



## **THE HON SUSSAN LEY MP**

Minister for Health  
Minister for Sport

**Keynote Address, Catholic Health Australia,  
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**\*\*\* Check against delivery \*\*\***

### **Acknowledgements**

- Mrs Suzanne Greenwood, CEO of Catholic Health Australia
- Ms Rowena McNally, Chair of Catholic Health Australia Board
- CHA members

Good afternoon.

I acknowledge the traditional custodians of the land on which we meet today, and pay my respect to elders past and present. I also acknowledge any Aboriginal or Torres Strait Islander people in attendance today.

I start by extending my appreciation to Catholic Health Australia for inviting me to speak at your 2015 National Conference here in Canberra today.

I acknowledge the commitment and service provided by Catholic Health Australia to the Australian community over the past 160 years, and its advocacy and support for our Catholic health providers.

The passion and compassion you and your members have continued to bring to our health system is commendable.

As a peak body, Catholic Health Australia is an important participant in our health system. I am advised that your group represents 75 public and private hospitals and 550 aged care services across Australia, which collectively employ more than 55,000 people. Those are impressive numbers.

I note that Suzanne Greenwood, your CEO started at CHA at about the same time that I was appointed as Minister for Health and Minister for Sport. I am sure she will agree with me a lot has happened in those eight months.

An important part of that time for me, has been spent getting out of my office into organisations such as yours, to listen to health care providers, practitioners, communities and individual patients.

The important things I have learned from that are our health system is facing significant challenges that we have to address now, if we want to have the benefits of that system and its sustainability into the future.

This message was reinforced by Treasury's *2015 Intergenerational Report: Australia 2055*, released in March this year, which provided a unique insight into the population, workforce participation, and productivity issues that are likely to impact Australia over the next forty years.

The Report found that in 2055:

- Australians will continue to have one of the highest life expectancies in the world;
- the number of people aged 65 and over will double to more than seven million; and
- the number people aged 85 will almost quadruple to about two million.

In that report, Treasury also projected that without any policy change, Commonwealth health expenditure will swell to 5.7 per cent of GDP by 2055 – **\$260 billion** in today's dollars, with fewer Australians participating in the workforce to fund that expenditure.

The reasons for the escalating costs of our health system are often linked to our ageing demographics.

Now, I certainly don't see our ageing population as a negative. In fact I think we should celebrate the fact that we are living longer, but we must also plan to ensure the future sustainability of our system.

However, our ageing population is not the full story. Non-demographic factors are just as important: health sector wage growth; increasing levels of chronic disease; increasing demands for new, more personalised treatments; and the fast turnover and cost of emerging technologies, all contribute to costs and make demands on the available health dollars.

As we heard from the Prime Minister's recent *Leader's Retreat*, these funding challenges are a significant priority for Government. Just as they are for your organisations.

To address these challenges, we have to look for solutions that take into account prices and costs; more funding can't be the only answer.

This Government is looking to you, as leaders in health, for some of those solutions.

One solution this Government sees is improving the balance between our public and private hospitals and health services. CHA, as a representative of both, will be an important partner in this as we go forward.

To that end, my Department and I are increasing our engagement with providers at all levels in the system, including in the private and not-for-profit sectors, to:

- listen to each other;
- to share ideas with those who have similar vested interests and a connected purpose;

- to raise important issues; and
- to look for opportunities where the private sector can and should contribute.

The quality of these relationships will determine how well we deliver on our vision for better health and wellbeing for all Australians, now and for future generations.

As a representative of both public and private hospitals and health services, CHA and its members must be part of this engagement.

You have a strong understanding of those systems and ideas on how they can improve and work better together.

You have strong linkages across the primary, acute and aged care sectors, giving you insight into the need for better connected care.

You work closely with Australia's research community and know the importance of research and innovation in keeping Australians well.

And importantly, your mission work within your communities gives you invaluable insight into the needs and challenges of our most vulnerable Australians.

I know that CHA, and its members, already make a robust effort to contribute to policy, through your:

- participation in the Government's trial programmes, committees and taskforces; and
- your submissions to Government on a broad range of health and social policies, including aged care, eHealth, and more recently, on private health insurance reform, and the impacts of the drug Ice.

Increasing our collaboration and providing strong leadership at all levels, between sectors and disciplines, across the health system will be integral to our ability to meet the challenges facing our health system.

In positioning ourselves for the future, this Government is also working to review and reform those areas of health that need our attention including:

- reforms for better management of chronic disease and coordinated care;
- improving Medicare compliance and reviewing the Medicare Benefits Schedule;
- establishing the Primary Health Care Advisory Group;
- relaunching and renaming the Personally Controlled Electronic Health Record to My Health Record to increase the number of patients who have electronic health records. There has been a poor uptake of the PCEHR; a combination of complexity, poor communication and not implementing what will drive uptake. Hence we will be moving soon to an opt-out model.
- doubling our investment in health and medical research through the Medical Research Future Fund.

I have talked to many of you about these initiatives over the past months, and I am particularly heartened by the enthusiasm shown by everyone to work with the Government on these initiatives.

I mentioned the Medicare reforms which are now under way.

The *Intergenerational Report* predicts Medicare will be the fastest growing element of Government health spending in coming years.

In its current state, the Medicare Benefits Schedule lists more than 5,500 services, some that no longer reflect best clinical practice, some that are administratively complex, and some that are plainly archaic.

The Government has a responsibility to ensure taxpayer dollars are funding an MBS that:

- is contemporary;
- reflects current clinical best practice; and
- covers services that are appropriate and improve health outcomes.

The Review will ensure system waste and inefficiency, such as outdated or unproven tests and treatments, are not being performed.

Elimination of waste and inefficiency will mean that Government and taxpayer investment can be directed to more appropriate, evidence-based medical services.

Importantly, the Review will be a consultative process, with opportunities for a wide range of organisations and individuals to contribute. I encourage CHA to be involved in this process when the consultation begins soon.

Another key area of reform is primary care. I know most of you are here from the acute care sector but the need to build better links between primary care and acute care will be part of this work.

Some of Australia's most well-respected health professionals and consumer representatives have been appointed to the newly-formed Primary Health Care Advisory Group, which will lead that work.

The Advisory Group is chaired by Dr Steve Hambleton, who I am sure you will agree is well qualified to provide the expert guidance for the Taskforce.

The Primary Health Care Advisory Group role will be to investigate, and provide advice to Government on how we shift from what is currently a fragmented system based on individual transactions, to a more flexible, integrated system that considers a person's mental, physical and ageing health care needs.

These are areas that I know CHA as an organisation, and its members, have done a lot of work on – including work on end-of life-care that supports patients' dignity and choices about their health care.

Primary Health Care Advisory Group members undertook sector meetings and Public Information Briefings in major centres across Australia from 10-21 August.

In addition to these consultations, the Advisory Group released a discussion paper entitled *Better Outcomes for People with Chronic and Complex Health Conditions through Primary Health Care*.

The *Better Outcomes Discussion Paper* is available on my Department's website, with the option to provide feedback open until the 3rd September 2015, along with further information on the scope of work being conducted by the Primary Health Care Advisory Group.

It is not only primary care that must be flexible. We also need our acute care providers to be looking for ways to better integrate and facilitate a seamless patient experience, which maximise health outcomes within our existing resources.

As you know from the 2015 Budget, the Personally Controlled Electronic Health Record is being relaunched, and rebranded as the *My Health Record*.

It is ludicrous that in this technology-age of instantaneous information sharing, we still can't share what is important. I hope that with continued support and involvement from our stakeholders, including CHA, we can make the *My Health Record* what we need it to be – easier to say, easier to use, and reflective of the needs of patients and practitioners.

I know and appreciate that many of you are already involved in supporting, implementing and embracing eHealth technologies, and participating in trialling the changes to the *My Health Record*.

Your continued involvement in this process is essential and is appreciated.

Safety and quality are hallmarks of our health system; we can and should be proud of that because it is something we have achieved together.

Again, I know and appreciate the work done by CHA members with the Australian Commission on Safety and Quality in Health Care Advisory groups and committees to develop the accreditation and National Standards our system is based on.

The accreditation of our hospitals and the standards they uphold in providing care, not only ensures patients receive safe, effective care and improve patient outcomes: they also give confidence to patients and investors in our health system.

Meeting those high standards and accreditation requirements does require some effort and is not cost-free.

The cost is recognised and as a whole of government reform, the Government is working to reduce regulation across the system and ensure that new regulation will only be introduced where absolutely necessary.

An example of this is in the prescribing of medicines. The *PBS Medication Charts for Public and Private Hospitals* initiative enables the supply of and claiming for payment for medicines directly from a patient's PBS Hospital Medication Chart.

This initiative not only reduces the regulatory burden on prescribers, pharmacists, and nurses in hospitals; it also improves patient safety by removing the risk of dispensing errors following incorrect transcription of data from the medication chart.

It is expected that following trials in selected public and private hospitals, full implementation of paperless prescribing will be implemented nationally in early 2017.

Putting these changes to our health system into place is not just up to government to mandate or any single group to bring about.

This must be a collaborative effort – and the Government is using this approach to help inform many of our key policy areas – including the ones I've mentioned today: reforming Medicare, rebuilding primary care, the introduction of the *My Health Record* - And also, the other equally important reforms to mental health, better Indigenous health care, private health insurance, the PBS, pharmacy, and workforce.

The successful passage of the Government's legislation to establish its landmark Medical Research Future Fund will significantly strengthen Australia's standing as one of the global leaders in the field of medical research.

The Fund, the largest of its kind in the world, will support research that enables game-changing medical innovations and improves the health of Australians.

The Fund will receive an initial contribution of \$1 billion from the uncommitted balance of the Health and Hospitals Fund.

Remaining contributions into the Fund will come from Budget savings, until the balance of the Fund reaches \$20 billion.

The first \$10 million in additional medical research funding will be distributed in 2015-16 and over \$400 million is estimated for distribution over the next four years.

The Future Fund is important for Australia.

The passage of this legislation will significantly strengthen Australia's standing as a leader in the field of medical research, is likely to increase investment and interest in our health system, and support game-changing medical innovation for the betterment of all Australians.

This is not an easy work-plan but one I am committed to and need your support for.

In closing, I invite and encourage you as health leaders, health providers and as health consumers:

- to think about the social, economic and service reforms our health system needs;
- to have that conversation in your organisations; and
- to bring your ideas to the table.

Thank you.

**ENDS**