

The Budget at a glance

The following is a summary of the health announcements in the 2016-2017 Federal Budget. For further information see the [Department of Health website](#).

Healthier Medicare - Trial of health care homes

- Eligible patients in up to seven Primary Health Network regions will voluntarily enrol with a participating medical practice known as their Health Care Home. This practice will provide a patient with a home base for the ongoing coordination, management and support of their conditions aiming to deliver more coordinated clinical care that better engages the broader health care team and enhance patient engagement.
- A trial of up to 200 Health Care Homes will offer services to up to 65,000 people with chronic and complex conditions.
- Investing in prevention and management of chronic disease aims to keep people healthier and out of hospital, ease the strain on the hospital system, and increase efficiency across the wider health system.

Perinatal depression online support

- At least 40,000 women in Australia are affected by perinatal depression each year.
- This measure will help at least 20,000 women each year who are affected by, or at risk of, perinatal depression. The Government will fund the development of a new online perinatal depression support tool and smart phone application to help women with early intervention and to reduce crisis situations.
- Women will be able to reach out for help, feel better connected and less isolated through a new application and online tool. This will be of particular benefit to new mothers who lack support networks, and for those in rural and remote communities.
- The initiative will support early intervention, and aims to reduce crisis referrals of women with perinatal depression to hospital emergency departments and specialists.

Public hospitals – new funding arrangements

- The 2016–17 Budget increases Commonwealth funding for public hospitals by \$3.9 billion to 2019–20. Of this increase, \$2.9 billion arises from the new three-year Heads of Agreement recently signed between the Commonwealth and the states and territories.
- The Commonwealth will fund 45 per cent of the efficient growth of public hospital services. Activity based funding paid at the nationally efficient price will be used to achieve value for money and boost productivity. The agreement will also help to improve patient safety and reduce instances of poor quality care.
- These pricing and payment systems reward effective management and ensure quality and safe care.
- Better coordinated care for patients with chronic and complex disease will reduce demand for hospital services.
- Patients will receive care when they need it, delivered effectively, safely and efficiently now and into the future.

Healthier Medicare – enhanced Medicare compliance program

- This measure will strengthen Medicare compliance by using state-of-the-art data analytics to better detect fraud, abuse, waste and errors in Medicare claims.
- Sophisticated software will enable existing and improved compliance rules, interventions and benchmarks for health providers to be enforced. It will identify irregular payments and behaviours, and use the outcomes of compliance activities to tighten targeting for future compliance.
- Stronger tools and approaches will be used to monitor health providers and protect the Government's investment in Medicare.
- This measure will protect Medicare through better detection of fraud, abuse, waste and errors in claims.
- Taxpayers will benefit from savings realised from reduced fraud, error and waste.

Medicare Benefits Schedule – pause indexation

- This measure will continue the pause on indexation for all Medicare Benefits Schedule (MBS) fees for a further two years. The savings are in addition to the savings from the existing indexation pause, which are already factored into the forward estimates.
- The pause on indexation aligns with the Government's objective of maintaining expenditure growth at a fiscally sustainable level. Indexation is one of the main drivers of MBS expenditure growth.
- This is a broad-based measure and the impact on individual services will be minimal.
- Recent MBS data shows that the current pause on indexation has not affected bulk-billing rates.
- Taxpayers will benefit from Medicare spending growing more slowly. In the long run, all Australians will benefit from Medicare spending growing at a more sustainable rate.
- The Government will continue to consult with health professionals as it advances its health reform program.
- This measure will save \$925.3 million from 2018–19 to 2019–20, commencing 1 July 2018.

Private health insurance and prostheses committees

- This measure will establish an expert group – the Private Health Sector Committee (PHSC) – to provide technical and specialist advice on designing and implementing the Government's private health insurance reforms; and
- Improve the listing and reimbursement process for prostheses by reconstituting the Prostheses List Advisory Committee (PLAC). The PLAC will be enhanced to include additional expertise as recommended by the Industry Working Group on Private Health Insurance Prostheses Reform (the Prostheses Working Group).
- Many consumers see poor value in their private health insurance. Reform is required to ensure consumers, and the Commonwealth through its \$6 billion Private Health Insurance Rebate, get better value.
- The PHSC will cost \$2.2 million over three years – a minimal investment compared to the potential impact of reform on the \$19 billion private health insurance industry.
- Currently, private health insurers are required to pay benefits for prostheses that are often higher than market prices. This then places pressure on premium rises.

- Reform to private health insurance regulation will mean improved value for money for consumers and they will better understand what they are buying.

Child and Adult Public Dental Scheme

- On average, 30 per cent of adults have untreated tooth decay. This rate doubles for adults on low incomes and Aboriginal and Torres Strait Islander people.
- The introduction of the new Child and Adult Public Dental Scheme will improve access to public dental services from 1 July 2016 and will ensure the Government targets those with the greatest dental need – adult concession card holders, as well as children.
- State and territory governments will have greater funding certainty to improve waiting times and help more eligible patients.

My Aged Care – consumer access

- My Aged Care is the key contact point for older Australians and their families who want to know about their aged care options. It enables people to access information on ageing and aged care online or over the phone, have their needs assessed and be supported to locate and access services available to them.
- The volume of calls and correspondence managed by the My Aged Care contact centre has increased from 110,000 in 2013–14 to an estimated 1,280,000 in 2015–16.
- This measure increases the capacity of the My Aged Care contact centre so that more consumers can access aged care information and services quickly. It will enable older people and their families to make informed choices about their care.
- My Aged Care plays a key role in the Government’s plans for a more consumer-driven aged care industry. This measure continues to support older people and their families with access to accurate aged care information and quality services in a timely manner.

Aged care provider funding – improving the targeting of the viability supplement for regional aged care facilities

- This measure will improve funding for aged care services in rural and remote areas by using the most recent Census data to determine if providers are in regional, rural and remote areas, rather than the outdated classification system based on 1990s’ data. It will also increase the viability supplement rate paid to most remote mainstream residential services and some special needs services.
- The current viability supplement classification system is outdated, and may not best target funding to rural and remote areas with the greatest cost pressures.
- The viability supplement, which currently operates in residential care, home care and flexible care, relies on 1990s’ Census data to classify location. This benefits some regions which have become more metropolitan since the 1990s but disadvantages those regions which have decreased in population in that time.
- The geographical remoteness classification system will be updated, replaced by the Modified Monash Model developed by the Department of Health and currently used in GP rural incentives and workforce shortages programs. This model is based on latest Census data.
- The viability supplement will increase for most remote mainstream services and some special needs services.

- Residents of approximately 250 mainstream services will benefit from the new arrangements. The majority of these services are in or near outer regional towns, for example, Holbrook in New South Wales, Childers in Queensland, and Rushworth in Victoria.
- Around 3,000 out of 59,300 home care packages currently attract viability supplement funding. Around 7,000 older Australians on these packages will benefit from higher funding.
- Around 100 multi-purpose services that currently provide residential and/or home care will attract higher rates of viability supplement funding under the new arrangements. An additional five National Aboriginal Torres Strait Islander Flexible Aged Care Program providers will also benefit from higher funding, enabling their clients to get the care they need.
- Grandfathering arrangements will apply to ensure no services or care recipients are disadvantaged as a result of the shift to the Modified Monash Model.

Aged care – extending funding for unannounced compliance site visits to aged care providers

- The Commonwealth manages risks to aged care consumers' health and wellbeing through quality assurance activities focused on providers of residential aged care services, including initial accreditation, re accreditation, monitoring and compliance activities.
- The major monitoring and compliance activity undertaken by the Commonwealth is the annual unannounced site visit by the agency to each residential aged care home to assess an aged care home's performance against accreditation standards.
- This measure will provide funding for the Australian Aged Care Quality Agency to continue unannounced site visits to aged care homes in 2016–17.
- Unannounced site visits help ensure that older Australians in aged care homes receive optimal care and services.
- Unannounced site visits will continue to act as a deterrent to provider non-compliance.

Aged care provider funding – further revision of the Aged Care Funding Instrument

- Residential aged care expenditure is expected to grow on average by 5.1 per cent per annum between 2016–17 and 2019–20.
- The Government has increased funding estimates for residential aged care by \$3.8 billion over five years from 2016–17 to 2019–20 in light of higher than anticipated growth in funding claims.
- This measure will improve the Aged Care Funding Instrument (ACFI) so that funding outcomes better align with contemporary care practices and do not encourage distortions in claiming behaviour and care delivery.
- Changes will be made to the funding levels for certain areas of the Complex Health Care (CHC) domain of ACFI where funding growth has exceeded expectations. In addition, the indexation increase to CHC funding in 2016–17 will be halved.
- The measure will help protect the integrity of the residential aged care sector and the thousands of providers delivering high quality care to older Australians every day.
- Aged care residents will continue to get the care they need. The highest levels of funding will go to the residents with the highest needs.

- The Government will also further consult with the sector to strengthen the way care funding is determined, including options such as separating residents' needs assessments from service provision, and having it done by an independent party.

Home and Community Care Services in Western Australia – continuation

- This measure will enable the Commonwealth's financial contribution for the Home and Community Care (HACC) program in Western Australia to continue to be paid under the existing HACC Review Agreement 2007 and allow ongoing service delivery for clients receiving HACC services in WA, while negotiations on the future delivery of the HACC program in WA continue.
- This measure transfers the previously allocated funding for the Commonwealth contribution to the delivery of HACC services in WA, from the contingency reserve to the Treasury, to ensure service continues for the people who need them.
- Funding will continue to be provided under the existing Review Agreement in WA until 30 June 2018, with the expectation that revised arrangements for the delivery of HACC services in WA will be negotiated from 2018–19.

Pharmaceutical Benefits Scheme – hepatitis C medicines

- More than 230,000 Australians are estimated to be currently living with hepatitis C, with around 10,000 additional Australians being diagnosed every year.
- About 700 deaths are attributable to chronic hepatitis C infection each year, with thousands more suffering a variety of serious liver diseases and conditions. Deaths from primary liver cancer, for which untreated hepatitis C is a major driver, are rising faster than for any other cancer.
- From 1 March 2016, all adult Australians with chronic hepatitis C have been able to access a range of breakthrough medicines on the Pharmaceutical Benefits Scheme (PBS) – a change that could see the disease all but eradicated as a public health threat in this country within a generation.
- Under this measure, multiple drug combinations for improved treatments for all types of hepatitis C, regardless of the disease severity, are available from 1 March 2016.
- These medicines include Sofosbuvir with ledipasvir (Harvoni®), Sofosbuvir (Sovaldi®), Daclatasvir (Daklinza®), and Ribavirin (Ibavyr®).
- In addition, Paritaprevir with Ritonavir, Ombitasvir and Dasabuvir (Viekira pak®) and Paritaprevir with Ritonavir, Ombitasvir, Dasabuvir and Ribavirin (Viekira pak-RBV®) have been listed from 1 May 2016.
- The combination of breakthrough medicines has a success rate of more than 90 per cent across the hepatitis C patient population. It is faster and has fewer side effects than anything previously available.
- With a cure rate of more than 90 per cent, the medicines will enable most patients to be free of the deadly disease within months. All adult patients with hepatitis C, across all disease genotypes and all severities, and regardless of how they contracted the disease, will be able to access the subsidised medicines.

- Patients will pay just the normal PBS co-payment for a prescription of these medicines – currently \$6.20 for concessional patients and \$38.30 for general patients. Without subsidy, they would pay up to \$100,000.

National Cancer Screening Register

- Nine separate cancer registers into a single National Cancer Screening Register, under this measure starting 1 May 2017.
- The register will support the renewal of the National Cervical Screening Program, including a new cervical screening test and interval, as announced in the 2015–16 Budget, and the expansion of the National Bowel Cancer Screening Program, as it continues to roll out two-yearly bowel cancer screening for all eligible Australians between 50–74 years of age by 2020.
- The national register will create a single view for Australians participating in cervical and bowel cancer screening, meaning for the first time: one record for each participant.
- The national register will be cost-effective, robust, and secure, providing access to information that supports better health outcomes.
- The register will benefit individuals eligible for screening, health care service providers and researchers through more efficient access to screening information.
- Health professionals, including pathology providers, will have improved access to their patients' information.
- Over four years, streamlined invitation and reporting will benefit approximately 1.4 million women aged 25 to 74 years (both HPV vaccinated and unvaccinated) who will be invited to participate in cervical screening, and almost 10 million eligible Australians aged 50 to 74 years, who will be invited to participate in bowel screening.

Regulation of medicinal cannabis – charging arrangements

- In February 2016, the Australian Parliament passed legislation to enable the cultivation of cannabis for medical and scientific use through a licensing scheme to be established under the *Narcotic Drugs Act 1967*.
- Under this proposal, people holding licenses to cultivate medical cannabis will pay the regulatory costs of monitoring and complying with the scheme.
- This proposal will introduce charging arrangements to recover the costs involved in the ongoing regulation of medicinal cannabis which opened the way for Australian doctors and patients to access medicinal cannabis safely, legally and reliably to manage some conditions.
- This proposal will ensure adequate resourcing to undertake thorough compliance and monitoring activities for the cultivation of medicinal cannabis. This is particularly important given the identified risk of this scheme potentially attracting organised crime elements and managing the risk of diversion.
- Australia has an internationally regarded opioid narcotics industry which helps meet medical need around the world. Any failure to manage a controlled medicinal cannabis cultivation scheme would damage this reputation.
- A safe, legal and reliable supply of medicinal cannabis will enable patients with some painful and chronic conditions to get access to the relief they need where it is determined by their doctors to offer potential benefit.

Taking more action to prevent Fetal Alcohol Spectrum Disorders

- This proposal will continue efforts to prevent Fetal Alcohol Spectrum Disorders (FASD) – brain damage in babies caused by women drinking alcohol during pregnancy. It builds on the significant achievements of the National FASD Action Plan 2014–17.
- A new national FASD clinical network, including paediatricians who work with children affected by FASD, will be set up.
- Evidence-based models of support will be rolled out for communities battling high FASD prevalence and its effects, with the benchmark being the successful Fitzroy Crossing Marulu Liliwan Project. This project has led the way in primary intervention approaches, with alcohol consumption in pregnancy reaching a new low of 18 per cent in 2015, down from 60 per cent.
- Pregnant women, their families and social networks will be better informed of the risks of drinking while pregnant, and be more able to access support and assistance to change risky drinking behaviour.
- Health professionals will be more informed regarding FASD and be better supported to diagnose FASD, educate patients/clients about the risks associated with consuming alcohol during pregnancy, and direct patients to further support as necessary.
- Organisations will receive funding to help families impacted by FASD, including through web-based resources, telephone support services and training to professionals who work with children affected by FASD.

Protecting Australians from antimicrobial resistance

- This measure will improve Australia’s capacity to detect, prevent and respond to antimicrobial resistance, an immediate global threat to human health. The measure will enhance existing surveillance programs, integrate national data, identify trends, and develop a plan to improve antibiotic stewardship.
- The proposal will address Australia’s high use of antibiotics in general practice, which is 20 per cent above the OECD average. Bringing prescribing rates down is critical, as high antibiotic use is the number one driver of increasing antimicrobial resistance.
- This measure will integrate and analyse data from several disconnected surveillance programs including the National Antimicrobial Utilisation Surveillance Program, used in the hospital sector, the National Antimicrobial Prescribing Survey, used in hospital and aged care facilities, and the Australian Group on Antimicrobial Resistance, which includes data from up to 31 laboratories around Australia. This national surveillance data is critical to inform patient care and local responses to outbreaks and clusters, identify contributing factors to the emergence and spread of resistant infections, and guide and evaluate the effectiveness of policy and interventions.
- A dedicated national website will be developed to provide a trusted source of information for professionals and consumers.
- This measure will allow the Commonwealth to address the critical areas of the National Antimicrobial Resistance Strategy 2015–2019, including surveillance, awareness and education, management of appropriate antibiotic prescribing, and national leadership and governance.
- The Australian community will be better protected from the threat of antimicrobial resistance.
- Doctors will be supported to improve the appropriateness of antibiotic prescribing, and be given better access to information and resources.

Tobacco plain packaging litigation

- Tobacco plain packaging is a critical part of the Government's comprehensive range of tobacco control measures, and has been effective in reducing smoking. Australia continues to be a world leader in tobacco control.
- This measure will ensure the continued defence of tobacco plain packaging against disputes from the World Trade Organization, and finalise arbitration with Philip Morris Asia Limited.
- This measure is consistent with international law obligations. Australia is committed to defending tobacco plain packaging and will make all necessary resources available to do so.
- Defending tobacco plain packaging is likely to have implications that extend beyond plain packaging, strengthening the ability of Australia and other countries to implement other measures for legitimate public health policy in the future.

National Partnership Agreement on rheumatic fever strategy – extension

- This measure will extend the current Australian Government's rheumatic fever strategy working with relevant state and territory governments to protect Aboriginal and Torres Strait Islander children at risk of acute rheumatic fever and rheumatic heart disease.
- Funding will be increased within the National Partnership Agreement to extend assistance to South Australia.
- The Australian Government will continue to protect Aboriginal and Torres Strait Islander communities at risk of acute rheumatic fever and rheumatic heart disease.
- The measure will maintain and expand the existing state-based patient registers and programs that detect, monitor and manage acute rheumatic fever and rheumatic heart disease.
- The measure will focus on improved clinical care, better adherence to secondary prophylaxis antibiotics, and increased education and training for health care providers, patients, their families and communities.
- Australia's Aboriginal and Torres Strait Islander communities will continue to be protected from acute rheumatic fever and rheumatic heart disease through the ongoing rheumatic fever strategy.
- The Northern Territory, Western Australia, Queensland and South Australia governments will receive continued funding to operate their registers and programs.

Organ and Tissue Donation Review – implementation of recommendations

- The number of people on waiting lists for life saving organ transplants continues to be greater than the number of organs available for transplant.
- Increased rates of organ donation significantly improve quality of life for people living with chronic disease. They also reduce the overall cost to the health system of services such as dialysis.
- This measure reaffirms the Government's commitment to increasing organ and tissue donation rates in Australia. It implements several recommendations of a recent review which identified a need to improve governance of the Australian Organ and Tissue Donation and Transplantation Authority (AOTDTA).

- The review made 24 recommendations to inform the future direction of AOTDTA and lift organ donation rates.
- Overall, the review found that while the national reform agenda has been effective in increasing organ donation rates, specific improvements could be made in some areas.

Medicare Benefits Schedule – support for rural and remote registrars

- This measure aims to boost Australia’s rural health workforce by better supporting general practice registrars training to be GPs in rural areas by granting registrars the same access to GP-related Medicare benefits for the services they provide while training, removing disincentives for medical practitioners to train in regional, rural and remote areas under the ACRRM Independent Pathway.

Rural General Practice Grants Program

- This measure will better support rural general practices to teach and train the next generation of health workers for country Australia. It redesigns the Rural and Regional Teaching Infrastructure Grants (RRTIG) Program to create a more streamlined Rural General Practice Grants Program (RGPGP). Grants will help deliver improved rural health services through additional infrastructure, increased levels of teaching and training, and more opportunities to inform rural communities about healthy living.
- The program will expand the types of entities that can apply for grants, and broaden the types of health practitioners that can use additional infrastructure provided through grants.
- This program will provide more opportunities for medical students to experience rural practice, and for practitioners to develop experience in training and supervising healthcare workers.
- Patients will have access to skilled GPs, allied health professionals, Aboriginal health practitioners and nursing practitioners, with increased levels of teaching and training.