Treasury Reforms to Australia's Health Workforce

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COAG

- The story starts with COAG …..

Council of Australian Governments –

It is Chaired by the Prime Minister and comprised of the State/Territory Premiers.

COAG Agenda

- COAG: is the forum through which National Competition Policy has been implemented over the last 10 years (electricity, gas, roads)

  …and was extended into the Health and Education sectors from 2004/5

(Productivity Commission Reports 2005/06)

COAG Method

COAG is the forum where the Federal Government distributes $3 billion + per annum of PAYE & GST revenues to States in return for introducing policies which increase

‘Competition and Contestability’

POLITICAL MASTERS OF REFORM FORUMS

COAG HAS ESTABLISHED REFORM PROCESSES OUTSIDE OF FEDERAL OR STATE HEALTH BUREAUCRACIES

HEALTH MINISTERS ARE NOT REPRESENTED AT COAG

The Competition Policy Agenda

The **Health Workforce** reforms form

‘National Competition Policy’ Mark II

The ‘National Reform Agenda’

Why Health Professionals ?

Registration boards are regulatory impediments to ‘the market’ determining the optimal configuration of health workers

Profession Specific Registration Boards are considered regulatory ‘Barriers to Entry’ to a broader health workforce

HEALTH WORKFORCE REFORM AGENDA

The neo-classical economic agenda is to ‘increase free market competition’ in the services provided by health professionals.

The Prime Minister and Federal Treasurer ideological agenda, to ‘bust the closed shops’ of registered health professionals.

COAG &'PRODUCTIVITY COMMISSION REPORTS'

COAG **COMMISSIONED** the Productivity Commission to produce Australia's Health Workforce Policy

'Australia's Health Workforce'

- THE PC REPORTS DO NOT CONTAIN ANY ECONOMIC ANALYSIS OR COST BENEFIT ANALYSIS ON THE COST TO THE PUBLIC OR PUBLIC HEALTH –OF THE PROPOSED REFORMS.

The PC Recommended

- ‘Fast tracking an innovative health workforce’
- A national scheme to perform Registration and Accreditation of health professionals

Council of Australian Governments' Meeting 10 February 2006

- "The Council of Australian Governments (COAG) held its 17 th meeting today in Canberra . This was an historic meeting with significant outcomes. All governments have seized a unique opportunity to work together to deliver a substantial new National Reform Agenda embracing human capital, competition and regulatory reform streams".

In April 2007 COAG Agreed

To abolish the principal of ‘self regulation’ by health professions.

Single health professional ‘advisory boards’ will exist, but decisions will be made by the Scheme's ‘Agency Board’ and/ or Ministers

Objective of National Board

"To **enable** continuous development of a **flexible**, responsive and **sustainable** Australian health workforce and enable **innovation in education and service delivery**"

COAG Agreed in April 2007

- To establish a National Framework for the registration and accreditation for 9 health professions & VOCATIONALLY TRAINED HEALTH WORKERS
- That the National Registration Board – composition would include ‘consumer representatives’.
- The number and type of representatives on the Board could be determined by Ministers

Substitution of Health Profs

Substitute rather than Compliment Health Professionals:

- Not allow professions to determine Delegation and Supervision Parameters
- Independently Register Vocationally Trained
- MBS Funding of ‘Counselors’ & Psychologists, Massage Therapists & Physiotherapists etc.
- Quadrupling revenue to train ‘Allied Health Assistants’

No Principals on

- Fines and Fees for Practitioners
- Disciplinary Processes and role of :
  - Tribunals (administrative law)
  - Courts (appeals and fines)
  - Complaints/Health Services Commissioners

UP & RUNNING IN 12 MONTHS

- Prime Minister's Health Workforce Secretariat is continuing to inform stakeholders that the **new governance structure will be up and running by July 2008.**

Meanwhile - 100 new ‘para-professionals courses

- The Draft National Training Package contains Allied Health Assistants Certificate 1-4 of every allied health profession
- These certificates include highly skilled and clinically accountable functions & REMOTE SUPERVISION
- Employer to determine ‘cluster’
- Substantial funding in 2007/08 – onwards..
- The expanded roles for health professionals in training and supervising the new roles IS NOT RECOGNISED

Major Industrial Impacts

- Assistants are exposed to poor clinical governance and threats of ‘work related underperformance’ for not undertaking tasks they don’t feel safe to perform
- Health Professionals are being exposed by ‘under qualified assistants’ and no direct clinical responsibility for them.

Economists Postscript

From Traditional UK Model

- planned service delivery
- regulated industry

To US Model – Market Model delivery

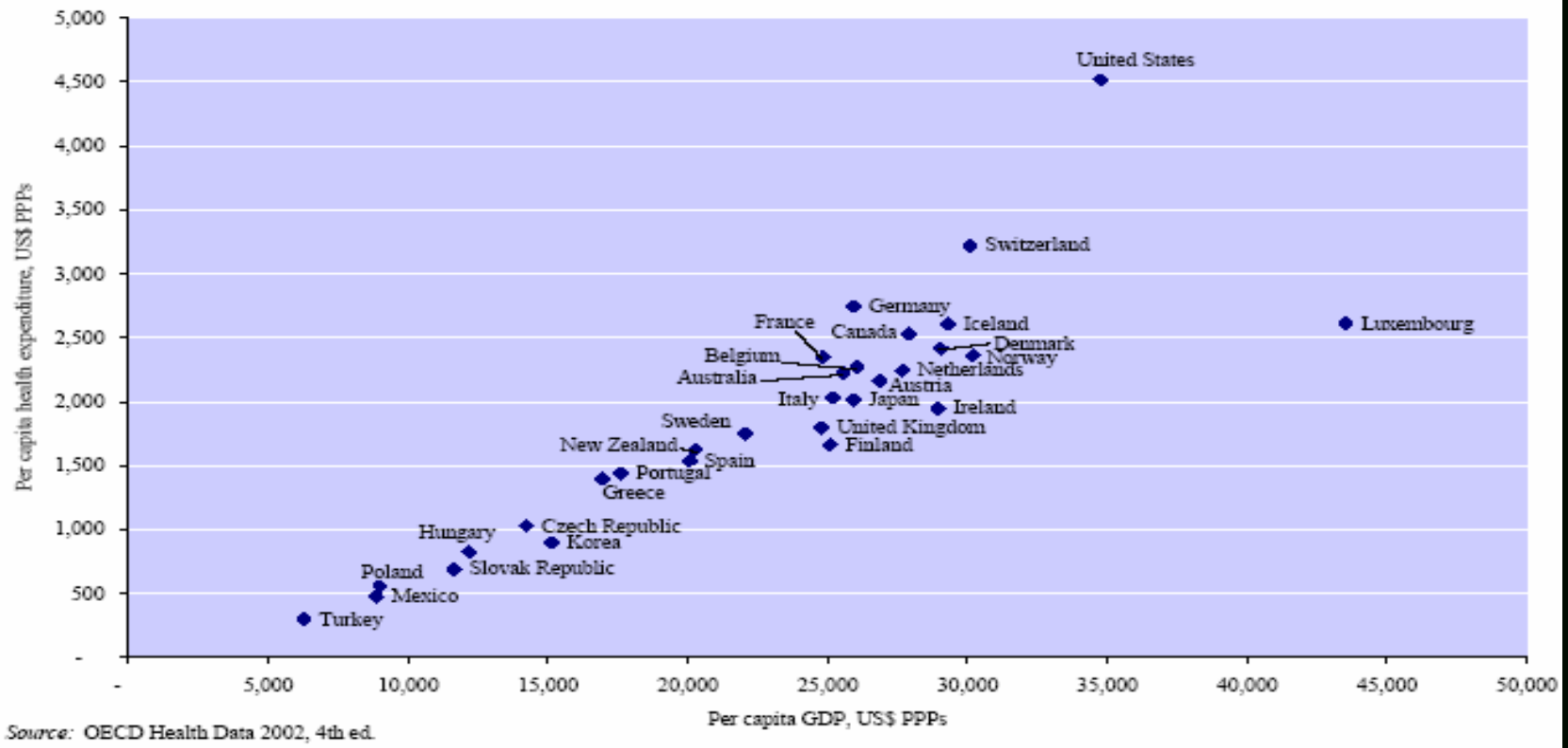
- Market service delivery
- Market regulated (insurers, corporations & consumers/litigation)

Fact: Australia's health care is cost efficient and effective

- All major international and national studies show that Australia is cost efficient and effective – esp.
  - Australian Institute of Health and Welfare
  - OECD comparisons of health expenditure, health inflation and public health outcomes
- The PC even begrudgingly admits "Yet total spending on health care as a percentage of GDP and per capita is not overly high by advanced OECD country standards"

Health Costs Per Capita

Figure 1. **Per capita GDP and per capita health expenditure, 2000**



Source: OECD Health Data 2002, 4th ed.

The True Health Crisis is WORKFORCE UNDER-INVESTMENT

- More Allied Health Professionals leave the country to work than arrive.
- ALL MAJOR STUDIES OF HEALTH PROFESSIONALS (ABS, AIHW, DHS) SHOW THERE IS A NETT LOSS OF HEALTH PROFESSIONALS FROM AUSTRALIA'S HEALTH SECTOR
- OECD Studies Indicate the main reasons for leaving are:
  - Increased workload as a result of budget reductions and
  - The failure to achieve income parity with other sectors and overseas

Table 6: Employed persons in health and community service industries, Australia, 1996 and 2001

- Staff Reductions
- **Industry 1996 2001 Difference % change**

- Hospitals 220k 211k – 8,277 -4%
- Psych hos 8k 2,370 –6,061 -72%
- Nursing homes 80k 65,k –14,690 -18%

UNFILLED VACANCES

Income parity – cross professional

- **2 Professionals 1294.20**
  - **21 Arts and media professionals 1252.70**
    - **211 Arts professionals 1186.20**
    - **212 Media professionals 1265.10**
  - **22 Business, human resource and marketing professionals 1270.00**
  - **23 Design, engineering, science and transport professionals 1336.80**
  - **24 Education professionals 1238.70**
    - **249 Miscellaneous education professionals 1301.90**
  - **25 Health professionals 1448.90**
    - **251 Health diagnostic and promotion professionals 1247.30**
    - **252 Health therapy professionals 1149.00**
    - **253 Medical practitioners 2482.10**
    - **254 Midwifery and nursing professionals 1262.10**
  - **26 ICT professionals 1432.80**
    - **261 Business and systems analysts, and programmers 1471.90**
    - **262 Database and systems administrators, and ICT security specialists 1310.80**
    - **263 ICT network and support professionals 1428.50**
  - 27 Legal, social and welfare professionals 1063.40
    - 271 Legal professionals 1356.00
    - 272 Social and welfare professionals 927.50

CONSEQUENCES

- HEALTH PROFESSIONALS SHORTAGES HAVE RESULTED IN:
  - STRONG RELIANCE ON OVERSEAS HEALTH PROFESSIONALS IN HOSPITALS
  - GROWING UNMET DEMAND FOR CHRONIC ILLNESSES
  - BED SHORTAGES & WAITING LISTS
  - HIGH MULTIPLYER OF FUTURE COSTS FROM UNTREATED CONDITIONS.

COAG RESPONSE

- TO ADDRESS SHORTAGES BY SUBSTITUTING HEALTH PROFESSIONALS WITH ‘LESS EXPENSIVE ALTERNATIVES’
- TO FAST TRACK HEALTH WORKERS THROUGH THE VOCATIONAL TRAINING SYSTEM INTO HOSPITALS

State Skilled Migration Visas

Fig. 3-2: Distribution of State-Specific and Regional Migration Visa Grants

State/Territory	2003–04	2004–05	2005–06
New South Wales	857	1,303	1,632
Victoria	6,459	7,100	10,496
Queensland	1,483	2,412	3,103
South Australia	2,071	4,951	8,182
Western Australia	968	1,786	2,401
Tasmania	291	459	503
Northern Territory	154	158	303
Australian Capital Territory	442	528	682
Total	12,725	18,697	27,488[(a)]

(a) Total includes Other Territories.

Source Data: MPMS and IMIRS

COAG AGENDA

- TO DISTRIBUTE HEALTH FUNDING AND COMPETITION PAYMENTS TO STATES FOR –
  - TRAINING MORE HOSPITAL WORKERS THROUGH THE VET SYSTEM
  - EMPLOYING MORE NON-PROFESSIONALS IN THE HOSPITAL SYSTEM
  - DIVERTING MORE DEMAND TO PRIVATE SECTOR/PRIVATE PRACTITIONERS

Key Health Policy Flaws

- Rather than addressing the CAUSES OF THE EXODUS OF ALLIED HEALTH PROFESSIONALS – they are replacing them with para-professionals
- Instead of EXTENDING THE SCOPE OF PRACTICE OF ALLIED HEALTH PROFESSIONALS to assist with more illnesses – they are expanding TAFE trained positions to replace Allied Health Professionals
- INSTEAD OF ADOPTING THE UK MODEL of planning reform to the health workforce based on need, it is adopting the AMERICAN MODEL OF UNPLANNED, MARKET DRIVEN QUALITY OF CARE

Poor Public Awareness

- There has been insufficient consultation with the public, the professional representatives or associations about the extent of the changes
- The only validation of the risks and benefits of the roles are in pilot projects which have not been evaluated

Real Cost Benefit ?

- SUBSTANTIAL AMOUNTS OF MONEY ARE BEING WASTED ON INITIATING REFORMS – YET NO REAL CHANGE TO IMPROVING TERMS AND CONDITIONS OF EXISTING WORKFORCE

= UNLIKLEY SUCCESS OF REFORMS TO ATTRACT AND RETAIN WORKFORCE