



Welcome to CHA's Budget Overview of the 2019 Federal Budget.

## HEALTH

CHA welcomes the ongoing investment by the Government into the Australian healthcare system as announced in tonight's Federal Budget 2019. The 2019 budget brings together many of the announcements that have already been made over the last few weeks allowing a fuller picture of the Government's commitment to provide quality health services to all Australians.

The Budget indicates that Medicare funding will grow by increasing the rebate for diagnostic services, including ultrasound and x-ray imaging. This follows one of the recommendations of the MBS review taskforce. The work of the MBS review taskforce is also to be continued.

Extra funding for cancer research in Victoria (\$500 million) and new drugs to be added to the Pharmaceutical Benefits Scheme are also incredibly important for many Australians fighting cancer.

The strategy, again already announced, of improving transparency of out of pocket costs is a step in the right direction, as more information about specialist fees is essential for consumers to make such incredibly important decisions in their lives. CHA also welcomes the Government-led information campaign under development to better inform patients about what is covered in their private health insurance policies.

The strong focus on mental health is encouraging with particular regard to the additional mental health services support for people affected by recent national disasters, including those impacted by the recent floods in Northern and Western Queensland, and those affected by fires and drought. CHA also welcomes the continuation of the drug and alcohol strategy and the commitment to tackle opioid misuse.

Further clarity has been released regarding the Medical Research Future Fund with a ten year plan detailing available funds and their areas of priority. CHA also applauds further investment in Indigenous Health and medical research and in particular the continuing support for the Lowitja Institute.

Whilst the budget is undeniably positive overall for health, CHA highlights there are important areas for further investment that have been neglected, such as palliative care and strategic national workforce planning.

### 1. Previously announced measures included in the 2019-20 Budget

Much of tonight's Budget announcements included measures previously announced in the December 2018 MYEFO and the February 2019 Aged Care package, as listed below:

- Accounting and business advisory services to help aged care providers at risk of, or under financial stress - \$7.4m
- Funding to trial a new care funding model for residential aged care to replace ACFI -\$4.6m
- The \$320m one-off increase in care funding under ACFI in 2018-19, payment of which commenced in March.
- The bring forward of 20,000 home care packages announced in the December MYEFO and the February 2019 aged care package.
- Dementia cognition and support supplement increased from 10% to 11.5% of the level of the home care package

### 2. New measures

#### Quality

Several of the new measures in the 2019-20 Budget are directed at strengthening the quality regulatory framework, to complement other regulatory measures that have been recently announced or implemented. These include the mandatory publication of clinical indicators, the new Charter of Aged Care Rights, the new Quality standards, the amendments to regulate the use of physical and chemical restraints and, of course, the new Quality and Safety Commission.

The new quality measures are listed below:

- \$7.7m over 2019-20 to 2022-23: to reduce the misuse of medicines in residential aged care by creating a new unit of clinical pharmacists in the Aged Care Quality and Safety Commission to work directly with residential aged care providers about best practice use of medicines. This will include a trial in the ACT to embed a part-time pharmacist in each of the 27 residential aged care homes, and to develop two new mandatory quality indicators - falls and fractures and medication management
- \$38.4 m over 2019-20 2022-23 to develop a new information sharing system within the new Aged Care Quality and Safety Commission that will identify aged care providers that pose a risk to consumers. This measure stems from the Carnell/Paterson Report and will support a new risk based assessment approach.
- \$1.5m in 2019-20 has been provided to develop a serious incident response scheme, another recommendation of the Carnell/Paterson Report. This will include consultations with the sector and research on how the scheme will operate.

- \$5.6m in 2019-20 for the new Aged Care Quality and Safety Commission to develop a risk based assessment framework of home care to inform the Commission's quality assurance activities.
- \$7.7m over 2018-19 and 2019-20 will be provided to strengthen compliance monitoring in the home care package program, including for audits and reviews of quality and safety, drawing on the new risk based assessment framework.

### **Home-based care**

- \$7.1 million over two years from 2018-19 to improve payment administration arrangements for home care packages (ie essentially payment of home care subsidies in arrears) to address the high level of unspent funds, and to align home care arrangements with other Government programs, such as the National Disability Insurance Scheme. The Government will consult with stakeholders on the implementation of these payment administration arrangements.
- The forward estimates for home care packages now extends to 2022-23, one year beyond the LLLB timeframe of 2021-22. This means that this Budget includes growth in home care package numbers for 2022-23. As a result, the home care package target has increased from 153,000 in 2021-22 to 157,154 in 2022-23.
- Funding agreements under the Commonwealth Home Support Program (CHSP) have been extended another two years to 2022. Previously the agreements had been extended from 2018 to 2020. This further delays any notion of a single home-based care and support program that combines home care packages and the CHSP. Instead, it allows more time to work on other reforms to achieve greater integration across the two programs, such as assessment.

### **Workforce**

- \$2.6m has been provided in 2019-20 to support the work of the Aged Services Industry Council and the Aged Care Workforce Industry Council.

## **BUDGET PAPERS**

To access the 2019 Budget papers: <https://www.budget.gov.au/index.htm>