

### **Federal election 2010**

The items discussed in this Update, which was largely drafted before the weekend, will be affected by the calling of the federal election for 21 August, which puts the government into caretaker mode, and by the outcome of the election.

Although this gives the network a brief breathing space for reflection and attention to business that may have taken second place to reform anxiety during recent months, GPV will continue our work on PHCOs with DH and our state-level partners and will continue to advocate for Victorian divisions at the state level. We advise Victorian divisions to take the same approach.

### **Victorian Minister for Health: Roundtable 29 June**

GPV Chair, Linden Smibert, and CEO, Bill Newton, were invited by the Victorian Minister for Health, Daniel Andrews, to attend a roundtable discussion of PHCOs on 29 June. The only other representative of Victorian divisions was Phillip Bain, CEO, Northern Division. Other participants came from Community health services, PCPs, RACGP, RDAV, VACCHO, Local Government and the Victorian Healthcare Association (VHA).

GPV was firm about the need to retain GP engagement in the reform process and in the need for the current work of divisions to continue, as it is only through divisions that GPs have been engaged to date. We also pointed out that when the Commonwealth invites divisions to put in Expressions of Interest in forming the first 15 PHCOs – as Minister Andrews confirmed will be the case – it will be important for the success of these initial PHCOs in Victoria that all local stakeholders collaborate with the divisions that put in a proposal. Evidence of effective collaboration will be a key criterion without which the proposal cannot get up.

Despite the range of participants and the seniority of the DH representation there was no greater clarity on what the roles of PHCOs will be in the short or the long term, although the Function Working Group's work (see below) may help to make Victoria's view on this clearer. The participants agreed that Victoria should specify the activities that we want PHCOs to carry out and list the activities of the existing Divisions Program that we want the Commonwealth to agree to maintain.

The minister intends that DH will have a significant role in creating the new PHC system, with an emphasis on avoiding any loss of the services that currently exist, including those provided by divisions. He sees Victoria's role as being positive and helping the Commonwealth to get it right.

The minister decided to set up two working groups, to discuss the establishment of PHCOs - a form group and a function group. These meetings are reported below.

A more detailed summary of the Roundtable, with a full list of participants, was emailed to divisions on Friday 2 July and is [available here](#).

### **Ministerial Working Groups on Function and Form of PHCOs, 7 & 8 July**

The aim of the Ministerial working groups is to help to develop a Victorian position that the Premier and the Minister can take to COAG. The working groups give GPV and divisions a good opportunity to influence Victoria's position.

Membership of the working groups was by self-selection from the Roundtable. Because the original representation from the Victorian Divisions Network on the Roundtable was small in proportion to the importance of the Network in the development of PHCOs, GPV sought increased representation from

the Divisions' Network on the two groups. As a result, Dr Wendy Bissinger (GPV board & Greater Eastern Primary Health) and Murray-Plains CEO Matt Jones were invited to join the working group on the function of PHCOs, and Dr Michael Nolan (GPV board & Bayside GPN) and Anne Peek (CEO of Dandenong Casey GPA) were invited to join the working group focusing on the structure and governance of PHCOs. Linden Smibert (GPV Chair) and Bill Newton (GPV CEO) attended both and Philip Bain (CEO Northern Division), also a member of the Roundtable, was also present at the Form Working Group.

The Function Working Group met on Wednesday 7 July and the Form Working Group on Thursday 8 July. Both the working groups were chaired by Jon Evans, Director, Health Strategy, DH. Anne Peek and Matt Jones also emailed their summaries of the discussions to division CEOs.

Both the meetings were useful and cooperative and helped dispel some misunderstandings that have inhibited collaboration. One of the comments from the Roundtable that was repeated by several participants, including DH, at both subsequent meetings was the importance of retaining the services provided by divisions to general practices because without these services it will be impossible to retain GP engagement with the reform process.

Both meetings supported an evolving role and structure for PHCOs and agreed that important considerations will be

- Working in a spirit of collaboration and partnership
- Initial focus on the population health planning, coordination and integration roles
- Maintain the existing valuable services that Victoria has now
- Avoid setting up duplicate service provision to the public; Victoria has plenty of existing services
- PHCOs should not deliver services unless there are serious gaps that cannot be filled otherwise

In the discussions about whether PHCOs should be given regional PHC funds to allocate there was a view that, although this would not be an immediate role, if they did not eventually have the allocation of funds as a lever they would be somewhat toothless and unable to influence agencies and services.

The discussions about governance made it clear that designing PHCO governance will need much more discussion and depends upon what the roles of PHCOs will be. It may be practical for the boards of PHCOs to evolve from initial broad representative membership to smaller and more skills-based boards in the future as their role develops. If PHCOs eventually manage the allocation of all regional PHC funds there will have to be greater government involvement or oversight, on the principle that it is governments that determine the use of public funds

In the discussions about the boundaries and catchments of PHCOs and LHNs the meetings supported the minister's view that the best approach is to agree on criteria for PHCO boundaries and to apply those criteria to the Cranny proposals released by Minister Roxon (see next item).

There was agreement that it is critically important to ensure the success of any application from Victoria for the first round of PHCOs. In discussion of the best way to support the initial applications from Victorian divisions, the meeting wondered if there is any way to reach agreement on selecting the bids that would be most likely to succeed and to confirm that these would have the backing of all Victorian agencies and the DH.

A report on the discussions at both working groups will be prepared by Jon Evans and sent for feedback to all the participants. Following this feedback, and further meetings of the working groups if necessary, the minister will convene another meeting of the Roundtable group with the aim of reaching a broad agreement on a Victorian position to take to COAG.

The timing of these discussions may be affected by the calling of the federal election, which puts the government into caretaker mode, and by the outcome of the election.

## **Carla Cranny Report and Commonwealth Consultation on boundaries of PHCOs and LHNs**

On 1 July Minister Nicola Roxon unexpectedly announced the release of the final version of Carla Cranny's report on PHCO boundaries, commissioned by AGPN. The full report is now available for download from the [YourHealth](http://YourHealth.gov.au) website (the report has been separated into 'Parts 1&2' and 'Part 3').

Submissions on both Medicare local and Local Hospital Network boundaries can be provided via the web at [www.yourhealth.gov.au/medicarelocal](http://www.yourhealth.gov.au/medicarelocal), or in writing, by no later than 30 September 2010.

Minister Roxon's media release is available for [download here](#).

Following community consultations on these draft boundaries, the Commonwealth, States and Territories will produce a combined set of government-endorsed LHN and Medicare Local boundaries for further consultation. They have committed at COAG to agreeing the Medicare Local Boundaries and the Local Hospital Network Boundaries by the end of 2010.

DH is considering the ideal number of PHCOs for the state and its current thinking is that about 17 PHCOs will fit well in Victoria – eight rural and nine metro (one more than Carla Cranny's maximum proposal for each category). The final detailed boundaries that DH will take to negotiations with DoHA will depend on consultation with the field and the acceptance of the proposed principles and criteria for the establishment of PHCOs. These were discussed at the Roundtable working groups and will be included in the summary papers to be circulated for consultation by DH.

At the working group meetings there was agreement that Victoria should test the Cranny proposals by the application of criteria including

- LGA boundaries
- State government regional boundaries
- Communities of interest
- Existing services and patient flows, including cross-border patient flows
- Geographical population catchments
- Growth corridors
- Minimum population size for population health planning

The building blocks will be LGAs, and PHCOs will remain within existing DH regional boundaries – except where they might cross state boundaries into NSW and possibly into SA. DH proposes that PHCO populations will have a minimum of about 100,000 for rural and about 300,000 for metropolitan PHCOs.

The missing link in the discussion of PHCOs and their boundaries is the view of DoHA. It seems likely that DoHA will adopt no position until after the 30 September deadline for responses to Carla Cranny's proposals, which suggests that DoHA's position on PHCO boundaries will not be known until late October at the earliest.

### Divisions' input to the Victorian position

Although the Commonwealth's deadline for comment on PHCO boundaries is 30 September, the Victorian position is likely to be developed before then so that the Victorian government can make a submission by the deadline. It is important for divisions that have any disagreement with the Cranny proposals to hold local discussions with your partners to develop an agreed response; the more partners involved, the stronger the response will be.

GPV needs divisions' views on the Cranny boundaries so that we can present them to DH during the coming working group and Roundtable discussions. The most powerful case for Victorian boundaries will be made if divisions, the PHC sector and DH present the same arguments.

The first step is for divisions that have reservations about the Cranny proposals to let GPV know. Please email Bill Newton at [b.newton@gpv.org.au](mailto:b.newton@gpv.org.au) with a brief description of the issues so that we know how many problems Victoria has to deal with.

The definition of PHCO boundaries will be one of the topics at the [GPV Forum on 3 September](#), when we hope to work towards developing an agreement among divisions that can be put to the Commonwealth by the deadline of 30 September.

As well as supporting divisions in developing their responses to the Cranny report GPV is ready to facilitate frank discussions between neighbouring divisions, with or without other stakeholders, about other matters in the formation of PHCOs.

### **GPV Draft Position Statement on PHCOs**

On 30 June GPV emailed a draft position statement on PHCOs to all Victorian CEOs and Chairs. It is available to view and download from [the GPV website](#).

This will be an important document for the negotiations about PHCOs over the coming months. GPV has received a little immediate feedback, suggesting improvements, and awaits further comment as divisions consider the paper in more detail. **Please give us your feedback by 6 August** as the draft will go to GPV board on 20 August

### **GPV response to KPMG Draft Transition Strategy**

By the deadline on 9 July AGPN had received 14 responses to KPMG's draft transition strategy and plan from the network, of which five were from SBOs (ACT, QLD, NSW, NT, Vic) and three from Victorian divisions.

GPV's response supported the emphasis throughout the draft transition strategy on maintaining GP engagement as the risk of GP disengagement is a real concern for Victorian divisions and their members, as well as to the Victorian Minister for Health and the Department of Health who have acknowledged the importance of maintaining GP engagement if the reforms are to succeed.

Nevertheless GPV has a number of concerns about the draft transition strategy of which the two most important are

- The lack of detail about the contributions of organisations outside the divisions' network to the development and functioning of PHCOs, particularly with regards to partnership and stakeholder engagement
- The proposed network structure, which omits the option of state-level support organisations for PHCOs and proposes only a national organisation "that may have offices in larger states".

GPV's response is [available here](#).

### **AMA Victoria GP Forum on 'Medicare Locals'**

On 13 July, GPV Chair Dr Linden Smibert presented at the AMA Victoria GP Forum on 'Medicare Locals'. Other speakers were Dr Brian Morton, Chair of the AMA Federal Council of General Practice, and Prof Chris Brook, Executive Director, Wellbeing, Integrated Care and Ageing, DH. They were joined for a panel discussion by Dr Steve Hambleton, AMA Federal Vice President.

Linden's presentation focussed on GPV's and Divisions' concerns over the maintenance of practice support and GP engagement activities under the proposed reforms; concerns which are shared by the AMA. Linden also advocated for :

- continuing to build on the gains achieved through the 'micro-reforms' carried out by the divisions network over the last 18 years
- continuing divisions' activities under state-funded initiatives which have shown they are effective in bridging the gaps between general practice and other parts of the health system
- continuing support at both local and state levels for addressing the health care needs of vulnerable, low prevalence and high needs populations through general practice

The discussion was hard to summarise as it ranged from enthusiasm at the expected “disappearance” of divisions into PHCOs to dismay at the disappearance of the valuable services provided by divisions to general practice and the observation that PHCOs were being set up to solve a problem that does not exist.

## **Diabetes**

There was some criticism at the AMA forum of the Commonwealth’s Diabetes Integrated Care Scheme, announced in the budget as part of the reforms. This program has also received criticism from other quarters ([The Age -Thursday 15 July](#) ), although Professor Paul Zimmet, of the Baker IDI Institute, suggested improvements to the implementation of the scheme, which he described as “an excellent idea”.

Minister Roxon announced on Friday 16 July that she has appointed an Expert Advisory Group, Chaired by the Chief Health Officer, DoHA, Prof Jim Bishop, to help the Government deliver better services for Australians with diabetes. Members of the group familiar to Victorian divisions are

- Dr Christine Bennett, Chair, National Health and Hospitals Reform Commission (NHHRC)
- Belinda Caldwell, CEO, Australian Practice Nurses Association (APNA)
- Dr Emil Djakic, Chair, AGPN
- Dr Tony Hobbs, former Chair, AGPN, and Chair, External Reference Group of the National Primary Care Strategy
- Professor Greg Johnson, CEO, Diabetes Australia (Vic) & Acting CEO Diabetes Australia (DA)
- Dr Chris Mitchell, President, RACGP
- Professor Paul Zimmet, Director Emeritus, Baker IDI Heart & Diabetes Institute

The minister’s media release with the full list is [here](#).

## **A National Health and Hospitals Network for Australia’s Future: Delivering the Reforms**

On 13 July, the Australian Government released *A National Health and Hospitals Network for Australia’s Future: Delivering the Reforms*. The new report is an implementation plan which provides details of the scheduled health reform activities over coming months and years, including timelines, forward budget estimates and major milestones to implement the health reform agreed by COAG in April 2010.

It is disappointingly noteworthy for its omission of any reference to divisions, except a passing mention on page 35 under ‘new flexible care packages for people with severe mental illness’ where it says “provide funding agreements to divisions of general practice and Medicare Locals (where established) for new flexible care packages.”

GPV will examine the paper for information that may be useful to divisions in their planning for PHCOs and will provide a summary to divisions.

The report can be downloaded from:

<http://www.yourhealth.gov.au/internet/yourhealth/publishing.nsf/Content/DeliveringTheReforms>