN has commissioned work by KPMG on a plan for the transition of the Divisions Network to a network of PHCOs and has engaged Carla Cranny to work on the possible boundaries of PHCOs.

With Victorian and Federal elections due in 2010 (along with other state elections), it is difficult to predict the outcome of the various reforms proposed, particularly given the lack of detail, but it seems likely that the Federal government will want to be seen by the voters to be making decisions about the health system. The announcement of changes to primary care arrangements must be thought likely, if only because making changes to the hospital system is too politically risky. The Victorian government is likely to resist any moves that it sees as likely to weaken the existing Victorian health system.

The Department of Health (DH) and the Department of Premier & Cabinet are preparing for the coming COAG meeting – expected in March. There seems to be agreement that the Prime Minister and Minister Roxon will make an announcement about primary care – probably their intention to proceed with establishing PHCOs – and that the states will then start serious negotiation about the form this will take in their states.

GPV has been continuing to contact the Department of Premier & Cabinet and the Department of Health to keep divisions and general practice on their agendas, and is working with other organisations in the primary health care sector, in the interests of pursuing an inclusive approach to PHCO development in Victoria.

Intense speculation about what is likely to come out of COAG is not likely to be very useful. The whole scene is very fluid and changes all the time. GPV’s suggestion is that the best course of action for divisions is to make sure that they are delivering on all their contracts, to strengthen their links with neighbouring divisions and with local stakeholders, and be prepared to do some concentrated work in their regions when the COAG announcement comes and the states start serious negotiations.

GPV board discussed the reform agenda at its meeting on Friday, especially the apparent dismissal by AGPN of the need for a state-level presence in the proposed ‘Australian Primary Health Care Network’. Overall GPV supports the Blueprint, especially the few statements that suggest working with other organisations in the establishment of PHCOs, but thinks that in Victoria there must be some recognition of the need to have an inclusive, rather than an exclusive, approach. The board also re-affirmed its message that change management and quality improvement in general practice is an area of work that will continue to be needed.

The board has asked its Health Reform Working Group to meet on 26 February, when one of its tasks will be to begin to set out proposals for the role and structure of Victorian PHCOs.