

HEALTH

SUPPORTING MATERIAL

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CHAPTER 1

INTRODUCTION

1. Chapter 6 of the Report outlined the Commission's findings on matters relating to health and the provision of health services. It also provided commentary on:

- (i) Indigenous health characteristics and circumstances;
- (ii) service provision and funding arrangements;
- (iii) possible approaches to measuring need; and
- (iv) other ways in which the Commonwealth could align the distribution of resources with need.

2. In the Report the Commission concluded that:

- (i) ***Health characteristics and circumstances.*** While there are regional differences the health status of Indigenous Australians is poor everywhere. Data on mortality and morbidity show that while there have been improvements over the last 20 to 30 years the health status of Indigenous Australians remains much poorer than that of other Australians. The gap in life expectancy between Indigenous and non-Indigenous Australians remains over 19 years.
- (ii) Indigenous health needs are complex and are somewhat different from those of the rest of the population. For example, hospital utilisation data show that the key causes of hospitalisation for Indigenous Australians are: disorders of the kidney and urinary tract (mainly due to renal dialysis), pregnancy and childbirths, respiratory system (often due to poor environment) and the digestive system. They make up 53 per cent of all separations for Indigenous Australians but only 40 per cent of those for non-Indigenous Australians. Environmental health related conditions are also a key concern for Indigenous people but not so for non-Indigenous Australians.
- (iii) The data show that for Indigenous Australians the number of hospital separations is highest in rural and remote regions whereas for non-Indigenous people the number of separations is highest in capital cities. This reflects differences in the location of the Indigenous and

non-Indigenous population. This is important as services are structured around the location of the total population (who are mainly urban and non-Indigenous.)

- (iv) Data on mortality rates by region show that for Indigenous people health status generally declines with remoteness. Although, the difference in rates between Indigenous people in different geographic areas is small compared to differences between the Indigenous and non-Indigenous populations.
- (v) ***Service provision, funding arrangements and expenditure patterns.*** The health system is complex. There are a number of different funders and providers. There are a number of different programs through which the Commonwealth, States and local governments fund health services. Different regions and distribution methods are used depending on the program.
- (vi) Indigenous and non-Indigenous people have a different pattern of service use. The AIHW estimated that for every dollar spent on a non-Indigenous person \$1.22 is spent on an Indigenous Australian. Expenditure data show that most expenditure on Indigenous people is through public hospitals (47 per cent) and community and public health services (28 per cent). Expenditure on Medicare and PBS is much less than for non-Indigenous Australians (about a quarter of that on non-Indigenous people). This pattern and level is similar to that for non-Indigenous Australians in the same socio-economic group although the health status of Indigenous Australians is much worse.
- (vii) There is limited information on expenditure on Indigenous people by region. The information that is available shows that no matter what the region, expenditure on Medicare and PBS is lower than that for non-Indigenous people. There is a greater reliance on hospitals in remote regions.
- (viii) There are structural and access problems which mean that needs are not being met. Access to key Commonwealth programs such as Medicare and PBS is a cause for concern. Expenditure on Indigenous Australians through these programs is less than that on non-Indigenous Australians and much less than would be expected given the health status of Indigenous Australians.
- (ix) The existing distribution of funding is uneven. Rural and remote areas where needs are higher have lower access to services. However, the depth of Indigenous need was such that no area was overfunded.
- (x) ***Measuring need.*** As needs are high everywhere a redistribution of existing funds would disadvantage people who already have high needs relative to the rest of the Australia population. This would not achieve the Commonwealth's aim of distributing resources according

to need. It would be better to target new funds to areas of need to even out the distribution.

- (xi) The complexities of the health system and data problems mean that it is difficult to measure need, particularly for small areas. However, there are things that can be done. The Commission explored the use of a multi-factor and a population approach.
- (xii) ***Other ways of aligning resources with need.*** Other ways of increasing access and aligning resources with need should be encouraged. Suggestions included the enhancement of partnerships and community control; continuing reform of the mainstream services; enhancing and expanding ACCHSs; improving workforce; increased focus on environmental health and emotional and social well being issues; and improving support services for acute care.

3. In the Report, the Commission focused on primary health care because it considered that improving access to those services will enable Indigenous people to gain the appropriate intervention measures relating to their health needs.

4. This Supporting Material provides further information and discussion of aspects of the health chapter in the Report (Chapter 6). It also provides more detail on the arrangements and issues concerning the delivery of health services to Indigenous people and should be seen as supplementary to the Report. Chapters 2 to 5 contain the following information:

- (i) Chapter 2 contains an overview of primary health care. It discusses how primary health care services are provided, who funds these services, how funds are distributed, the regional pattern of expenditure and the pattern of use of those services. It also contains further information on the Commonwealth's main programs, Indigenous access to these programs, and initiatives designed to increase access. Key issues affecting the need for primary health care are also discussed.
- (ii) Chapter 3 contains further details on the approaches to measuring need for primary care outlined in the Report.
- (iii) Chapter 4 contains an overview the provision and funding of acute care services. It provides further information on the key issues concerning the delivery of acute care and outlines some indicators that highlight aspects of need.
- (iv) Chapter 5 provides further details on the provision, funding and use of aged and community care services. Some indicators of need are also outlined.