

HEALTH AND FAMILY SERVICES

National Public Health - Continuation of Public Health Programmes

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
11.5	22.3	0.0	0.0

Explanation

Funding for some elements of the National Public Health Programme (i.e. Women's Health; National Breast Cancer Centre; Health Australia - Tobacco Harm Minimisation Strategy; and Hepatitis C Surveillance and Education) was due to cease in 1997-98 and 1998-99.

This measure provides additional funding for these elements to continue until the end of 1998-99, with the level of funding beyond that date to be considered in future Budget rounds.

The continuation of funding for these elements would allow the full range of public health programmes to continue under the new broadbanded National Public Health Programme.

In addition, funding for the Health Care Access for Survivors of Torture and Trauma Programme has also been extended to the end of 1998-99. These services have been specifically designed to promote the health and well-being of people who have experienced torture and trauma before coming to Australia by improving their access to health and related services.

HEALTH AND FAMILY SERVICES

Restructure arrangements for funding services related to the provision of methadone

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.0	-1.9	-7.8	-9.6

Explanation

Currently, methadone services are provided either by private medical practitioners or through publicly funded methadone programmes. The current Medicare expenditure is considered to reflect a significant degree of inappropriate use of consultations and urinalysis (e.g. use of consultations to cover dispensing costs). Over the past five years there has been a rapid growth in methadone client numbers nationally and an increasing imbalance between numbers of public and private clients. This has led to significantly increased funding demands on Medicare.

This measure will fund methadone services as part of the Public Health Programme, instead of through Medicare. Under the new arrangement, grants in lieu of Medicare payments for private methadone clients will be paid through Specific Purpose Payments to the States, subject to negotiation. Medicare benefits will no longer be available for consultations and urinalysis relating to methadone clients.

The level of funding will be based on an annualised allocation per client, calculated from the average number of private clients treated in each jurisdiction over the previous 12 months (with an allowance for client growth and inflation). Payments will be subject to performance measures and other statistical reporting.

The new funding arrangement will be based on the outcomes of the Commonwealth's 1997 trials of alternative models of methadone service delivery. A November 1998 commencement is envisaged. This timetable will enable trial outcomes to be evaluated and negotiations to be conducted with the States, and also give States time to prepare for the changeover.

Savings are expected from Medicare because the new funding arrangements will remove the scope for over-servicing inherent in the existing fee-for-service Medicare benefit structure.

HEALTH AND FAMILY SERVICES

Development of a National Food Hygiene Standard

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.9	1.7	1.2	0.0

Explanation

The need for a new national food hygiene standard has been identified as a priority area by the Australia New Zealand Food Standards Council (ANZFS) and by the Prime Minister's Supermarket to Asia Council. The Prime Minister recently wrote to all State Premiers and Territory Chief Ministers asking that the Council of Australian Governments (COAG) give impetus to the development of a national safe food system.

Under this measure the Australia New Zealand Food Authority (ANZFA) will develop a nationally consistent regulatory framework for food hygiene, in consultation with the food industry and other levels of government. This is intended to replace the current disparate array of State and local government regulations.

The new system is expected to be developed over a three year period, with time-limited funding provided by the Commonwealth. Staged implementation will commence in 1999, leading to every food business in Australia implementing food safety programmes by 2000. Industry would be expected to contribute to the costs of the system as it is implemented.

Through this measure, a sound regulatory framework will be developed to assist in achieving a reduction in the incidence of food poisoning which will reduce the burden on the health care system. Community and business will also benefit from increased productivity arising from fewer days lost due to food borne illnesses.

Enhanced consumer confidence, both domestically and internationally, will directly benefit industry. The new system is also expected to reduce costs for industry, by replacing the existing expensive requirement to meet different hygiene codes with a more streamlined system.

Information from the Review of Food Regulation in Australia, which is to report to COAG by the end of 1997, will be used in the development of the food hygiene standard at an early stage to ensure that the standard represents minimum but effective regulation.

HEALTH AND FAMILY SERVICES

Supplementation of the Australia New Zealand Food Authority funding base

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.7	1.8	1.6	1.3

Explanation

Commonwealth funding for the Australia New Zealand Food Authority (ANZFA) was to reduce to \$5.6 million in 1997-98 and to a base of around \$4m in 1998-99, with funding above this level to be provided from industry through cost-recovery arrangements.

However, the implementation of major cost-recovery activity will be delayed pending the completion of the Review of Food Regulation in Australia (also included in this Budget). It is envisaged that a new cost-recovery arrangement will be developed as part of a national streamlined approach to food regulation, which should reduce the regulatory burden imposed on industry by all levels of government.

In recognition of the delay in implementation of these cost-recovery arrangements, the Commonwealth is providing the ANZFA with additional resources to supplement the expected shortfall in its funding levels prior to the introduction of the new cost-recovery arrangements. The ANZFA is also taking steps to reduce its operating costs by improving efficiency.

This measure should ensure that the ANZFA has sufficient resources to continue to develop and maintain appropriate food standards for Australia and New Zealand. This should lead to a greater range of safe food products being available to consumers. There are also expected to be significant benefits for industry with greater consumer confidence in Australian food products giving improved access to both local and export markets.

Consistent with Recommendation 33 of the Small Business Deregulation Task Force Report the ANZFA will undertake an inter-governmental Review of Food Regulation in Australia, to report to the Council of Australian Governments (COAG) by the end of 1997.

HEALTH AND FAMILY SERVICES

Comprehensive National Immunisation Strategy

Function: Health, Social Security and Welfare

Financial Implications (\$m)

	1997-98	1998-99	1999-00	2000-01
Health and Family Services	3.3	3.3	3.3	3.4
Social Security	-11.8	-26.6	9.2	4.6
TOTAL	-8.6	-23.3	12.6	8.0

Explanation

In the past, Australia's immunisation performance has been poor (currently only 53 per cent of children aged 0-6 years are vaccinated), with immunisation coverage rates too low to interrupt transmission of vaccine preventable disease. Consequently, there have been epidemics of measles, rubella and pertussis (whooping cough).

In February 1997 the Government announced this package of initiatives aimed at lifting Australia's immunisation rate to an acceptable level. The two most significant elements are linking age-appropriate immunisation with entitlement to Maternity Allowance, Childcare Assistance and the Childcare Cash Rebate and the provision of incentives to general practitioners for increasing immunisation coverage. From 1 January 1998:

- the Maternity Allowance will be restructured and paid in two parts so that an initial amount of \$750 is provided at birth (in line with existing arrangements) and a further instalment of \$200 at 18 months of age on evidence of age-appropriate immunisation; and
- all new applicants for Childcare Assistance and the Childcare Cash Rebate will need to provide proof of age-appropriate immunisation to be eligible for these payments. New applicants must meet this requirement from January 1998. Families who are in receipt of these fee subsidies will have to meet these requirements at the end of year review in late 1998.

Exemptions for parents with legitimate conscientious objections and children with medical contra-indications would apply.

Other initiatives that will be undertaken within the existing resources from the National Public Health Programme include education campaigns, the introduction of special immunisation days to increase immunisation coverage, a feasibility study of a measles eradication programme, and the possible introduction of school entry requirements that involve parents submitting details of children's immunisation history upon their child's enrolment.

Increased levels of immunisation are expected to result in higher Medicare costs as more children visit the general practitioner for vaccinations.

It is anticipated that the implementation of this comprehensive and integrated plan will assist States as they work towards the National Health and Medical Research Council immunisation targets by the year 2000.

Achievement of higher immunisation rates in Australia is expected to lead to a significant reduction in mortality and morbidity due to vaccine preventable disease.

HEALTH AND FAMILY SERVICES

Funding mechanism for the purchase of essential vaccines including Hepatitis B vaccine

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
2.6	3.9	3.9	4.0

Explanation

Funding for vaccines for childhood immunisation is currently provided through the National Childhood Immunisation Programme (NCIP) under the National Public Health Programme. The Commonwealth makes Specific Purpose Payments to the States to allow them to bulk-buy vaccines for use by all immunisation providers including general practitioners.

This measure puts in place a new funding mechanism which will enable more timely provision of new vaccines recommended by the National Health and Medical Research Council. The new funding arrangement will be similar to the current Pharmaceutical Benefits Scheme (PBS), with new listings and delistings of vaccines, based on technical assessments and cost-effectiveness data, included in the programme through regulation under the *National Health Act*. Funding will be provided to the States through a special appropriation under this Act, and will cover new vaccines as they are listed on the schedule.

The current arrangements for the supply and delivery of vaccines under the proposed Public Health Outcome Funding Agreements will remain in place. The Commonwealth will be responsible for providing funds to the States for the purchase of vaccines directly from pharmaceutical companies. States will be responsible for the distribution of vaccines to providers including general practitioners and local government, and for ensuring that target population groups have access to immunisation services.

As a result, this new streamlined funding arrangement will avoid any delays between the availability and approval of new vaccines and their provision through the States.

A new Hepatitis B vaccine (HBV) for pre-adolescents will be the first vaccine made available through this mechanism and will cost around \$3.8 million in a full year. Future funding approvals are anticipated to result mainly from improvements in vaccine technologies, with the new vaccines substituting for vaccines already in use.

The inclusion of pre-adolescent Hepatitis B vaccination in the NCIP is in keeping with World Health Organisation recommendations that all countries incorporate Hepatitis B vaccination into their Standard Schedules by 1997. Availability of this vaccine should help reduce the incidence of Hepatitis B which is a serious disease that can cause prolonged illness in the acute stages and can result in chronic liver disease, cirrhosis of the liver, liver failure and cancer of the liver.

HEALTH AND FAMILY SERVICES

Hepatitis B Pre-Adolescent Immunisation Delivery Programme

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.2	0.4	0.5	0.5

Explanation

The National Health and Medical Research Council has recently included Hepatitis B Vaccination (HBV) for pre-adolescents in the Standard Schedule of recommended vaccinations and the Commonwealth has approved funding for the supply of the vaccine in this Budget. The new funding for the purchase of the vaccine itself is provided under the related outlays measure titled: 'Funding mechanism for the purchase of essential vaccines including Hepatitis B vaccine'. This measure provides for a more intensive system of delivery.

Vaccinations are normally delivered to adolescents through GPs and health clinics. The level of coverage of the target group would be expected to be low if these were the only delivery mechanisms used as adolescents do not use these services frequently.

This measure provides specific funding for the delivery of HBV in the school setting, which is expected to result in better rates of immunisation. It will involve the Commonwealth working with the States, with the Commonwealth covering the cost of vaccines and contributing up to half the additional cost of delivering these vaccinations in schools, and the States responsible for the delivery programme as well as provision of the additional funding.

Commencement in February 1998 is envisaged. This lead-time will ensure that States have sufficient time to overcome the logistical difficulties in implementing this programme in the school setting.

The first dose of vaccine will be given at the same time as measles-mumps-rubella vaccine, which is administered in the last year of primary school or the first year of high school. The second dose of HBV is required one month after the first dose, while the third dose to complete the course is required 6 months after the first dose.

Some small savings are expected to be made on Medicare as the new school based delivery of HBV will mean that fewer adolescents will be vaccinated through their GPs.

This measure is expected to result in improved health outcomes with a reduction in the incidence of Hepatitis B, a serious disease which can cause prolonged illness in the acute stages and can result in chronic liver disease, cirrhosis of the liver, liver failure and cancer of the liver.

HEALTH AND FAMILY SERVICES

Strengthening Australia's health and medical research workforce

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.8	1.4	2.3	2.6

Explanation

The National Health and Medical Research Council (NHMRC) supports health and medical research through the provision of research grants and career and training awards. In 1997 it is providing training awards in health and medical research comprising 285 scholarships for post-graduate study in Australia and 177 post-doctoral training fellowships for study in Australia and overseas.

Australia has a high standard of health and medical research and some of its best young researchers take up positions in overseas research institutions immediately upon completion of their doctorate, rather than seeking a post-doctoral training award from NHMRC. Once they have completed a period of time overseas it is often difficult for these young researchers to secure research support back in Australia.

There are some areas of health and medical research which are relatively under-represented in the Australian research workforce, such as clinical and health services research. These research skills are important for addressing some of Australia's health priorities such as improving Aboriginal and Torres Strait Islander health.

This measure will enable the NHMRC to provide up to twenty new awards in each of the next three years comprising:

- post-doctoral fellowships to encourage young Australians overseas to return to a research career in Australia; and
- scholarships and fellowships in research areas demonstrated to be relatively underskilled, to develop a skill base in these areas.

The recipients of the latter will not necessarily have come from overseas.

A review of the health and medical research workforce will be undertaken to identify areas of research where Australia's research capacity needs to be increased and could be supported by these proposed new research training awards.

The research programme of the National Health and Medical Research Council is the primary source of Commonwealth support for health and medical research. In 1997 it will provide support of \$106 million for over 1,200 research programmes, \$24 million for block funded institutes and special units and \$15 million for training and career development awards.

HEALTH AND FAMILY SERVICES

Revised process for Medicare Benefits Schedule listing and review

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
1.5	0.5	-0.5	-3.1

Explanation

The measure introduces a more systematic approach to the assessment of new and emerging medical technologies and procedures prior to those services being listed in the Medicare Benefits Schedule (MBS). Evidence as to a procedure's safety, efficacy and cost-effectiveness will be obtained before consideration for listing.

Advances in medical technology and procedures have been major sources of growth in Medicare outlays (for example, minimal invasive surgery, laser surgery, and nuclear medicine). The *Health Insurance Act 1973* provides that Medicare benefits are payable for 'clinically relevant' services. However, this provides little scope for cost-effectiveness issues to be considered in the decision-making process.

A new Medicare Services Advisory Committee (MSAC) will be established to oversee the assessment of new procedures and the review of existing MBS items. MSAC's main function would be to advise the Minister on the inclusion of new procedures and services in the MBS.

Where the merits of services and procedures have not been established, MSAC will be able to recommend conditional funding within time limits pending further review by MSAC. Benefits would be provided for services in designated locations and/or by providers participating in further studies.

The measure provides a means for ensuring that Medicare benefits are paid only for those services and procedures offering the most cost-effective and medically appropriate outcomes. It should lead to improved health outcomes while providing modest savings in the outyears.

HEALTH AND FAMILY SERVICES

Adjust Medicare benefits when more than one person is treated during a home visit

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
-2.0	-3.5	-3.7	-3.8

Medicare benefits for home visits by non-specialists currently include a loading for the inconvenience and extra costs associated with visiting patients away from the surgery. However, the current arrangements make no allowance for the number of patients seen

at each location. For example, if three persons are seen at a single location, this loading is paid three times.

Medicare benefits for non-specialist consultations at all other non-surgery locations (hospitals, nursing homes or institutions) include a loading for visiting the location at which the service is provided, but this is reduced for the second and any subsequent consultations.

This measure will ensure that Medicare benefits for home visits by non-specialists are paid for on the same basis as other non-surgery locations. This change, which is expected to apply from 1 November 1997, also applies to Local Medical Officers registered with the Repatriation Commission.

HEALTH AND FAMILY SERVICES

Adjust Medicare benefits for some optometrical consultations

Function: Health

Financial Implications (\$m)

	1997-98	1998-99	1999-00	2000-01
Health and Family Services	-7.8	-13.9	-14.8	-15.5
Veterans' Affairs	-0.2	-0.3	-0.3	-0.3
TOTAL	-8.0	-14.2	-15.0	-15.8

Explanation

Medicare benefits are payable for optometrical attendances based on items described in the Schedule of Medicare Benefits for Consultations by Optometrists. Under an agreement with the Government on their participation in Medicare arrangements, optometrists are not permitted to charge more than the schedule fee. In fact, over 96 per cent of optometrical services are bulkbilled at no cost to the patient.

After discussion with the Australian Optometrical Association, the Government has decided to restructure the schedule descriptions and fees for some optometrical items. Details of the changes will be the subject of negotiation between the Government and the profession. Areas likely to be negotiated include Medicare benefit payments for a second comprehensive consultation within 24 months (e.g. if there is no medical change, should benefits be payable for the second consultation on the same basis as for the first consultation) and tightening of the conditions for rebates for contact lens prescriptions.

These changes, which are expected to apply from 1 November 1997, will also apply to optometrists contracted with the Department of Veterans' Affairs.

HEALTH AND FAMILY SERVICES

National Rural and Remote Health Support Programme

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
2.0	3.6	5.5	6.3

Explanation

A number of current programmes, that provide rural health services or support for health care professionals, will be aggregated to provide a more flexible approach to meeting the health needs of rural communities.

In addition, further funding will be provided to target national priority areas: innovative delivery of health and related services; a more strategic approach to rural health research; and an extension of the advanced specialist training post initiative.

The benefits of this restructuring and additional funding include:

- improved access by rural and remote communities to appropriate health care and related services;
- improvement in recruitment and retention of rural and remote health care professionals;
- development of a more effective rural and remote health research capacity; and
- provision of training and clinical practice opportunities for health care professionals in rural and remote areas.

HEALTH AND FAMILY SERVICES

Pilot study of alternative funding arrangements for rural obstetric services

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.0	0.0	0.0	0.0

Explanation

Rural communities are disadvantaged in their access to obstetric services. The problem derives mainly from difficult practice conditions for practitioners in rural areas, including limited professional indemnity cover and a lack of peer support. The pilot study will demonstrate whether an alternative to the current funding arrangements can address these problems and improve access and quality of obstetric services.

Five million dollars, fully offset by savings from Medicare benefits, will be allocated to a one-year pilot study for one or more State governments to fund all obstetric services, public and private, in identified rural areas. The arrangements will be developed in

consultation with stakeholders, and professional indemnity issues will be addressed. Funding will be provided by savings from Medicare benefits, which will not be available for obstetric services provided in these identified areas for the period of the study. The study will assess the administrative feasibility of the new arrangements, their effect on service provision and the quality of obstetric services and workforce issues.

HEALTH AND FAMILY SERVICES

Refocusing the General Practice Strategy on outcomes

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
-34.4	-28.0	-37.9	-39.9

Explanation

The measure announces the Government's intention to negotiate with the medical profession a change in the focus of the Better Practice Programme (BPP) which is expected to lead to savings from reduced Medicare benefit payments.

The current eligibility criteria for the BPP are based mainly on operational aspects of medical practices, e.g. provision of after hours services, patient continuity, minimum average consulting time and rural loading. To receive a BPP grant, a practice must satisfy all the eligibility criteria.

As part of the review of the General Practice Strategy and the BPP, the Government will be negotiating with the medical profession to:

- structure the BPP payments in a way which will make the BPP more attractive to the profession and increase its take-up rate;
- change the emphasis of the BPP to focus more on medical outcomes (not solely on operational aspects); and
- encourage adoption of best practice by the profession in the diagnosis and treatment of certain prevalent conditions, such as asthma and diabetes.

The new programme will commence operation on 1 February 1998, with the precise nature of the criteria and structure to be decided as part of the review.

HEALTH AND FAMILY SERVICES

Combine General Practice Evaluation Programmes and adjust to reflect current spending levels

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
-2.0	-2.0	-2.1	-2.1

Explanation

This measure involves amalgamating the Evaluation of General Practice Reforms and the General Practice Evaluation Programmes, and adjusting funds to reflect current spending levels.

The merged programme will continue the work of the existing programmes which aim to provide a better information base to guide decisions about the funding and delivery of services under Medicare as well as the General Practice Strategy. The programmes also aim to promote appropriate, quality and cost-effective practice and foster the development of evidence-based health care and practice. Programme funds are intended for both training and evaluation. Some of the funds are provided to continue a small grants programme as the types of research that need to be conducted are usually not supported through other sources.

HEALTH AND FAMILY SERVICES

H168 Introduction of electronic commerce for Medicare claiming

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
-0.1	0.1	11.7	16.4

Explanation

This measure introduces a new option to allow the electronic lodgement of Medicare claims directly from doctors' surgeries. It will substantially improve access to Medicare services, especially for many people in rural and remote areas.

Doctors will be able to lodge claims for all Medicare services electronically, with the first doctors' practices coming on-line late in 1997. Previously, electronic claiming facilities have only been available for bulk-billed claims. Electronically lodged claims will generally be processed more quickly than paper claims, as lodging claims at the point of service will help reduce payment delays caused by late lodgement of claims.

Existing payment arrangements including bulk-billing will still apply. The costs of this measure are costs to Medicare benefits caused by the reduced payment delays from electronic claiming. These are transitional costs over the medium term and will not impact when the new system is fully implemented.

An added benefit of this measure is that it will limit branch office closures to non-rural areas, with around 40 offices to be closed by March 1998. The savings from more efficient payment of benefits will obviate the need to close rural Medicare offices following introduction of the pharmacy claiming process, and will provide funding to offset some of the costs of separation of Medibank Private from the Health Insurance Commission.

HEALTH AND FAMILY SERVICES

Therapeutic group premiums

Function: Health

Financial Implications (\$m)

	1997-98	1998-99	1999-00	2000-01
Health and Family Services	-41.4	-157.5	-173.8	-188.7
Veterans' Affairs	-2.8	-9.4	-10.0	-10.7
TOTAL	-44.2	-166.8	-183.8	-199.4

Explanation

From 1 February 1998, the Government will only subsidise a set base price within certain therapeutic groups (drugs which while not identical chemically have very similar clinical effects). The price difference between higher priced drugs within the group and the base price would be paid by the patient as a therapeutic group premium. The drug groups affected include anti-depressants, drugs for treating hypertension, high cholesterol and anti-ulcer drugs.

This policy is an extension of the Minimum Pricing Policy, which applies to products that are chemically identical but sold under different brand names. Savings are generated through not paying the Pharmaceutical Benefit subsidy for drug prices above the set base price in a therapeutic group. This in turn should generate efficiencies through:

- increased price competition in the pharmaceutical industry in order to maintain market share; and
- increased doctor and patient price consciousness, leading to the prescribing of the cheaper drugs within the therapeutic group.

A two year education campaign including a telephone helpline service will be funded under this measure. Funding of \$4 million in 1997-98 will also be provided to assist pharmacists with the costs of properly advising the community about the details of the measure and other aspects of the cost-effective use of medicines, including the availability of alternative brands. A full economic evaluation of the whole measure will be undertaken in the year 2000.

These changes will also apply to eligible veterans and their dependants in respect to the Repatriation Pharmaceutical Benefits Scheme.

HEALTH AND FAMILY SERVICES

National Prescriber Service

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.4	-8.1	-8.0	-7.9

Explanation

The Government has decided to establish a dedicated prescriber support service that will provide medical practitioners with prescribing information, advice and support to achieve more effective prescribing practices over the next four years with an evaluation to be undertaken by December 2000.

The National Prescriber Service will:

- administer ongoing feedback on individual general practitioner (GP) prescribing behaviour compared to that of their peers and contract with prescribing advisers to liaise with practitioners in relation to effective prescribing;
- collect, analyse and disseminate comprehensive prescribing data. Utilising this data and other sources, develop strategies for effective prescribing; and
- manage a Quality Prescribing Research and Innovations Grants Programme to identify and develop effective approaches and resources.

Savings from the Pharmaceutical Benefits Scheme (PBS) are based on improvement in GP prescribing practice which will lead to reductions in overprescribing and/or inappropriate prescribing in a number of drug groups. The drug groups that will be targeted initially include peptic ulcer treatments, antibacterials, psycholeptics, analgesics and antihypertensives.

It is expected that the Service will be operational from 1 March 1998.

HEALTH AND FAMILY SERVICES

Delisting medicine items for less serious medical conditions from the Pharmaceutical Benefits Schedule

Function: Health

Financial Implications (\$m)

	1997-98	1998-99	1999-00	2000-01
Health and Family Services	-10.9	-29.7	-33.4	-37.6
Veterans' Affairs	-0.6	-1.7	-1.8	-2.0
TOTAL	-11.6	-31.4	-35.2	-39.6

Explanation

With this measure, a number of medicines will be delisted from the Pharmaceutical Benefits Scheme (PBS) on the basis that they are:

- for less serious medical conditions, most of which do not require a prescription to access;
- items prepared by pharmacists where the commercial equivalent has been, or will be deleted from the PBS schedule; and
- antifungal products used for nail infections.

The PBS lists pharmaceutical products necessary for significant medical conditions in the community. The medications proposed for delisting are generally used to treat minor ailments and most can be bought over the counter and are relatively inexpensive. The exceptions are one antidiarrhoeal preparation and two drugs for the treatment of nail infections which require doctor's prescriptions.

These changes will also apply to eligible veterans and their dependants in respect to the Repatriation Pharmaceutical Benefits Scheme.

HEALTH AND FAMILY SERVICES

Public education campaign for private health insurance and Health Insurance Commission restructuring

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
3.5	0.5	0.3	0.0

Explanation

Funding will be provided to conduct a public education campaign addressing two issues:

- promotion of the benefits of private health insurance to the general population with the aim of encouraging higher private health insurance participation thereby

supporting the continued viability of the Medicare system. This promotion campaign will be cost shared with the private health insurance and private hospital industries; and

- changes to the Health Insurance Commission (HIC) including the separation of Medibank Private from the HIC and the introduction of a new option to allow electronic lodgement of Medicare claims by patients directly at their doctors' surgeries.

HEALTH AND FAMILY SERVICES

Initiatives to stimulate microeconomic reform in management of acute health care and information technology and performance measurement

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
6.1	11.7	12.7	9.8

Explanation

The Commonwealth has initiated a number of programmes in recent years designed to support improved management of the health care sector and lead to improved patient outcomes and reduction of costs of service provision.

Funding will be provided to support the acute health care sector in addressing microeconomic reform through:

- the rationalisation and streamlining of health care service delivery mechanisms. This will involve the identification and promotion of opportunities to improve the organisation, utilisation, cost effectiveness and quality of health care within the acute hospital and affiliated sectors;
- the application of modern information technology which will entail the development of national standards and specifications for electronic formats for a patient medical record, electronic decision support systems and electronic provider links; and
- improved performance measurement in hospitals. The continued development of robust and valid performance indicators will provide health services with mechanisms to measure, analyse and improve the quality of health care and measures to improve accreditation programmes.

This four year programme will be delivered in cooperation with the States.

HEALTH AND FAMILY SERVICES

Renewal of the National Mental Health Strategy

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.2	7.5	11.8	9.0

Explanation

Under the current National Mental Health Strategy, the Commonwealth has provided assistance to the States to reform their mental health delivery systems, in particular to move from institutional to community based service delivery. The current strategy provides for assistance of around \$47 million in 1997-98 and will expire in June 1998. Future payments to State governments will be considered in the context of the re-negotiated Medicare Agreements due to commence in July 1998.

This measure will provide funding for work to be undertaken at a national level in the key areas of mental health promotion, service monitoring and evaluation, education, training and community awareness. The measure will assist in shifting the focus of mental health reform towards prevention and early intervention, and implementing evidence based approaches to care while consolidating the gains already made in structural reform of mental health service delivery.

The work will include developing outcomes focused performance indicators, epidemiological studies to monitor Australia's mental health, consolidation of community awareness programmes to secure long-term changes in attitudes, improved education and training, supply and distribution of mental health professionals and identification and dissemination of best practice including for services in country Australia.

HEALTH AND FAMILY SERVICES

Extension of funding for palliative care

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
14.7	0.0	0.0	0.0

Explanation

The Palliative Care Programme (PCP) provides grants to States to help ensure that all Australians suffering terminal illness have access to an appropriate range of palliative care services. Current Commonwealth funding of this programme was to cease on 30 June 1997, with future funding to be considered as part of new Medicare Agreements, due to commence on 1 July 1998. Funding provided under this measure will cover the one year gap between the end of current funding and the commencement of new Medicare Agreements.

The Commonwealth will provide the same level of funding in real terms to the States in 1997-98 as was allocated in 1995-96. This will restore funding to the level prior to reductions for efficiency savings announced in the 1996-97 Budget. These funds will be provided in addition to the funds for palliative care which are provided under the current Medicare Agreements.

HEALTH AND FAMILY SERVICES

A Planning System to influence the location and supply of new child care places with annual limit of 7,000 new private places for 1998 and 1999 only

Function: Social Security and Welfare

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
-9.7	-41.8	-72.3	-83.1

Explanation

This measure involves the introduction of a national planning system which will involve the Commonwealth working proactively with State and local governments, banks and investment adviser networks and other relevant groups to encourage potential investors to locate in areas of highest need.

This measure will restrict growth in the number of private sector places eligible for Childcare Assistance to 7,000 a year for the two calendar years 1998 and 1999, which is estimated to be consistent with current growth in labour market participation by parents with young children. The two-year period will ensure a guaranteed slowing in growth, without introducing long-term regulation. There will be no restriction on growth after this period. All approved places will remain eligible for Childcare Assistance.

Childcare Assistance became available to families using private sector service providers in 1991. To date, the Commonwealth has made Childcare Assistance available to families using any approved private provider, with no restriction on the total number of places subsidised. This resulted in a large overall increase in the supply of private sector places, but distribution has been uneven. Some areas are now oversupplied with child care places, while others remain undersupplied.

Ongoing strategies to encourage new services to areas of greatest need include:

- providing information to local governments for use in planning decisions;
- advertising demand/supply information for all areas; and
- vetting applications by new investors seeking access to Childcare Assistance.

This measure also provides funding for new community long day care centres established under the National Child Care Strategy which are located in disadvantaged rural and regional areas where no alternative care is available.

Legislation to restrict growth will be part of the proposed Child Care Payments Bill 1997.

HEALTH AND FAMILY SERVICES

Improve targeting of Children's Services Programme to work related care

Function: Social Security and Welfare

Financial Implications (\$m)

	1997-98	1998-99	1999-00	2000-01
Health and Family Services	-4.4	-16.0	-25.4	-34.9
Social Security	1.5	0.9	0.5	0.6
TOTAL	-2.9	-15.1	-24.9	-34.3

Explanation

This measure puts a limit of 20 hours per week on access to Childcare Assistance for each child in care for non-work related purposes. Families will be able to use care for more than 20 hours per week but Childcare Assistance will only be paid up to the limit.

This initiative provides better targeting of financial assistance to parents who work, study, train or are seeking work, and will slow growth in child care expenditure and child care places over the forward estimates period and beyond. It is also expected to improve access for a greater number of families to receive care for work related and non-work related purposes, as child care places will be freed up by the limit.

The measure includes:

- a limit on non-work related access to Childcare Assistance in community and private long day care centres, family day care, outside school hours care services, and vacation care;
- exemptions for Occasional Care services and Multifunctional Aboriginal Children's Services;
- appropriate exemptions for families in crisis, and children at risk of abuse or neglect;
- exemptions for a limited number of services which are the sole provider of care in the area to ensure that families do not lose access to care; and
- additional funding to playgroups.

Currently there is no limit on access to Childcare Assistance for non-work related care purposes. Non-work related care is used by parents for personal reasons or because parents believe child care is beneficial to their child.

This measure will be effective from 1 January 1998.

Legislation for the measure will be introduced later this year.

HEALTH AND FAMILY SERVICES

Increase supply of Family Day Care places

Function: Social Security and Welfare

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.7	1.7	3.3	5.1

Explanation

This measure will increase current growth in the supply of Family Day Care by a total of 2,500 places over the period 1997-98 to 2000-01. The main focus of this measure is to alleviate pressures in rural and remote areas where the private sector is not establishing child care centres.

This measure acknowledges that families are seeking greater access to Family Day Care because it offers more flexible hours, care for family groupings and quality care in a home setting networked through Family Day Care Coordination Units.

Projections of growth in supply prior to this measure included around 3,700 new places for 1997-98 and 1998-99, with no further projected growth beyond 1998-99. This measure will provide 500 additional places in 1997-98 and 1998-99 and a further 750 places in 1999-2000 and 2000-01.

HEALTH AND FAMILY SERVICES

Reform of school age care

Function: Social Security and Welfare

Financial Implications (\$m)

	1997-98	1998-99	1999-00	2000-01
Health and Family Services	5.0	5.1	2.5	-1.3
Social Security	1.1	0.6	0.4	0.4
TOTAL	6.1	5.6	2.9	-0.9

Explanation

This measure redirects all funding provided for school age care in centres and family day care, outside school hours care funding (including operational subsidies) and existing vacation care block grants to the States, to an enhanced income tested Childcare Assistance for all school age children.

Under the existing arrangements, most funding for outside school hours care services is provided through untargeted operational subsidies. Funding for vacation care is provided through block grants via the States. There is very limited Childcare Assistance available to lower income users of outside school hours care services.

- The changes arising from this reform will improve the affordability for low to middle income families using outside school hours care services.

- The redistribution of funds represents a move towards parity in subsidies for school age children irrespective of the form of care used. Under this measure, the same rate of Childcare Assistance will apply whether long day care services or outside school hours care services are used. This will enable families to choose the type of care based on preferences rather than the amount of subsidies they receive.
- Existing users of long day care centres and family day care schemes will retain current entitlements while their school age child(ren) continue to use the same service.

The measure also provides for transitional restructuring assistance to existing services, funding for disadvantaged rural and remote areas to ensure access to school age care in these areas and establishment funding for new outside school hours care services for the first two years of operation.

The new Childcare Assistance for school age care will apply from 1 January 1998, while the restructuring assistance will be available from 1 July 1997.

This measure will benefit an additional 51,000 families who will become eligible for some Childcare Assistance and 19,000 families currently in outside school hours care services who will receive a higher rate of Childcare Assistance.

Legislation to introduce the measure will be part of the proposed Child Care Payments Bill 1997.

HEALTH AND FAMILY SERVICES

Broadbanding other family and children's services

Function: Social Security and Welfare

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
-3.0	-6.4	-6.6	-6.8

Explanation

This measure streamlines other family and children's services programmes to meet current government priorities. A number of programmes including Programme Support, Special Services, Supplementary Services and the Special Needs Subsidy Scheme will be merged into a single item which will increase flexibility to address new or emerging priorities.

Savings will be achieved by refocussing some projects and programmes from 1 January 1998.

HEALTH AND FAMILY SERVICES

Pay Childcare Assistance fortnightly in arrears

Function: Social Security and Welfare

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.0	-32.5	-3.1	-3.2

Explanation

Childcare Assistance is currently paid in advance to services and is used to reduce fees in accordance with family entitlements. When the payment arrangements move to the Commonwealth Service Delivery Agency on 1 January 1998 (as announced in the 1996-97 Budget), payments will be made fortnightly in advance to services based on family entitlements.

From 1 January 1999, payments will be made to families fortnightly in arrears and will apply in conjunction with the introduction of the Childcare Smartcard.

This measure will bring the payment of Childcare Assistance into line with other payments by the Commonwealth Service Delivery Agency.

Savings will result from the change in the timing of payment from two weeks in advance to a fortnight in arrears.

HEALTH AND FAMILY SERVICES

Revised arrangements for emergency relief funding

Function: Social Security and Welfare

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.7	1.9	3.0	9.5

Explanation

The Government made a commitment during the 1996 election campaign to review the funding formula for the Emergency Relief Programme in consultation with service providers. The review found that the link to unemployment beneficiary numbers was an inappropriate indicator of need as a large number of emergency relief recipients come from categories other than the unemployed.

The revised funding arrangements for the Emergency Relief Programme will provide for future overall funding to be indexed by the Consumer Price Index (CPI). This will maintain the real level of the Emergency Relief Programme at that provided in 1996-97 which will mean an increase in funding over the current estimates, particularly in 2000-01 when the additional \$5 million per year for four years announced in 1996-97 would have come to an end. Linking funding to CPI will provide service agencies with more predictable funding levels and allow better planning to meet the demand for emergency relief.

HEALTH AND FAMILY SERVICES

Targeted support for people with dementia and their carers

Function: Social Security and Welfare

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
2.5	2.5	2.6	2.6

Explanation

This measure will help in providing more accurate diagnosis and assessment of people with dementia (particularly those living in country areas), and of their care needs. It will also provide more appropriate and timely treatment, care and support services to these people.

This funding will allow the continuation of many of the support services funded under the five year National Action Plan for Dementia Care. The Action Plan, which concludes on 30 June 1997, provided additional funding for assessment of people with dementia as well as education and support for their carers.

More specifically, funding will be provided to Aged Care Assessment Teams and lead agencies to:

- continue to employ staff with psychogeriatric expertise in some country areas to enable teams to diagnose and assess people with dementia;
- purchase additional resources such as training materials and diagnostic tools to support teams without psychogeriatric expertise to assess people with dementia;
- assist in arranging appropriate care and support services for people with dementia and their carers; and
- enable Aged Care Assessment Teams and lead agencies to provide some education and support to people with dementia and their carers, mainly in country areas.

HEALTH AND FAMILY SERVICES

Best practice grants for dementia specific facilities

Function: Social Security and Welfare

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.6	0.0	0.0	0.0

Explanation

This measure will provide funds to facilities which specialise in dementia care to assist them in the transition to the new unified residential system which will occur in 1997-98. Although dementia specific facilities care for only a minority of all residents with dementia, there is a clear need to facilitate their adjustment to the new

environment. This measure will assist and encourage dementia specific facilities by promoting and disseminating best practices in dementia care.

A feature of the unified residential system will be that people with dementia will have their care needs better reflected in the subsidy structure. The new system will be reviewed periodically to ensure it is performing as planned and any future steps to promote further improvements in dementia care would also be considered at the same time.

HEALTH AND FAMILY SERVICES

Residential aged care structural reform - Additional funding for systems development

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
4.4	0.9	0.2	0.2

Explanation

This measure completes the funding requirements to implement the Aged Care Structural Reform package announced in last year's Budget. The reforms will change the existing recurrent and capital funding arrangements for nursing homes and hostels from 1997-98.

The measure provides funds for the development of a new computer payments system for residential aged care facilities. The enhanced payments system is mainly needed to support the application of income testing of the level of government assistance provided for residents in the new integrated system of nursing homes and hostels.

HEALTH AND FAMILY SERVICES

Carers' support and information

Function: Social Security and Welfare

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
1.2	2.3	2.3	2.4

Explanation

This measure will continue funding for the Carer Support Strategy, to provide support programmes and information to carers of the aged and people with disabilities. This will enable the ongoing development and distribution of carer resource materials and the promotion of government programmes in support of carers.

The measure will help place carer support initiatives clearly within the operations of the Carer Resource Centres established by the Government in last year's Budget, and will enable support programmes to be extended to reach broader groups of carers.

This funding will be used to:

- develop and distribute carer resource materials in English and in other languages;
- provide updated information on the availability of government financial assistance for carers and government funded services in support of carers;
- provide practical information on issues such as specific health conditions and safe use of medications, to better equip carers to understand and meet the needs of the person they are caring for; and
- establish carer networks and training initiatives for voluntary support services.

HEALTH AND FAMILY SERVICES

Additional accommodation support places for people with disabilities and their families

Function: Social Security and Welfare

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
5.9	11.8	18.0	18.3

Explanation

This measure provides assistance to State governments for additional personal care and accommodation support services for people with disabilities. The funding will be provided to the States as part of a renegotiated Commonwealth State Disability Agreement. The current agreement expires on 30 June 1997.

The measure will provide funding to assist at least 500 additional families to access personal care and accommodation support for a person with severe or profound disabilities in their care. The States currently fund 75 per cent of these services.

HEALTH AND FAMILY SERVICES

Replacement of speech processors for children with cochlear implants

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.6	0.4	0.4	0.5

Explanation

This measure will support children who rely on cochlear implants, by helping them to obtain improved and updated speech processors as these become necessary.

Cochlear implants are medical devices which assist some people, who would otherwise be totally deaf, to 'hear'. Currently, as improved technology and software becomes available, the families of children who are fitted with cochlear implants under the

health system face a significant financial burden when they need to update or replace the speech processor part of the implant. This measure enables them to have cochlear speech processors replaced through the Hearing Services programme. The measure will fund about 380 replacement speech processor units for children over the next four years.

HEALTH AND FAMILY SERVICES

Funding for National Telephone Typewriter Relay Service

Function: Social Security and Welfare

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.0	-7.9	-7.9	-8.0

Explanation

The Commonwealth currently directly funds the National Telephone Typewriter Relay Service to enable people who are deaf or who have a hearing, speech or communication impairment to make telephone calls using a telephone typewriter, modem or regular handset. The programme also provides financial assistance to eligible consumers to purchase equipment such as telephone typewriters or modems to access the service. This arrangement will continue until June 1998 when the Commonwealth's contract with the current service provider expires.

This measure recognises that under arrangements proposed by the Telecommunications Bills, from 1998-99 funding for the programme will move from direct budget appropriation to funding provided by carriers through the proposed Universal Service Levy. The current level of assistance for accessing the telephone system will continue but it is expected that carriers will make better use of new technologies as they become available.

HEALTH AND FAMILY SERVICES

Support for social and economic micro-simulation modelling

Function: Health

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
0.1	0.3	0.3	0.3

Explanation

This measure provides ongoing funding for the Department of Health and Family Services to obtain micro-simulation modelling services. These services help in assessing the distributional impact of social and economic policies on the Australian community. For an initial three-year period these services will be obtained from the National Centre for Social and Economic Modelling, subject to satisfactory negotiations

on contractual arrangements. The Centre will be jointly funded with the Departments of Social Security and Employment, Education, Training and Youth Affairs.